

**O-192-19**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF THE INTERNATIONAL REGISTRATION 1376263  
DESIGNATING THE UK  
HELD BY LUONG QUOI COCONUT CO., LTD.:**

**COCOGOODSCO**

**IN CLASSES 3, 29, 32 AND 35**

**AND**

**IN THE MATTER OF THE OPPOSITION THERETO UNDER NO. 411635  
BY CHANEL LIMITED**

## BACKGROUND AND PLEADINGS

1. Luong Quoi Coconut Co., Ltd. (“**the Holder**”) holds an international registration for a trade mark as presented on the front page of this decision, which bears the text “COCOGOODSCO” and is in respect of the following goods and services, only one class of which is opposed (the first below):

Class	Holder’s goods and services
3	Soaps; shampoo; deodorant soap; perfume; essential oil for hair used as cosmetics; virgin coconut oil used as cosmetics
29	Desiccated coconut; virgin coconut oil; crude coconut oil; coconut milk powder made from juice concentrated used as food; coconut milk
32	Canned coconut-based non-alcoholic beverages not being milk substitutes
35	Trading of coconut products including desiccated coconut, virgin coconut oil, refined coconut oil, crude coconut oil, coconut milk powder, canned coconut milk, canned coconut-based non-alcoholic beverages not being milk substitutes

2. The international registration was filed on 7 August 2017, claiming priority from 8 May 2017, based on a trade mark registered in Vietnam. It was also on 7 August 2017 that the Holder filed for the UK designation.
3. The international registration designating the UK (“**the opposed mark**”) was published for opposition purposes in the Trade Marks Journal on 15 December 2017 and is opposed by Chanel Limited (“**the Opponent**”). The opposition is based on section 5(2)(b) under the Trade Marks Act 1994 (“**the Act**”). (The notice of opposition had originally also included a claim under section 5(3) of the Act, but that ground was removed at the request of the Opponent<sup>1</sup>.)
4. The opposition is only partial, being directed against only the Holder’s goods in class 3 (as listed above). The Opponent relies in these proceedings on its ownership of a UK trade mark registration (No. 1302505) for the word mark “COCO”, which is registered for goods in Class 3. For this opposition, the Opponent relies on the registered goods listed in the table

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<sup>1</sup> Paragraph 5 of the Witness Statement of Lucy Kathryn Aboulian.

below, which reflects the exclusion during the evidence rounds<sup>2</sup> of a few terms – including “preparations for the hair”- that had initially been present in the notice of opposition:

<b>Goods in Class 3 relied on by the Opponent</b>
Soaps; perfumes; eau de colognes; toilet waters; cosmetics; essential oils; non-medicated toilet preparations; non-medicated preparations for the care of the skin; deodorants for personal use; lipsticks all included in Class 3; but not including any of the aforesaid goods made from, or containing cocoa butter.

6. The Opponent applied for its trade mark on 2 March 1987; therefore, in relation to the opposed mark, the Opponent’s is an “**earlier mark**” as defined in section 6 of the Act. The earlier mark completed its registration process on 14 April 1989 when it was entered in the register. The notice of opposition included a statement of use confirming to the effect that, in the five-year period ending with the date of publication of the opposed mark, the earlier mark had been used for all of its goods as now relied on.
7. The Opponent stated its case under section 5(2)(b) of the Act as follows: “COCO is the name by which the founder of the Opponent, Gabrielle “Coco” Chanel was affectionately known. In homage to their founder, the Opponent uses COCO in respect of a range of goods in Class 3. As a result of extensive use by the Opponent, COCO is well known and associated exclusively with the Opponent in respect of goods in Class 3 and others.” The Opponent claims:
- that the contested mark is visually, phonetically and conceptually similar to the earlier mark;
  - that COCO is the most distinctive element of the contested mark since the additional words GOODSCO are non-distinctive, and that the phonetic and conceptual similarity between the marks is therefore particularly high;
  - that the Class 3 goods covered by the contested mark are identical or similar<sup>3</sup> to the goods covered by the earlier mark;
  - that since the marks are similar, and the goods identical or similar, there is a likelihood of confusion on the part of the public, including a likelihood of association;

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<sup>2</sup> Paragraph 6 of the Witness Statement of Lucy Kathryn Aboulian. The other excluded terms were: “cleansing masks, anti-perspirants; preparations for the care of the nails”.

<sup>3</sup> The Statement of Grounds referred only to identity, but following movement in the goods relied on, subsequent submissions from the Opponent argue both similarity and identity between the parties’ goods.

- that the likelihood of confusion is increased by virtue of the enhanced distinctive character of the earlier mark as a result of the use that has been made of it, and because the only distinctive component of the contested mark is identical to the Opponent's mark, and because of the identity of the goods concerned.

### **The Holder's defence**

8. The Holder submitted a Form TM8 notice of defence, including a counterstatement denying the grounds. The Holder:
  - i) **admitted** that the goods in the notice of opposition are identical<sup>4</sup>, but put the Opponent to **strict proof of use**;
  - ii) **did not admit** the claimed enhanced distinctive character, nor that the mark COCO is "well known and exclusively associated with the Opponent in respect of goods in Class 3 and others" and put the Opponent to proof of those claims;
  - iii) **denied** similarity between the marks, arguing in particular that the word "COCO" does not have "an independent role but is subsumed within the overall mark and the combination of COCO and GOODSCO conveys the idea of business which sells merchandise that features goods related to coconut, such that there is a conceptual difference from the earlier mark, as well as visual and phonetic differences."
  - iv) **denies** a likelihood of confusion and argues that "the word "coco" is frequently used as a short form for "coconut" and does not distinguish trade origin of goods flavoured with or related to coconuts, including the goods and services claimed under the Opposed Mark, such that there is not a likelihood of confusion."

### **Papers filed, representation and hearing**

9. The Holder is represented by Haseltine Lake LLP. The Holder chose not to attend the oral hearing of this matter, but filed submissions in lieu of attendance. The Opponent is represented by Withers & Rogers LLP. In addition to the statement of grounds in its notice of opposition (Form TM7), the Opponent filed evidence during the evidence rounds, and filed a skeleton argument ahead of the hearing. I summarise below the evidence filed and refer to particular aspects where appropriate in this decision. I also take into account the

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<sup>4</sup> I have noted the subsequent removal of certain terms relied on by the Opponent, which terms might have contributed to the Applicant's admission of identity in respect of all goods.

parties' submissions. An oral hearing took place before me on **19 March 2019**, attended by Marisa Broughton of the Opponent's legal representatives.

### **The Opponent's evidence**

10. The Opponent's evidence was extensive and orderly, and filed expressly in response to the request for proof of use of its mark and in support of its claimed enhancement of distinctiveness of the earlier mark through use in relation to the specified goods. The evidence comprised a **Witness Statement of Lucy Kathryn Aboulian with Exhibits LKA1 to LKA16**. Ms Aboulian is the Head of Intellectual Property (Regional) of the Opponent, employed by the Opponent since 2009. Paragraphs 17, 24, 34 and 35 of the Witness Statement contain commercially sensitive information not in the public domain, and following a request by the Opponent under Rule 59 of the Trade Marks Rules 2008, with no objection by the Holder, the Registry directed on 2 October 2018 that those passages be kept confidential to the Registrar, the Opponent, the Holder and the parties' representatives, and not be open to public inspection.
11. Ms Aboulian describes the growth of the Opponent company, established in the UK in 1925, becoming one of the leading fashion brands in the world. Ms Aboulian states that the COCO trade mark is a "core and distinctive part of Chanel's branding" and has been used "in relation to a wide range of goods for several decades, including ... perfumes, cosmetics and skincare products ... such that the name "COCO" is now synonymous with Chanel's business." Ms Aboulian refers to various books and a musical show that have included the name "Coco" in reference to Mlle Chanel, and to two feature film titles including her name in 2009.
12. "The Opponent first used COCO as a trade mark in relation to a fragrance and associated body range, launched in 1984. Since then, Chanel has expanded its "family" of COCO trade marks, launching two further fragrances under the COCO brand" - COCO MADAMOISELLE in 2001, and COCO NOIR in 2012. Ms Aboulian states that the COCO body range includes moisturising body lotion, soap, deodorant, shower gel, bath gel and body cream - and **Exhibit LKA2** shows those products for sale in John Lewis for the period 2014-2017. Chanel first used COCO in respect of lipstick in 2010 and that lipstick collections under its COCO trade mark "have been heavily featured in the media". The Witness Statement explains that ROUGE COCO is the name of Chanel's collection of lip colour lipsticks;

ROUGE COCO STYLO is the product with a pen-style applicator; ROUGE COCO SHINE is the name of Chanel's collection of semi-sheer lip shine lipsticks, and it also sells ROUGE COCO GLOSS. **Exhibit LKA3** shows those products for sale in John Lewis for the period 2015-2017.

13. The Witness Statement shows (at its paragraph 17) annual sales figures in respect of the COCO fragrance and body range as consistently totalling millions of pounds in each of the years 2012 – 2017. It also shows comparable millions of pounds of sales from 2011 – 2017 in respect of lipsticks, although those figures cover products bearing both the ROUGE ALLURE and ROUGE COCO. Although it was not possible to separate the figures for ROUGE COCO, it was stated at the hearing that the split in sales was approximately even. **Exhibit LKA5** bears out the actuality of sales by showing a selection of redacted invoices from 2012 -2017, relating to department stores across the UK, covering lipsticks, fragrance, bath gel, body lotion, body cream, deodorant and bath soap. Ms Aboulian states that Chanel also use ROUGE COCO in respect of lip balm – I shall return to this when I consider proof of use and a fair specification.
14. Ms Aboulian also states that “Chanel has educated the consumer as to the distinctiveness of COCO in respect of lipstick through the use of the slogan I LOVE COCO and the hashtag #llovecoco.” This is shown, for example, at **Exhibit LKA7**, page 150, in an advertisement featuring the actress Keira Knightley. The same exhibit shows the prominence given to the COCO mark component, even when used in combination with terms such as ROUGE or SHINE. **Exhibit LKA4-2** shows point of sale installations used in 2016 in various John Lewis stores across the UK, which again shows the emphasis placed on COCO as the distinctive component of the branding.
15. The Witness submits that the use of ROUGE COCO constitutes use of COCO on the basis that ROUGE is descriptive of lipstick and therefore COCO is the distinctive component of the mark and operates as the sole indicator of the trade origin of the goods concerned. **Exhibit LKA4-1** are extracts from various online dictionaries confirming the definition of “rouge” as “any of various cosmetics for colouring the cheeks or lips red”.

16. Paragraphs 34 and 35 of the Witness Statement give the market share<sup>5</sup> enjoyed by the Opponent in respect of COCO branded fragrance from 2012 – 2017 and for lipstick in 2015. The products consistently rank in the top 20 (or much better) and achieve market shares measured in whole percentages. The Opponent submits that such figures represent a sizeable proportion of a very saturated market of hundreds of brands.
17. As to advertising, the Witness explains that Chanel does not invest in promotion of its COCO fragrance, moisturising body lotion, soap, cosmetics, deodorant, shower gel, bath gel, or body cream in light of the high sales figures and consistent market share achieved for those goods without such investment. Nonetheless, the COCO fragrance still features in the press as evidenced by **Exhibit LKA13** which shows extracts from publications such as *Harper's Bazaar*, *Vogue*, *Cosmopolitan* and *The Sunday Times*, from dates 2013 – 2017.
18. In relation to lipstick bearing the COCO trade mark, the Witness Statement shows (paragraph 24) that Chanel has invested millions of pounds in advertising from 2011 – 2017. Ms Aboulian identifies various promotional streams, both print and digital, including billboards, magazines and on third party websites (as well as its own) and via Instagram, Twitter, Facebook and YouTube. The relevant cohorts behind these social media outlets number in the tens of millions, and the ROUGE COCO short promotional film published in 2015 on YouTube is shown to have been viewed over two million times. **Exhibits LKA6 – LKA13** further evidence the promotional claims<sup>6</sup>. The evidence includes the results of monitoring levels of public engagement with relevant online media activity, which show that the 2016 - 2017 ROUGE COCO GLOSS campaign achieved over 18 million views, and that consumers actively interacted with a post (e.g. by sharing or liking) over 1,800,000 times.

## **PROOF OF USE**

19. The Opponent must show that, in relation to the registered goods on which it relies, the earlier mark has been put to genuine use during the 5 years up to the date when the Holder's mark was published for opposition purposes. The **relevant period** for proving use in this case is therefore between **16 December 2012** to **15 December 2017**.

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<sup>5</sup> Supported by **Exhibits LKA14** and **LKA15**.

<sup>6</sup> I do, however, take cognisance of the Applicant's submission that **Exhibits LKA11** and **LKA12**, which show media articles identifying Chanel as the most popular and influential luxury brand on social media, do not relate directly to use of the earlier mark.

20. Section 6A of the Act states that the use conditions are met if:

“ ... (3) (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) ....”

21. Section 100 of the Act makes it clear that the burden of proof falls on the Opponent to show that it has used its mark.

22. The case law principles on genuine use were recently summarised by Arnold J in *Walton International*<sup>7</sup>, which I shall not set out in full here, since for the purposes of this decision I consider it enough to state that the evidence filed by the Opponent clearly demonstrates real and substantial commercial exploitation of its mark<sup>8</sup> in the UK, consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods to the consumer or end user by enabling that person to distinguish the goods from others which have another origin. However, the proper extent of the goods for which use has been shown is a question that requires closer consideration.

23. I find that the mark has certainly been used in relation to most of the goods relied on by the Opponent and promoted on a considerable scale in the UK during the relevant period, achieving a notable market share in relation to fragrance and lipstick. I must decide whether the Opponent’s evidenced use entitles it to rely on *all* of the goods on which it relies, or on

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<sup>7</sup> *Walton International Limited v Verweij Fashion BV* [2018] EWHC 1608 (Ch) - at paragraph 114.

<sup>8</sup> Use of a mark generally includes its use as part of a composite mark or in conjunction with another mark, as long as the registered mark continues to fulfil its function of indicating the origin of the goods or services. see *Colloseum Holdings AG v Levi Strauss & Co*, C-12/12, paragraphs 31-35 and the case law cited therein.



some only. Where genuine use of a mark is shown in respect only of some goods covered by the general wording of the specification, and not others, it is necessary for the tribunal to arrive at a fair specification. Mr Geoffrey Hobbs Q.C., sitting as the Appointed Person in the *Mellis* case<sup>9</sup>, stated that “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.” In the *Titanic Spa* case<sup>10</sup>, Carr J referred to the established legal principles, including as follows:

- “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.”

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<sup>9</sup> *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10 (at page 10 of that decision)

<sup>10</sup> *Property Renaissance Ltd (trading as Titanic Spa) v Stanley Dock Hotel Ltd (trading as Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), at paragraph 47 of that judgment. The case relates to cancellation for non-use, but the principles apply by analogy in the current circumstances.

24. I also note that both parties made concessions, which I take into account in this context. The Holder acknowledges, at paragraph 19 of its submissions in lieu of hearing, that the Opponent has shown use in respect of some of the goods claimed, and submits that the opposition should proceed only based on the following fair specification of goods:

<b>Holder's submission as a fair specification of goods</b>
Soaps; perfumes; eau de colognes; toilet waters; <del>cosmetics</del> ; <del>essential oils</del> ; non-medicated preparations for the care of the skin, <i>namely body lotions and body cream</i> ; deodorants for personal use; lipsticks all included in Class 3; but not including any of the aforesaid goods made from, or containing cocoa butter.

25. *Essential oils* - By way of concession on behalf of the Opponent, it was accepted in its skeleton argument that no use had been shown in relation to *essential oils*. I shall omit that term from my formulation of a fair specification.

26. *Cosmetics* and *Lipsticks* - The Opponent resisted the deletion of the term *cosmetics*, on the basis of the Opponent's contention that its evidence shows use in respect of lip balm as well as lipsticks. The Opponent marshals "lip balm" as a distinct product to be considered alongside the term *lipsticks*, and argues that taken together the two terms create a sufficient grouping of goods to support its reliance on the broader term *cosmetics* in its specification.

27. Taking into account the guidance from case law (above), I am not convinced that evidence of use in relation to *lipsticks* – even if coupled with *lip balm* – would in the perceptions of the average consumer justify protection in relation to *cosmetics* at large. The earlier mark includes the specification of *lipsticks* and I find that a ready sub-category within the more general term *cosmetics*. I firstly note the Holder's acceptance that the evidence shows use of the earlier mark in relation to lipsticks. I also note the Opponent's submissions that use of a trade mark together with a generic indication of the product or descriptive term should be considered as use of the registered mark, and that additions that are just indications of characteristics of the goods, such as their kind or intended purpose, do not in general constitute use of a variant, but use of the mark itself. Given the ordinary meaning of *rouge* in English, evidence at **Exhibit LKA4-1**, I accept that ROUGE COCO shows use of the earlier mark in respect of lipsticks.

28. In support of its claimed evidence of use of the mark in relation to lip balm, the Opponent drew my attention to pages 55, 56, 102, 117 and 124 of the evidence, and, at the hearing, to pages 59, 68, 95 and 266. I accept the evidence of the statement by Ms Aboulian that Chanel also use ROUGE COCO in respect of lip balm (which claim has not been directly challenged by the Holder and which is supported by the pages identified in this paragraph). I understand the French significance of the term *baume* at those pages, in the term “ROUGE COCO BAUME” evidenced, although (notionally) the average consumer would not. I am doubtful as to whether ROUGE COCO BAUME demonstrates use of the earlier mark in a form that satisfies section 6A(4)(a) of the Act. In the circumstances, I decline to include the term in the fair specification, although its exclusion will make no material difference in this decision.
29. *Non-medicated preparations for the care of the skin* – I accept the Opponent’s submission that the evidence of use in relation to *body lotion, soap, deodorant, shower gel, bath gel* and *body cream* covers a sufficient number of sub-categories of *non-medicated preparations for the care of the skin* to justify maintenance of that phrase as part of a fair specification. I also find that those goods warrant the inclusion of the phrase *non-medicated toilet preparations* – to which the Holder makes no reference in its submissions.
30. Consequently, I consider the following to be a fair specification in relation to the earlier mark on which the Opponent may rely as a basis of its claim under section 5(2)(b) of the Act:
- Soaps; perfumes; eau de colognes; toilet waters; cosmetics; essential oils; non-medicated toilet preparations; non-medicated preparations for the care of the skin; deodorants for personal use; lipsticks all included in Class 3; but not including any of the aforesaid goods made from, or containing cocoa butter.*

## **DECISION**

31. Section 5(2)(b) of the Act, reads as follows:

“5. – [...]

(2) A trade mark shall not be registered if because – [...]

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

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

32. Determination of a section 5(2)(b) claim must be made in light of the following principles, which 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 are:
- (a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;
  - (b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;
  - (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
  - (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;
  - (e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

- (f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
- (g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;
- (h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;
- (i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
- (j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;
- (k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

### Comparison of the goods

33. The goods to be compared are:

Holder's goods	Opponent's fair specification
<b>Class 3:</b> Soaps; shampoo; deodorant soap; perfume; essential oil for hair used as cosmetics; virgin coconut oil used as cosmetics	<i>Soaps; perfumes; eau de colognes; toilet waters; non-medicated toilet preparations; non-medicated preparations for the care of the skin; deodorants for personal use; lipsticks all included in Class 3; but not including any of the aforesaid goods made from, or containing cocoa butter.</i>

34. The Holder had admitted in its counterstatement that the goods as initially relied on were identical, but by the time of its submissions in lieu admitted identity only in respect of *Soaps; deodorant soap; perfume*. **There is clearly identity in relation to those goods.**

35. As to the other goods – *shampoo; essential oil for hair used as cosmetics; virgin coconut oil used as cosmetics* - the parties both acknowledge similarity, but in differing estimated degrees. In comparing those remaining goods I bear in mind that it is clear from case law such as *Meric*<sup>11</sup> that goods may be considered as identical when the goods designated by the earlier mark are included in a more general category designated by the trade mark application or vice versa, and in considering the extent to which there may be similarity between goods, I take account of factors such as<sup>12</sup> those identified by the Court of Justice of the European Union (“the CJEU”) in *Canon*<sup>13</sup> where it states that:

*“In assessing the similarity of the goods ... all the relevant factors relating to those goods .. 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”.*

36. *Shampoo* – the Holder limits its comparison in relation to *shampoo* only to the Opponent’s *soaps* and submits that the level of similarity is “low to, at most, medium”. The Holder acknowledges that shampoo and soap are both goods that are personal cleaning products, directed to an identical category of consumers and would be sold in the same shops in reasonably close proximity. However, it submits that there is little similarity in terms of nature and methods of use, since soaps are generally for hand washing, multiple times daily, whereas shampoo will be used once a day or less, during a shower or bath. It submits that the goods are not in direct competition with one another and that there is no complementarity in the case law sense. For its part, the Opponent submitted that soaps and shampoo were similar to “at least a medium degree, if not highly similar”. The Opponent submitted furthermore that since *non-medicated toilet preparations* include goods such as shower gel, which may be used interchangeably with shampoo, those goods are similar to a high degree. **I find that the goods are similar to at least a medium degree**<sup>14</sup>.

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<sup>11</sup> See paragraph 29 of the judgment of the General Court in *Gérard Meric v Office for Harmonisation in the Internal Market (OHIM)*, Case T- 133/05

<sup>12</sup> I also note the description of “complementary” in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, and note too the relevant factors for assessing similarity (such the respective users of the services) identified by Jacob J (as he then was) in *British Sugar PLC v James Robertson & Sons Ltd* [1996] R.P.C. 281

<sup>13</sup> Case C-39/97, at paragraph 23.

<sup>14</sup> Indeed, it may be argued that *non-medicated toilet preparations* may include *shampoo*, giving rise to identity in the *Meric* sense.

37. *Essential oil for hair used as cosmetics* - the Holder submits that this would be “part of a hair care regimen, rather than for cleaning purposes and is, at least, one further step removed from soap or any of the other, non-haircare, products covered by the earlier mark. The level of similarity is very low.” The Opponent argues that *essential oil for hair used as cosmetics* are similar not only to soaps, but also to its fragrance goods and *non-medicated toilet preparations*, referring in particular to its evidenced shower gel and bath gel. The Opponent argues similarity on the basis of shared distribution channels and the same relevant public. Although *non-medicated toilet preparations* may be wide enough to encompass the *essential oil for hair used as cosmetics*, since *essential oils* and *cosmetics* are expressly omitted from the Opponent’s fair specification, **I find there is no more than a low level of similarity** with any of the Opponent’s goods on the basis of the points put forward by the parties.
38. *Virgin coconut oil used as cosmetics* - the Opponent submits, among other things, that these goods are similar to *non-medicated toilet preparations* and to *non-medicated preparations for the care of the skin* to a medium or high degree, as oils are routinely used as preparations for the care of the skin and are therefore interchangeable with products such as body lotion. **I find that the goods are similar to at least a medium degree.**

### **The average consumer and the purchasing process**

39. In *Hearst Holdings Inc*,<sup>15</sup> Birss J. explained that “... *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 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 word “average” denotes that the person is typical ...*”.
40. It is common ground between the parties in this case that the average consumer for the respective goods at issue is drawn from the general public. The contested goods run a spectrum of prices, but include more or less “everyday” goods and the attention level in selecting and buying them will vary from low to average. The goods will be bought in shops or via the internet or catalogue. The consumer will see the marks used on the goods as labelling or branding or in advertising, where a consumer will peruse shelves and browse

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<sup>15</sup> *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), at paragraph 60.

the internet or promotional publications to select the goods. Therefore, I consider the purchase to be a primarily visual one<sup>16</sup>, but aural considerations may also play a part, such as on the basis of word of mouth recommendations, so I also take into account the aural impact of the marks in the assessment.

### **Distinctiveness of the earlier mark**

41. The distinctive character of the earlier mark must be assessed, as the more distinctive the earlier mark, either inherently or through use, the greater the likelihood of confusion (*Sabel* at [24]). In *Lloyd Schuhfabrik*, 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-2779, 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)”.

42. The Opponent submits that with regard to the inherent characteristics of the earlier mark, “COCO” is of average distinctiveness. For its part, the Holder contends<sup>17</sup> that the level of inherent distinctiveness of COCO is low to average and that it may be seen as indicating a

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<sup>16</sup> See paragraphs 49 and 50 of the judgment of the General Court in *New Look Limited v OHIM*, joined cases T-117/03 to T-119/03 and T-171/03.

<sup>17</sup> Paragraph 23 of its submissions in lieu.



natural ingredient, namely, coconut or cocoa butter and/or scent characteristic, especially in relation to the types of products at issue. In its response to that point, the Opponent accepted that COCO may be considered non-distinctive in respect of goods including coconut or cocoa butter, but highlighted, firstly, that the terms "soaps, shampoos, deodorant soap; perfumes; essential oil for hair use as cosmetics" covered by the Holder's Mark are not limited to goods containing or scented with coconut or cocoa butter; it is only the term "virgin coconut oil used as cosmetics" that involves such a limitation. And secondly, the Opponent referred to page 30 of its evidence (being a product information synopsis from the John Lewis website dated 30 November 2015) which describes the COCO fragrance as an "oriental-floral fragrance" with "the citrus note of mandarin, the richness of jasmine and the enveloping presence of patchouli." The Opponent submits it is evident that the Opponent's fragranced goods are not scented with coconut or cocoa butter, and states that its lipsticks and lip balm have no fragrance at all.

43. The goods relied on by the Opponent expressly exclude cocoa butter as an ingredient. No evidence has been filed relation to 'coco' being a common shortened form for coconut. Moreover, the Holder also accepted that the earlier mark may create the impression of the first name derivation as detailed by the Opponent. On that basis, I find that the mark has an average distinctiveness from an inherent perspective. Moreover, on the basis of the evidence filed I accept the Opponent's claim that the distinctiveness of the mark has been enhanced through use in the UK by 8 May 2017 (the priority date of the filing of the Holder's mark). This is especially the case for its fragrance and lipsticks; I note that the Opponent does not feature the COCO body lotion, soap, deodorant, shower gel, bath gel and body cream specifically in its advertising, but I accept that these goods are scented with the COCO fragrance, are put on the market with and sold adjacent to the fragrance, such that the enhanced distinctive character in respect of the fragrance "spills over" to the associated body range. (If am wrong to assess the mark as having an average degree of inherent distinctiveness, taking account of the potential for the goods under the mark to include a coconut ingredient, then I find that the enhancement through use raises the distinctive character to above average overall.)

### **Comparison of the marks**

44. It is clear from *Sabel* 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 in *Bimbo* 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 therefore be wrong to dissect the trade marks artificially, but it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features that are not negligible and therefore contribute to the overall impressions created by the marks. The marks to be compared are shown below:

<b>Opponent’s earlier trade mark:</b>	<b>COCO</b>
<b>Holder’s contested trade mark under its international registration:</b>	<b>COCOGOODSCO</b>

46. The overall impression of the earlier mark is that it is the single word “COCO”, which, as the Holder submits, is self-evidently its distinctive and dominant element.
47. The overall impression of the Holder’s mark is that it is the unbroken presentation of three words or textual components, namely COCO GOODS CO. The conjoining of the three components adds almost nothing to the mark in terms of distinctive character because the words remain readily apparent; the impression created is barely greater than the sum of its constituent parts. The average consumer is likely to perceive and refer to the mark as COCO GOODS CO. The parties made submissions on the distinctive and dominant components of the contested mark. The Holder’s position is that the dominant and distinctive element of its mark is “COCO GOODS”. The Opponent disagrees that GOODS is distinctive of anything, and submits that the “GOODSCO” component of the Holder’s mark is non-distinctive and descriptive and that the relevant consumer will identify COCO as the dominant element. I find that of the three components that make up the Holder’s mark, it is the COCO component that clearly bears the greatest weight in its trade mark message.

### *Visual similarity*

48. The earlier mark is present in its entirety as the first four letters of the Holder's mark; however, the Holder's mark includes two further words – GOODS CO - that are absent from the Opponent's earlier mark. Those additional seven letters obviously create a visual difference. The Holder submits that "the marks are visually similar only to a low to medium degree". The Opponent submits that the marks are visually similar to medium degree.
49. Taking into account the overall impressions of the respective marks and their distinctive and dominant components, I find them visually similar to a medium degree<sup>18</sup>.

### *Aural similarity*

50. For comparable reasons to the above visual analysis, and noting that the earlier mark will be voiced as the first word in the Holder's mark, I find the marks aurally similar to a medium degree.

### *Conceptual similarity*

51. The parties agree that the average consumer will understand the "CO" element of the Holder's mark as "Company". The Holder submits that its contested mark "will immediately make the average consumer think of a company selling products, potentially linked to coconut." It submits that in contrast the earlier mark "will simply be perceived as referring to a person" and that "the degree of conceptual similarity is low".
52. The Opponent also submits, among other things, that the average consumer is likely to perceive a reference to a person, "particularly given the association between Chanel and the COCO trade mark". The Opponent submits that to the extent that the Holder's mark is used in respect of goods containing or fragranced with coconut, the average consumer will consider it non-distinctive and descriptive; and that to the extent the Holder's mark is used in respect of goods that do not contain coconut the Opponent's representative argued that the degree of conceptual similarity is quite high.
53. I find that the average consumer may perceive the concept in the Holder's mark in more than one way, as the parties submit. I find that the COCO component of the Holder's mark

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<sup>18</sup> I note that the Holder's mark is presented in a particular font (though one in no way elaborate), but since the Opponent's is registered as a word mark, it may be used in different scripts (fonts or typeface) including precisely that in the Holder's mark, so that very minor difference has no bearing in this context - See for example paragraph 47 of *Sadas SA v. OHIM* Case T-364/04.

may be perceived in a conceptually identical way to the earlier mark. Thus, the concept of the Holder's mark is a goods company connected to "COCO". Taking into account the overall impressions of the respective marks and their distinctive and dominant components I find they share a medium degree of conceptual similarity.

### **Conclusion as to likelihood of confusion**

54. I make a global assessment of likelihood of confusion that takes account of my findings set out in the foregoing sections of this decision and of the various principles from case law outlined in paragraph 32 above. Earlier in this decision I concluded that:
- Of the three components that make up the Holder's mark, it is the COCO component that bears the greatest weight in its trade mark message; the overall impression and distinctiveness of the Opponent's trade mark lies simply and inevitably in its one word "COCO", which has an average degree of inherent distinctiveness for the goods to which it relates; its distinctiveness has been enhanced through its use in the UK in relation to lipsticks and fragrance, and the enhanced distinctive character in respect of the fragrance "spills over" to body lotion, soap, deodorant, shower gel, bath gel and body cream;
  - the parties' marks are, to a medium degree, visually, aurally and conceptually similar;
  - the parties' goods are identical or else mostly similar to at least a medium degree; only in relation to *essential oil for hair used as cosmetics*, do I find no more than a low level of similarity;
  - the average consumer of the goods at issue will be the general public, whose attention level in selecting and buying the goods will vary from low to average, where visual considerations predominate but aural considerations are also relevant.
55. The Opponent's registered trade mark gives it exclusive rights in law to the word COCO in relation to its goods at issue. The identical word starts the Holder's mark, where case law<sup>19</sup> suggests that the average consumer may focus its attention, and where the other components of the Holder's mark are lacking in distinctiveness.
56. I bear in mind the principle that there is an interdependence of factors, such that a lesser degree of similarity between the marks may be offset by a great degree of similarity between the goods and vice versa. When I weigh in the balance all of the above factors, I conclude

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<sup>19</sup> See for example paragraphs 81 -83 of the ruling of the General Court in *El Corte Inglés, SA v OHIM*, joined Cases T-183/02 and T-184/02.

that *in relation to the Holder's contested goods that are identical or similar to a medium degree*, there is a likelihood that the average consumer, even though deemed well informed and reasonably circumspect and observant, encountering the respective marks, may wrongly believe that those goods are provided by the same or economically-linked undertaking. There is thus a likelihood of confusion for such goods. However, since I have found the level of similarity between the parties' goods to be low in relation to *essential oil for hair used as cosmetics*, even factoring in the interdependence principle, I find no likelihood of confusion.

57. Confusion can be either direct (which in effect 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). Indirect confusion (and its distinction from direct confusion), was considered by Mr Iain Purvis QC, sitting as the Appointed Person<sup>20</sup>, in *L.A. Sugar Limited v By Back Beat Inc*,<sup>21</sup> where he noted 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 recognised 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:*

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<sup>20</sup> An Appointed Person is a senior lawyer, expert in intellectual property law, who hears appeals against decisions of the trade mark tribunal.

<sup>21</sup> Case BL-O/375/10

- (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).”*

58. No likelihood of confusion arises where a later mark merely calls to mind the earlier mark (mere association). Sitting as the Appointed Person in *Eden Chocolat*<sup>22</sup>, James Mellor QC stated as follows:

*“81.4 ... I think it is important to stress that a finding of indirect confusion should not be made merely because the two marks share a common element. When Mr Purvis was explaining<sup>23</sup> in more formal terms the sort of mental process involved at the end of his [16], he made it clear that the mental process did not depend on the common element alone: ‘Taking account of the common element in the context of the later mark as a whole.’ (my emphasis).”*

59. It seems to me that where confusion is likely to arise in this case, it would most likely be indirect; by way of real-world illustration, it may be wrongly inferred that there is a connection on the basis that contested mark refers to a goods company (non-distinctive elements in the contested mark) concerned with the Opponent’s goods under its (distinctive) COCO mark, for example in a wholesale, seconds, or secondary market business capacity.

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<sup>22</sup> Case BL O-547-17 *Eden Chocolat be more chocstanza* (word & device) v Heirler Cenovis GmbH (27 October 2017)  
<sup>23</sup> In *L.A. Sugar Limited v By Back Beat Inc* Case BL-O/375/10 –above.

## OUTCOME

60. **The opposition on the basis of section 5(2)(b) succeeds in relation to most of the contested goods, namely: soaps; shampoo; deodorant soap; perfume; virgin coconut oil used as cosmetics**
61. **The designation of the UK under the subject international registration can proceed in relation to the following of the Holder's goods: essential oil for hair used as cosmetics**

## COSTS

62. The Opponent has successfully opposed the Holder's application to register its trade mark and is entitled to a contribution towards its costs, based on the scale published in Tribunal Practice Notice 2/2016. The award breakdown is as follows:

Official fee for Form TM7	£100 <sup>24</sup>
Preparing a statement and considering the other side's counterstatement	£200
Preparation of evidence	£750
Preparation of skeleton argument in light of other side's submissions and attendance at hearing	£650
<b>Total</b>	<b>£1700</b>

63. I order Luong Quoi Coconut Co., Ltd. to pay Chanel Limited the sum of £1700 (one thousand seven hundred pounds) which, in the absence of an appeal, should be paid within fourteen days of the expiry of the appeal period.

**Dated this 10<sup>th</sup> day of April 2019**

**Matthew Williams**

**For the Registrar**

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<sup>24</sup> The fee for the TM7 as originally filed was £200, since it included grounds other than under sub-sections 5(1) and 5(2) of the Act. However, since the opposition proceeded only on the basis of section 5(2)(b), the lower fee is appropriate.