


O/418/19

TRADE MARKS ACT 1994


**IN THE MATTER OF AN APPLICATION TO PROTECT AN INTERNATIONAL
TRADE MARK REGISTRATION IN THE UK UNDER NO 1 344 414:  BY
JELLY HOLDINGS B.V.**

AND

IN THE MATTER OF OPPOSITION THERETO BY TOCA BOCA A.B.

Background and pleadings

1. Jelly Holding B.V. (the applicant) applied to protect International Trade Mark

No 1 344 414 :  in the UK on 13th July 2017. It was accepted and published in the Trade Marks Journal on 13th November 2017 in respect of the following goods and services:

Class 09:

Computer hardware and software; films, computer games, software for computer games, loadable computer programs, computer programs, software in the form of applications (app); software applications, downloadable or non-downloadable via the Internet; software for transmitting photographs to mobile telephones, video, audio and data carriers; digital and electronic publications; digital books; apparatus for the recording, transmission and reproduction of sound or images; computer peripheral devices and data processing apparatus, including computer mice, computer mouse pads, headphones, control panels for headphones, keyboards.

Class 16:

Printed matter, including books, periodicals, journals, posters and printed documents; paper; cardboard; bookbinding material; photographs; office supplies; adhesives for office or household use; artists' materials; paintbrushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); school supplies such as: agendas, writing or drawing books, files, craft paper, writing materials, pencil sharpeners, erasers, labels, note pads, note books; plastic for packaging, not included in other classes, printing type; printing blocks.

Class 25:

Clothing, footwear and headgear; clothing, namely, shirts, leggings, trousers, shorts, jeans, pant suits, trousers, dresses, tops, tunics, skirts, t-shirts, pullovers, overalls, shawls, ties, gloves, jackets, blazers, overcoats; lingerie, corrective or not; pajamas, bathrobes, kimonos, tights, stockings, socks and swimwear; bathing suits, bikinis and bathing costumes, trunks; body suits, underwear, corrective undergarments; clothing of leather or imitation leather, namely, jackets, trousers, skirts, dresses, boots, shoes, leggings, gloves, blazers; professional clothing, namely, suits, trousers, shorts, dresses, tops, tunics, skirts, t-shirts, blouses, men's shirts; dresses, namely, evening dresses, cocktail dresses, ball dresses, long dresses and short dresses; sportswear, namely, shirts, leggings, shorts, tops, skirts, t-shirts, sweaters, gloves, underwear for sports; protective clothing against solar rays; footwear, namely boots, shoes, slippers, sandals, pumps, sports shoes, trainers, sneakers; clothing accessories, namely, belts, shawls and gloves; headgear, namely, caps, hats, bandanas, bonnets.

Class 35:

Merchandising; commercial intermediation services for the sale of goods for merchandising whether or not via the Internet ("webshop" services); commercial intermediation services for the placement of advertisements and promotion on the Internet; direct marketing, public relations, advertising and promotion, including the organization of promotional advertising campaigns and the writing, drafting and dissemination of publicity texts; the bringing together, for the benefit of others, of films, illustrations and photographs, enabling consumers to view and purchase those goods; database management; preparation of data files including the preparation and management of data files for websites; information and advice relating to the aforementioned services, the aforementioned services also via the Internet; retail services connected with the sale of syndicated audio-visual works, videos and films; information, consulting and advice relating to the aforementioned services whether or not via the Internet.

Class 41:

Production and presentation of films, videos and audiovisual works, particularly in the nature of a video blog or vlog, including via the Internet, on websites, blogs and social media intended for this purpose; film and video production; production, broadcasting, provision and presentation of entertainment and diversion programs, particularly by radio, television, the Internet; entertainment; entertainer services; production of television, radio, music and entertainment programs; organization of educational, cultural, musical, sporting, leisure and recreational events, as well as booking of seats for such purposes; composition of programs for events; audiovisual production; editing, production and rental of audio and video recordings; publication, editing, lending and distribution of cinematographic, musical printed works, including by electronic means; design and development of scripts for radio and television programs; organization and conducting of congresses and theatrical performances; providing information and advice relating to the aforementioned services; publication, lending, editing and distribution of books, journals and other publications whether or not in electronic format; video reports, including via the Internet on websites intended for this purpose, blogs and social media; writing and drafting of editorial texts; information and advice relating to the aforementioned services.

2. Toca Boca AB (the opponent) oppose on the basis of (amongst other grounds) Section 5(2)(b) of the Trade Marks Act 1994 (the Act). This is on the basis of its earlier European Union (formerly Community) Trade Mark: No 1

383 8107



which is registered in respect of the following goods and services:

Class 09:

Computer games; video games software; computer software for computer games and video games; computer software downloaded or downloadable; computer and video game programs that can be played on mobile devices

such as tablet computers and mobile phones; computer and video game programs downloadable from the Internet, that can be played online; downloadable interactive computer and video game programs that can be played online; downloaded software publications; interactive entertainment software; data recorded electronically from the internet; data recorded in machine readable form from the internet; discs, tapes, cartridges, cds and other magnetic, electronic or optical media, all with games software or video games; computer software for streaming audio-visual media content via the Internet and to mobile digital electronic devices; downloadable mobile application for streaming or downloading television programming, movies, and videos in the fields of children's entertainment and education; downloadable mobile applications for accessing, viewing, manipulating, recording, transmission or reproduction of video, sound, or images.

Class 25:

Clothing, footwear, headgear.

Class 28:

Games and playthings; electronic games apparatus; audiovisual games on computer hardware platforms (not for use with television receivers), hand-held computer games equipment; home video game machines and hand-held video game machines; parts and fittings for all the aforesaid goods; board games; electronic game machines; equipment sold as a unit for playing card games; electronic hand-held game units; game equipment sold as a unit for playing aboard game, a card game; stand-alone video output games machines; electronic amusement apparatus, electronic game apparatus.

Class 41:

Entertainment services in the form of electronic, computer and video games provided by means of the internet and other remote communications device; internet games (non-downloadable); organizing of games; games (not downloadable) played via a global computer network; education and

entertainment services in the form of films, television films, digital films and motion pictures; radio and television programs and shows; production, editing and production of films, television films, digital films and motion pictures; radio and television programs; entertainment services in the form of electronic, computer and video games provided by means of the internet, mobile phone and other remote communications device; providing an online magazine and newsletter in the fields of parenting, child development, and child play.

3. The opponent argues that the respective goods and services are identical or similar and that the marks are similar.
4. The applicant filed a counterstatement denying the claims made.
5. Both sides filed evidence. This will be summarised to the extent that it is considered appropriate.
6. A Hearing took place on 18th March 2019, with the opponent represented by Dr Catherine Jewell of Beck Grenner. The applicant, though represented during the proceedings, chose to represent itself at the Hearing. During the hearing, the applicant indicated that it was prepared to limit its specification of goods and services. As they were without representation at the Hearing (despite being represented throughout the proceedings), I allowed a period of two weeks for the applicant to consider its position. Following this, the applicant's representative wrote to the Tribunal to indicate that it wished to restrict its application to the following goods and services:

Class 25:

Clothing and head wear; clothing, namely shorts, T-shirts, sweaters, head wear, namely caps.

Class 35:

Merchandising; selling of the goods in class 25 whether or not via the Internet (webshop services).

Evidence

Opponent's evidence

7. The evidence provided takes the form of a witness statement, dated 18th July 2018, by Ms Caroline Ingeborn who is the Chief Operating Officer of the opponent. She describes how the opponent's business was founded in 2010 and launched its first software application (app) in the UK in 2011. Further, that its app has been in continuous use since. It is noted that the apps produced by the opponent are invariably those aimed at children. The evidence includes impressive turnover figures: this amounts to the UK equivalent of 4.9 million US dollars. It has 11.5% share of the UK iOS kids market in 2018 (10% in 2016). Since 2011, there have been 11.3 million downloads of its software games products in the UK. There are also numerous examples of press articles in (UK) national newspapers, together with details of awards won. Bearing in mind the evidence described, it is considered clear that the opponent enjoys a reputation (and indeed a goodwill) in respect of software apps aimed at children. I will return to these points further below.

Applicant's evidence

8. This is a witness statement, dated 26th September 2018, from Ms Sally Schupke, a trade mark attorney, the applicant's representatives in these proceedings. Ms Schupke claims that the applicant has been using the

attacked trade mark in the UK since October 2014¹. Exhibit 1 provides samples of the use claimed. It is noted that this is in respect of items of clothing. Exhibit 2 of the witness statement contains details as to how the attacked trade mark was created. In essence, this was so as to create a cartoon version of a gamer and vlogger called Jelle Van Vucht.

9. Ms Schupke also makes a number of submissions in comparing the respective trade marks and goods and services. These will not be summarised but have been taken into account.

DECISION

Section 5(2)(b) – Likelihood of Confusion

10. Section 5(2)(b) of the Act is as follows:

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

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark”.

Comparison of goods and services

11. In the judgment of the Court of Justice of the European Union in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be

¹ So, after the date of first use by the opponent, according to its evidence.

taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

12. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

(a) The respective 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.

13. In considering the comparison of class 25 goods in the respective specifications, I bear in mind the following guidance:

Gérard Meric v Office for Harmonisation in the Internal Market, Case T-133/05, where 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”.

14. The earlier class 25 goods are: *clothing, footwear, headgear*. The later class 25 goods are: *clothing and head wear; clothing, namely shorts, T-shirts, sweaters, head wear, namely caps*. Bearing in mind the guidance in *Meric* displayed above, it is clear these goods are identical.

15. This leaves the attacked class 35 services: *merchandising; selling of the goods in class 25 whether or not via the Internet (webshop services)*. It is noted that the latter term refers in effect, to a retail service, the purpose of which is to sell clothing. Clothing is included within the earlier specification. They therefore coincide in terms of purpose, that is, to clothe. They can also coincide in terms of provider and end user. There is also a complementary relationship in that producers of clothing commonly also retail such goods. They are considered similar, to a medium degree. It is noted that the retail specification as currently expressed is not compliant with the case law. I will return to this point later, should the term survive the opposition.

16. The remaining contested term is *merchandising*. This is not qualified to any degree. In considering this term, I bear in mind the guidance in *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch), where Floyd J. (as he then was) stated that:

"... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant

language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

17. It is considered that merchandising (as a service) at large is a broad term and likely to involve a wide range of promotional activities for the sale of goods including their presentation in retail outlets. It is noted from the applicant's evidence that they consider the term to be primarily used in respect of clothing (and indeed it is clear that clothing is a common type of merchandise). However, the applied for term is not, as it stands, limited in this manner. It is considered therefore that to find similarity here risks increasing the scope of the service to include any goods. It is concluded therefore, that these services are not similar to any of the earlier goods. For the sake of completeness, it is also concluded that this later term has nothing in common with any of the earlier terms relied upon. Merchandising is a business to business service. It is not similar in nature or purpose. Further it is not in competition with, nor is it complementary as the consumer would not expect the same undertaking to provide a merchandising service whilst also being responsible for the goods (in contrast to retailing). They are not similar.



Comparison of marks

18. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The Court of Justice of the European Union stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

19. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

20. The respective trade marks are shown below:

	
Earlier trade mark	Contested trade mark

21. Each of the trade marks depict a smiley/laughing face. There are differences in overall presentation as shown. However, both display open mouths within which the top teeth and tongue are visible. Further, both depict closed eyes. They are considered to be visually similar to a medium degree.

22. Aurally, it is unclear exactly how either mark will be articulated. In the event they are, it is considered likely that they will coincide entirely as will be referred to as a smiley/laughing face.
23. Conceptually, the marks coincide entirely as each is a smiley/laughing face. They are identical.

Average consumer and the purchasing act

24. 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*.

25. 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.”

26. The average consumer of clothing and the related retail service will be the public at large, purchasing online or via bricks and mortar stores. Bearing in mind the nature of the goods and services, it is likely that the purchases will be primarily visual. Clothing can vary in terms of price and so realistically, the degree of attention displayed during the purchasing process will vary.

However, irrespective of relative expense, considerations such as style and fit are always likely to factor. It is considered therefore that the level of attention will consistently be at least average. In respect of merchandising, this is a business to business service and so the average consumer will reflect this (a business user). The level of attention is again, likely to be at least average and may indeed be higher than average.

Distinctive character of the earlier trade mark

27. 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).”

28. It is noted that the opponent claims that it enjoys a reputation. However, it is considered that this reputation is solely in respect of software applications aimed at children. It does not therefore place the opponent in any stronger position in respect of the contested goods and services.
29. Prima facie, the earlier trade mark is striking and unusual. It has at least an average degree of inherent distinctive character and may indeed be distinctive to an above average degree.

Global Assessment – Conclusions on Likelihood of Confusion.

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

The principles

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

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

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

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

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

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

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

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

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

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

31. Where I have found similarity, the contested goods and services have been found to be identical and/or similar to a medium degree. The level of attention displayed during the purchasing process is expected to be reasonable and the earlier trade mark is at least averagely distinctive. The marks are conceptually identical. Further, if referred to aurally, are likely to coincide. It is taken into account that the context may be a purely visual purchase and to this end, it is noted that the marks bear strong similarities to one another, especially as regards particular features and their respective positions (as shown above). It is noted that the overall presentation differs. However, it is considered that the notion of imperfect recollection is crucial to the marks in question here. To this end, it is considered likely that the earlier trade mark will be imperfectly recalled and that the later trade mark will be mistaken for it. It is concluded that this is a clear case of direct confusion and the opposition succeeds in respect of those goods and services found to be identical or similar.

32. It does not succeed (under Section 5(2)(b)) in respect of the services found to be not similar, that is, merchandising. In respect of these remaining contested services therefore, I will go on to consider the grounds of opposition based upon Section 5(3) and, if necessary, Section 5(4)(a).

Section 5(3) – Reputation

33. Section 5(3) states:

“(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

34. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Addidas-Salomon*, Case C-487/07, *L'Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

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

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

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

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42

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

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the

goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

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

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

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure*).

Reputation – Threshold

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

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

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

36. It is considered obvious from the evidence that the earlier trade mark enjoys a notable reputation. That said, the scope of the reputation is limited to that which the evidence includes, namely software applications aimed at children. The reputation is therefore narrow in scope. In assessing on this basis, it is noted that there is a significant gap between software apps for children and the later service of merchandising. It is difficult to see how a link can be established and even more difficult to see how there can be damage. As such, it is considered that the opposition under Section 5(3) fails.

Section 5(4)(a) – Passing Off

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

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

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

(b) [.....]

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

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

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

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

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

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

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

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

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

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

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

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

40. It is clear that the opponent has established a notable goodwill in its business with use from 2011 onwards. It is noted that the applicant claims use from October 2014 onwards. It is accepted that the opponent has established goodwill both at this earlier date and the (later) 2017 date of the application for protection. In any case, the extent of the goodwill is limited to that in respect of software applications aimed at children. The passing off claim will therefore be assessed on this basis.

The test for misrepresentation

41. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148 . The necessity for a substantial number is brought out also in

Saville Perfumery Ltd. v. June Perfect Ltd. (1941) 58 R.P.C. 147 at page 175 ;
and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

Proof of misrepresentation

42. In *Neutrogena Corporation and Another v Golden Limited and Another*, 1996] RPC 473, Morritt L.J. stated that:

“The role of the court, including this court, was emphasised by *Lord Diplock in GE Trade Mark* [1973] R.P.C. 297 at page 321 where he said:

‘where the goods are sold to the general public for consumption or domestic use, the question whether such buyers would be likely to be deceived or confused by the use of the trade mark is a “jury question”. By that I mean: that if the issue had now, as formerly, to be tried by a jury, who as members of the general public would themselves be potential buyers of the goods, they would be required not only to consider any evidence of other members of the public which had been adduced but also to use their own common sense and to consider whether they would themselves be likely to be deceived or confused.

The question does not cease to be a “jury question” when the issue is tried by a judge alone or on appeal by a plurality of judges. The judge's approach to the question should be the same as that of a jury. He, too, would be a potential buyer of the goods. He should, of course, be alert to the danger of allowing his own idiosyncratic knowledge or temperament to influence his decision, but the whole of his training in the practice of the law should have accustomed him to this, and this should provide the safety which in the case of a jury is provided by their number. That in issues of this kind judges are entitled to give effect to their own opinions as to the likelihood of deception or confusion and, in doing so, are not confined to the evidence of witnesses called at the trial is well established by decisions of this House itself.”

43. In *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA), Millet L.J. made the following findings about the lack of a requirement for the parties to operate in the a common field of activity, and about the additional burden of establishing misrepresentation and damage when they do not:

“There is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any natural extension of the plaintiff's business. The expression “common field of activity” was coined by *Wynn-Parry J. in McCulloch v. May* (1948) 65 R.P.C. 58, when he dismissed the plaintiff's claim for want of this factor. This was contrary to numerous previous authorities (see, for example, *Eastman Photographic Materials Co. Ltd. v. John Griffiths Cycle Corporation Ltd.* (1898) 15 R.P.C. 105 (cameras and bicycles); *Walter v. Ashton* [1902] 2 Ch. 282 (The Times newspaper and bicycles) and is now discredited. In the *Advocaat* case Lord Diplock expressly recognised that an action for passing off would lie although “the plaintiff and the defendant were not competing traders in the same line of business”. In the *Lego case Falconer J.* acted on evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into

the manufacture of plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.

The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration

‘...whether there is any kind of association, or could be in the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant’:

likewise held that the proximity of the defendant's field of activity to that of the plaintiff was a factor to be taken into account when deciding whether the defendant's conduct would cause the necessary confusion.

Where the plaintiff's business name is a household name the degree of overlap between the fields of activity of the parties' respective businesses may often be a less important consideration in assessing whether there is likely to be confusion, but in my opinion it is always a relevant factor to be taken into account.

Where there is no or only a tenuous degree of overlap between the parties' respective fields of activity the burden of proving the likelihood of confusion and resulting damage is a heavy one. In *Stringfellow v. McCain Foods (G.B.) Ltd.* [1984] R.P.C. 501 Slade L.J. said (at page 535) that the further removed from one another the respective fields of activities, the less likely was it that any member of the public could reasonably be confused into thinking that the one business was connected with the other; and he added (at page 545) that

‘even if it considers that there is a limited risk of confusion of this nature, the court should not, in my opinion, readily infer the likelihood of resulting damage to the plaintiffs as against an innocent defendant in a

completely different line of business. In such a case the onus falling on plaintiffs to show that damage to their business reputation is in truth likely to ensue and to cause them more than minimal loss is in my opinion a heavy one.'

In the same case Stephenson L.J. said at page 547:

'...in a case such as the present the burden of satisfying Lord Diplock's requirements in the *Advocaat* case, in particular the fourth and fifth requirements, is a heavy burden; how heavy I am not sure the judge fully appreciated. If he had, he might not have granted the respondents relief. When the alleged "passer off" seeks and gets no benefit from using another trader's name and trades in a field far removed from competing with him, there must, in my judgment, be clear and cogent proof of actual or possible confusion or connection, and of actual damage or real likelihood of damage to the respondents' property in their goodwill, which must, as Lord Fraser said in the *Advocaat* case, be substantial.' "

44. I have taken into account all of the above guidance in assessing this passing off claim. Notably, there is a significant gap as regards the respective fields of activity: software applications aimed at children and merchandising services. Bearing in mind the case law above as regards misrepresentation, it is difficult to see how this would occur, let alone how it would lead to damage.

45. The opposition based upon Section 5(4)(a) therefore also fails.

Outcome

46. The sum of all this is that the opposition succeeds in respect of all of the goods and services applied for, with the exception of merchandising services. As such, the application can proceed in respect of merchandising in Class 35.

COSTS

47. The parties have each achieved a measure of success. However, it is clear that the opponent has been proportionally more successful. It is therefore entitled to a contribution towards its costs. In the circumstances I award the opponent the sum of £1500 as a contribution towards the cost of the proceedings. The sum acknowledges the (relative) success of the applicant and is calculated as follows:

Notice of opposition and accompanying statement (plus official fee) - £500

Preparation of evidence - £500

Preparation for and attendance at a Hearing - £500

TOTAL - £1500

48. I therefore order Jelly Holding B.V to pay Toca Boca the sum of £1500. 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 19 July 2019

Louise White

For the Registrar