

O-749-19

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 3318739

BY KAZI BROTHERS GROUP LTD

TO REGISTER:

Millionaire Lady

AS A TRADE MARK IN CLASS 3

AND

IN THE MATTER OF OPPOSITION THERETO UNDER NO. 414057 BY

PUIG FRANCE, SOCIÉTÉ PAR ACTIONS SIMPLIFIÉE

BACKGROUND & PLEADINGS

1. On 18 June 2018, Kazi Brothers Group Ltd (“the applicant”) applied to register **Millionaire Lady** as a trade mark for the following goods in class 3:

Perfume oils, perfume sprays, essential oils, Musk (perfumery), Perfumery, Household fragrances, oudh (scent), Bakhoor (incense).

The application was published for opposition purposes on 13 July 2018.

2. On 15 October 2018, the application was opposed in full by PUIG FRANCE, Société par Actions Simplifiée (“the opponent”). The opposition is based upon sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). In relation to its objection based upon section 5(2)(b), the opponent relies upon the trade marks/goods in the following European Union Trade Marks (“EUTM”):

(1) No. 7220461 for the trade mark **LADY MILLION** which was applied for on 10 September 2008 and which was entered in the register on 5 June 2009. The opponent relies upon “Perfumery; toilettries” in class 3 of its registration;

(2) No. 8735359 for the trade mark shown below which was applied for on 4 December 2009 and which was entered in the register on 4 May 2010. The opponent relies upon “Perfumery; toilettries” in class 3 of its registration:



(3) No. 17003674 for the trade mark shown below which was applied for on 20 July 2017 and which was entered in the register on 5 December 2017. The opponent relies upon all of the goods in its registration, shown in Annex A to this decision:



(4) No. 17437931 for the trade mark **LADY MILLION EMPIRE** which was applied for on 7 November 2017 and which was entered in the register on 28 March 2018. The opponent relies upon all of the goods in its registration, shown in Annex A to this decision.

3. Insofar as its objection based upon section 5(3) of the Act is concerned, the opponent relies upon trade mark nos. (1) and (2). The opponent states that these trade marks enjoy a reputation for perfumery, adding that it considers all the goods for which registration is sought would take unfair advantage of, or be detrimental to the distinctive character or reputation of its trade marks. In addition to claiming that:

“the similarity between the [trade marks being relied upon] and the later trade mark is such that the relevant public will believe that they are used by the same undertaking or think that there is an economic connection between the users of the trade marks”,

the opponent states:

Unfair advantage

“7. Use of the sign applied for in relation to the goods covered by the Application will take unfair advantage of the distinctive character and repute of the earlier marks, which reputation particularly reflects an image of high quality, glamour and opulence, by attempting to ride on the coat-tails of the earlier marks in order to benefit from their power of attraction, reputation and prestige, and to exploit, without being required to make efforts of its own in that regard, the marketing effort expended by the Opponent in order to create and maintain the image of its mark. The use without due cause of the sign applied for would take unfair advantage of the earlier marks, by freeriding on the investment the Opponent has made through its extensive marketing efforts...”

Detriment to reputation

“9. Use of the sign applied for in relation to goods of a different quality to those provided by the Opponent will also be detrimental to the reputation of the earlier marks. The earlier marks are associated with an image of luxury and high quality in the minds of the relevant public and, therefore, use of the sign applied for in relation to goods of a different quality, especially in relation to a scent of different odour, quality and duration, will tarnish the strong reputation of the earlier marks and reduce their power of attraction. This in turn could lead to loss of consumers and sales for the Opponent...”

Detriment to distinctive character

“8. Use of the sign applied for in relation to the goods covered by the Application will also dilute the distinctive character of the earlier marks and will weaken their

ability to exclusively and immediately identify the Opponent's goods. Therefore, use of the sign applied for will be detrimental to the distinctive character of the earlier marks.”

4. In relation to its opposition based upon section 5(4)(a) of the Act, the opponent states that it has used trade mark nos. (1) and (2) throughout the UK since September 2010 in relation to perfumery, shower gel and body lotion. However, in paragraph 17 of its submissions filed during the evidence rounds, the opponent restricted the goods upon which it relies to perfumery. It also relies upon the sign shown below which it states has been used throughout the UK since September 2010 in relation to perfumery:



The opponent further states:

“10. It will be shown that the Opponent owns significant goodwill in the business under the earlier LADY MILLION and dual Lady MILLION (stylised) marks in relation to perfumery...The use of the similar mark "Millionaire Lady" by an unconnected party on perfumery and perfumery-related goods, such as those covered by the Application, is a misrepresentation as to source that will damage the Opponent's strong goodwill and/or cause the Opponent damage through a loss or diversion of trade. Consumers will believe, incorrectly, that the goods of

the Application are those of the Opponent, or are endorsed or licensed by the Opponent...”

5. The applicant filed a counterstatement. As this contains the only comments the applicant has provided, they are reproduced below in full:

“We are counter opposing this opposition because we see no contradiction or similarities between the two marks, in our opinion the Words LADY MILLION means there are a "Million Ladies" however our mark means a "female or lady who is a millionaire" meaning very wealthy. We would kindly request the opponent to withdraw their opposition as we have no intentions to copy or fake their ideas or names as we have our own in house creatives who come up with unique names, ideas and concepts.”

6. In these proceedings, the opponent is represented by Boulton Wade Tennant LLP; the applicant represents itself. Only the opponent filed evidence; its evidence was accompanied by written submissions. Although neither party requested a hearing, the opponent elected to file written submissions in lieu of attendance.

EVIDENCE

The opponent’s evidence

7. This consists of a witness statement from Celine Gilg. Ms Gilg is the General Manager of PUIG UK Limited, the opponent’s UK subsidiary. She has, she explains, worked in the fragrance industry for 15 years. The main points emerging from Ms Gilg’s statement are, in my view, as follows:

- The Lady MILLION trade marks are used in relation to a women’s fragrance collection by Paco Rabanne;

- The collection consists of four fragrances;
- The Lady MILLION trade mark was first used in the UK in 2010. Further fragrances under the Lady MILLION trade mark were introduced in 2014, 2016 and 2017;
- Exhibit CG1 consists of an article from *The Moodie Davitt Report* dated 1 June 2010 entitled “Paco Rabanne goes for gold with launch of Lady Million”;
- Exhibit CG2 consists of undated photographs of the packaging for the Lady MILLION fragrances, an example of which is shown below:



- The Lady MILLION fragrances “typically” retail in the UK for between £30 and £82.50;
- The Lady MILLION fragrances have been sold in “a large number of well-known retailers in the UK, both in-store and online, including: Selfridges, Harvey Nichols, Boots, Superdrug, House of Frazer, Debenhams, John Lewis, Next, Sainsburys and The Perfume Shop”;

- The Lady MILLION fragrances have been promoted in the UK. Advertising has, primarily, been through the national press and media coverage. In the period 2014-2018, in excess of £10m has been spent promoting the Lady MILLION fragrances in the UK;
- The Lady MILLION advertising campaigns have been “fronted” by a number of high-profile models;
- Exhibit CG3 consists of a wide range of articles featuring the Lady MILLION fragrances which have appeared in, inter alia, *Now* magazine, *Grazia* magazine, *Bella* magazine, *Daily Express* magazine, *You Magazine*, *Mailonline*, *The Mail on Sunday* and *Cosmopolitan* magazine;
- The Lady MILLION fragrances have been advertised in videos on YouTube, including on the official YouTube channel of Paco Rabanne (exhibit CG7 refers). By the material date, these videos would have been viewed many millions of times;
- In the period 2014-2018, over 2.6m units of the Lady MILLION fragrances were sold in the UK;
- Turnover for the Lady MILLION fragrances sold in the UK between 2014-2018 amounted to some £80m;
- In the period 2014-2018, the Lady MILLION fragrances enjoyed a market share in the UK ranging from 2.75% in 2014 to 2.13% in 2018;
- Exhibit CG9 consists of a Google search conducted on 2 April 2019 for the phrase “lady million perfume”. Ms Gilg notes that all the “hits” refer to the opponent’s fragrances.

8. That concludes my summary of the evidence filed to the extent I consider it necessary.

DECISION

9. The opposition is based upon sections 5(2)(b), 5(3) and 5(4)(a) of the Act which read as follows:

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

(a)...

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

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

(3) A trade mark which 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.

(4) 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.”

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

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

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

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

11. Under section 5(2)(b) of the Act, the opponent is relying upon the four trade marks shown in paragraph 2 above, all of which qualify as earlier trade marks under the above provisions. Given the interplay between the dates on which the opponent’s trade marks were entered in the register and the publication date of the application for registration, trade mark nos. (1) and (2) above are, in principle, subject to the proof of use provisions contained in section 6A of the Act (given the same interplay, trade mark nos. (3) and (4) are not subject to proof of use). In its Notice of opposition, the opponent states that it has used trade marks nos. (1) and (2) in relation to the goods upon which it is relying.

12. Although in its counterstatement the applicant ticked the relevant box to request the opponent make good those claims, in an official letter dated 6 February 2019, the tribunal stated:

“Further to the official letter dated 22 January 2019, as no further information has been provided regarding the proof of use request, the request has now been struck out and a copy of the TM8 form has been sent to the opponent.”

13. There has been no challenge to that decision. As a consequence, the opponent is also entitled to rely upon the two earlier trade marks mentioned i.e. nos. (1) and (2), without having to demonstrate that genuine use has been made of them in relation to the goods upon which it relies.

The objection based upon section 5(2)(b) of the Act

Case law

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

The principles:

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

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

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

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

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

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

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

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

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

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

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

My approach to the comparison

15. The opponent relies upon the four earlier trade marks mentioned in paragraph 2 above, all of which consist of, or contain, the words LADY/Lady and MILLION. Given the other components present in trade mark nos. (3) and (4), at least insofar as the competing trade marks are concerned, it is trade mark nos. (1) and (2) which offer the opponent the best prospect of success. The specifications of trade marks nos. (3) and (4) are, however, much wider than those relied upon in relation to trade marks nos. (1) and (2). I shall conduct the comparison with those conclusions in mind.

Comparison of goods

16. The competing goods are as follows:

The opponent's goods	The applicant's goods
Goods relied upon in trade mark nos. (1) and (2): Perfumery; toiletries.	Perfume oils, perfume sprays, essential oils, Musk (perfumery), Perfumery, Household fragrances, oudh (scent), Bakhoor (incense).

Goods relied upon in trade mark nos. (3) and (4), include: Perfumery; Essential oils; Household fragrances, Incense.	
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17. In the judgment of the Court of Justice of the European Union (“CJEU”) in *Canon*, Case C-39/97, the Court stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

18. 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.

19. In *YouView TV Ltd v Total Ltd* ,[2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated:

"... 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."

20. In *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another*, [2000] F.S.R. 267 (HC), Neuberger J. (as he then was) stated:

"I should add that I see no reason to give the word "cosmetics" and "toilet preparations"... anything other than their natural meaning, subject, of course, to

the normal and necessary principle that the words must be construed by reference to their context.”

21. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the General Court (“GC”) stated that “complementary” means:

“...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking”.

22. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the GC stated:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by 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”.

23. Collinsdictionary.com defines “perfumery” in a number of ways including “perfumes in general.” That, I am satisfied, is how the average consumer will understand the word. In approaching the comparison, I shall keep both that definition and the guidance in *YouView* and *Beautimatic* in mind.

Comparison with trade marks nos. (1) and (2)

24. The opponent's specifications include the term "Perfumery" which is identical to the same term in the applicant's specification. As the term "Perfumery" in the opponent's specification is, in my view, broad enough to include: "Perfume Oils, perfume sprays, essential oils, Musk (perfumery), oudh (scent) and Bakhoor (incense)" in the application, such goods are to be regarded as identical on the inclusion principle outlined in *Meric*. That leaves "household fragrances" to be considered. Although the users of the competing goods will be same, that level of generality tells one little. The physical nature of household fragrances and perfumery may be the same i.e. liquids, as may the method of use, for example, dispensed in the form of a spray. The intended purposes are, however, different. One is to imbue a living-space with a pleasant smell, whereas the other is to enhance the smell of an individual. In my experience, the competing goods are not sold in proximity to one another in, for example, a supermarket nor are they in competition with or complementary to one another. Considered overall, any similarity between the competing goods is, in my view, superficial.

Comparison with trade marks nos. (3) and (4)

25. Many of the same considerations mentioned above also apply here. However, as the opponent's specifications also include "Essentials oils", "Household fragrances" and "incense", these goods are literally identical to the same named goods in the applicant's specification.

The average consumer and the nature of the purchasing act

26. As the case law above indicates, it is necessary for me to determine who the average consumer is for the goods at issue. I must then determine the manner in which these goods are likely to be selected by the average consumer in the course of trade. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The*

Partnership (Trading) Limited, U Wear Limited, J Fox Limited, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”


27. In its submissions, the opponent argues that the average consumer of the goods at issue is a member of the general public and that such a consumer will pay an average degree of attention when selecting such goods; I agree. As to how the goods at issue will be selected, my own experience which, I am satisfied will accord with that of the average consumer, is that such goods are, for the most part, obtained by self-selection from the shelves of bricks and mortar retail outlets or from the equivalent pages of a website or catalogue. Although that suggests that visual considerations are likely to dominate the selection process, as such goods may also be the subject of oral requests to sales assistants or word of mouth recommendations, aural considerations must also be kept in mind.


Comparison of trade marks

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

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

29. It would be wrong, therefore, artificially to dissect the trade marks, although it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions they create. The trade marks to be compared are as follows:

Opponent's trade marks	Applicant's trade mark
<p>(1)</p> <p>LADY MILLION</p> <p>&</p> <p>(2)</p>  <p>&</p>	<p>Millionaire Lady</p>

<p>(3)</p>  <p>paco rabanne</p> <p>&</p> <p>(4)</p> <p>LADY MILLION EMPIRE</p>	
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The applicant's trade mark

30. The applicant's trade mark consists of two words i.e. "Millionaire" and "Lady" presented in title case. Both words will be well known to the average consumer and will make a roughly equal contribution to the overall impression the applicant's trade mark conveys.

The opponent's trade marks

31. The opponent's first trade mark also consists of two words i.e. "LADY" and "MILLION", albeit presented in block capital letters. Like the applicant's trade mark, both words will make a roughly equal contribution to the overall impression conveyed.

32. The opponent's second trade mark consists of the word "Lady" presented in a cursive script, below which appears the word "MILLION" presented in block capital

letters and a device component whose origins begin in the letter “y” of the word “Lady.” Given the positioning of the words “Lady” and MILLION” and what I regard as the unremarkable nature of the device component, it is the words “Lady” and “MILLION” which will have by far the highest relative weight in the overall impression the opponent’s second trade mark conveys.

33. The opponent’s third trade mark consists of the same two components present in its second trade mark. These components are accompanied by the word “LUCKY” presented in white in block capital letters in a black rectangular box and the words “paco rabanne” presented in bold lower case letters. While the words “LUCKY” and “paco rabanne” will contribute to the overall impression conveyed, given the size and positioning of the words “Lady MILLION” in the context of the trade mark as a whole, it is these words which will have the highest relative weight in the overall impression the trade mark conveys.

34. The opponent’s final trade mark consists of the same two words present in its first trade mark followed by the word “EMPIRE” presented in block capital letters. While the word “EMPIRE” will contribute to the overall impression conveyed, given the positioning of the words “LADY MILLION” in the context of the trade mark as a whole, it is these words which will have the highest relative weight in the overall impression the trade mark conveys. I will bear these conclusions in mind in the comparison which follows.

Visual comparison

35. The word “Lady” in various presentations is common to all the trade marks and they all contain the letters “M-I-L-L-I-O-N-” presented in the same order, albeit in differing formats. Notwithstanding the differing positions of the various words, the applicant’s trade mark and the opponent’s first trade mark are, in my view, similar to a well above medium degree. That conclusion also applies to the opponent’s second trade mark in relation to which the unremarkable device component plays a very much subordinate

role to the words which appear above it. Although the opponent's third and fourth trade marks contain the additional components mentioned earlier, as the words "Lady MILLION" and "LADY MILLION" will have the highest relative weight in the overall impression conveyed, they are still visually similar to the applicant's trade mark to at least a medium degree.

Aural comparison

36. As it is well established that when a trade mark contains both words and figurative components it is by the words that the trade mark is most likely to be referred to, the presence of the device component in the opponent's trade marks is not a relevant factor. As the words "LADY", "MILLION", "Millionaire", "LUCKY" and "EMPIRE" in the parties' trade marks will be well known to the average consumer, the way in which they will be articulated is entirely predictable.

37. In my view, the opponent's first and second trade marks will be articulated as the four syllable combination LA-DY MIL-LION, whereas the applicant's trade mark will be articulated as the five syllable combination Mil-lion-aire La-dy. As to the opponent's third and fourth trade marks, it is possible that all of the words will be articulated. However, even if that is the case, the words "Lady MILLION"/"LADY MILLION" will be articulated first. Although the words "LADY" and "MILLION"/"Millionaire" are in differing positions in the competing trade marks, the fact that four of the five syllables present in these combinations are the same, results in what I regard as a fairly high degree of aural similarity between the opponent's first two trade marks and that of the applicant. Although that degree of similarity may be lower in respect of the opponent's fourth trade mark and lower still in relation to its third, the fact that the words "LADY MILLION"/"lady MILLION" will be articulated first, still results in what I consider to be at least a medium degree of aural similarity with the applicant's trade mark.

Conceptual similarity

38. In its counterstatement and reproduced here for the sake of convenience, the applicant stated:

“...in our opinion the Words LADY MILLION means there are a "Million Ladies" however our mark means a "female or lady who is a millionaire" meaning very wealthy.”

39. In its submissions, the opponent states:

“41. The Opponent strongly disagrees with the Applicant's conceptual analysis of the Opponent's marks and submits that the marks are in fact very highly similar, conceptually. Both "LADY MILLION" and "Millionaire Lady" contain the identical word "Lady" and, therefore, it is submitted that the average consumer would perceive both marks as referring to a single lady or woman; they would not understand the Opponent's mark as referring to ladies, plural, as suggested by the Applicant. As with the word "Millionaire", the Opponent submits that the word "MILLION" in its marks would similarly be perceived by the average consumer as a reference to wealth, i.e. to a million pounds or dollars or euros, for example. The Opponent's "LADY MILLION" mark could, therefore, be understood as referring to a lady who has a million pounds or dollars or euros and, thus, to a lady who is a millionaire and very wealthy... “

40. In my view the opponent's position is to be preferred. As the presence of the device in the opponent's second trade mark does nothing to alter the position, the opponent's first and second trade marks are conceptually similar to the applicant's trade mark to a fairly high degree. Although the presence of the word "LUCKY" and name "paco rabanne" in the opponent's third trade mark and the word "EMPIRE" in its fourth introduces concepts alien to the applicant's trade mark, the fact that those trade marks

also contain the words “Lady MILLION”/“LADY MILLION” still results in at least a medium degree of conceptual similarity between the competing trade marks.

Distinctive character of the earlier trade mark

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

42. In *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, Mr Iain Purvis Q.C. as the Appointed Person pointed out that the level of ‘distinctive character’ is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar. He said:

“38. The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that ‘the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion’. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be

confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it.”

43. In other words, simply considering the level of distinctive character possessed by the earlier trade mark is not enough. It is important to ask “in what does the distinctive character of the earlier trade mark lie?” Only after that has been done can a proper assessment of the likelihood of confusion be carried out.

44. Although the words “LADY/Lady MILLION” in the opponent’s trade marks are likely to have mild laudatory connotations, considered absent use, these words are, in my view, possessed of at least a medium degree of inherent distinctive character as are all of the trade marks upon which the opponent relies.

45. The opponent has, of course, also used, inter alia, its Lady MILLION trade mark (i.e. trade mark no. (2)) in the UK since 2010 in relation to a woman’s fragrance. The evidence shows that in the period 2014 to 2018, the Lady MILLION fragrances were heavily promoted (in excess of £10m), featured in a wide range of publications (many national) and have been sold through retailers who are household names. Over two and a half million units of the Lady MILLION fragrances have been sold with sales amounting to in excess of £80m and the fragrances enjoying a no less than 2% market share in the period mentioned.

46. On the basis of the evidence provided, I have no hesitation concluding that the use the opponent has made of its Lady MILLION trade mark in the UK since 2010 in relation to fragrances for women will have built upon its inherent credentials resulting in a trade mark possessed of a high degree of distinctive character.

Likelihood of confusion

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

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

49. Earlier in this decision I concluded that:

- With the exception of "household fragrances" in the application, the remainder of the applicant's goods are either literally identical or identical on the *Meric* principles to the opponent's goods in trade marks nos. (1) and (2);
- All of the applicant's goods are either literally identical or identical on the *Meric* principles to the opponent's named goods in trade marks nos. (3) and (4);

- The average consumer is a member of the general public who, whilst not forgetting aural considerations, is likely to select the goods at issue by predominantly visual means paying an average degree of attention during that process;
- The applicant's trade mark is visually similar to a well above medium degree to the opponent's trade marks nos. (1) and (2) and to at least a medium degree, trade marks nos. (3) and (4);
- The applicant's trade mark is aurally similar to a fairly high degree to the opponent's trade marks nos. (1) and (2)) and to at least a medium degree, trade marks nos. (3) and (4);
- The applicant's trade mark is conceptually similar to a fairly high degree to the opponent's trade marks nos. (1) and (2) and to at least a medium degree, trade marks nos. (3) and (4);
- The words "LADY/Lady MILLION" in the opponent's trade marks are possessed of at least a medium degree of inherent distinctive character, as are all of the trade marks upon which the opponent relies;
- The use that has been made of the Lady MILLION trade mark in the UK since 2010 in relation to fragrances for women, has resulted in it acquiring a high degree of distinctive character in relation to such goods.

Likelihood of confusion in relation to trade marks nos. (1) and (2)

50. The opponent's trade marks nos. (1) and (2) and the applicant's trade mark are visually similar to a well above medium degree and aurally and conceptually similar to a fairly high degree. With the exception of "household fragrances" to which I will return shortly, the competing goods are identical and the opponent's trade marks and, in particular, the words "Lady MILLION", enjoy a least a medium degree of inherent

distinctive character and, in relation to fragrances for women, a high degree of distinctive character. In those circumstances, it is, in my view, likely that a consumer paying an average degree of attention during the selection process, but who is still prone to the effects of imperfect recollection, may mistake one trade mark for the other i.e. there will be direct confusion. As a consequence, the opposition based upon trade marks nos. (1) and (2) succeeds in relation to all of the applicant's goods except "household fragrances".

51. However, what if I am wrong and the differences between the competing trade marks is sufficient to avoid direct confusion? In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Mr Iain Purvis Q.C., as the Appointed Person, explained that:

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

52. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor Q.C., as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

53. Even I am wrong in relation to direct confusion, I remind myself that there is, inter alia, a fairly high degree of conceptual similarity between the competing trade marks. This conceptual similarity is likely to fix itself in the mind of the average consumer and will act as a “hook” to aid the consumer’s recall. That, together with the visual and aural similarities between the trade marks at issue is, in my view, likely to result in the average consumer assuming the applicant’s trade mark is, for example, a variation of the opponent’s trade mark and that the applicant’s goods originate from the opponent or a commercially linked undertaking i.e. there is a likelihood of indirect confusion.

Likelihood of confusion in relation to trade marks nos. (3) and (4)

54. Insofar as “household fragrances” are concerned, the opponent’s trade marks nos. (3) and (4) contain identical goods. Of those two trade marks, trade mark no. (4) is the most similar to the applicant’s trade i.e. being visually, aurally and conceptually similar to at least a medium degree. In addition, trade mark no. 4 is inherently distinctive to at least a medium degree. For the reasons mentioned above, I think there is once again a likelihood of direct confusion and, if I am wrong in that regard, a likelihood of indirect confusion. As a consequence, the opposition based upon trade mark no. (4) succeeds in relation to “household fragrances”.

Conclusion under section 5(2)(b)

55. The opposition based upon section 5(2)(b) of the Act succeeds in relation to all of the goods in the application.

The objections based upon sections 5(3) and 5(4) of the Act

56. Having reached what I regard as a very clear conclusion under section 5(2)(b) of the Act, it is not strictly necessary for me to also consider the opponent’s alternative grounds mentioned above. In this regard, I am, of course, aware of a range of recent

decisions from both the Appointed Persons and the Court in which the approach to procedural efficiency has been a cause of some concern. In this regard, I note that in *BritanniaMed* BL-O/173/19 Mr Daniel Alexander Q.C acting as the Appointed Person stated:

“13. I did not hear argument on the substantive issue or on the extent to which it is appropriate for a hearing officer to decline to deal with grounds of challenge which have not been formally abandoned. The circumstances in which a tribunal other than one of final appeal may appropriately decline to deal with particular issues is not always a straightforward question. The ordinary approach in the United Kingdom is that the first instance tribunal should address all issues which require findings of fact so that it is not necessary for a appellate court to remit further issues for determination should it hold that the basis on which the first instance tribunal decided the case was incorrect (see *Warner Lambert v. Generics* [2015] EWHC 3370 at [23], Arnold J and [2018] UKSC 56 at [116]-[118], Supreme Court). More recently in *Trump International Ltd v DTTM Operations LLC* [2019] EWHC 769 (Ch) (29 March 2019), Henry Carr J said at [56], specifically in the context of an appeal in a trade mark registration context:

“Since he determined that the Application was made in bad faith, I have considerable sympathy for the Hearing Officer's position that it was unnecessary to determine the other grounds of opposition. However, I consider that it would have been sensible for him to express, briefly, his conclusion on each of those grounds. Experience in the European Patent Office shows that where only one ground of an opposition is determined, it is frequently necessary for the board of appeal to remit the matter back to the opposition division where an appeal is successful, for determination of the other grounds. This can lead to significant delays in the determination of cases.”

14. Notwithstanding those clear statements, the correct approach to this aspect of procedure specifically before the Registrar should, in my view, be determined in a case in which it is necessary to do so and full argument can be heard. This should preferably involve submissions on behalf of the Registrar, inter alia, because of particular procedural characteristics of such proceedings and because it might be argued that the benefits in not requiring hearing officers to deal with all grounds in all cases outweigh the disadvantages. Given the clear conclusion the hearing officer reached as to similarity of the marks on the primary ground of opposition under section 5(2), I do not think that he can be criticised for declining to deal with the issue of bad faith.” (my emphasis).

57. As in my view the passage I have underlined applies with equal force to my decision in these proceedings, I decline to deal in any detail with the opponent’s alternative grounds of opposition based upon sections 5(3) and 5(4)(a) of the Act.

58. However, for the benefit of any appellate body, I shall comment briefly, the relevant case law can be found in Annex B to this decision. On the basis of the evidence provided, I think it is fairly clear that at the material date (June 2018), the opponent’s Lady MILLION trade mark had the necessary reputation for the purposes of section 5(3) of the Act and that the opponent’s business had a protectable goodwill by virtue of its use of the Lady MILLION trade mark for the purposes of section 5(4)(a) of the Act. This reputation and goodwill is in relation to fragrances for women.

59. Having found confusion under section 5(2)(b) of the Act, it follows there is the necessary link for section 5(3) and misrepresentation for section 5(4)(a). Insofar as section 5(3) is concerned, that confusion is also likely to result in the applicant gaining the sort of unfair advantage which is likely to arise when relevant consumers assume an economic connection between the parties. As it is only necessary for the opponent to succeed under one of the heads of damage, I need say no more about the opponent’s alternative grounds based upon detriment to distinctive character or reputation. Insofar

as section 5(4)(a) is concerned, the misrepresentation which is likely to occur may result in damage to the opponent's business by, at the very least, a loss or diversion of trade from the opponent to the applicant.

Overall conclusion

60. The opposition based upon section 5(2)(b) has succeeded in full and, subject to any successful appeal, the application will be refused.

Costs

61. As the opponent has been successful, it is entitled to a contribution towards its costs. Awards of costs in proceedings are governed by Annex A of Tribunal Practice Notice ("TPN") 2 of 2016. Having applied the guidance in the TPN, I award costs to the opponent on the following basis:

Filing the Notice of Opposition and reviewing the counterstatement:	£400
Preparing evidence:	£800
Written submissions (x2):	£400
Official fee:	£200
Total:	£1800

62. I order Kazi Brothers Group Ltd to pay to PUIG FRANCE, Société par Actions Simplifiée the sum of **£1800**. This sum is to be paid within twenty one days of the expiry of the appeal period or within twenty one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 9th day of December 2019

C J BOWEN

For the Registrar

Annex A

Goods being relied upon

No. 17003674

Class 3 - Bleaching preparations and other substances for laundry use; Cleaning, polishing, scouring and abrasive preparations; Non-medicated soaps; Perfumery, Essential oils, non-medical cosmetics, Non-medicated hair lotions; Non-medicated dentifrices; nonmedicated toiletries; fragrance products for personal use; Cologne; Eau de parfum, Toilet water; Perfumes, scented lotion; extracts for perfumes; Products for oral hygiene (non-medicated-); Non-medicated preparations for cleaning and body care purposes; Lotions, milks and creams for the body (non-medicated); Deodorants for personal use; Antiperspirants for personal use; non-medicated soaps for personal use; Non-medicated soaps for personal use in liquid, solid and gel form; Non-medicated bath gel; Non-medicated shower gel; Non-medicated preparations for the bath; Non-medicated bath salts; Skin care preparations, not for medical purposes; Exfoliants; Talcum powder, for toilet use; Perfumed powder [for cosmetic use]; Wipes, cotton wool and tissues impregnated with non-medicated cosmetic and fragrancng lotions; Non-medicated cosmetics, non-medicated toiletries and perfumery for caring for and beautifying the eyelashes, eyebrows, eyes, lips and nails; lip bams [non-medicated]; Nail polish; Nail varnish removers; Adhesives for cosmetic purposes; Non-medicated cosmetic preparations for slimming purposes; Non-medicated preparations and treatments for the hair; Non-medicated shampoos; Make-up preparations; Make-up removing preparations; Preparations for hair removal; Non-medicated preparations for shaving; Non-medicated pre-shaving preparations; Non-medicated after-shaving preparations; Non-medicated beauty preparations; Non-medicated cosmetic preparations for tanning and self-tanning; Cosmetic kits; Household fragrances; Incense; Potpourris [fragrances]; Scented wood; Sachets for perfuming linen; aromatic extracts; Non-medicated preparations for caring for and cleaning of animals; Abrasive preparations; Tailors' and cobblers' wax; Leather and shoe cleaning and polishing preparations.

No. 17437931

Class 3 - Bleaching preparations and other substances for laundry use; Cleaning, polishing, scouring and abrasive preparations; Non-medicated soaps; Perfumery, Essential oils, non-medical cosmetics, Non-medicated hair lotions; Non-medicated dentifrices; nonmedicated toiletries; fragrance products for personal use; Cologne; Eau de parfum, Toilet water; Perfumes, scented lotion; extracts for perfumes; Products for oral hygiene (non-medicated-); Non-medicated preparations for cleaning and body care purposes; Lotions, milks and creams for the body (non-medicated); Deodorants for personal use; Antiperspirants for personal use; non-medicated soaps for personal use;

Non-medicated soaps for personal use in liquid, solid and gel form; Non-medicated bath gel; Non-medicated shower gel; Non-medicated preparations for the bath; Non-medicated bath salts; Skin care preparations, not for medical purposes; Exfoliants; Talcum powder, for toilet use; Perfumed powder [for cosmetic use]; Wipes, cotton wool and tissues impregnated with non-medicated cosmetic and fragrancing lotions; Non-medicated cosmetics, non-medicated toiletries and perfumery for caring for and beautifying the eyelashes, eyebrows, eyes, lips and nails; Lip balms [non-medicated]; Nail polish; Nail varnish removers; Adhesives for cosmetic purposes; Non-medicated cosmetic preparations for slimming purposes; Non-medicated preparations and treatments for the hair; Non-medicated shampoos; Make-up preparations; Make-up removing preparations; Preparations for hair removal; Non-medicated preparations for shaving; Non-medicated pre-shaving preparations; Non-medicated after-shaving preparations; Non-medicated beauty preparations; Non-medicated cosmetic preparations for tanning and self-tanning; Cosmetic kits; Household fragrances; Incense; Potpourris [fragrances]; Scented wood; Sachets for perfuming linen; aromatic extracts; Non-medicated preparations for caring for and cleaning of animals; Abrasives; Tailors' and cobblers' wax; Leather and shoe cleaning and polishing preparations.

Section 5(3) of the Act – case law

The relevant case law can be found in the following judgments of the Court of Justice of the European Union (“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*).

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

“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.”

In Case C-408/01, *Adidas-Salomon*, the CJEU held:

“28. The condition of similarity between the mark and the sign, referred to in Article 5(2) of the Directive, requires the existence, in particular, of elements of visual, aural or conceptual similarity (see, in respect of Article 5(1)(b) of the Directive, Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23 in fine, and

Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraphs 25 and 27 in fine).

29. The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23)."

As the opponent's earlier trade marks are EUTMs, the comments in *Pago International GmbH v Tirolmilch registrierte GmbH*, Case C-301/07 are relevant, in which the CJEU held:

"20. By its first question, the national court in essence asks the Court, first, to clarify the meaning of the expression 'has a reputation in the Community', by means of which, in Article 9(1)(c) of the regulation, one of the conditions is laid down which a Community trade mark must fulfil in order to benefit from the protection accorded by that provision and, second, to state whether that condition, from a geographical point of view, is satisfied in a case where the Community trade mark has a reputation in only one Member State.

21. The concept of 'reputation' assumes a certain degree of knowledge amongst the relevant public.

22. The relevant public is that concerned by the Community trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector (see, by way of analogy, *General Motors*, paragraph 24, with regard to Article 5(2) of the directive).

23. It cannot be required that the Community trade mark be known by a given percentage of the public so defined (*General Motors*, by way of analogy, paragraph 25).

24. The degree of knowledge required must be considered to be reached when the Community trade mark is known by a significant part of the public concerned by the products or services covered by that trade mark (*General Motors*, by way of analogy, paragraph 26).

25. In examining this condition, 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 (*General Motors*, by way of analogy, paragraph 27).

26. In view of the elements of the main proceedings, it is thus for the national court to determine whether the Community trade mark at issue is known by a significant part of the public concerned by the goods which that trade mark covers.

27. Territorially, the condition as to reputation must be considered to be fulfilled when the Community trade mark has a reputation in a substantial part of the territory of the Community (see, by way of analogy, *General Motors*, paragraph 28).

28. It should be noted that the Court has already ruled that, with regard to a Benelux trade mark, it is sufficient, for the purposes of Article 5(2) of the directive, that it has a reputation in a substantial part of the Benelux territory, which part may consist of a part of one of the Benelux countries (*General Motors*, paragraph 29).

29 As the present case concerns a Community trade mark with a reputation throughout the territory of a Member State, namely Austria, the view may be taken, regard being had to the circumstances of the main proceedings, that the territorial requirement imposed by Article 9(1)(c) of the regulation is satisfied.

30. The answer to the first question referred is therefore that Article 9(1)(c) of the regulation must be interpreted as meaning that, in order to benefit from the protection afforded in that provision, a Community trade mark must be known by a significant part of the public concerned by the products or services covered by that trade mark, in a substantial part of the territory of the Community, and that, in view of the facts of the main proceedings, the territory of the Member State in question may be considered to constitute a substantial part of the territory of the Community.”

In *Burgerista Operations GmbH v Burgista Bros Limited* [2018] EWHC (IPEC), Judge Hacon considered whether an EU trade mark registered for restaurant services had a reputation under article 9(2)(c) of the EU Trade Mark Regulation (which is equivalent to s.10(3) of the Trade Marks Act). The judge summarised the law as follows:

“69. I draw the following from the judgments of the Court in *PAGO* and *Iron & Smith* and from the opinion of Advocate General Wahl in *Iron & Smith*:

(1) An EU trade mark has a reputation within the meaning of art.9(2)(c) if it was known to a significant part of the relevant public at the relevant date.

(2) The relevant public are those concerned by the products or services covered by the trade mark.

(3) The relevant date is the date on which the defendant first started to use the accused sign.

(4) From a geographical perspective, the trade mark must have been known in a substantial part of the EU at the relevant date.

(5) There is no fixed percentage threshold which can be used to assess what constitutes a significant part of the public; it is proportion rather than absolute numbers that matters.

(6) Reputation constitutes a knowledge threshold, to be assessed according to a combination of geographical and economic criteria.

(7) All relevant facts are to be taken into consideration when making the assessment, 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 undertaking in promoting it.

(8) The market for the goods or services in question, and from this the identity of the relevant public, ought to assume a paramount role in the assessment.

(9) The territory of a single Member State (large or small) may constitute a substantial part of the EU, but the assessment must be conducted without consideration of geographical borders.”

In the above case, the registered EU trade mark had been used for 8 months prior to the relevant date in the proceedings, in relation to 7 restaurants, mainly in Austria. The Judge concluded as follows:

“85 In July 2015 the Trade Mark was far from being known throughout Austria. It had not become known outside Austria, save possibly to a very limited extent in Mönchengladbach. It was known in two local areas of Vienna, two in Linz, one in Salzburg and one in Pasching. No figure has been attempted for the share of the

European Union restaurant business held by the restaurants trading under the mark, but it must have been very small indeed, even if presented as a share of the burger restaurant business. Marketing was largely confined to social media sites, although it is not clear how much of this had been done by July 2015.

86 In my view, although at the relevant date the Trade Mark had a reputation of some sort by dint of restaurants having traded under the Trade Mark, it did not have a reputation in the Union within the meaning of art.9(2)(c).”

Unfair advantage

In *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) Arnold J. considered the earlier case law and concluded:

“80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill.”

However, I also note that more recently, in *Argos Limited v Argos Systems Inc* [2018] EWCA Civ 2211, Floyd LJ (with whom Lord Kitchen and Sir Colin Rimer agreed) stated:

“108. That brings me to the central question of whether ASI’s use of the sign ARGOS in relation to the service of provision of advertising space took unfair advantage of the trade mark. I reject Mr Mellor’s contention that, in a case such as the present, unfairness is established by the fact of economic advantage and no more. So to hold would be to empty the word “unfair” of any meaning.

Like the Court of Appeal in *Whirlpool* I do not consider the effect of the CJEU’s judgment in *L’Oreal* to go that far.”

Detriment to repute - tarnishing

In *Unite The Union v The Unite Group Plc*, Case BL O/219/13, Ms Anna Carboni as the Appointed Person considered whether a link between an earlier mark with a reputation and a later mark with the mere potential to create a negative association because of the identity of the applicant or the potential quality of its goods/services was sufficient to found an opposition based on detriment to reputation. She said:

“46. Indeed, having reviewed these and other opposition cases, I have not found any in which the identity or activities of the trade mark applicant have been considered in coming to a conclusion on the existence of detriment to repute of an earlier trade mark. I can understand how these matters would form part of the relevant context in an infringement case, but I have difficulty with the notion that it should do so in an opposition. After all, many, if not most, trade mark applications are for trade marks which have not yet been used by the proprietor; some are applied for by a person or entity that intends to license them to a third party

rather than use them him/itself; and others are applied for by an entity that has only just come into existence.

47. I do not exclude the possibility that, where an established trading entity applies to register a mark that it has already been using for the goods or services to be covered by the mark, in such a way that the mark and thus the trader have already acquired some associated negative reputation, perhaps for poor quality goods or services, this fact might be taken into account as relevant “context” in assessing the risk of detriment to repute of an earlier trade mark. Another scenario might be if, for example, a trade mark applicant who was a known Fascist had advertised the fact prior to the application that he was launching a new line of Nazi memorabilia under his name: I can see how that might be relevant context on which the opponent could rely if the goods and services covered by the application appeared to match the advertised activities. But I would hesitate to decide an opposition on that basis without having had confirmation from a higher tribunal that it would be correct to take such matters into account.”

Detriment to distinctive character - dilution

In *Environmental Manufacturing LLP v OHIM*, Case C-383/12P, the CJEU stated:

“34. According to the Court’s case-law, proof that the use of the later mark is, or would be, detrimental to the distinctive character of the earlier mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered, consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future (*Intel Corporation*, paragraphs 77 and 81, and also paragraph 6 of the operative part of the judgment).

35. Admittedly, paragraph 77 of the *Intel Corporation* judgment, which begins with the words ‘[i]t follows that’, immediately follows the assessment of the weakening of the ability to identify and the dispersion of the identity of the earlier mark; it could thus be considered to be merely an explanation of the previous paragraph. However, the same wording, reproduced in paragraph 81 and in the operative part of that judgment, is autonomous. The fact that it appears in the operative part of the judgment makes its importance clear.

36. The wording of the above case-law is explicit. It follows that, without adducing evidence that that condition is met, the detriment or the risk of detriment to the distinctive character of the earlier mark provided for in Article 8(5) of Regulation No 207/2009 cannot be established.

37. The concept of ‘change in the economic behaviour of the average consumer’ lays down an objective condition. That change cannot be deduced solely from subjective elements such as consumers’ perceptions. The mere fact that consumers note the presence of a new sign similar to an earlier sign is not sufficient of itself to establish the existence of a detriment or a risk of detriment to the distinctive character of the earlier mark within the meaning of Article 8(5) of Regulation No 207/2009, in as much as that similarity does not cause any confusion in their minds.

38 The General Court, at paragraph 53 of the judgment under appeal, dismissed the assessment of the condition laid down by the *Intel Corporation* judgment, and, consequently, erred in law.

39. The General Court found, at paragraph 62 of the judgment under appeal, that ‘the fact that competitors use somewhat similar signs for identical or similar goods compromises the immediate connection that the relevant public makes between the signs and the goods at issue, which is likely to undermine the earlier mark’s

ability to identify the goods for which it is registered as coming from the proprietor of that mark’.

40. However, in its judgment in *Intel Corporation*, the Court clearly indicated that it was necessary to demand a higher standard of proof in order to find detriment or the risk of detriment to the distinctive character of the earlier mark, within the meaning of Article 8(5) of Regulation No 207/2009.

41. Accepting the criterion put forward by the General Court could, in addition, lead to a situation in which economic operators improperly appropriate certain signs, which could damage competition.

42. Admittedly, Regulation No 207/2009 and the Court’s case-law do not require evidence to be adduced of actual detriment, but also admit the serious risk of such detriment, allowing the use of logical deductions.

43. None the less, such deductions must not be the result of mere suppositions but, as the General Court itself noted at paragraph 52 of the judgment under appeal, in citing an earlier judgment of the General Court, must be founded on ‘an analysis of the probabilities and by taking account of the normal practice in the relevant commercial sector as well as all the other circumstances of the case’.”

The required change in economic behaviour may be inferred. In *32Red Plc v WHG (International) Limited and others* [2011] EWHC 665 (Ch), Henderson J. held that a change in consumers’ economic behaviour could be inferred from the inherent probabilities of the situation. He said:

“133. Is there evidence of a change in economic behaviour brought about by the use of the Vegas signs? In the nature of things, direct evidence of such a change is likely to be hard to find in cases of the present type, although Mrs F provides a suggestive example of a customer who was nearly persuaded to change her

allegiance as a result of a perceived connection between 32Red and 32Vegas. However, I see no reason why I should not have regard to the inherent probabilities of the situation, and in particular to the contrast between the marketing models of the two casinos. The similarity of their names, and the fact that 32Vegas was always operated as one of a number of linked casinos on the carousel model, lead me to conclude that an average online gambler would have been far readier to switch his allegiance from 32Red to 32Vegas, or to play with 32Vegas in the first place, than he would have been in the absence of such similarity. These are changes in economic behaviour, and I am satisfied on the balance of probabilities that such changes are likely to have occurred to a significant extent.”

Section 5(4)(a) of the Act – case law

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).”