

O/136/20

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION NO. 3356250 BY
M.J.W. LIPSY COUTURE LTD
TO REGISTER:**

Lipsy Couture

AS A TRADE MARK IN CLASSES 5 & 10

AND

**IN THE MATTER OF THE OPPOSITION THERETO
UNDER NO. 415694 BY
LIPSY LIMITED**

BACKGROUND AND PLEADINGS

1. Maxine Waugh applied to register **Lipsy Couture** as a trade mark in the United Kingdom on 26 November 2018. It was accepted and published in the Trade Marks Journal on 7 December 2018 in respect of the following goods:

Class 5

Dermal filler; injectable dermal filler; Pharmaceutical products administered by injection for use in moisturizing skin and reducing wrinkles; Pharmaceutical preparations for the treatment of glabellar lines, facial wrinkles, asymmetries and defects and conditions of the human skin; biological dermal implants, namely, visco-supplementation solutions for filling wrinkles.

Class 10

Medical and surgical apparatus and instruments; Dermal implants; Biocompatible materials for medical purposes for reducing wrinkles; Artificial skin for surgical purposes; Prostheses; Apparatus for the treatment of glabellar lines, facial wrinkles, asymmetries and defects and conditions of the human skin.

2. Ownership was assigned to M.J.W. Lipsy Couture Ltd (“the applicant”) with effect from 1 April 2019.

3. The application was opposed by Lipsy Limited (“the opponent”) on 7 March 2019. The opposition is based upon sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”) and concerns all goods of the application.

4. With regards to its claim based upon section 5(2)(b) of the Act, the opponent is relying upon UK Trade Mark No. 3266691: **LIPSY** (“the 691 mark”). The mark was applied for on 27 October 2017 and registered on 23 March 2018 in respect of goods in Classes 3, 5, 11, 14, 16, 20, 21, 24, 27 and 28. Under section 5(2)(b), the opponent is relying on the following goods:

Class 3

Reed diffusers; perfumery; essential oils, cosmetics, hair lotions; soaps; dentifrices; perfumes; colognes; body sprays; toiletries; cosmetics; body and beauty care cosmetics; toiletry products; toiletry preparations; toiletries in the form of creams and lotions; cleansing products; preparations for body care; preparations for care of hair; preparations for care of nails; nail varnish; preparations for care of skin; preparations for the eyes; preparations for the face; preparations for the feet; preparations for the hands; preparations for the nails; colouring substances for cosmetic purposes; cosmetic kits; cosmetic masks; deodorants; soaps; sponges impregnated with soaps/toiletries; talc; bath and shower oils, gels, creams, lotions, milks and foams; bath beads; bath crystals; bath salts; but not including lip salves, lip protectors and/or lip care preparations and none of the aforesaid goods being lip related products.

5. The opponent claims that the contested mark is similar to its earlier mark, that the applicant's goods are similar or complementary to the opponent's goods, and that, as a result of this similarity, there is a likelihood of confusion, including a likelihood of association.

6. With regards to its claim based upon section 5(3), the opponent is relying upon the 691 mark and it claims that the mark has a reputation for the Class 3 goods listed above. The opponent is also relying upon UK Trade Mark No. 3297238: **LIPSY** ("the 238 mark"). This mark was applied for on 15 March 2018 and registered on 10 August 2018 for goods and services in Classes 25 and 35. The opponent claims that the mark has a reputation for the following goods and services:

Class 25

Clothing; footwear; headgear; belts for clothing; sleep masks.

Class 35

Retail and online retail services in connection with the sale of clothing, headwear, footwear, belts for clothing, leather clothing, passport holders, hot water bottles, eye masks, sleep masks; retail and online retail services in connection with the sale of perfume, cosmetics, toiletries, essential oils, hair lotions, soaps,

dentifrices, colognes, body sprays, body and beauty care cosmetics, toiletry products, toiletry preparations, toiletries in the form of creams and lotions, cleansing products, preparations for body care, preparations for care of hair, preparations for care of nails, nail varnish, preparations for care of skin, preparations for the eyes, preparations for the face, preparations for the feet, preparations for the hands, preparations for the nails, colouring substances for cosmetic purposes, cosmetic kits, cosmetic masks, deodorants, soaps, sponges impregnated with soaps/toiletries, talc, bath and shower oils, gels, creams, lotions, milks and foams, bath beads, bath crystals, bath salts; retail and online retail services in connection with the sale of eyewear, eyeglasses, spectacles, sunglasses, goggles and cases, chains and straps for eyeglasses, sunglasses and goggles, spectacle and sunglass frames, contact lenses, pre-recorded CDs, video tapes, laser disks, DVDs and MP3s, CD storage wallets and racks, downloadable publications, apparatus for recording, transmission or reproduction of sound or images, magnetic data carriers, recording discs; recorded media, computer software, software downloadable from the Internet, compact discs, digital music, computer games equipment adapted for use with an external display screen or monitor, mouse mats, mobile telephones, mobile phone accessories, computer accessories, tablet computer accessories, cases for mobile phones, tablets and laptops, safety clothing, footwear and headgear, photographic apparatus and instruments; retail and online retail services in connection with the sale of jewellery and watch straps, watches, jewellery, costume jewellery, clocks, jewellery boxes and watch boxes, jewellery display stands, horological and chronometric instruments, sculptures and ornaments made of precious metals, badges of precious metal, clock cases, cuff links, statues and figurines, made of or coated with precious or semi-precious metals or stones, or imitations thereof, key rings [trinkets or fobs] and key chains, ornamental pins, stopwatches, sundials, tie clips, tie pins, pouches for jewellery, costume jewellery, clocks; parts and fittings for all the aforesaid goods; retail and online retail services in connection with the sale of bags, handbags, purses, vanity cases, luggage, leather and imitations of leather, and goods made of these materials, cases, holdalls, tote bags, rucksacks, backpacks, bags for sport and recreational purposes, shoe and boot bags, wallets, belts and straps, harnesses, key cases, umbrellas, parasols, toiletry bags and cases, toilet bags and cases,

cosmetic bags and cases, beauty cases, but not including retail services connected with the sale of lip salves, lip protectors and/or lip care preparations or any lip related products.

7. The opponent claims that:

- use of the contested mark would take unfair advantage of the reputation of the earlier marks and the opponent's investment in advertising and promoting those marks and that the applicant would be likely to gain sales, goodwill and enhanced status with customers as a result of association with the earlier marks, in which the opponent claims to have established a brand message of prestige, luxury and exclusivity;
- such use would be detrimental to the reputation of the earlier marks, as the applicant's use would be out of the control of the opponent and any poor-quality, or different, goods or services would reflect upon the opponent's business; and
- such use would be detrimental to the distinctive character of the earlier marks, which would no longer signify origin, and would be diluted by concurrent use of a similar mark for similar and/or complementary goods.

8. Under section 5(4)(a) of the Act, the opponent claims that use of the contested mark is liable to be prevented under the law of passing off, owing to its goodwill attached to the sign **LIPSY**, which it claims to have used throughout the UK since 1990 in respect of the goods and services covered by the earlier marks and upon which it is relying in this opposition.

9. The applicant filed a defence and counterstatement, denying all the grounds. It claims that there are differences between the marks and significant differences between the goods and services, and denies that a likelihood of confusion would arise. It also denies that its application would take unfair advantage of, or be detrimental to the distinctive character or reputation of, the earlier marks, and that the opponent has

acquired goodwill associated with the sign relied upon, or that use of the contested mark would mislead and give rise to damage.

10. The opponent filed evidence in these proceedings. This will be summarised to the extent I consider necessary.

11. Neither party requested a hearing. The opponent filed written submissions in lieu of a hearing on 28 October 2019. These will not be summarised but will be referred to as and where appropriate during this decision, which I have taken following a careful consideration of the papers.

12. In these proceedings, the opponent is represented by HGF Limited and the applicant by Revomark.

EVIDENCE

13. The opponent's evidence comes from Mr Nicholas Murty, Financial Director of Lipsy Limited. It is dated 24 June 2019.

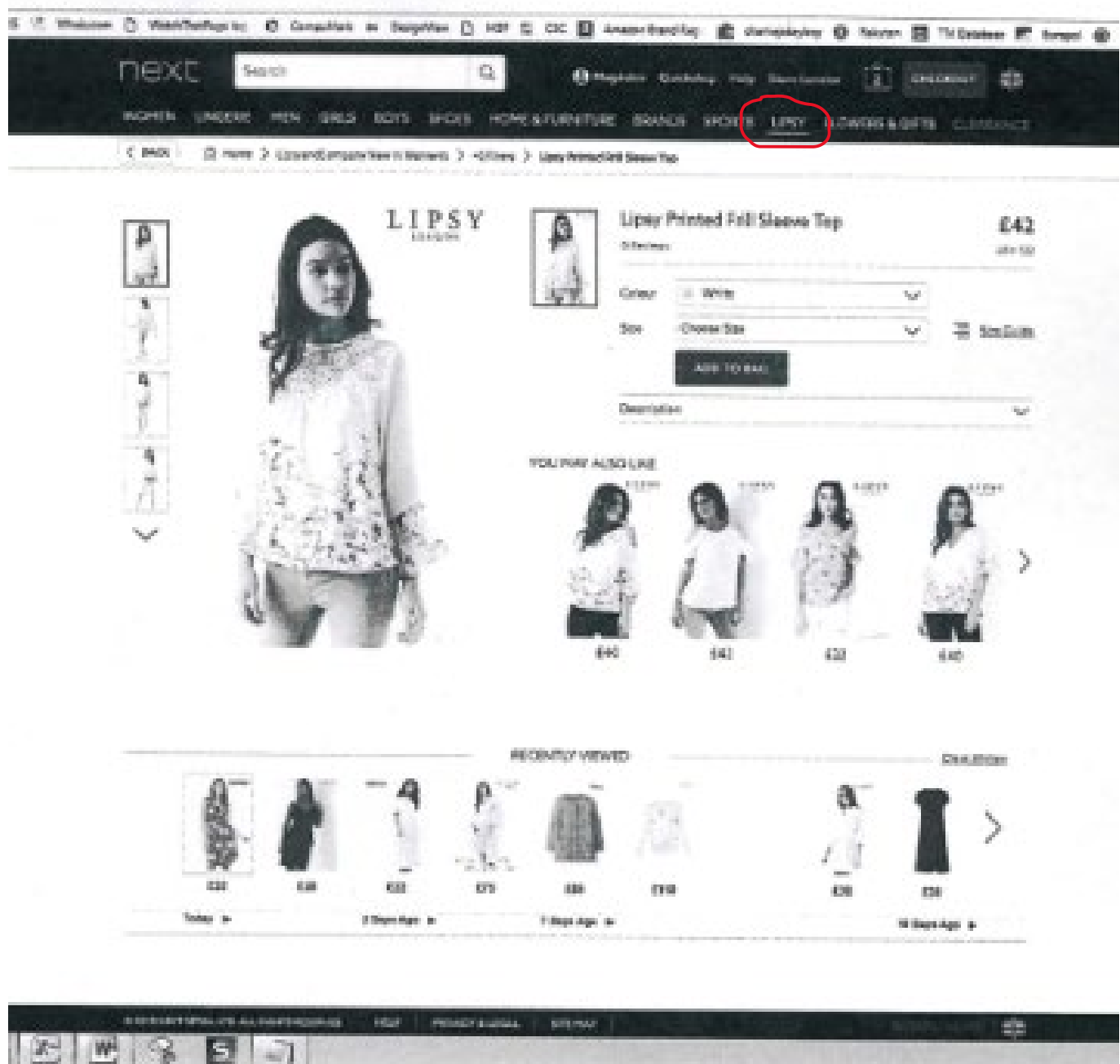
14. Mr Murty states that Lipsy is "a designer and retailer of women's clothing, headwear, footwear and accessories, such as jewellery, handbags, watches, perfumery, eyeglasses and beauty products".¹ It has been using the LIPSY trade mark since 1989 and was acquired by the retailer Next in September 2008.

15. Exhibits NM1-NM5 consist of extracts from Next's annual reports and accounts from 2014-2018. Revenue from the Lipsy subsidiary was £58.1m in the year ending January 2013, with £62.9m, £73.0m, £74.3m, £90.6m, £114.9m and £149.9m in the subsequent six years.

16. Goods were sold via its own website, which became part of the parent company's website in January 2018. Exhibit NM11 contains three screenshots from the Next

¹ Paragraph 6.

website which show that Lipsy is a separate category. They were printed on 30 January 2018, 10 May 2018 and 10 July 2018. The second is shown below:



17. Other distribution channels were catalogues and third-party retailers.² Exhibit NM10 contains extracts from LIPSY & CO catalogues from 2016 and 2017. Mr Murty states that these were distributed to over 200,000 customers in the UK, and that the

² Exhibit NM7 is a screenshot (retrieved via the Wayback Machine) of the Ann Summers website, showing that Lipsy goods were on sale. The date is 17 January 2018.

goods are now sold through the Next catalogue, which is circulated to 1 million customers in the UK.

18. The table below shows expenditure on advertising and promoting products bearing the mark.

Year Ending	Amount
January 2013	£2.0m
January 2014	£2.3m
January 2015	£3.2m
January 2016	£3.6m
January 2017	£3.7m
January 2018	£3.3m

19. Exhibits NM15 – NM19 contain extracts from national newspapers and magazines, including *Hello!*, *OK!*, *The Sun*, *London Evening Standard* and *Now*, showing items of clothing and a bag sold under the LIPSY mark. The earliest extract is dated 17 November 2013 and the latest 24 October 2018.

20. The evidence also includes printouts from a range of social media sites: Facebook (Exhibit NM20), Instagram (Exhibit NM21), Twitter (Exhibit NM22), YouTube (Exhibit NM23) and Pinterest (Exhibit NM24). The dates on which these printouts were retrieved is not clear, although Mr Murty gives the dates of the Instagram pages as 2 February 2017 and 8 November 2018, those of the YouTube and Pinterest pages as 2 February 2017 and 2 August 2018.³ He also states that as of February 2017 the opponent had over 285,000 followers on Instagram. The post mainly show clothes, shoes and bags, but there are also more general images, such as hotel rooms, cocktails, dogs and manicured fingernails. In the case of the latter, it is unclear whether these images relate to products that are sold by the opponent.

21. The final Exhibit, NM25, contains examples of invoices showing sales to a single third-party retailer, ASOS. The earliest is dated 22 January 2013 and the latest

³ With two dates for each of YouTube and Pinterest.

12 October 2018. Of the 24 invoices, all but one show sales of clothing, with the exception being a bag. The sums shown range from £898.80 (60 dresses on 6 April 2017) to £20,550.78 (1026 dresses on 5 March 2014).

DECISION

Section 5(2)(b)

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

“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.”

23. Section 5A of the Act states that:

“Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only.”

24. An “earlier trade mark” is defined in section 6(1) of the Act:

“In this Act an ‘earlier trade mark’ means –

(a) a registered trade mark, international trade mark (UK) or European Union 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.”

25. The 691 mark qualifies as an earlier trade mark under the above provision. As the mark was registered within the five years before the date of the application for the contested mark, it is not subject to the proof of use requirement under section 6A of the Act and the opponent is therefore entitled to rely on all the goods for which the mark stands registered. For the purposes of the opposition under section 5(2)(b), it is relying on its goods in Class 3.

26. In considering the opposition under this section, I am guided by the following principles, gleaned from the decisions of the Court of Justice of the European Union (CJEU) in *SABEL BV v Puma AG* (Case C-251/95), *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* (Case C-39/97), *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* (Case C-342/97), *Marca Mode CV v Adidas AG & Adidas Benelux BV* (Case C-425/98), *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (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-334/05 P) and *Bimbo SA v OHIM* (Case C-529/12 P):

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. The average consumer is deemed to be reasonably well informed and reasonably circumspect and observant, but someone who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them they have kept in their 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.

Comparison of goods

27. When comparing the goods, all relevant factors should be taken into account, per *Canon*:

“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 complementary.”⁴

28. Guidance was also given by Jacob J (as he then was) in *British Sugar Plc v James Robertson & Sons Limited (“Treat”)* [1996] RPC 281. At [296], he identified the following relevant factors:

- “(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.”

29. 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

⁴ Paragraph 23.

between goods or services. The General Court (GC) clarified the meaning of “complementary” goods or services in *Boston Scientific Ltd v OHIM*, Case T-325/06:

“... 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.”⁵

30. The goods to be compared are shown in the table below:

Opponent’s goods	Applicant’s goods
<p><u>Class 3</u></p> <p><i>Reed diffusers; perfumery; essential oils, cosmetics, hair lotions; soaps; dentifrices; perfumes; colognes; body sprays; toiletries; cosmetics; body and beauty care cosmetics; toiletry products; toiletry preparations; toiletries in the form of creams and lotions; cleansing products; preparations for body care; preparations for care of hair; preparations for care of nails; nail varnish; preparations for care of skin; preparations for the eyes; preparations for the face; preparations for the feet; preparations for the hands; preparations for the nails; colouring substances for cosmetic purposes; cosmetic kits; cosmetic masks; deodorants; soaps; sponges impregnated with soaps/toiletries; talc; bath and shower oils, gels, creams, lotions, milks and</i></p>	<p><u>Class 5</u></p> <p><i>Dermal filler; injectable dermal filler; Pharmaceutical products administered by injection for use in moisturizing skin and reducing wrinkles; Pharmaceutical preparations for the treatment of glabellar lines, facial wrinkles, asymmetries and defects and conditions of the human skin; biological dermal implants, namely, visco-supplementation solutions for filling wrinkles.</i></p> <p><u>Class 10</u></p> <p><i>Medical and surgical apparatus and instruments; Dermal implants; Biocompatible materials for medical purposes for reducing wrinkles; Artificial skin for surgical purposes; Prostheses; Apparatus for the treatment of glabellar lines, facial wrinkles, asymmetries and</i></p>

⁵ Paragraph 82.

Opponent's goods	Applicant's goods
<i>foams; bath beads; bath crystals; bath salts, but not including lip salves, lip protectors and/or lip care preparations and none of the aforesaid goods being lip related products.</i>	<i>defects and conditions of the human skin.</i>

31. While making my comparison, I bear in mind the comments of Floyd J (as he then was) in *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch):

“... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations in 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.”⁶

32. In *SEPARODE Trade Mark*, BL O-399-10, Mr Geoffrey Hobbs QC, sitting as the Appointed Person, said:

“The determination must be made with reference to each of the different species of goods listed in the opposed application for registration; if and to the extent that the list includes goods which are sufficiently comparable to be assessable for registration in essentially the same way for essentially the

⁶ Paragraph 12.

same reasons, the decision taker may address them collectively in his or her decision.”⁷

Class 5 goods

33. In my view, all the applicant’s Class 5 goods can be grouped together under the more general category of *Pharmaceutical preparations for the treatment of glabellar lines, facial wrinkles, asymmetries and defects and conditions of the human skin*. This would include preparations particularly designed for moisturising skin and reducing wrinkles, but also the dermal implants and fillers, which the average consumer would understand to mean pharmaceutical substances that are placed under the skin to improve its appearance. All these goods are preparations for the treatment of conditions of the human skin.

34. The opponent’s *Cosmetics* are also products which are designed to improve the appearance of the user. The users and purpose of the goods are therefore the same. There will be some overlap in the nature, with the difference being that the Class 5 goods are medicated, while the average consumer would not expect this to be the case with cosmetics. There is also some overlap in the trade channels, as specialist stores may stock both medicated and non-medicated products. In my view, the goods are in competition: a consumer wishing to improve their appearance may choose the cosmetics of the opponent’s registration or the pharmaceutical preparations of the application. I also consider that the goods are, to some extent, complementary as the average consumer may expect the same company to produce both medicated and non-medicated products. However, this complementarity would, in my view, be at a relatively low level. Overall, I find that there is a high degree of similarity between the goods.

Class 10 goods

35. The opponent submits that the contested goods in Class 10 are similar to its Class 3 goods and refers me to the decision of the EU Intellectual Property Office (EUIPO)

⁷ Paragraph 5.

in Opposition No. B1464744 where the Opposition Division found that *medical devices, namely implants in form of a gel, sold alone or in kits, including but not limited to prefilled syringes, for filling out wrinkles, folds, scars, lips as well as for face and body contouring and for rejuvenation of the skin, all intended for injection* were similar to a certain degree to *body care and beauty care preparations* in Class 3.

36. I am not bound by the decisions of the Opposition Division and, in my view, the position is not as analogous as the opponent submits. I reproduce below an extract from page 6 of that decision:

“... In this respect a grammatical interpretation of the wording of the specification is required to determine the scope of the goods of the two designations that must be compared. It must be observed that the contested list includes the term **namely** which indicates that it is exclusive and restricts the scope of the registration only to the above specific goods.”⁸

37. I shall conduct my own comparison of the goods at issue.

Class 10: Medical and surgical apparatus and instruments

38. The purpose of these goods is to enable a medical practitioner to carry out surgical or other medical procedures or to help an individual manage their condition. Their purpose is therefore different from that of the opponent’s Class 3 goods, although some of the users are the same. The physical nature of the goods and trade channels are different. *Medical and surgical apparatus and instruments* are likely to be made of metal, or other hard-wearing substances, and will be purchased from specialist suppliers of such equipment. The goods are neither complementary nor in competition. I find these goods to be dissimilar. For a section 5(2)(b) claim to be successful, there must be some degree of similarity between the goods and/or services: see *eSure Insurance v Direct Line Insurance* [2008] ETMR 77 CA, paragraph 49. The section 5(2)(b) ground therefore fails in respect of these goods.

⁸ Page 6.

Class 10: Dermal implants

39. It is not entirely clear what kind of goods are referred to by this term. The ordinary meaning of the phrase would be substances or objects that are inserted into, or underneath, the skin. The average consumer may think that a body piercing might fit this definition.

40. In *Altecnic Ltd's Trade Mark Application* [2001] EWCA Civ 1928, the Court of Appeal decided that:

“... the Registrar is entitled to treat the class number in the application as relevant to the interpretation of the scope of the application, for example, in the case of an ambiguity in the list of the specification of goods.”⁹

41. In *Pathway IP Sarl (formerly Regus No. 2 Sarl) v Easygroup Ltd (formerly Easygroup IP Licensing Limited)* [2018] EWHC 3608 (Ch), the late Mr Justice Carr considered whether it was appropriate to take the class(es) in which the trade mark was registered into account in revocation or invalidation proceedings when deciding whether a description covered the goods and/or services shown in the evidence. After considering the judgments of the High Court in the *Omega 1* and *Omega 2* cases,¹⁰ the judge stated that in his (provisional) view, the class number should be taken into account where the meaning of the disputed term is not otherwise sufficiently clear and precise. In particular, the judge states that where

“... the words chosen may be vague or could refer to goods or services in numerous classes [of the Nice Classification system], the class may be used as an aid to interpret what the words mean with the overall objective of legal certainty of the specification of goods and services.”¹¹

42. Class 10 of the Nice Classification, according to the Explanatory Note, “includes mainly surgical, medical, dental and veterinary apparatus, instruments and articles

⁹ Paragraph 42.

¹⁰ [2010] EWHC 1211 (Ch) and [2012] EWHC 3440 (Ch) respectively.

¹¹ Paragraph 94.

generally used for the diagnosis, treatment or improvement of function or condition of persons and animals". In my view, the dental implants in the application have either a diagnostic or therapeutic purpose.

43. There is some overlap with the applicant's *preparations for care of skin*, which are used to improve the condition of the skin. The users of the goods will be the same, but the method of use is different: implants will require a procedure carried out by a skilled person while the average consumer using skin care preparations is generally able to apply them without assistance. There will, to my mind, be some overlap in trade channels as beauty salons may supply both goods. There is a degree of competition and, in my view, there may also be some complementarity. I find that the goods are similar to no more than a medium degree.

Class 10: Biocompatible materials for medical purposes for reducing wrinkles

44. Biocompatible materials are materials that are not toxic or otherwise harmful to living tissue. The purpose of these is, like cosmetics, to improve the appearance, specifically in this case by reducing wrinkles. The end-user is the same as the user of cosmetics but the trade channels will differ as will the method of use. The physical nature may be similar or different. There is a degree of competition, as the person who is looking to beautify themselves could choose to buy cosmetics or undergo a medical procedure. Given the specialist nature and the medical purpose of these goods, there is no complementarity as the average consumer is unlikely to think that a cosmetics company would be responsible for such specialist goods. I find these goods to be similar to a relatively low degree.

Class 10: Artificial skin for surgical purposes; Protheses

45. The purpose of these goods is to substitute for tissue or limbs that have been removed. The aim is not just to improve the user's appearance, but to enable them to participate in everyday life, for example through increasing a person's mobility. The nature of the goods is different, nor do they share trade channels. The goods are not in competition and I do not consider that there is any complementarity. I find these goods to be dissimilar and the section 5(2)(b) ground fails.

Class 10: Apparatus for the treatment of glabellar lines, facial wrinkles, asymmetries and defects and conditions of the human skin

46. The physical properties of these goods are also different from those of the opponent's Class 3 goods. The users are most likely to be professionals (medical practitioners or beauticians), although I do not discount the possibility that some apparatus may also be used by the general public. The purposes are the same: improving the appearance of the end user. The apparatus may be used in conjunction with cosmetics, although I note the comments of Mr Daniel Alexander QC, sitting as the Appointed Person, in *Sandra Amalia Mary Elliot v LRC Holdings Limited (LUV/LOVE Trade Marks)*, BL O-255-13, that:

“... it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together”.¹²

47. The average consumer may expect that the same undertaking is responsible for apparatus used for improving the condition of the skin and cosmetic products serving the same purpose, but given the differences in the physical nature of the goods, any complementarity would, in my view, be of a relatively low level. There is competition and overlap in the trade channels, particularly where the apparatus may be used at home. Consequently, I find the goods to be similar, although to a fairly low degree.

Average consumer and the purchasing act

48. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, I must bear in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: see *Lloyd Schuhfabrik Meyer*.

49. In *Hearst Holdings & Anor v A.V.E.L.A. Inc & Ors* [2014] EWHC 439 (Ch), Birss J described the average consumer in these terms:

¹² Paragraph 20.

“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 word ‘average’ denotes that the person is typical. The term ‘average’ does not denote some form of numerical mean, mode or median.”¹³

50. The opponent submits that:

“Whilst the Contested Goods may comprise pharmaceutical and medical preparations/devices, their nature is such that they may be purchased and/or utilised within beauty stores, salons and centres. The goods are directed to consumers with an interest in cosmetics and skin care products that may purchase goods and services within these locations. As the price and quality of such products may vary significantly, a high proportion of the relevant public should be deemed to have an average degree of attention.”¹⁴

51. I agree that the price and quality of the goods at issue can be expected to vary significantly. In the case of the Class 3 and 5 goods, the average consumer is a member of the general public who has an interest in cosmetics and skin care products or a professional in the medical or beauty field; in the case of the Class 10 goods, although some may be used by the general public, the average consumer will be a professional, although in such cases the end-user will be a member of the general public.

52. Cosmetics are sold through high-street retailers, chemists, supermarkets, department stores, beauty salons, websites and specialist cosmetics suppliers. They are bought fairly frequently. The visual element will be most significant in the purchasing process for all these goods, as the average consumer will tend to select for themselves what they want to buy. However, I do not ignore the aural element, as

¹³ Paragraph 60.

¹⁴ Paragraph 17.

some purchases will be assisted by sales staff. The average consumer will make a decision based on a range of factors, including suitability of the product, ingredients and price. In my view, they would be paying an average level of attention when purchasing cosmetics.

53. Turning to the Class 5 goods, I note that in *Bayer AG v EUIPO*, Case T-261/17, the GC held that the average consumer will pay a heightened level of attention when selecting pharmaceutical products, including such products available without a prescription. They are likely to purchase them from specialist suppliers over the internet, in retail premises or from catalogues, so I find that visual considerations will be significant, although I do not discount the aural element, as orders may be placed by telephone or advice sought from a member of staff. I find that the average consumer will be paying a higher than average level of attention.

54. The professional consumer will be paying a higher than average level of attention when purchasing the Class 10 goods, given that they will be using them on their clients or patients. They are likely to be purchased from specialist suppliers over the internet or from catalogues and consequently the visual element will be most significant.

Comparison of marks

55. It is clear from *SABEL* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated in *Bimbo* that:

“... it is necessary to ascertain in each individual case, the overall impression made on the target public by the sign for which the 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.”¹⁵

56. It would be wrong, therefore, artificially to dissect the 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 created by the marks.

57. The respective marks are shown below:

Earlier mark (the 691 mark)	Contested mark
LIPSY	Lipsy Couture

58. The 691 mark consists of the word “LIPSY” in capital letters and the overall impression of the mark lies in the word itself. The contested mark consists of the two words “Lipsy” and “Couture”. The opponent submits that “Lipsy” is the dominant and distinctive element of this mark, as “Couture” is descriptive or non-distinctive, and provides the Merriam-Webster dictionary definition of that word: *of, relating to, or being high-end custom-made fashion*. It is not, however, descriptive of the goods for which registration is sought. In my view, “Lipsy” makes the major contribution to the overall impression of the contested mark, but “couture” is not negligible.

59. The entirety of the 691 mark is contained within the contested mark, at its beginning. The 691 mark is, as I have already noted, in upper case, while the contested mark is presented in title case. However, registration of a word mark protects the word(s) written in any normal font and irrespective of capitalisation: see *Bentley Motors Limited v Bentley 1962 Limited*, BL O/158/17, paragraph 16. Consequently, I find the marks to have a high degree of visual similarity.

60. The 691 mark will be articulated “LIP-SEE”, while the applied-for mark will be articulated “LIP-SEE-COO-TYUR”. The applied-for mark has therefore twice as many

¹⁵ Paragraph 34.

syllables, although the first two are identical to the 691 mark. I find that the marks have a high degree of aural similarity.

61. Conceptually, the word “LIPSY” has no meaning *per se*, though it seems to me that it is not unlikely that the average consumer would think it alluded to lips. The opponent submits that:

“The word ‘COUTURE’ in the Contested Mark ... communicates a readily determinable message to the relevant public that the goods for which registration is sought are fashionable and are, in some manner, tailored to the consumer’s needs or specifications.”

I agree that this is how the average consumer would interpret the word. Both marks therefore share some conceptual content and I find that they are similar, although to no more than a medium degree.

Distinctiveness of the earlier mark

62. There is, as has already been noted, a greater likelihood of confusion if the earlier mark is highly distinctive. The CJEU provided guidance on assessing a mark’s distinctive character in *Lloyd Schuhfabrik Meyer*:

“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).

63. Inherently, the 691 mark has a higher than average level of distinctive character as an invented word, albeit one that alludes to lips. I recall that products intended for use on the lips are excluded from the registration so the mark does not allude to the goods for which it is registered. The opponent submits that this distinctive character has been enhanced through the use that has been made of the mark in the UK. There is, however, scant evidence of the mark having been used on anything other than clothing, footwear and bags. Mr Murty says in his witness statement that it has been used extensively in relation to beauty products, but the only reference to such products in the evidence is the mention of aerosol products, including body sprays and dry hair shampoo, in undated information from the opponent's website on delivery and returns.¹⁶ Turnover figures are not broken down into the type of product and so in relation to the opponent's Class 3 goods I find that the inherent distinctive character of the 691 mark has not been enhanced through use. Thanks to its inherent characteristics, though, its distinctiveness is still higher than average.

Conclusions on likelihood of confusion

64. In assessing the likelihood of confusion, I must adopt the global approach set out in the case law to which I have already referred in paragraph 26 of this decision. I must also have regard to the interdependency principle, that a lesser degree of similarity between the goods may be offset by a greater degree of similarity between the marks, and vice versa: see *Canon*, paragraph 17. The distinctiveness of the earlier mark must also be taken into account.

¹⁶ Exhibit NM8.

65. Such a global assessment does not imply an arithmetical exercise, where the factors are scored and combined to reveal the likelihood of confusion. I must keep in mind the average consumer of the goods and the nature of the purchasing process. I note that it is generally accepted that marks are rarely recalled perfectly, the consumer relying instead on the imperfect picture they have kept in their mind: see *Lloyd Schuhfabrik Meyer*, paragraph 27.

66. There are two types of confusion: direct and indirect. In *L.A. Sugar Limited v Back Beat Inc*, BL O/375/10, Mr Iain Purvis QC, sitting 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 recognised that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: ‘The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

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

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

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as 'LITE', 'EXPRESS', 'WORLDWIDE', 'MINI' etc.)

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

67. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor QC, sitting as the Appointed Person, commented on the passage above, stressing that the examples given by Mr Purvis were not exhaustive and should not be taken as akin to a statutory test:

"81.2 ... the reason why the CJEU stressed the importance of the global assessment is, in my view, because it is supposed to emulate what happens in the mind of the average consumer on encountering, for example, the later mark applied for with an imperfect recollection of the earlier mark in mind. It is not a process of analysis or reasoning, but an impression or instinctive reaction.

81.3 ... when a tribunal is considering whether a likelihood of confusion exists, it should recognise that there are four options:

81.3.1 The average consumer mistakes one mark for the other (direct confusion);

81.3.2 The average consumer makes a connection between the marks and assumes that the goods or services in question are from the same or economically linked undertakings (indirect confusion);

81.3.3 The various factors considered in the global assessment lead to the conclusion that, in the mind of the average consumer,

the later mark merely calls to mind the earlier mark (mere association);

81.3.4 For completeness, the conclusion that the various factors result in the average consumer making no link at all between the marks, but this will only be the case where either there is no or very low similarity between the marks and/or significant distance between the respective goods or services;

81.3.5 Accordingly, in most cases, it is not necessary to explicitly set out this fourth option, but I would regard it as a good discipline to set out the first three options, particularly in a case where a likelihood of indirect confusion is under consideration.

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

68. The opponent submits that there is a likelihood of confusion between the marks and that:

"... the similarities between the respective marks and goods at issue are such that the consumer is likely to *mistake* the Contested Mark for the Earlier Mark. The word 'COUTURE', although not present in the Earlier Mark, does nothing to mitigate the risk of direct confusion, given that the Opponent is a fashion brand and, as such, it would be within the consumer's expectation to encounter the Opponent using this non-distinctive word in combination with the Earlier Mark. Further, and in the alternative, indirect confusion is likely because the Contested Application simply adds an entirely non-distinctive element to the Opponent's Earlier Mark. The addition

of the word 'COUTURE' does not have the effect of creating a conceptual gap between the marks. It is the word 'LIPSY' that will provide the conceptual hook in the mind of consumers. The average consumer would therefore perceive the Contested Mark as a sub-brand or brand extension of the Opponent's Earlier Mark (see LA Sugar O-375-10 at [16] and [17])."

69. The opponent's submissions are predicated on a finding that "COUTURE" is non-distinctive in the contested mark. Earlier in my decision, I found that the word did make a contribution to the overall impression of the mark, albeit a lesser contribution than the one made by the word "LIPSY". I remind myself of the rest of my findings:

- The marks are visually and aurally similar to a high degree and conceptually similar to no more than a medium degree;
- The 691 mark has a higher than average degree of inherent distinctiveness, although this has not been shown to have been enhanced through use on the goods on which the opponent is relying;
- In the case of the goods in Classes 3 and 5, the average consumer is a member of the general public. In the case of the Class 10 goods, the average consumer is a medical or beauty professional. They will be paying an average, or higher than average, degree of attention.
- The applicant's Class 5 goods are highly similar to the opponent's goods, while *Dermal implants, Biocompatible materials for medical purposes for reducing wrinkles and Apparatus for the treatment of glabellar lines, facial wrinkles, asymmetries and defects and conditions of the human skin* are similar to a medium or low degree to the opponent's Class 3 goods.

70. It is important to bear in mind that for the purposes of this global assessment it is the opponent's Class 3 goods that are relevant. I have been presented with no evidence of use for these goods, and indeed none is required, so this is essentially a notional assessment. The opponent's submissions appear to be based on the consumer's knowledge of the mark. I shall return to this when I consider the claims under section 5(3) of the Act.

71. I shall deal first with direct confusion. I found the marks to have a high degree of visual and aural similarity, and it is these elements, particularly the visual, that will be of most significance in the purchasing process. In the contested mark, the word “LIPSY” plays the major role. As this is the first part of the mark it will be more readily noticed by the average consumer, whether it is seen or spoken. It is my view that, as marks are rarely recalled perfectly, even where the average consumer is displaying a heightened level of attention, there will be direct confusion where the goods are similar. I consider this to be the case even where there is a low degree of similarity, given the higher than average level of inherent distinctiveness of the 691 mark.

72. In case I am wrong in this, I will now consider the likelihood of indirect confusion, where the average consumer thinks that the marks belong to the same or connected undertakings. To my mind, the higher than average level of distinctiveness of the 691 mark leads me to conclude that use of the contested mark would bring the 691 mark to the mind of the average consumer. The opponent’s *cosmetics* are similar to the applicant’s preparations and other goods intended to improve the appearance of the user’s skin. With imperfect recollection of the 691 mark used for *cosmetics*, the average consumer will, in my view, assume that the goods are from the same or economically linked undertakings. Consequently, I find there is a likelihood of indirect confusion where the goods are similar.

73. The section 5(2)(b) ground succeeds for the following goods:

Class 5

Dermal filler; injectable dermal filler; Pharmaceutical products administered by injection for use in moisturizing skin and reducing wrinkles; Pharmaceutical preparations for the treatment of glabellar lines, facial wrinkles, asymmetries and defects and conditions of the human skin; biological dermal implants, namely, visco-supplementation solutions for filling wrinkles.

Class 10

Dermal implants; Biocompatible materials for medical purposes for reducing wrinkles; Apparatus for the treatment of glabellar lines, facial wrinkles, asymmetries and defects and conditions of the human skin.

74. The section 5(2)(b) ground fails for the following goods:

Class 10

Medical and surgical apparatus and instruments; Artificial skin for surgical purposes; Prostheses.

Section 5(3)

75. Section 5(3) of the Act states that 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.”

76. Section 5(3A) of the Act states that:

“Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected.”

77. The relevant case law can be found in the following judgments of the CJEU: *General Motors Corp v Yplon SA* (Case C-375/97), *Intel Corporation Inc v CPM United Kingdom Ltd* (Case C-252/07), *Adidas Salomon AG v Fitnessworld Trading Ltd* (Case C-487/07), *L'Oréal SA & Ors v Bellure NV & Ors* (Case C-487/07) and *Marks and Spencer v Interflora* (Case C-323/09). 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: see *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 Salomon*, 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 or services, the extent of the overlap between the relevant consumers for those goods or 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 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 or 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 or services for which the earlier mark is registered, or a serious risk that this will happen in the 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 on the earlier mark: *L'Oréal*, 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*, paragraph 74, and the court's answer to question 1 in *L'Oréal*.

Reputation

78. The CJEU gave guidance on the assessment of reputation in *General Motors*:

“24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by the 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.

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.”

79. The opponent claims that the 691 mark has a reputation for the Class 3 goods and that the 238 mark has a reputation for *Clothing; footwear; headgear, belts for clothing and sleep masks* in Class 25 and the retail services in Class 35 listed in paragraph 6 above.

80. Earlier in my decision, I found that the distinctiveness of the 691 mark had not been enhanced through use in relation to the Class 3 goods. Reputation and enhanced distinctiveness are not the same, with the former being a test of the relevant public’s knowledge of the mark and the latter a measure of how strongly a mark identifies the goods and services of a single undertaking. In this instance, the opponent had provided no evidence of actual sales of the Class 3 goods, or any activities to promote them. I was unable to find that the mark had been used for these goods, and consequently cannot find that the 691 mark has a reputation for them.

81. I now turn to the 238 mark. The pages from catalogues, website images and press articles with the bulk of the evidence showing various items of women’s clothing and footwear for sale. There are also images of bags, although the number of these is smaller. There is no evidence of use on men’s clothing and footwear, and only one exhibit shows clothing for girls.¹⁷ Given the lack of any other evidence, it seems to me that, on the balance of probabilities, any reputation for clothing and footwear could only be for women’s clothing and footwear. Indeed, Mr Murty, as I have already noted in paragraph 14, describes the opponent in his witness statement as “a designer and retailer of women’s clothing, headwear, footwear and accessories”. This evidence goes back to 2013 and Mr Murty says that the mark has been in use since 1989.

82. While the opponent has not provided any information on market share, it has given sales figures. However, these relate to the whole of the Lipsy brand, rather than specific categories of goods within it. I note that all but one of the invoices in Exhibit NM27 show sales of clothing to a third-party retailer, and I have already mentioned that

¹⁷ Exhibit NM24, page 4.

the bulk of the evidence shows the use of the mark in relation to women's clothing and footwear. On the balance of probabilities, it seems to me reasonable to infer that a significant proportion of the total represents sales of women's clothing and footwear.

83. I quoted the figures for expenditure on advertising and promotion in paragraph 18 above. Mr Murty states that the Lipsy catalogue was circulated to 200,000 customers in the UK, while the Next catalogue (where the goods are now shown) is sent to 1 million UK customers. The goods are also sold through third-party retailers and the examples Mr Murty gives are Debenhams, Ann Summers, Avon UK, Very, House of Fraser and ASOS. Furthermore, the press articles show that clothing and footwear sold under the mark were featured in national media aimed at a general audience. The opponent also submits that it has fostered its reputation through collaborations with celebrities such as Ariana Grande (in 2016)¹⁸ and The Kardashians (2013 and 2014).¹⁹ There is evidence that former *Coronation Street* actress Michelle Keegan also had an association with the mark between 2014 and 2017.²⁰

84. Taking the evidence as a whole, it is my view that the relevant public, which is the general public who buys women's clothes, knows about the mark and so it has a reputation for women's clothing and footwear. The sales figures and sums spent on promotion suggest to me that this is a moderate reputation.

85. I will now consider whether the opponent has demonstrated that it has a reputation for the retail services listed in paragraph 6 above. Mr Murty states that, as of November 2018, the opponent had 51 physical shops around the world and that "many" of these were in the UK, for example in Manchester, Glasgow, Cardiff, Birmingham, London and Lincoln. Selling goods does not in itself amount to providing retail services in Class 35: see *Tony Van Gulck v Wasabi Frog Ltd (MissBoo)*, BL O/391/14, paragraph 9. In paragraph 25 of that decision, Mr Geoffrey Hobbs QC, sitting as the Appointed Person, said that retail services

¹⁸ Exhibit NM10.

¹⁹ Exhibits NM15 and NM16.

²⁰ See, for example, Exhibits NM6 and NM18

“... had to be seen as involving real and significant performance of the functions of selecting an assortment of goods offered for sale and offering a variety of retail services aimed at inducing consumers to purchase goods of the kind specified.”

86. Mr Murty also states that the opponent began stocking other brands in 2010 and the Next plc annual reports confirm that this business accounted for an increasing proportion of sales up to the year ending January 2019.²¹ In the most recent annual report, income is divided into the following categories: Sales through Next websites; Sales through Next stores; and Other sales (wholesale, franchise and 3rd party websites). Sales of third-party branded products accounted for 49% of sales of £149.9m in that year.²² Mr Murty describes these third parties as “fashion brands” (naming as examples Boohoo, Pretty Little Thing and Quiz), although he does not specify the goods that are sold. Exhibit NM10, which comprises extracts from 2016 and 2017 catalogues, also indicates that the opponent offered clothing from other brands for sale.²³ In my view, the services appear to be in line with the guidance on the interpretation of “retail services” given by Mr Geoffrey Hobbs QC and quoted above. Mr Murty states that LIPSY & CO was the brand used for selling third-party goods, and that these catalogues were distributed to over 200,000 UK customers, which to my mind is a relatively small proportion of the relevant public, which would comprise all those who wanted to buy women’s clothing and footwear. The opponent’s goods are now offered through its parent company’s website and catalogue, and there is no evidence to indicate that the relevant public would think that the opponent, rather than its parent company, is providing the retail services. It is also unclear whether the third-party brands are stocked in the UK shops referred to in the previous paragraph. Consequently, I find that the opponent has not shown that it has a reputation for retail services and so can only rely on a reputation for women’s clothing and footwear.

87. The opponent claims that its brand image is one of prestige, luxury and exclusivity. I do not believe that the evidence shows this. The publications in which the mark has featured are aimed at a general audience and the price of the goods and the volumes

²¹ Exhibits NM1-5.

²² Exhibit NM5.

²³ See references on pages 4, 11 and 14.

shipped to just one third-party retailer and shown in Exhibit NM25 do not suggest exclusivity. An article in the *Irish Independent* dated 27 October 2014 and included in Exhibit NM16 states that “Lipsy might be known for its affordable high-street partywear”.²⁴ In my view, the opponent has a reputation for fashionable clothing and footwear at a price that makes those goods accessible to the general public.

Link

88. The opponent submits that:

“... it is evident that a ‘link’ will be established between the marks by the public. This is particularly the case given that the word ‘COUTURE’ is a word which is particularly commonplace in the fashion industry in order to describe custom-made clothing. Given the Opponent’s extensive reputation as a clothing brand and retailer, the presence of this word within the Contested Mark contributes to the high likelihood of the public making a connection between the marks.”

89. My assessment of whether the public will make the required mental link between the marks must take account of all relevant factors. The factors identified by the CJEU in *Intel* are as follows:

- the degree of similarity between the conflicting marks;
- the nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between these goods or services, and the relevant section of the public;
- the strength of the earlier mark’s reputation;
- the degree of the earlier mark’s distinctive character, whether inherent or acquired through use; and
- the existence of the likelihood of confusion on the part of the public.²⁵

²⁴ Page 10.

²⁵ Paragraph 42.

90. I shall not repeat the analysis I have already carried out in my decision. The 238 mark is identical to the 691 mark on which the opponent relied under section 5(2)(b) of the Act. I found the contested mark to be visually and aurally highly similar and conceptually similar to the 691 mark to no more than a medium degree. I have also just found the reputation of the 238 mark to be moderate for women's clothing and footwear.

Comparison of goods

91. Under this ground, I must compare a different set of goods with those listed in the application than the ones I compared under section 5(2)(b). While the relevant publics are largely overlapping, it seems to me that on all other factors the goods are dissimilar. Their physical nature is different, as are their uses and trade channels. I do not consider that the applicant's goods are in competition with clothing and footwear or are complementary to them. Consequently, I find them to be dissimilar. However, as section 5(3A), quoted above, makes clear, this finding is not in itself sufficient for the ground to fail.

Distinctive character of the earlier mark

92. The 238 mark is an invented word that alludes to lips, but this allusion is not to women's clothing or footwear or to a quality of these goods. It follows that the 238 mark has a higher than average level of inherent distinctiveness for those goods. I must also consider whether the opponent has enhanced this distinctiveness through use. It seems to me that the evidence suggests that the distinctiveness has been enhanced, through the use over a long period of time (since 1989), the existence of shops, coverage in media aimed at the general audience, links with celebrities, and increasing sales. Even if I am wrong in this, though, the 238 mark still has a higher than average level of distinctiveness, on account of its inherent characteristics.

Likelihood of confusion

93. Given the dissimilarity between the goods, I find that there is no likelihood of confusion.

My assessment

94. The fact that I do not find a likelihood of confusion does not necessarily require me to find that the average consumer would not make a link between the marks. The CJEU said in *Intel* that:

“The types of injury referred to in Article 4(4)(a) of the Directive, where they occur, are the consequence of a certain degree of similarity between the earlier and later marks, by virtue of which the relevant section of the public makes a connection between those two marks, that is to say, establishes a link between them even though it does not confuse them”.²⁶

95. I also bear in mind the comments of the GC in *Industria de Diseño Textil, SA (Inditex) v EUIPO (ZARA TANZANIA ADVENTURES)*, Case T-655/17:

“... as regards the differences between the goods and services covered by the marks at issue, it must be pointed out that, in the present case, those differences are not, in themselves, capable of precluding any risk of unfair advantage being taken by the use of the mark applied for. It must be held, as the applicant submits, that there is currently a trend for trade marks present in the fashion market to evolve towards other markets and business sectors. For that reason, it cannot be ruled out that, in spite of the differences between those goods and services, the mark applied for might bring the earlier marks to the mind of the relevant public, particularly because the goods and services covered by the marks at issue are intended for, inter alia, the general public.”²⁷

96. The reputation and distinctiveness of the earlier mark are, in my view, such that the average consumer would make a connection between the marks. “Lipsy” is neither a word found in the dictionary, nor the name of a person or place. It seems to me plausible that an undertaking in the fashion industry might move into goods designed

²⁶ Paragraph 30.

²⁷ Paragraph 51.

to enhance the physical appearance of the end-user,²⁸ and would therefore make the link between the required link between the marks. To my mind, the distance between the opponent's goods for which it has a reputation and the Class 10 goods aimed at medical professionals, or having specifically medical purposes,²⁹ is too great for the link to be made. It is not clear to me why the average consumer would think a fashion business had expanded into this market.

97. I find that the relevant public would not make a link in the case of the following goods, and so the section 5(3) ground fails in respect of them:

Class 10

Medical and surgical apparatus and instruments; Biocompatible materials for medical purposes for reducing wrinkles; Artificial skin for surgical purposes; Prostheses.

98. I find that the relevant public would make a link in the case of the following goods:

Class 5

Dermal filler; injectable dermal filler; Pharmaceutical products administered by injection for use in moisturizing skin and reducing wrinkles; Pharmaceutical preparations for the treatment of glabellar lines, facial wrinkles, asymmetries and defects and conditions of the human skin; biological dermal implants, namely, visco-supplementation solutions for filling wrinkles.

Class 10

Dermal implants; Apparatus for the treatment of glabellar lines, facial wrinkles, asymmetries and defects and conditions of the human skin.

²⁸ The Class 5 goods and *Dermal implants and Apparatus for the treatment of glabellar lines, facial wrinkles, asymmetries and defects and conditions of the human skin.*

²⁹ *Medical and surgical apparatus and instruments; Biocompatible materials for medical purposes for reducing wrinkles; Artificial skin for surgical purposes; Prostheses.*

99. The opposition has already succeeded in respect of the goods listed in the previous paragraph under section 5(2)(b). For the sake of completeness, I shall briefly consider whether damage is made out.

Damage

100. The opponent submits that damage will occur as the applicant would benefit from “the power of attraction, reputation and prestige associated with the Earlier Mark” and obtain custom because of the link made between the goods of the two parties. The opponent also submits that there is a risk that the applicant’s goods are of a lower quality or are not “in accordance with the brand ethos of the Opponent”, and use of the contested mark would therefore be detrimental to the character and repute of the earlier mark.

101. The opponent is not required to produce evidence of actual damage. It is sufficient that the evidence leads me to conclude *prima facie* that there is a risk, which is not hypothetical, of damage in the future: see *Aktieselskabet af. 21. november 2001 v OHIM*, Case C-197/07 P, paragraph 22.

102. In the case of unfair advantage, the Court of Appeal decided in *Whirlpool Corp v Kenwood Ltd* [2009] EWCA Civ 753 that mere commercial advantage was not sufficient to render the taking of advantage unfair. Lloyd LJ (with whom Wilson and Rix LJJ agreed) stated that:

“There must be an added factor of some kind for that advantage to be categorised as unfair.”³⁰

103. The opponent pleaded that its brand message of “prestige, luxury and exclusivity” would transfer to the applicant’s mark and the goods sold under it. I recall, however, that I was unable to find that such a brand image was supported by the evidence.

³⁰ Paragraph 136.

104. The opponent also pleaded that the applicant would benefit from the investment the opponent had made in advertising and promoting its marks. The higher than average distinctiveness and the moderate reputation of the earlier mark lead me to conclude that use of the mark by the applicant would represent an unfair advantage, as the beginning of the contested mark would be known to a significant proportion of the applicant's potential customers. I find that unfair advantage is made out for the goods listed in paragraph 98 and the section 5(3) claim succeeds.

105. Proof that use of the contested mark 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 opponent's goods, or a serious likelihood that such a change will occur in the future: see *Environmental Manufacturing LLP v OHIM*, Case C-383/12 P, paragraph 34. I find it difficult to see why use of the contested mark for the applicant's goods would lead to a change in the economic behaviour of the purchasers of women's clothing and footwear. Dilution is not made out.

106. The opponent's submissions on detriment to reputation are essentially hypothetical arguments, based on the possibility that the applicant's goods will be of lower quality or, in some unexplained way, not be in accordance with the opponent's brand ethos. Consequently, I find that there is no risk of detriment to repute.

Section 5(4)(a)

107. Section 5(4)(a) of the Act states that:

"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 or law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

...

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’.”

108. It is settled law that for a successful finding of passing off, three factors must be present: goodwill, misrepresentation and damage. Her Honour Judge Melissa Clarke, sitting as deputy Judge of the High Court, conveniently summarised the essential requirements of the law in *Jadebay Limited, Noa and Nani Limited trading as The Discount Outlet v Clarke-Coles Limited trading as Feel Good UK* [2017] EWHC 1400 IPEC:

“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 these 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).”

Goodwill

109. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantages of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start. The goodwill of a business must emanate from a

particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has the power of attraction sufficient to bring customers home to the source from which it emanates.”

110. The opponent submits that it enjoys significant goodwill in the sign **LIPSY** in relation to the goods and services relied upon in the opposition since 1989 and did so at the filing date of the application. The applicant has not claimed to have been using the mark before that date, so this is the relevant date for the purposes of this ground.

111. Although I am aware that reputation for the purposes of section 5(3) is not the same as goodwill, the evidence that I discussed under section 5(3) is relevant here. While the opponent does not provide a breakdown of its sales figures by country (and it is UK sales that matter here), there is in my view enough in the evidence for me to find that the opponent has protectable goodwill associated with the sign **LIPSY** in relation to women’s clothes and footwear. There is, as I have noted earlier in the decision, no evidence of sales of the Class 3 goods.

112. While I did not find reputation under section 5(3) for *retail services connected with women’s clothing and footwear*, this does not necessarily mean that I am precluded from finding protectable goodwill. The sales figures I have already quoted and the significant proportion of sales deriving from third-party brands would lead me to conclude that there is goodwill. I recall that the LIPSY website ceased operation in 2018 and the most recent reference to a catalogue dates from 2017. However, this was not long before the date of application. However, in *Ad Lib Club Limited v Granville* [1971] FSR (HC), Pennycuick VC stated that even where a trader had ceased to carry on its business it may retain for some period of time the goodwill attached to that business. I find that the opponent had protectable goodwill at the relevant date.

Misrepresentation

113. I will now consider whether there is misrepresentation. The relevant test was set out by Morritt LJ in *Neutrogena Corporation and another v Golden Limited and another* [1996] RPC 473:

“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] RPC 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 RPC 147 at page 175; and *Re Smith Hayden’s Application* (1945) 63 RPC 97 at page 101.”

114. *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.”

115. The opponent submits that:

“41. Both the Opponent’s and Applicant’s goods and services are in a common and/or similar field of activity (beauty care and fashion). There is a considerable proportion of the purchasing public that can only be expected to exercise an average degree of attention when purchasing the goods in question.

42. The fact that the Contested Mark wholly replicates the LIPSY sign is likely to lead to a misrepresentation of origin and quality and a misrepresentation that the Opponent has control or responsibility over the Applicant's goods. Considering the average level of attention of the relevant consumer, the descriptive word 'COUTURE' in the Contested Mark will not be sufficient to avoid such deception."

116. In my view, while it is possible to argue that skincare-related products are in a similar field of activity to fashion, the applicant's *Medical and surgical apparatus and instruments; Artificial skin for surgical purposes; and Prostheses* are in a different field of activity, having primarily medical and surgical purposes. It is not, however, necessary that the parties share a common field of activity. In *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA), Millet LJ made the following findings:

"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’:

Annabel’s (Berkeley Square) Ltd. v G. Schock (trading as Annabel’s Escort Agency) [1972] R.P.C. 838 at page 844 per Russell L.J.

In the *Lego* case Falconer J. 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.'

117. I will consider first the goods for which the oppositions under the other grounds have failed: *Medical and surgical apparatus and instruments; Artificial skin for surgical purposes; and Prostheses*. These are, in my view, different fields of activity from fashion and fashion retailing. The onus is therefore on the opponent to show that misrepresentation is likely. It seems to me that even though the contested mark contains the opponent's sign, it is not probable that a substantial number of the opponent's customers will be deceived. The applicant's goods are specialist and a member of the general public, who make up the opponent's customers, are unlikely to come across the goods, even if they are interested in goods and services, the purpose of which is to improve the appearance of the user's skin. In the case of *Medical and surgical apparatus and instruments; Artificial skin for surgical purposes; and Prostheses*, I find no misrepresentation and so the opposition under section 5(4)(a) fails.

118. I come now to the remaining goods, for which the oppositions under sections 5(2)(b) and 5(3) have succeeded. Earlier in my decision, I found that it was plausible that a fashion business might diversify into products that are designed to improve the user's appearance. Even so, the courts have said that there is a difference between wondering whether there is a connection and deception in passing off cases. In *W S Foster & Son Limited v Brooks Brothers UK Limited* [2013] EWPC 18 (PCC), Mr Iain Purvis QC, sitting as a Recorder of the Court, stated that:

"Mr Aikens stressed in his argument the difference between 'mere wondering' on the part of a consumer as to a trade connection and an actual assumption of such a connection. In *Phones 4U Ltd v Phone4U.co.uk Internet Ltd* [2007] RPC 5 at 16-17 Jacob LJ stressed that the former was not sufficient for passing off. He concluded at 17:

'This of course is a question of degree – there will be some mere wonderers and some assumers – there will normally (see below) be passing off if there is a substantial number of the latter even if there is also a substantial number of the former.'"³¹

119. In my view, it is likely that there will be a substantial number of wonderers, but not of assumers. The goodwill enjoyed by the opponent relates to its clothing and footwear business, and associated retail services. The opponent has not shown that it has goodwill in cosmetics. I consider that the distance between the applicant's goods and the opponent's goods and services is too great for the consumer to assume that there is a trade connection.

120. The opposition under section 5(4)(a) fails.

CONCLUSION

121. The opposition has been partially successful. The application by M.J.W. Lipsy Couture Ltd may proceed to registration in respect of the following goods:

³¹ Paragraph 54.

Class 10

Medical and surgical apparatus and instruments; Artificial skin for surgical purposes; Prostheses.

COSTS

122. Both parties have enjoyed some success in these proceedings, with the greater proportion going to the opponent. In the circumstances, the opponent is entitled to a contribution towards its costs in line with the scale of costs set out in Tribunal Practice Notice 2/2016. I award the opponent the sum of £1470 as a contribution towards its costs. In calculating this award as follows, I have taken account of the proportion of success obtained by the opponent:

Official fee: £200

Preparing a statement and considering the other side's statement: £250

Preparing evidence: £750

Preparation of submissions in lieu of a hearing: £270

TOTAL: £1470

123. I therefore order M.J.W. Lipsy Couture Ltd to pay Lipsy Limited the sum of £1470. The above sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 4th day of March 2020

**Clare Boucher
For the Registrar,
Comptroller-General**