

O/371/21

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO. UK00003179717

IN THE NAME OF EVERLAST4 UK LTD

FOR THE FOLLOWING TRADE MARK:



IN CLASS 18

AND AN APPLICATION FOR A DECLARATION OF INVALIDITY

UNDER NO. 501616 BY YVES SAINT LAURENT

BACKGROUND AND PLEADINGS

1. Everlast4 UK Ltd (“the proprietor”) applied to register the trade mark shown on the cover page of this decision (“the Contested Mark”) in the UK on 10 August 2016. It was registered on 16 December 2016 for the following goods:

Class 18 Airline travel bags; all purpose sport bags; all-purpose athletic bags; baby backpacks; back packs; backpacks; backpacks [rucksacks]; Rucksacks, backpacks, trolley cases, bags for clothes, Bags (Garment), Bags (Net) for shopping bags, Beech Bags, Camping Bags, Canvas bags; carry-all bags; bags for clothes; bags for sports, bags (envelopes, pouches) of leather, for packaging.

2. On 5 April 2017, Yves Saint Laurent (“the applicant”) applied to have the Contested Mark declared invalid under section 47 of the Trade Marks Act 1994 (“the Act”). The application is based upon sections 5(2)(b), 5(3) and 5(4)(a) of the Act. Under sections 5(2)(b) and 5(3), the applicant relies upon the following trade marks:



EUTM no. 6845713¹

Filing date 9 April 2008; registration date 6 April 2009

Relying upon some goods for which the mark is registered, namely:

Class 18 Leather and imitations of leather, animal skins and imitation animal skins; goods of leather and imitations of leather, namely;

¹ Although the UK has left the EU and the transition period has now expired, EUTMs, and International Marks which have designated the EU for protection, are still relevant in these proceedings given the impact of the transitional provisions of The Trade Marks (Amendment etc.) (EU Exit) Regulations 2019 – please see Tribunal Practice Notice 2/2020 for further information.

key fobs (leather goods), handbags, luggage, wallets, pouches, document cases, bags for school; beach bags, sling bags for travel, animal skins, hides, trunks and travelling bags, purses, rucksacks, shopping bags, vanity cases (not fitted), umbrellas, parasols, fittings of metal for bags, walking sticks, toiletry bags (not fitted), suitcases, travelling sets, namely coordinated luggage sets for travelling, attaché cases, key wallets, harness for animals, whips, saddlery.

("the First Earlier Mark")



EUTM no. 9417148

Filing date 17 September 2010; registration date 18 February 2011

Relying upon all goods and services for which the mark is registered, namely:

- Class 6 Clasps of metal for bags, ferrules of metal for walking sticks.
- Class 35 Retailing of the following goods: bag clasps of metal and ferrules of metal for walking sticks, spectacle frames, spectacles, sunglasses, tinted or anti-glare spectacles, optical glass, protective goggles, pince-nez, theatre binoculars, magnifying glasses, lenses, optical lenses, optical frames and cases therefor, scientific (not for medical purposes), nautical, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments, apparatus for recording, transmission, reproduction of sound or images, magnetic data carriers, recording discs, data processing equipment and computers, precious metals and their alloys, works of art (of precious metal), jewellery, costume jewellery, rings, earrings, cuff links, bracelets, brooches, chains

(jewellery) and watch chains, necklaces, medals, medallions, precious stones, horological and chronometric instruments, watches and watch bands, leather and imitations of leather, animal skins, hides and imitations of animal skins, hides, goods of leather and imitations of leather, namely: key rings (leatherware), handbags, luggage, pocket wallets, purses, briefcases, school bags, beachbags, travelling bags, valises, animal skins, hides, trunks and travelling bags, purses, backpacks, shopping bags, vanity cases (not fitted), umbrellas, parasols, fittings of metal for bags, walking sticks, fittings of metal for walking sticks, vanity cases (not fitted), valises, travel sets, namely sets of coordinated luggage for travel, attaché cases, key cases, harness for animals, whips, harness and saddlery, clothing, belts (clothing), gloves (clothing), footwear and headgear.

(“the Second Earlier Mark”)

3. Under section 5(2)(b), the applicant claims that there is a likelihood of confusion, because the parties’ respective trade marks are similar and the goods and services are identical or similar.

4. Under section 5(3), the applicant claims that use of the proprietor’s mark would, without due cause, take unfair advantage of, or be detrimental to, the distinctive character and/or repute of the earlier marks.

5. Under section 5(4)(a), the applicant relies upon the same sign shown above, which it claims to have used throughout the UK since 1 January 1961 in relation to the following goods and services:

Class 18 Leather and imitations of leather, animal skins and imitations animal skins; goods of leather and imitations of leather, namely; key fobs (leather goods), handbags, luggage, wallets, pouches, document cases, bags for school; beach bags, sling bags for travel, animal skins, hides, trunks and travelling bags, purses, rucksacks, shopping bags, vanity cases (not fitted), umbrellas, parasols, fittings of metal for bags, walking

sticks, toiletry bags (non fitted), suitcases, travelling sets, namely coordinate luggage sets for travelling, attaché cases, key wallets, harnesses for animals, whips, saddlery.

Class 25 Clothes, belts (clothing), gloves (clothing), footwear and headgear.

Class 35 Retailing of the following goods: bags clasps of metal and ferrules of metal for walking sticks, spectacle frames, spectacles, sunglasses, tinted or anti-glare spectacles, optical glass, protective goggles, pince-nez, theatre binoculars, magnifying glasses, lenses, optical lenses, optical frames and cases therefor, scientific (not for medical purposes), nautical, photographic, cinematographic, optical, weighing, measuring, signaling, checking (supervision), life-saving and teaching apparatus and instruments, apparatus for recording, transmission, reproduction of sound or images, magnetic data carriers, recording discs, data processing equipment and computers, precious metals and their alloys, works of art (of precious metal), jewellery, costume jewellery, rings, earrings, cuff links, bracelets, brooches, chains (jewellery) and watch chains, necklaces, medals, medallions, precious stones, horological and chronometric instruments, watches and watch bands, leather and imitations of leather, animal skins, hides and imitations of animal skins, hides, goods of leather and imitations of leather, namely: key rings (leatherware), handbags, luggage, pocket wallets, purses, briefcases, school bags, beachbags, travelling bags, valises, animal skins, hides, trunks and travelling bags, purses, backpacks, shopping bags, vanity cases (not fitted), umbrellas, parasols, fittings of metal for bags, walking sticks, fittings of metal for walking sticks, vanity cases (not fitted), valises, travel sets, namely sets of coordinated luggage for travel, attaché cases, key cases, harness for animals, whips, harness and saddlery, clothing, belts (clothing), gloves (clothing), footwear and headgear.

6. The proprietor filed a counterstatement denying the claims made and putting the applicant to proof of use.

7. Both parties filed evidence in chief. The applicant filed evidence in reply. A hearing took place before me on 6 April 2021, by video conference. The applicant was represented by Mr Douglas Campbell QC of Counsel, instructed by Page, White & Farrer Limited. The proprietor was originally represented in these proceedings by Stephens Scown LLP and is now unrepresented. The proprietor elected not to attend the hearing and did not file any written submissions in lieu of attendance.

EVIDENCE

8. The applicant filed evidence in chief in the form of the witness statement of Aude de Margerie dated 24 September 2020, which is accompanied by 10 exhibits. Ms de Margerie is General Counsel for the applicant, a position she has held since March 2014.

9. The proprietor filed evidence in chief in the form of the witness statement of Hassan Metha dated 20 November 2020, which is accompanied by 4 exhibits. Mr Metha is the sole Director of the proprietor.

10. The applicant filed evidence in reply in the form of the second witness statement of Ms de Margerie dated 24 January 2021, which is accompanied by 7 exhibits.

11. Whilst I do not intend to summarise it here, I have taken this evidence into consideration and will refer to it below where necessary.

PRELIMINARY ISSUES

12. There is some discussion in the evidence and submissions of both parties about the relevance of a reverse image search conducted for the Contested Mark. The proprietor notes that this search does not return the applicant's mark, and that this demonstrates the dissimilarity between the marks. For the avoidance of doubt, as Mr Campbell submitted at the hearing, the assessment of similarity of the marks is not one that can be established by using techniques of this kind and they are of limited value in proving the position either way. Consequently, I do not consider that these submissions are of assistance to my assessment.

13. In his evidence, Mr Metha states:

“43. I understand that during the IPO examination process, when officers of the UKIPO examine a trade mark application they may issue a letter to the proprietor citing earlier marks that exist on the trade mark register. This will be likely to occur where the UKIPO believes that there is sufficient similarity between the application and such earlier marks.

[...]

45. [...] it can be inferred from the fact that the UKIPO did not issue a citation report for any earlier marks that its personnel did not believe that the mark was similar to Earlier Marks in relation to the goods covered by the Registration. In addition, the Cancellation Applicant has not issued any parallel proceedings for infringement or passing off or sought injunctive relief suggesting that the Cancellation Applicant also believed that there was no confusion or unfair advantage being taken of the Earlier Marks.”

14. Upon examination of the trade mark, this office wrote to the proprietor on 25 August 2016, stating:

“[...] The details of your application will now be published in our online Trade Marks Journal for opposition purposes. As soon as your trade mark is published, we will send you confirmation of the publication details.

After the mark has been published, there is a 2 month opposition period in which anybody may oppose its registration. If someone gives notice that they are considering an opposition, this period will be extended to 3 months. If we receive any opposition, or the opposition period is extended, we will write to tell you.” (my emphasis)

15. The office’s letter makes it clear that anyone can oppose a registration (even if they are not notified) and the same is also true of invalidations. I also do not consider

it to be detrimental to the applicant's case that they have not taken any other action against the proprietor at this stage, as there may be any number of commercial reasons for this.

MY APPROACH

16. At the hearing, Mr Campbell noted that the applicant's best case lies with the First Earlier Mark due to the scope of its specification. I agree. I will, therefore, deal with the application based upon this mark first. I will return to the Second Earlier Mark only if it is necessary to do so.

DECISION

17. Sections 5(2)(b), 5(3) and 5(4)(a) have application in invalidation proceedings pursuant to section 47 of the Act. Section 47 reads as follows:

“47(1) [...]

(2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground –

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2ZA) [...]

(2A) The registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if –

(a) the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with their consent in relation to the goods or services for which it is registered –

(i) within the period of 5 years ending with the date of application for the declaration; and

(ii) within the period of 5 years ending with the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application where, at that date, the five year period within which the earlier trade mark should have been put to genuine use as provided section 46(1)(a) has expired, or

(b) it has not been so used, but there are proper reasons for non-use.

(2C) [...]

(2D) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection 2B or 2C to the United Kingdom shall be construed as a reference to the European Union.

(2DA) [...]

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(2F) Subsection (2A) does not apply where the earlier trade mark is a trade mark within section 6(1)(c).

[...]

(5) Where the grounds of invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(5A) [...]

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall be deemed never to have been made.

Provided that this shall not affect transactions past and closed.”

18. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

Section 5(2)(b)

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

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

(a)...

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

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

20. By virtue of its earlier filing date, the First Earlier Mark qualifies as an earlier trade mark pursuant to section 6 of the Act. As it had completed its registration process more than 5 years before the date of the application for invalidity, the First Earlier Mark is subject to proof of use pursuant to the provisions of section 47.

Proof of Use

21. The first issue I must consider is whether, or to what extent, the applicant has shown genuine use of the First Earlier Mark.

22. I bear in mind section 100 of the Act, which reads:

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

23. Pursuant to section 47(2B) of the Act, there are two relevant periods for assessing whether there has been genuine use of the First Earlier Mark: 1) the five-year period ending with the date of the application for invalidity i.e. 6 April 2012 to 5 April 2017 and 2) the five-year period ending with the date of the application for the Contested Mark i.e. 11 August 2011 to 10 August 2016.

24. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J summarised the law relating to genuine use as follows:

“114.....The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundervsvereinigung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

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

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

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

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

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation

has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

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

25. As the First Earlier Mark is an EUTM, the comments of the Court of Justice of the European Union (“CJEU”) in *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, are relevant. The court noted that:

“36. It should, however, be observed that [...] the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase ‘in the Community’ is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use.”

And:

“50. Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as ‘genuine use’, it cannot be ruled out that, in certain circumstances, the market for the goods or services for which a Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark.”

And:

“55. Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77)”.

At paragraphs 57 and 58, the court held that:

“Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to ‘genuine use in the Community’ within the meaning of that provision.

A Community trade mark is put to ‘genuine use’ within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the mark concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity.”

26. Whether the use shown is sufficient for this purpose will depend on whether there has been real commercial exploitation of the EUTM, in the course of trade, sufficient to create or maintain a market for the goods/services at issue in the Union during the relevant 5 year period. In making the assessment I am required to consider all relevant factors, including:

- a. The scale and frequency of the use shown;
- b. The nature of the use shown;
- c. The goods and services for which use has been shown;
- d. The nature of those goods/services and the market(s) for them; and
- e. The geographical extent of the use shown.

27. Proven use of a mark which fails to establish that “the commercial exploitation of the mark is real” because the use would not be “viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark” is, therefore, not genuine use.

Form of the mark and genuine use

28. The First Earlier Mark has been used throughout the evidence as registered. Clearly this will be use upon which the applicant can rely.

29. I bear in mind that an assessment of genuine use is a global assessment, which includes looking at the evidential picture as a whole, not whether each individual piece of evidence shows use by itself.²

30. Ms de Margerie states that the First Earlier Mark was first designed in 1961 for the founder of the applicant’s business. Ms de Margerie notes that, although the applicant made the decision to rebrand as Saint Laurent Paris in 2012, the First Earlier Mark has been retained for use mainly on handbags, shoes and cosmetics. Ms de Margerie states that the applicant currently operates nearly 200 boutiques, in addition to retail outlet concessions. At the end of 2015, the applicant had 1 outlet in Austria, 14 in France, 3 in Germany, 6 in Italy, 2 in Spain and 7 in the UK (six of which were in

² *New Yorker SHK Jeans GmbH & Co KG v OHIM*, T-415/09

London and 1 of which was in Bicester).³ Ms de Margerie has provided some photographs of its concessions (such as its concession in Selfridges in Manchester in 2013) which clearly shows the First Earlier Mark on signage.⁴ Ms de Margerie also provides images of the First Earlier Mark appearing on stores in France.⁵ Ms de Margerie notes that prior to the rebrand in 2012, the First Earlier Mark was used on packaging such as “dust bags, storage pockets and care instructions”.

31. I note that Ms de Margerie has provided global turnover figures for the applicant, although these are not broken down to indicate what proportion relate to the EU market. However, the proportion relating to the UK market is identified as follows:

2012	£13,825,619
2013	£16,958,220
2014	£23,267,641
2015	£25,674,250
2016	£45,397,125

Ms de Margerie does not clarify what proportion of these figures relate to the goods/mark in issue.

32. Ms de Margerie has provided a number of invoices dated between 23 April 2012 and 23 November 2016 which show sales of a range of handbags and various types of luggage.⁶ A number of drawings have been provided which correspond with the goods that appear listed in these invoices. I note that Mr Metha takes issue with the fact that the invoices are business to business invoices (some of which appear to be businesses within the applicant’s group of companies). However, I note that some of the invoices are to third party businesses (such as Selfridges) and others (addressed to businesses within the group) are described as “reorders” which would indicate that the previous order had been sold to the end consumer, demonstrating continuous sales over the relevant period. In my view, the invoices support the above UK sales

³ Exhibit AM2

⁴ Exhibit AM12

⁵ Exhibit AM14

⁶ Confidential exhibit AM4

figures. The corresponding drawings of the goods to which the invoices relate confirm that the majority display the First Earlier Mark. Where the First Earlier Mark is not clearly visible, they are described as “Monogramme” products. Ms de Margerie explains that in 2014, the applicant released a new line of products featuring the First Earlier Mark as a repeating pattern. An article from “stylesos.co.uk” in April 2014 describes the collection as “Saint Laurent’s Classic Monogram collection [which] brings back the classic YSL logo in a unique monogram pattern that will be set on a comprehensive line of leather bags and accessories”.⁷ I note the proprietor’s submission that the First Earlier Mark appears on these bags as a design feature, rather than a badge of origin. However, these two things are not mutually exclusive. It is possible for a trade mark to be used both for its aesthetic purposes and to indicate origin. I consider that to be the case here. Mr Metha also notes that one of the articles provided by the applicant describes the mark as being “woven almost to the point of abstraction”. However, given the use of the word “almost” in the article referred to in the applicant’s evidence, this suggests to me that the logo is, indeed, still identifiable and visible on the products. Taking all of this into account, I am satisfied that the First Earlier Mark appears on those products. I bear in mind that these articles refer to the monogram range as being provided on “leather” bags and accessories.

33. Ms de Margerie provides the following annual global advertising expenditure and the percentage of those figures that relate to the UK market:

Year	Annual expenditure (£)	Approx. % UK expenditure
2012	4 714 000	9%
2013	8 171 000	10%
2014	11 862 000	10%
2015	16 666 000	11%
2016	25 053 000	8%

Ms de Margerie states that the leather goods category is the biggest contributor to the applicant’s revenues and, consequently, a significant part of the advertising and promotional budget would be attributable to those goods.

⁷ Exhibit AM3

34. The applicant's goods under the First Earlier Mark have appeared in publications such as *The Telegraph* (December 2011, March 2014 and March 2015), *Net A Porter Magazine* (February 2012), *Tatler* (February 2012 and March 2015), *Vogue* (April 2014 and January 2015), *Sunday Times Style* (March 2014) and *Marie Clare* (March 2015, April 2015 and June 2015).⁸ These publications mainly display the applicant's handbags, but shoes and a leather train pass holder also appear. There are also some examples of jewellery being advertised under the First Earlier Mark. I recognise that not all of these goods are relied upon in these proceedings.

35. When these proceedings were commenced, the UK was still a member of the EU. Consequently, this decision will be decided upon that basis. There is very little evidence provided which relates to the EU market outside of the UK. However, I note that there is evidence of stores being located in other EU member states. In any event, the above case law makes it clear that use corresponding to the territory of one member state can be sufficient to establish genuine use in the EU as a whole. Clearly, there have been sales made in the UK. It is not clear what proportion of the turnover figures provided by Ms de Margerie relate to the goods relied upon sold under the First Earlier Mark. Clearly, there are issues with the applicant's evidence. However, I must look at the evidence as a whole. When also taking into account the invoices provided (which do relate to the goods relied upon displaying the First Earlier Mark) and Ms de Margerie's unchallenged evidence that "leather goods" is the biggest contributor to the applicant's turnover, I am satisfied that a significant proportion of those figures will be relevant to the goods and earlier mark relied upon. Whilst I recognise that "leather goods" could cover a broader range of items than just handbags and luggage, the advertising materials provided by Ms de Margerie overwhelmingly display these goods sold under the First Earlier Mark. Therefore, taking the evidence as a whole into account, I am satisfied that the applicant has done enough to demonstrate genuine use of the First Earlier Mark in relation to handbags and various types of luggage products.

⁸ Exhibit AM5

Fair Specification

36. I must now consider whether, or the extent to which, the evidence shows use of the First Earlier Mark in relation to the goods relied upon. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

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

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

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

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

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

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 ("Asos") at [56] and [60].

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

38. In *Merck KGaA v Merck Sharp & Dohme Corp & Ors* [2017] EWCA Civ 1834 (Court of Appeal), a case which concerned pharmaceutical substances and preparations, Kitchen LJ held that it was well established that (1) a category of goods/services may contain numerous subcategories capable of being viewed independently and, (2) the purpose and intended use of a pharmaceutical product are of particular importance in identifying the subcategory to which it belongs.

39. I note that the opponent has shown genuine use in relation to a range of luggage products. For example, the goods covered by the invoices referred to above include handheld suitcases, suitcases on wheels and holdall-style luggage. I consider that the use made by the applicant in relation to such products would lead the average consumer to conclude that they sell "luggage" generally. I do not consider that it would be appropriate to break this down further into the various sub-categories. Further, a range of handbags can be seen from the applicant's evidence. I recognise that the monogram range referred to above is described in the articles as appearing on

“leather” bags. Further, the only indication I have which breaks the overall turnover figures provided by Ms de Margerie down is in relation to the sub-category of “leather goods” as identified by Ms de Margerie. Without a further breakdown regarding goods made of other ‘imitation leather’ materials I can, in my view, only make a finding in relation to handbags and luggage made of leather. Taking all of this into account, I consider a fair specification for the First Earlier Mark to be:

Class 18 Goods of leather, namely luggage and handbags.

Section 5(2)(b) – case law

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

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

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

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

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing

in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

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

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

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

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

(i) mere association, in the strict sense that the later mark brings to mind the earlier mark, 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

41. In light of my findings above, the competing goods are as follows:

Applicant's goods	Proprietor's goods
<p>First Earlier Mark</p> <p><u>Class 18</u></p> <p>Goods of leather, namely luggage and handbags.</p>	<p><u>Class 18</u></p> <p>Airline travel bags; all purpose sport bags; all-purpose athletic bags; baby backpacks; back packs; backpacks; backpacks [rucksacks]; Rucksacks, backpacks, trolley cases, bags for clothes, Bags (Garment), Bags (Net) for shopping bags, Beech Bags, Camping Bags, Canvas bags; carry-all bags; bags for clothes; bags for sports, bags (envelopes, pouches) of leather, for packaging.</p>

42. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the General Court (“GC”) stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services* (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”

43. In the *Treat* case, [1996] R.P.C. 281, Jacob J. (as he then was) identified the following factors for assessing similarity:

- (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.

44. In its evidence, the proprietor notes:

“20. The price point of the luggage referenced in Exhibit AM3 of the Cancellation Applicant’s witness statement should also be noted. They are being sold at a high price point and therefore not aimed at the “masses” or the general public. In my experience as a businessman and in working in the luggage sector, such a high price point will only be aimed at those (relatively few) who can afford such luxuries. In direct contrast, the goods sold by my Company are aimed at the general public and the price point is set so that the general public can purchase the goods. The Registered Proprietor is not trying to compete with the Cancellation Applicant’s target market.”

45. For the avoidance of doubt, the assessment I must make is based upon the full scope of the parties’ respective specifications (subject to my proof of use findings above). The target market is not identified by the wording of the specifications and, consequently, the parties’ marks could be used in relation to the full breadth of the market for these goods (including goods with a high price point and more affordable goods). The way in which they use their marks in practice (and, consequently, the particular markets they target) is not relevant to my assessment.

46. “Airline travel bags”, “trolley cases”, bags for clothes”, “Bags (Garment)” and “carry-all bags” in the proprietor’s specification are all identical on the principle outlined in *Meric* to “goods of leather, namely luggage and handbags” in the specification of the First Earlier Mark.

47. “All purpose sport bags”, “all-purpose athletic bags”, “baby backpacks”, “back packs”, “backpacks”, “backpacks [rucksacks]”, “Rucksacks, backpacks, Bags (Net) for shopping bags, Beech Bags, Camping Bags, Canvas bags” and “bags for sports, bags (envelopes, pouches) of leather, for packaging” in the proprietor’s specification are all types of bags. They overlap with the applicant’s “goods of leather, namely luggage and handbags” to the extent they are all intended for carrying items. There will be overlap in terms of nature, purpose and method of use. All of the goods will be used by members of the general public, so will overlap in user. There is potential for all of these goods to be sold through the same retailers, or in the same areas of general suppliers (such as supermarkets). There may be a degree of competition between them. Mr Campbell submitted that these goods could also be considered to be complimentary. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the GC stated that “complementary” means:

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

I accept, as noted above, that such goods might be sold by the same undertakings. However, that is not enough on its own for a finding of complementarity; the goods must all be “indispensable or important” for the use of the other as described in *Boston*.⁹ Mr Campbell suggested that such importance could be derived from goods being sold as a set. I am not convinced that the fact that goods may merely be sold by retailers as part of a set is sufficient to meet the test for complementarity and I find that, in this case, there is no complementarity. Taking all of this into consideration, I consider the goods to be similar to a high degree.

⁹ See also the comments of Professor Ruth Annand, sitting as the Appointed Person in Case BL O/124/21

48. In light of my findings below in relation to enhanced distinctiveness, and for the avoidance of doubt, I consider all of the proprietor's goods to be similar to the applicant's "goods of leather, namely [...] handbags" for the same reasons set out in the previous paragraph.

Average consumer and the nature of the purchasing act

49. As the case law above indicates, it is necessary for me to determine who the average consumer is for the parties' goods. I must then determine the manner in which the goods are likely to be selected by the average consumer. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J described the average consumer in these terms:

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

50. The average consumer for the goods will be a member of the general public. Mr Campbell submitted that the level of attention paid will be medium. I agree. This is because even where the cost and frequency of the purchase is low, various factors will still be taken into consideration such as durability, aesthetic and material.

51. The goods are likely to be purchased by self-selection from the shelves of a retail outlet or an online equivalent. Visual considerations are, therefore, likely to dominate the selection process. However, I do not discount that there will also be an aural component to the purchase given that advice may be sought from retail assistants.



Comparison of trade marks

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

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

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

54. The respective trade marks are shown below:

Applicant's Mark	Contested Mark
	

55. The applicant's mark consists of the letters Y, S and L in a slightly stylised font, which are presented overlapping one above the other. The overall impression of the mark lies in the combination of these elements. The Contested Mark consists of the letters S and L in a slightly stylised font. They are presented overlapping, one on top of the other. The overall impression of the mark lies in the combination of these elements.

56. Visually, as Mr Campbell submitted, the marks overlap to the extent that they contain the letters S and L and are presented with one letter overlapping the next. The applicant's mark also contains the letter Y, which is absent from the Contested Mark. Further, the letters in the applicant's mark are presented vertically staggered, one above the other, whilst the letters in the Contested Mark appear to be presented in the same plane one overlaid on the other. They are presented in slightly differing fonts, although neither are particularly remarkable. Taking all of this into consideration, I consider the marks to be visually similar to a medium degree.

57. Aurally, the applicant's mark will be pronounced WHY-ESS-ELL. Due to the way in which the letters are presented in an overlaid manner in the Contested Mark, it could be pronounced as either ESS-ELL or ELL-ESS. I consider that there will be a significant proportion of average consumers who will pronounce it as the former. For those significant proportion of average consumers, the marks will be aurally similar to between a medium and high degree.

58. Conceptually, Mr Campbell submitted that an intertwined YSL and an intertwined SL should be considered highly similar. I recognise that both marks consist of a series of letters (with the letters in the Contested Marks being duplicated in the applicant's mark). However, I do not consider that these letters will be attributed any meaning. The proprietor indicates that the letters "SL" in his mark stand for "smart luggage". The proprietor also suggests that "SL" is a "well-known acronym for 'Second Life'". In my view, neither of these meanings will be identified by the average consumer. Consequently, I consider that as neither mark has any clear meaning that is likely to be identified by the average consumer, the conceptual position is neutral.

Distinctive character of the earlier mark

59. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-2779, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

60. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctiveness of a mark can be enhanced by virtue of the use that has been made of it.

61. I will begin by assessing the inherent distinctive character of the First Earlier Mark. The First Earlier Mark consists of the letters Y, S and L, presented overlapping one above the other. The mark is neither allusive nor descriptive for the goods. I consider

that the combination of the letters, combined with their overlapping presentation leads to between a medium and high degree of inherent distinctiveness.

62. With regard to enhanced distinctiveness, I have summarised much of the applicant's evidence above and do not intend to reproduce it here. I bear in mind that the relevant market for assessing enhanced distinctiveness is the UK market, and so only those parts of the evidence above which refers to the UK will be relevant to my assessment. Clearly, there are issues with the applicant's evidence. The turnover figures are not broken down by goods or mark; neither are the advertising figures. I note that Ms de Margerie has sought to clarify the position in relation to the goods by noting that "leather goods" are the biggest contributor to the applicant's revenue, but the proportion of "leather goods" which relate to the goods for which I have found genuine use will be relevant to my assessment regarding the intensity of use. The position is certainly not clear. However, I must look at the evidence as a whole and the advertisements covered by national publications relate, overwhelmingly, to handbags (displaying the First Earlier Mark). Further, there are examples of celebrities bearing handbags which display the First Earlier Mark.¹⁰ No market share information is provided, but there are examples of stores/concessions through which the applicant's branded goods are sold are located around the UK (such as London, Bicester and Manchester). I also note that there are examples provided of how the applicant uses the First Earlier Mark on its signage in such premises. Taking the evidence as a whole into account, I consider that the distinctiveness of the First Earlier Mark has been enhanced through use by a modest degree in relation to leather handbags. I am unable to make the same finding in relation to leather luggage, based on the evidence before me. This is because whilst there are some examples of use in relation to these goods in national publications, the scale is far less than in relation to handbags.

Likelihood of confusion

63. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that

¹⁰ Exhibit AM8

exists down to the responsible undertakings being the same or related. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective parties goods and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the First Earlier Mark, the average consumer for the goods and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

64. I have found the First Earlier Mark and the Contested Mark to be visually similar to a medium degree, aurally similar to between a medium and high degree (for, at least, a significant proportion of average consumers) and conceptually neutral. I have found the First Earlier Mark to be inherently distinctive to between a medium and high degree, which has been enhanced through use by a moderate degree. I have found the average consumer to be a member of the general public, who will purchase the goods predominantly by visual means (although I do not discount an aural component). I have concluded that a medium degree of attention will be paid during the purchasing process. I have found the goods to be identical or highly similar.

65. Bearing in mind that the purchasing process will be predominantly visual, I consider that the visual differences between the marks will be sufficient to prevent them from being misremembered or mistakenly recalled, even when used on identical goods. I do not consider that the presence of the additional letter in the First Earlier Mark will be overlooked. Consequently, I do not consider there to be a likelihood of direct confusion.

66. I must now consider whether there is a likelihood of indirect confusion. Taking all of the above factors into account, I consider it likely that the common letters S and L, combined with the overlapping presentation (albeit the letters overlap in slightly different ways in the respective marks) will lead the average consumer to conclude that they originate from the same or economically linked undertakings. This will

particularly be the case given the distinctiveness of the First Earlier Mark and the fact that it has been enhanced through use. Consequently, I consider there to be a likelihood of indirect confusion.

67. I am fortified in my decision by Ms de Margerie's evidence that the applicant rebranded as Saint Laurent in 2012. This is referenced throughout the applicant's evidence and there are examples of this being referenced in relation to the goods relied upon.¹¹ Clearly, those who are familiar with the use that has been made of the First Earlier Mark (and will, consequently, fall within the scope of my enhanced distinctiveness finding) are also likely to be familiar with the rebrand and, therefore, even more likely to be confused.

68. The application for invalidation based upon section 5(2)(b) of the Act succeeds in its entirety.

Section 5(3)

69. Section 5(3) of the Act states:

“5(3) A trade mark which -

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

70. As noted above, by virtue of its earlier filing date, the First Earlier Mark qualifies as an earlier trade mark pursuant to section 6 of the Act. I have found that the applicant

¹¹ For example, see Exhibit AM3

has satisfied the proof of use requirements in relation to the First Earlier Mark for “goods of leather, namely luggage and handbags”.

71. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Adidas-Salomon*, Case C-487/07, *L’Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora* and Case C383/12P, *Environmental Manufacturing LLP v OHIM*. The law appears to be as follows.

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

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

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

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

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

(f) Detriment to the distinctive character of the earlier mark occurs when the mark’s ability to identify the goods/services for which it is registered is

weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77* and *Environmental Manufacturing, paragraph 34*.

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

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

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

72. The conditions of section 5(3) are cumulative. Firstly, the applicant must show that the First Earlier Mark has achieved a level of knowledge/reputation amongst a significant part of the public. Secondly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them, in the sense of the First Earlier Mark being brought to mind by the later

mark. Thirdly, assuming that the first and second conditions have been met, section 5(3) requires that one or more of the types of damage will occur. It is unnecessary for the purposes of section 5(3) that the goods be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

73. The relevant date for the assessment under section 5(3) of the Act is the date of the application for the Contested Mark i.e. 10 August 2016.

Reputation

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

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

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

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

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

75. I note that there is evidence that the applicant's use of the First Earlier Mark has been relatively geographically widespread. At the end of 2015, the applicant had a

number of stores through which its branded goods are sold around the UK including in London and Bicester. In 2013, the applicant also had a concession in Manchester. There are also examples of stores/concessions located in other EU member states. There are examples of the First Earlier Mark in use on the signage in the applicant's stores/concessions. However, as noted above, there are clearly issues with the applicant's evidence. At the hearing, Mr Campbell acknowledged that the applicant's evidence may not get into the "granularity" of the goods in relation to which the mark has been used. However, the case law that I have set out above makes it clear that that is exactly what a party seeking to establish reputation should do. Mr Campbell noted that there is case law to the effect that establishing a reputation is not a "particularly onerous requirement".¹² However, in *SACURE*¹³ Mr Phillip Johnson, sitting as the Appointed Person, noted:

"It is important to remember that the burden of establishing a reputation for the purposes of section 5(3) falls on the proprietor of the earlier mark. For a mark with an established reputation this may not be "a particularly onerous requirement" to satisfy [...] However, this does *not* mean that the proprietor of an earlier mark who has filed only weak, incomplete, or irrelevant evidence to establish the reputation should be given the benefit of the doubt at the expense of the applicant. The reason it is not an onerous requirement is because collecting the evidence should be straightforward (even if time consuming) where a mark has the necessary reputation."

76. In Mr Campbell's words "if we were going to fail on this, who's ever going to win on establishing a reputation". It may well be the case that the applicant does have an extensive reputation in practice. However, I can only base my findings upon the evidence that is before me. Ms de Margerie has provided turnover figures for the applicant's business in the UK. However, these figures are not broken down to record what proportion of this relates to the goods relied upon that have been sold under the mark relied upon. I have, of course, been provided with a selection of invoices which do relate to the relevant goods and the mark relied upon. However, these represent a

¹² See *Och-Ziff Management Europe Ltd & Anor v Och Capital LLP & Anor* [2010] EWHC 2599 (Ch)

¹³ BL O/360/20

very small proportion of the overall turnover figures provided. The same is also true of the applicant's advertising figures; no breakdown is provided as to the mark or the goods to which these relate. Indeed, the applicant was challenged on this point in the proprietor's evidence. In response to this, Ms de Margerie sought to clarify the position in her evidence in reply by noting that the "leather goods" category is the biggest contributor to the applicant's revenues and, consequently, represents a significant part of the advertising budget.

77. However, even in the face of this challenge, the applicant did not go into any detail about what goods it thought were covered by the "leather goods" category. To my mind, this is a broad category that would include both those goods in relation to which I have found genuine use (i.e. leather handbags and luggage) as well as others. I find myself turning to the applicant's remaining evidence in an attempt to identify what proportion of the applicant's "leather goods" sales would relate to leather handbags and luggage. In this regard, I have taken into consideration the applicant's evidence regarding articles in national publications which include adverts for its products. These relate to a range of handbags, as well as other goods such as shoes, jewellery, key rings and belts; however, the overwhelming majority relate to handbags. I also note that there are examples of press articles covering celebrities bearing the applicant's handbags which display the First Earlier Mark; this is likely to have raised the applicant's profile.

78. I have considered whether, in reaching the conclusion that I have, I have given the applicant "the benefit of the doubt" at the expense of the proprietor (in the words of Mr Johnson, quoted above). However, I am mindful that whilst I should not give the applicant the benefit of the doubt, I am required to take the evidence as a whole into account and to look at the overall picture it creates. On balance, although the applicant's evidence does not provide a specific breakdown of the turnover and advertising figures in relation to the goods relied upon, I am satisfied that this, combined with the extensive advertising in national publications which overwhelmingly relates to handbags, is sufficient to establish a reputation in relation to leather handbags prior to the relevant date. Whilst the applicant claims to have an extensive reputation, given the issues with its evidence, I am left to draw my own conclusions about the extent of any such reputation. Although the applicant's evidence largely

relates to the UK (which, at the relevant date, was still a member state of the EU), I consider it sufficient to establish a modest reputation in the EU. I do not consider that the same can be said of the applicant's leather luggage. A presence in national publications (at least to the same extent as handbags) is not apparent in relation to these items and I am, consequently, unable to find a reputation for these goods.

Link

79. As I noted above, 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 in *Intel* are:

The degree of similarity between the conflicting marks

I have found the marks to be visually similar to a medium degree, aurally similar to between a medium and high degree and conceptually neutral.

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 those goods or services, and the relevant section of the public

I have found the goods to be identical or highly similar.

The strength of the earlier mark's reputation

I have found the First Earlier Mark to have a modest reputation in the EU for leather handbags. I note that the majority of the evidence filed relates to use in the UK market.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

I have found the First Earlier Mark to be inherently distinctive to between a medium and high degree, which has been enhanced to a modest degree through use.

Whether there is a likelihood of confusion

I have found there to be a likelihood of indirect confusion.

80. I bear in mind that, although I have found there to be a reputation in the EU, the majority of the evidence relates to the UK market. Taking the above factors into account, and bearing in mind the similarities between the marks, I am satisfied that a link will be made by a significant part of the relevant public in the UK.

Damage

81. I must now assess whether any of the three pleaded types of damage will arise.

82. In circumstances in which the relevant public will be confused as to trade origin of the goods, as identified above, there is clearly a likelihood of damage arising. In addition to this, the applicant claims unfair advantage, stating:

“5. [...] Use of the later mark, without due cause, would take unfair advantage of the Applicant’s reputation in its marks, namely an unfair commercial advantage whereby the link in the relevant consumer’s mind between the Applicant’s reputed marks and the mark applied for would lead to a change in the relevant consumer’s economic behaviour, resulting in increased sales for Everlast4 and/or lost sales for the Applicant. [...]”

83. The proprietor states as follows in its counterstatement:

“11. It is denied that the use of the letters SL gains an unfair advantage, or has led or is likely to lead to a change in the relevant consumer’s economic behaviour. The relevant consumer, on seeing or hearing the Application, is unlikely to associate it with the Applicant. The Applicant’s key element “Y”,

which is known to stand for “Yves”, is patently absent from the Application. The absence of the letter “Y” changes the overall impression created by the Application and does not cause the relevant consumer to call to mind the Applicant’s YSL or Yves Saint Laurent marks.”

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

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

85. I note that the proprietor itself refers to the applicant’s high-end price point. Further, a number of publications refer to the applicant in the context of providing high-end or good quality products under the First Earlier Mark, for example:

- a. *Elle Magazine* (2008) describes a leather handbag displaying the First Earlier Mark as a “first class purchase” and “the must-have special delivery”;
- b. *Marie Clare* (2015) describes handbags displaying the First Earlier as “chic”, claims that it will “serve your wardrobe well for many seasons to come” and claims that this will be a “great investment piece”;

- c. *Red Online* (2015) describes a handbag displaying the First Earlier Mark as “an absolute investment piece, a real treat”.

86. Taking into account the fact that the marks will be used on identical or highly similar goods, it is clear that the image of high-end quality will be transferred to the proprietor. The proprietor would secure a commercial advantage, benefitting from the applicant’s reputation for luxury and quality, without paying financial compensation. The applicant’s mark would, therefore, be likely to take unfair advantage of the First Earlier Mark. Damage is made out. There is nothing to suggest any due cause on the part of the proprietor.

87. As I have found in favour of the applicant under this head of damage, I do not consider it necessary to go on to consider the remaining heads of damage pleaded.

88. The application for invalidation based upon section 5(3) of the Act succeeds in its entirety.

Section 5(4)(a)

89. Section 5(4)(a) of the Act states as follows:

“5(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,

aa) [...]

b) [...]

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

90. Subsection (4A) of section 5 of the Act states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

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

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

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

Relevant date

92. In his witness statement, Mr Metha states:

“4. In approximately 2013, I opened a factory in Dubai for the purposes of manufacturing suitcases and bags, obtaining raw materials from China.

5. The registered company name in Dubai was Smart Luggage Manufacturing LLC and we used the letters SL as an acronym for “smart luggage” (the

company name) on the suitcases and bags and thus the trade mark was first coined.

6. Due to expensive business rates in Dubai, the factory had to be closed and a new manufacturing factory was opened in Pakistan. This occurred in approximately July 2015. The luggage and bags produced in Pakistan continued to bear the sign SL.

7. In approximately 2016, having previously had preliminary issues raised by Border Force and UK customers in relation to the import of my luggage and bags, I decided to obtain trade mark protection so as to avoid UK customs seizing my goods each time and having to prove that I own the brand SL.”¹⁴

93. He also states:

“21. In 2016 and prior to the receiving the Cancellation Applicant’s letter before action dated 13 October 2016, Everlast imported into the UK and sold £120,000 worth of goods throughout various locations in the UK. My Company sold trolley bags, cargo bags and suitcases under and by reference to the Registration. My Company operates a business to business (rather than a business to consumer) business model, and, accordingly does not retail directly to customers, but instead sells “cartons” of the goods to retailers who would then sell directly to consumers. The price point for these cartons of bags is set out in the table below:”

Type of bag	Price point
Cargo bags	8 pieces in a carton at £48 plus VAT per carton
5 piece luggage set	Each carton at £55 plus VAT
Trolley bags	8 pieces per carton at £45 plus VAT

¹⁴ Exhibit HM19

94. Mr Metha states that he is unable to provide invoices to support these figures because he has since moved to a new house and has misplaced the relevant documents. Examples of the goods that Mr Metha states were sold in 2016 display the following mark:¹⁵



95. As Mr Campbell noted at the hearing, the evidence regarding the proprietor's use is limited. I note that Mr Metha's evidence refers to use in Dubai as early as 2013, but it is not clear whether this relates to the Contested Mark or whether there was any use in relation to the UK market. Given that Mr Metha is only able to provide figures for use in the UK for 2016, I see no reason to conclude that there was use any earlier than that. However, I have no way of knowing when in 2016 these sales were made. Mr Metha states that they took place before the applicant's letter before action. However, it is entirely possible that they took place after the Contested Mark was applied for (in August 2016) but before the letter before action (in October 2016). I note that the applicant has supplied an investigation report into the activities of the proprietor, but there does not appear to me to be anything in this document which contradicts that position.¹⁶ Consequently, I have only the prima facie relevant date to consider which is the date of application for the Contested Mark i.e. 10 August 2016.

Goodwill

96. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), goodwill was described in the following terms:

¹⁵ Exhibit HM21

¹⁶ Exhibit AM9

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage 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.”

97. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark* [1969] R.P.C. 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

98. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered or passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

99. I have already summarised the applicant's evidence above. Taking the evidence as a whole into account, I am satisfied that the applicant had at least a modest (but not trivial) goodwill in relation to handbags and luggage in the UK prior to the relevant date. I also consider that the sign relied upon was distinctive of that goodwill. For the avoidance of doubt, my finding would have been the same even if there had been some earlier relevant date in 2016 established by the proprietor's use.

Misrepresentation and damage

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

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

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

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

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

101. I recognise that the test for misrepresentation is different from that for likelihood of confusion in that it entails “deception of a substantial number of members of the public” rather than “confusion of the average consumer”. However, as recognised by Lewison L.J. in *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, it is doubtful whether the difference between the legal tests will produce different outcomes. Certainly, I believe that to be the case here. I consider that a significant number of members of the relevant public would be misled into purchasing the proprietor's goods in the mistaken belief that they are the goods of the applicant. Damage through diversion of sales is easily foreseeable.

102. The application for invalidation based upon section 5(4)(a) of the Act succeeds in its entirety.

Parallel trading

103. I note in its counterstatement that the proprietor states:

“Further and in any event, there has been parallel trading in the UK between the goods of the RP branded with and/or referred to under and by reference to the relevant sign “SL”, and as far as the RP is aware there has been no evidence of confusion, mis-association, changes in economic behaviour manifest and/or any other indications that any members of the relevant market

and/or trade have behaved in any manner consistent with the claims made herein by the Applicant. On the contrary the parallel trade without problems arising and without any cease and desist requests being made is, and has been entirely consistent with the assertions made by the RP herein, and favour of a dismissal of the Applicant's Application for invalidity."

104. For the reasons set out above, there does not appear to be sufficient evidence of the proprietor actually using the mark relied upon in the UK prior to the date of application for the Contested Mark. Consequently, I do not consider that this line of argument assists the proprietor.

FINAL REMARKS

105. As I have found in favour of the applicant on the basis of the First Earlier Mark, I do not consider it necessary to return to the Second Earlier Mark.

CONCLUSION

106. The application for invalidity succeeds in its entirety and the Contested Mark is hereby declared invalid in respect of all goods for which it is registered. Under section 47(6) of the Act, the registration is deemed never to have been made.

COSTS

107. The applicant has been successful and is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award the applicant the sum of **£2,350**, calculated as follows:

Filing a Notice of invalidation and considering the proprietor's counterstatement	£400
Filing evidence and considering the proprietor's evidence	£900

Preparation for and attendance at hearing	£850
Official fee	£200
Total	£2,350

108. I therefore order Everlast4 UK Ltd to pay Yves Saint Laurent the sum of £2,350. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 18th day of May 2021

S WILSON

For the Registrar