

O-237-03

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2275058
BY COCO DE MER LIMITED
TO REGISTER A TRADE MARK IN CLASSES 3, 4, 5, 10, 11, 14, 16, 18,
20, 22, 24, 25, 28, 29, 30, 32 AND 35**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER No. 90007
BY CHANEL LIMITED**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No. 2275058
by Coco de Mer Limited to register a Trade Mark
in Classes 3, 4, 5, 10, 11, 14, 16, 18, 20, 22, 24, 25, 28, 29, 30, 32 and 35**

and

**IN THE MATTER OF Opposition thereto under No. 90007
by Chanel Limited**

Background

1. On 12 July 2001 Coco de Mer Limited applied to register the following mark:



for the following specifications of goods and services:

Class 03

Perfumery, essential oils, cosmetics.

Class 04

Candles.

Class 05

Sanitary preparations (sexual lubricants).

Class 10

Massage apparatus.

Class 11

Apparatus for lighting.

Class 14

Jewellery.

Class 16

Goods made from paper and cardboard, printed matter, printed publications, photographs.

Class 18

Whips and harnesses, travelling bags.

Class 20

Furniture, mirrors, picture frames, pillows and cushions.

Class 22

Sacks and bags.

Class 24

Bed and table covers.

Class 25

Clothing, footwear, headgear.

Class 28

Games and playthings.

Class 29

Jellies, jams, fruit sauces.

Class 30

Chocolates, pastry and confectionery.

Class 32

Non-alcoholic drinks.

Class 35

Business management.

The application is numbered 2275058.

2. On 23 January 2002 Chanel Limited filed notice of opposition to this application. The opponents are the proprietors of the registrations, details of which appear in the Annex to this decision. They say that the goods in the applicants' Classes 3, 14, 18 (so far as it extends to travelling bags) and 25 are identical to the goods of the registrations relied on and that the trade mark applied for takes the whole of the opponents' mark COCO. The respective marks are, therefore, said to be either identical or similar and likely to cause confusion. Accordingly, objection is taken under Section 5(1) and 5(2)(b) of the Act. The first of these grounds was not pursued at the hearing so I need say no more about it.

3. The opponents also say that they have used their mark COCO since at least as early as 1984 in relation to fragrances, toiletries, cosmetics and beauty [products], jewellery, bags and clothing and have acquired a valuable goodwill. On this basis they say that use of the applied for mark is liable to be prevented by virtue of the law of passing off. Objection is taken under Section 5(4)(a).

4. Refusal is requested in so far as the application covers Classes 3, 14, 18 (travelling bags) and 25.

5. The applicants filed a counterstatement denying the above grounds.

6. Both sides ask for an award of costs in their favour.

7. Both sides filed evidence. The matter came to be heard on 29 July 2003 when the applicants were represented by Mr S Malynicz of Counsel instructed by Edwin Coe and the opponents by Mr N Wilson of Withers & Rogers.

Opponents' evidence

8. The opponents filed evidence in the form of a witness statement by Martin Hamilton, a Director and Company Secretary of Chanel Ltd. The background to the opponents' business is described as follows:

“The opponent is the successor to the late Mlle. Gabrielle (“Coco”) Chanel. In 1910 Mlle. Chanel opened a shop under the sign “Chanel Modes” at 21 rue Cambon, Paris, to create hats. She quickly achieved fame in the field of ladies’ fashions and opened a fashion boutique in Deuville in 1913, followed by a couture house in Biarritz in 1915. In order to capitalise on that reputation, Mlle. Chanel extended her business into the allied field of perfumery and launched the first CHANEL perfume, No. 5, in 1921. The opponent was formed as a company in the United Kingdom in 1925 to take advantage of the great reputation attained by Mlle. Chanel in Paris. Since that time, the opponent, or its associated companies, has sold a wide range of perfumery, cosmetic, skin care and toiletry products, as well as jewellery items, watches, handbags, clothing and accessories, throughout the world, including in the United Kingdom, under or by reference to various trade marks including the trade mark COCO, the affectionate name by which Mlle. Chanel was commonly known. The New York Times’ obituary on 11th. January 1971 for Mlle. Chanel stated that “she was known the world over” as Coco.”

9. The name COCO was adopted as a trade mark for one of the opponents’ fragrances. Exhibited at MH2 is a selection of packaging as currently used in the UK in respect of perfumes and toiletries. It is said to be either identical to packaging used at the material date or not to differ in any material respect.

10. COCO perfumes and toiletry preparations are available throughout the United Kingdom. COCO fashion accessories, costumer jewellery and clothing items are available at CHANEL BOUTIQUE outlets in London, namely in Sloane Street, Old Bond Street, Brompton Road, Harrods, and Selfridges (leather goods and footwear only), and also at Terminals 3 and 4 at Heathrow Airport. COCO fine jewellery is available from CHANEL fine jewellery boutiques in Sloane Street and New Bond Street, London. Exhibit MH4 contains pages from the Chanel Fine Jewellery Collection dated October 2000 showing use on items such as rings. There has been use in relation to jewellery since April 1997. Also contained in MH4 are pages from the Chanel clothing and accessories collections for Spring 1995 and Autumn/Winter 2000/2001.

11. The approximate trade value of sales of fragrance and toiletry goods bearing the trade mark COCO in the period immediately prior to the filing of the application is said to have been in excess of £4.5 million per annum; the retail value will be higher. The annual turnover of all CHANEL fashion and accessory items (including fine jewellery and watches) is in excess of £13,000,000 per annum. Mr Hamilton says the opponents do not keep separate figures for specific brands. The above figures include UK domestic and tax-free sales.

12. Advertising and promotional expenditure for the years prior to the filing of the application, in relation to COCO fragrance and toiletries alone, averaged in excess of £0.8 million per annum.

13. A selection of editorials and advertisements, the majority of which are said to have been in circulation in the UK, is at Exhibit MH5. Where this material post-dates the relevant date it is said to be because it is representative of material that was available in the media prior to that date. Stockists for COCO products exist in leading towns and cities throughout the UK.

14. The remainder of Mr Hamilton’s evidence consists mainly of:

- internet searches showing recognition of the COCO brand and its association with Coco Chanel;
- evidence from Harrap's Standard French dictionary showing an entry for 'coco' but not 'coco de mer';
- submissions in relation to the issue of similarity of marks and likelihood of confusion and the potential damage to the opponents' reputation through association with the applicants' business.

Applicants' evidence

15. The applicants filed witness statements by Samantha Roddick and Andrew Parlour.

16. Samantha Roddick is a director of the applicant company. She says that Coco de Mer is a modern, fashionable erotic emporium. Trading is said to have commenced in November 2001 which is after the filing date of the application. She explains the reason for the choice of brand in the following terms:

“The idea for the Coco de Mer brand name came from my friend and business partner, Adaë-Elena Amats. She just suggested it to me one day and it immediately stuck. The “Coco de Mer” refers to a species of palm tree, the fruit of which has two lobes and looks like two coconuts joined together. It is also fair to say that from a certain aspect it is strongly reminiscent of the female bottom and genitalia. Now produced and shown to me and marked as “Exhibit SR1” is an extract from the foodreference.com web-site which gives details of the Coco de Mer plant. There is also shown at “Exhibit SR2” an extract from the BBC website that provides further details.”

17. Further information about the idea behind the applicants' shop and the coco de mer itself is at Exhibit SR3. I will return to this material in due course. Further information about the shop itself, the applicants' website and products/packaging are at Exhibits SR4 to 6. Ms Roddick emphasises that all the applicants' branding employs the full name and is not abbreviated to COCO. There is also trading and advertising information but as this is likely to relate mainly to the period following the launch I do not propose to record the details.

18. Mr Parlour is an assistant solicitor employed by Edwin Coe, the applicants' professional representatives. His evidence and exhibits are directed to four main areas:

- dictionary material (Compact Oxford English) showing an entry for coco de mer;
- internet print-outs designed to counter Mr Hamilton's evidence regarding references to COCO and Chanel;
- the results of register searches showing other marks incorporating COCO as the first element in marks in relation to goods in various Classes;

- website material from a company called Coco Ribbon.

Opponents' evidence in reply

19. The opponents filed a witness statement by Jennifer Pickett, the Intellectual Property Counsel of Chanel Ltd. The main points are as follows:

- registration of the mark applied for would not restrict the manner in which the goods were sold. Thus COCO DE MER products could appear alongside the opponents' COCO products in retail outlets;
- whilst the applicants may not abbreviate their mark it does not prevent others from doing so. She exhibits at JP1 an article from Womens Wear Daily of August 2002 where both the art director/designer and the journalist shorten COCO DE MER to COCO;
- the absence of instances of confusion is not surprising given the applicants' restricted trading position to date;
- repetition of the internet searches conducted by Mr Parlour which have produced somewhat different results;
- submission that there is no evidence that any of the marks on the Trade Marks register identified by Mr Parlour are actively in use;
- investigations suggest that Coco Ribbon is used as a shop name and not as a trade mark and so is not analogous with the applicants' use which appears on products as well as being the name of the shop.

20. That completes my review of the evidence to the extent I consider it necessary at this stage.

Section 5(2)

21. The Section reads:

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

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

Sub-paragraph (b) applies here.

22. The term ‘earlier trade mark’ is itself defined in Section 6 of the Act. So far as is relevant this Section provides as follows:

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

- (a) a registered trade mark, international trade mark (UK) or Community trade mark 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,”

23. The marks relied on by the opponents are all earlier trade marks within the meaning of Section 6(1).

24. No issue arises in this case in relation to the goods themselves. They are in large measure identical. Where specific items contained in the applied for specifications have no direct equivalent they are contained within broad terms in the opponents’ equivalent registrations. Thus, for instance, ‘travelling bags’ is merely a sub-set of ‘articles of luggage’ or ‘bags’ in the opponents’ Class 18 specification (No. 1266614).

25. The issues at the heart of this case turn on the respective marks which for convenience are:

Applicants’ Mark

Opponents’ mark

COCO



26. Guidance from the European Court of Justice (ECJ) in relation to the approach to be followed is to be found in *Sabel BV v Puma AG* [1998] ETMR 1 and *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [2000] FSR 77. There is no dispute between the parties as to these principles though there are differences of emphasis:

- the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, paragraph 23, 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; *Lloyd Schuhfabrik Meyer & Co GmbH v. Klijsen Handel B.V.* paragraph 27;

- the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v. Puma AG*, paragraph 23;
- the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v. Puma AG*, paragraph 23;
- a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17;
- there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v. Puma AG*, paragraph 24;

Distinctive character of the opponents' mark

27. It is conceded that Chanel have a considerable amount of use of the mark COCO. The applicants' position is that this use is commonly in association with the housemark Chanel and it does not follow that the distinctive power of the house brand is transferred to the sub-brand. The interplay between house marks and sub-brands (including the question of whether they are presented as separate marks and/or in composite form) is a matter that falls to be considered on the evidence. My impression of the evidence in this case is that the link between CHANEL and COCO is a strong one to the extent that both marks may appear on product packaging and in advertisements but that the latter is also shown to have an independent presence. The Harpers & Queens' advertisements in Exhibit MH5 are good examples of the prominent promotion of COCO albeit that the perfume bottle itself carries both marks. The packaging at MH2 also seems to me to make it clear that the three marks shown (CHANEL, COCO and interlocking C devices) are stand alone trade marks. Given that COCO is also in this case the well known nickname of the founder of the business (Gabrielle Chanel) it can scarcely be said to be overwhelmed by the surname itself.

28. However, this is not a case where acquired distinctive character is critical to the outcome of the case. The word COCO is, in my view, of above average distinctive character in relation to the goods in Classes 3, 14, 18 and 25 for which it is registered. If recognition of COCO as the nickname of the founder of the business is discounted it would most likely be seen as an invented word with no obvious relevance to the goods (noting also the precautionary exclusion applied to the Class 3 specifications).

The signification and character of the applied for mark

29. The meaning (if any) conveyed by the applicants' mark is of relevance to the outcome of this case. Mr Wilson's submissions were to the effect that it was highly unlikely that the average UK consumer would be aware that COCO DE MER refers to a tall palm tree native to the Seychelles; the word COCO is the dominant feature of the applicants' mark; the French words DE MER will not be generally understood but (contradictorily in my view) will be seen as a descriptive qualification of COCO; and the combination of words does not hang together.

30. Mr Malynicz anticipated that reaction to his clients' mark could be broken down into three main categories – a significant number of people who would know that COCO DE MER means a nut from the Seychelles; a second and larger group who will not have heard of COCO DE MER but whose knowledge of the French language would be sufficient for them to understand that the words DE MER meant of or from the sea; and a third group which might appreciate that French or foreign words were involved but for whom the mark would convey no particular meaning and who would not place any great importance on COCO.

31. I believe Mr Malynicz was correct to acknowledge that there is likely to be a range of consumer reactions to the words COCO DE MER. It is a matter which might have benefited from evidence directed at establishing consumer knowledge of, or reaction to, the words. In the absence of survey or other evidence to assist me I must make what I can of the matter based on the evidence and my own perception of the position.

32. Coco de mer features in the Oxford English Dictionary (Exhibit AP1) but, despite its French origins, not in French dictionaries. The mere fact that a word or phrase appears in a dictionary does not in itself tell me anything about the degree of public knowledge. There are, after all, some very obscure words in dictionaries.

33. The coco de mer is native to the Seychelles. The latter are holiday islands which no doubt attract some UK tourists. But without knowing more about tourist numbers I do not think I can infer significant awareness of the name on that account. I note that the applicants' own web-site material (Exhibit SR3) contains a full explanation of the reasons for the choice of name COCO DE MER. Included in this is a description of the palm tree and the seed/nut which it produces and an explanation of the spiritual and sexual significance which it is said is associated with the seed. It seems to me that such an explanation would scarcely have been necessary if coco de mer was likely to be known to a significant proportion of the relevant consumer base. There is further support for this view of the matter in Exhibit JP1 to the opponents' evidence. This is an article from Womens Wear Daily about the applicants' business. The author finds it necessary to add at the end of the article "Coco de Mer, which incidentally is named for a rare species of palm tree".

34. The above evidence is in itself a narrow basis on which to assess public awareness but provides limited support for my own view of the matter which is that there is unlikely to be any appreciable level of consumer awareness of the meaning of the words COCO DE MER.

35. That still leaves the question as to what consumers will make of the mark. A not insignificant number of people will have a sufficient appreciation of French to attribute a meaning to DE MER. They may wonder what it means in the context in which it appears but will see the words as qualifying COCO, itself a strong and distinctive element. I accept too that there will be others for whom the whole phrase COCO DE MER will be meaningless but who will note the elements that make up the combination but without attaching overriding significance to any particular one.

36. Depending on what view is taken of the matter the applied for mark does not yield a single and coherent distinctive character. I am, however, of the view that few people will understand the true meaning of the phrase. That group cannot fail to regard COCO as a distinctive and key element in the make-up of the mark. It is the first, and a visually prominent element and, when seen in the context of the phrase COCO DE MER, will not lose its impact as a result of being subsumed within that phrase. COCO has alliterative and assonantal qualities that also make it memorable from an aural standpoint. Furthermore for those with a smattering of French, COCO may have even greater significance if DE MER is seen as merely a qualifying or supporting element.

37. The words COCO DE MER (in the particular form in which they are presented) are, of course, only part of the applied for mark. The device that is placed above it is itself a visually prominent and significant element. It is, I understand, a stylised representation of the seed of the plant, coco de mer. Some of those who know what the words signify may also recognise the device. Most will not recognise the device because they do not know the tree. For this latter category it is likely to be seen as an abstract shape and one, moreover, that does not readily lend itself to description. I do not discount the significance to be accorded to the device (abstract shape or not) but it does not detract from the fact that the words also form a distinctive element within the totality of the mark and are likely to be of crucial importance in visual and aural recognition and appreciation of the mark.

Similarity of marks

38. The applicants' evidence contains extracts from their web site, a photograph of their shop front and examples of their products and packaging (a carrier bag). There is mixed use of the composite mark and the words COCO DE MER alone. Of the four exhibits, for instance, in SR6 two show the composite mark and two the words alone. The carrier bag has only the words. Mr Malynicz did not evade the issue at the hearing. He acknowledged the following passage from Kerly's Law of Trade Marks and Trade Names (13th Edition) at 8-29:

“If in fact it is known what use an applicant intends to make of his mark, then that use cannot be excluded. Evidence that an intended use is particularly likely to be confusing is helpful to an opponent, to prevent such use being dismissed as unfair or fanciful.”

39. He conceded, therefore, that it was legitimate to consider use of the words COCO DE MER alone. Whether that goes beyond normal and fair use of the mark in the form applied for is perhaps open to debate. However, accepting the commonly stated view that words talk in trade marks (and the fact that the device, though prominent, cannot readily be described) I do not think

it is critical to the outcome of the case whether the position is considered on the basis of the mark in the form applied for or without the device.

40. In approaching the comparison of marks I must put myself in the place of the average consumer who is deemed to have the qualities identified in *Lloyd Schuhfabrik* above. I see no reason to artificially limit the types of person who might be purchasers of either side's goods. Even if the parties currently enjoy niche markets the respective specifications are not limited in this way. I take the average consumer to be, potentially at least, the public at large. The degree of attention that the notional average consumer is likely to pay to the marks is probably determined by a combination of factors including price. It is to be expected that a reasonable degree of attention will be paid to products such as perfumery, jewellery and clothing which are for personal wear or adornment. But I also bear in mind that such goods may also be bought as presents for others by those with no first hand knowledge of the marks.

41. Visual considerations are likely to be of particular importance with products of this kind (see REACT Trade Mark [2000] RPC 285). The applied for mark contains the words COCO DE MER in what Mr Malynicz described as a scrawled, stylised script. The words are nevertheless clearly visible and the degree of stylisation is not remarkable. The opponents' mark is, therefore, present in the mark applied for. The average consumer will not, however, see the applicants' mark without also appreciating that it contains two additional words and a device (considering for present purposes the full mark). In short there is some visual similarity as a result of the common element but it is not of the highest order.

42. The applicants' device is unlikely to feature in oral use of their mark. COCO is the first element of the words COCO DE MER and is a distinctive and self contained feature.

43. I have already considered the conceptual significance of the applicants' mark. If I am right in concluding that most people will not understand the meaning of COCO DE MER then a key point of conceptual dissimilarity is lost. COCO is then a strong element (even if it carries no obvious meaning to the consumer) which must be given full weight in the applied for mark.

Likelihood of confusion

44. Before resolving the above into my own view of the matter I must deal with certain other points that the parties have prayed in aid of their cases.

45. Mr Malynicz relied particularly on an OHIM opposition case, Laboratoires RTB SL and Giorgio Beverley Hills, Inc (Case R122/2000-1 before the First Board of Appeal and Case T-162/01 on appeal to the Court of First Instance). This was an application to register the mark GIORGIO BEVERLY HILLS in goods Classes which mirrored those in issue before me. Opposition was filed by the proprietor of marks containing the words J GIORGI, GIORGI LINE and MISS GIORGI along with certain device elements. The opponent relied particularly on the similarity between GIORGIO and GIORGI and submitted that BEVERLEY HILLS was a purely secondary feature which did not distinguish the goods. The CFI stressed the need for a global comparison and considered that the overall impression created by the respective marks including the figurative elements in the opponents' marks resulted in no likelihood of confusion.

46. I note this case but am not persuaded that it is quite on all fours with the circumstances before me. The key word element in that case, GIORGIO, was not the same as the element GIORGI relied on by the opponents and I note that the CFI was of the view that the combination of elements in GIORGIO BEVERLY HILLS produced a conceptually different mark to those relied on by the applicants. I am not persuaded by Mr Malynicz's submission that the current applicants are in a stronger position because BEVERLY HILLS was a geographical designation (and by implication less capable of contributing to overall distinctiveness) whereas DE MER may make a stronger contribution to the character of the applicants' mark here. I consider it likely that, for a significant number of people, DE MER will be seen as qualifying the main element COCO. However, the main point in the opponents' favour is that COCO is an identical and strong element in each mark.

47. There is one further aspect of the above mentioned case that I must deal with. The opponents had run an argument that consumers tend to abbreviate trade marks composed of more than one word and would, therefore, ask for goods by reference to the word GIORGIO rather than the full designation GIORGIO BEVERLY HILLS. The CFI does not appear to have dealt with that argument though it is possible to infer from their decision that it is not an argument that found favour.

48. Chanel say here that, unlike the GIORGIO BEVERLY HILLS case, there is evidence that just such an abbreviation has taken place. This is in the article from Womens Wear Daily (Exhibit JP1) which in an article about COCO DE MER, contains references to "The Coco team selected" and "I'd say COCO is more about how to live." If there was a more substantial body of evidence pointing to such usage and particularly if it had been generated by the opponents themselves then it might have a bearing on the likelihood of confusion. As matters stand I am reluctant to place too much reliance on a single article and I note that, whilst the applicants clearly do use the words COCO DE MER without the device they do not themselves abbreviate their name to COCO. If there is anything to be taken from this single piece of evidence it is that it provides some support for the view I had already reached as to where the distinctive character of the mark lies. It is to be expected that a third party who wants to refer to a complex or composite mark may alight on what is perceived to be the dominant and distinctive element. In this case I do not find it surprising that a journalist has taken COCO to be the most obvious distinguishing element.

49. There are two other points that the applicants invite me to conclude are in their favour when it comes to assessing likelihood of confusion. Mr Malynicz submitted that Ms Roddick's evidence noted that no instances of confusion had come to her attention and Chanel had failed to come up with any of their own. Strictly, there can have been no such instances by the material date as the applicants' business was not launched until November 2001. Nevertheless actual instances of confusion after the relevant date may be of relevance in informing the tribunal's view as to what the position might have been had there been use at that date. In this case I do not find it at all surprising that no instances of confusion have come to light. The applicants have traded from a single shop and their goods are offered within that context. I must bear in mind what it will be open to them to do and not just what they have done so far. That would include placing goods bearing their mark in a variety of retail outlets where they might appear with third

party brands including Chanel's COCO mark. The absence of confusion to date does not in itself reassure me that the mark applied for is eligible for registration.

50. Nor do I draw any conclusions from the applicants' state of the register evidence (Exhibit AP4) which shows a number of other marks incorporating the element COCO. For the reasons given in *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 and *Torremar Trade Mark* [2003] RPC 4 (paragraph 25) state of the register evidence tells me nothing about how marks are perceived and remembered by consumers. The applicants have filed evidence (Exhibit AP5) showing the website of a boutique business called COCO RIBBON that appears to trade in, inter alia, clothing. However, as Mr Wilson pointed out there is nothing to indicate that a trade in goods is conducted under the mark as distinct from the use of COCO RIBBON as the name of the boutique.

51. Turning to my own conclusions on likelihood of confusion, I have not found this an easy matter to decide mainly because I believe there is scope for more than one view of the applied for mark. Had I been persuaded that there was a significant degree of consumer awareness of the underlying meaning of the applicants' mark then it might have pointed to a different outcome. As matters stand that is not the case with the result that COCO is a distinctive element within the totality of the mark. Even so direct confusion seems unlikely. There are simply too many elements in the applied for mark for that. However I bear in mind the guiding principles from *Canon Kabushiki Kaisha v Metro-Goldwyn Meyer Inc*, [1999] RPC 117 that, a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods (paragraph 17) and, if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; (paragraph 29).

52. The strength of the COCO element creates that association with the result that consumers would in my view wrongly believe that the respective goods (which are identical) come from the same or economically linked undertakings. There is, therefore, a likelihood of confusion and the opposition succeeds under Section 5(2)(b).

53. On that basis I do not need to deal with the opponents' additional or alternative claim that there will be 'tarnishing' of their mark through association with the applicants' erotic emporium. The point was raised in Mr Hamilton's evidence and developed in Mr Wilson's skeleton argument and submissions at the hearing. No objection has been taken under Section 5(3). Tarnishing is not a separate or alternative ground of objection under Section 5(2). The test under this head is whether there is a likelihood of confusion. If there is, the opposition succeeds regardless of whether there is also tarnishing. If there is no likelihood of confusion then an opponent cannot succeed on a tarnishing argument alone under Section 5(2).

54. There is a further ground under Section 5(4)(a). Mr Wilson conceded that in the circumstances of this case the ground based on the law of passing off did not present the opponents with a better or materially different case. I find it unnecessary to deal with this ground. If, on appeal, I am found to be wrong in relation to Section 5(2)(b) that is also likely to point to the outcome under Section 5(4)(a).

55. The opponents have been successful and are entitled to a contribution towards their costs. I order the applicants to pay them the sum of £2000. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 19th day of August 2003

**M REYNOLDS
For the Registrar
the Comptroller General**

ANNEX

Details of opponents' registrations:

No.	Mark	Class	Specification
905951			
1091755	COCO	03	Perfumes, eau de cologne, toilet rouge, lipsticks, toilet soaps, toilet waters; and face powders and talcum powders, all being non-medicated preparations; but not including any of the aforesaid goods made from, or containing cocoa butter.
1302505	COCO	03	Soaps; perfumes; eau de colognes; toilet waters; cosmetics; essential oils; dentifrices; non-medicated toilet preparations; preparations for the hair; non-medicated preparations for the care of the skin; cleansing masks; anti-perspirants; deodorants for personal use; mouth washes; lipsticks; preparations for the care of the nails; all included in Class 3; but not including any of the aforesaid goods made from, or containing cocoa butter.
1266613	COCO	14	Jewellery, precious stones, clocks, watches, articles included in Class 14 made of precious metals or coated therewith; parts and fittings for the aforesaid goods.
1266614	COCO	18	Handbags; pocket wallets, umbrellas, parasols, vanity cases (not fitted), briefcases, articles of luggage, purses (not of precious metal or coated therewith), leather belts; bags; all included in Class 18; skins and hides, all for use in the clothing industry, carrying cases; parts and fittings included in Class 18 for the aforesaid goods.
1211388	COCO	25	Articles of clothing.