

O-021-04

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2265406
BY SILAS & MARIA LIMITED
TO REGISTER A TRADE MARK IN CLASSES 14, 16 AND 18**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER No. 90041
BY SILMAR SPA**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No. 2265406
by Silas & Maria Limited to register a Trade Mark
in Classes 14, 16 and 18**

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**IN THE MATTER OF Opposition thereto under No. 90041
by Silmar SpA**

BACKGROUND

1. On 26 March 2001 Silas & Maria Limited applied to register the trade mark SILAS in Classes 14, 16 and 18 of the register for the following specifications of goods:

Class 14:

Precious metals and their alloys and goods in precious metals or coated therewith; precious and semi-precious stones; jewellery; fashion jewellery; amulets; bracelets; brooches; chains; charms; cuff links; earrings; rings; tie clips and pins; horological and chronometric instruments; wrist watches; clocks; boxes, cases and containers of precious metals; hat and shoe ornaments of precious metals; figurines and statuettes of precious metals; badges of precious metal; objects of imitation gold.

Class 16:

Paper, cardboard and goods made from these materials; printed matter; bookbinding material; photographs; stationery; posters; postcards; greetings cards; calendars; albums; almanacs; diaries; bookmarkers; playing cards; note books; note pads; labels; printed publications; magazines; brochures; catalogues; booklets; manuals; newspapers; tickets; adhesives for stationery or household purposes; artists' materials; plastic material for packaging; flags; pencils; pens; pen cases.

Class 18:

Leather and imitations of leather; goods made of leather and imitation leather; animal skins; animal hides; trunks and travelling bags; bags; sports bags; attaché cases; handbags; purses; rucksacks; school bags; suitcases; umbrellas, parasols and walking sticks; belts.

2. The application was accepted by the Registrar and published in the Trade Marks Journal.

3. On 5 February 2002 Silmar SpA filed a Notice of Opposition which relates only to Class 14 of the application. In summary the Notice set out the following grounds:

- (i) Under Section 5(2)(b) of the Act because the mark applied for is similar to the following earlier registered trade mark owned by the opponent which covers identical and similar goods in Class 14 and there exists a likelihood of confusion on the part of the public –

No.	Mark	Registration Effective	Specification of goods
1350443	SILMAR	8 JULY 1988	Jewellery, chains, bracelets, tie-pins, brooches, rings, earrings, pendants, all included in Class 14.

- (ii) Under Section 5(4)(a) of the Act by virtue of the law of passing off.

4. The applicant filed a Counterstatement denying the grounds of opposition.

5. Both sides filed evidence and asked for an award of costs in their favour. The parties are content for a decision to be taken without recourse to a hearing and their representatives have forwarded written submissions to assist the hearing officer in reaching a decision.

Opponent's Evidence

6. The opponent's evidence consists of a declaration and a witness statement by Bontorin Udilo and Victoria Jayne Townsend, dated 25 July 2002 and 30 August 2002 respectively.

7. Mr Udilo is Board Director of Silmar SpA (the opponent company) and he states that his company has regularly traded in the goods covered by its registration since the date of registration under the mark SILMAR. He adds that the annual turnover (in Euros) per calendar year for the goods sold in the UK during the period 1994 to 2002 is as follows:

Year	Turnover (Euro)
1994	1,026,047.77
1995	1,051,008.37
1996	1,081,809.68
1997	1,088,734.37
1998	1,138,417.66
1999	1,456,937.09
2000	2,009,050.17
2001	2,644,767.29
2002 (to end June)	898,645.85

8. Mr Udilo goes on to refer to Exhibit SSPA 1 to his declaration which comprises samples of the opponent's advertising and promotional literature which Mr Udilo states, have been widely circulated throughout the UK during the period 1994 to 2002. These include:

- a) a catalogue entitled “SILMAR A PRECIOUS WORLD” and dated 1996;
- b) a catalogue entitled “SILMAR A PRECIOUS WORLD” and dated 2000;
- c) a catalogue entitled “SILMAR A PRECIOUS WORLD” (undated) c. 1998;
- d) a catalogue entitled “Platino SILMAR” (undated);
- e) an information leaflet entitled “SILMAR A PRECIOUS WORLD” (undated);
- f) an information leaflet entitled Platino SILMAR” (undated);
- g) an advertisement card marked “my platinum SILMAR” (undated).

9. Next, Mr Udilo draws attention to copies of invoices which are attached as Exhibit SSPA 2 to his declaration. These invoices are to UK customers and span a period from 28 October 1983 to 25 November 1992.

10. Ms Townsend is a partner in Fry Heath & Spence, the opponent’s professional advisors in these proceedings. She provides a certified copy of UK trade mark registration No. 1350443, the mark cited for the purposes of Section 5(2) in these proceedings.

Applicant’s Evidence

11. This consists of three witness statements, one each by Russell Waterman, Sofia Prantera, both dated 11 December 2002, and one by Brian Toft dated 12 December 2002.

12. Mr Waterman is managing director of Silas & Maria Limited (the applicant company). He explains that the applicant is a fashion clothing company which produces and markets fashion products under the mark SILAS, which is considered a mid to high end specialist and exclusive leisurewear label designed for the 20 to 35 year age bracket with disposable income.

13. Mr Waterman goes on to state that the SILAS brand was launched in 1998 since when a full range of clothing has been sold under the brand, largely through independent stores in the UK, Europe and Japan. He adds that since 1998 the applicant has added considerably to the range particularly by way of accessories, including a small range of jewellery. Mr Waterman provides the following turnover figures for the SILAS brand since inception.

Year	Total Turnover	UK Turnover (Approximate)	UK Sales Volume (Items)
1998/99	£ 409,831	£135,000	5,000
1999/00	£1,109,969	£435,000	17,000
2000/01	£2,421,493	£534,000	24,000
2001/02	£4,554,415	£900,000	33,000

14. At Exhibit RW 1 to his statement, Mr Waterman provides examples of collection of sales catalogues relating to the SILAS brand. A catalogue is produced for two seasons every year and about half of the 20,000 produced for each run are distributed in the UK. Mr Waterman states that while the applicant does not advertise, publicity is sought via editorial coverage in suitable publications and at Exhibit RW 3 is a selection of items from various publications and at Exhibit RW 4 are copies of further articles and editorials.

15. Mr Waterman submits that the marks SILAS and SILMAR are different and he states that SILAS is both a Christian name and a surname.

16. Mr Waterman confirms that the SILAS trade mark is in use in connection with items of jewellery and at Exhibit RW6 to his statement are digital stills illustrating some of the range. He states that sales of Silas jewellery commenced in October 2002. While this is after the relevant date for these proceedings, Mr Waterman states that he is not aware of any confusion having arisen between the opponent's and applicant's trade marks.

17. Sofia Prantera is a director of Silas & Maria (the applicant). She states that she made an approach as a private individual to Silmar SpA (the opponent) in order to obtain more information on the opponent's business and products and was informed that their products were only sold in the UK on a wholesale basis. In her opinion the opponent's jewellery is not sold under their own mark in the UK but rather under the retailers trade mark.

18. Mr Toft is the Chief Executive Director of Streetheds, a retailing business which sells fashion clothing and accessories to the general public in the Aberdeen/North Scotland area.

19. Mr Toft states that he has known the SILAS brand since its inception, some four years earlier. He has sold clothing marked with the SILAS brand and has recently taken on a stock of the SILAS jewellery range. In Mr Toft's view the marks SILAS and SILMAR used on jewellery products would not be confused by customers.

Opponent's Evidence in Reply

20. This consists of a witness statement by Bontorin Udilo dated 29 May 2003 and follows his earlier declaration in these proceedings.

21. In relation to Mr Waterman's statement on behalf of the applicant, Mr Udilo comments that Mr Waterman: is not experienced in the sales, distribution, production on buying of jewellery; does not take into account that in use the respective marks may be written small on jewellery products due to their nature; does not take into account imperfect recollection.

22. Turning to the statement made by Ms Prantera, Mr Udilo states that Ms Prantera has no experience in sales, distribution, production, buying etc. in relation to jewellery. He adds that his company sells goods in the UK marked with the trade mark SILMAR and at Exhibit BU1 are invoices for such sales to QVC Merchandising in London.

23. With regard to Mr Toft's statement, Mr Udilo believes that Mr Toft does not have experience and a good knowledge of the jewellery trade.

24. The opponent's submissions are contained in a letter dated 12 December 2003 from Fry Heath Spence, the opponent's professional advisors in these proceedings. In particular, attention is drawn to the following:

- a) The relevant goods are small and accordingly the relevant parties trade marks when applied to the relevant goods would be used in very small letters.
- b) The judgement in the Accutron Trade Mark [1966] RPC 152 remains good law when considering trade marks in such circumstances. It has been accepted that it is the first syllable of a word mark which is generally the most important when comparing trade marks and it is submitted that this is identical for the trade marks under comparison.

Applicant's Submissions

25. The applicant's submissions are enclosed with a letter dated 12 December 2003 from Markforce, the applicant's professional advisors in these proceedings.

26. In summary, the submissions are as follows:

- (i) The opponent's mark comprises an invented word which has no meaning in the UK, whereas the applicant's mark comprises a Christian name or surname.
- (ii) The relevant test in relation to Section 5(2)(b) is a global one which should take into account the use of the opponent's mark, its inherent and acquired distinctiveness, the similarity of the goods and the visual, aural and conceptual similarities of the marks.
- (iv) The comparisons must be undertaken through the eyes of the average consumer and jewellery is a product chosen with great care because of its great value and the personal nature of its selection.
- (v) The comparison must be taken of the marks as a whole and the average consumer normally perceives the mark as a whole and does not proceed to analyse its various details.
- (vi) The opponent has not proved any recognition or reputation in the market place of its trade mark as its evidence merely shows no more than use of the mark.
- (v) The opponent has not shown sales under the mark SILAS to the public as such, only sales to the trade. Therefore the channels of trade are different.
- (vi) The applicant's reputation in the field of clothing will extend to jewellery.
- (vii) In relation to "passing off" the opponent does not possess the requisite goodwill and no misrepresentation can arise given the differences in the respective trade marks.

27. This completes my summary of the evidence filed in this case and the written submissions of the parties. I now turn to the decision.

DECISION

SECTION 5(2)(B)

28. Firstly I go to the ground of opposition under Section 5(2)(b) of the Act. Section 5(2) reads as follows:

“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.”

29. An earlier right is defined in Section 6, the relevant parts of which state:

“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,”

30. I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723.

It is clear from these cases that:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*, page 224;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v. Puma AG*, page 24, 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.* page 84 paragraph 27;

- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v. Puma AG*, page 224;
- (d) 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 224;
- (e) 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*, page 132 paragraph 17;
- (f) 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*, page 224;
- (g) account should be taken 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 was registered; *Lloyd*, paragraph 29;
- (h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v. Puma AG*, page 224;
- (i) further, 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; *Marca Mode CV v. Adidas AG*, paragraph 41;
- (j) but 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; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, page 333, paragraph 29.

31. The reputation of a trade mark is an element to which importance may be attached in Section 5(2) considerations in that it may enhance the distinctive character of the mark at issue and widen the penumbra of protection for such a mark. The opponent has filed evidence relating to the use of its SILMAR trade mark. While the evidence confirms use of the mark and provides information on the significant turnover of goods sold under the mark, it provides no indication of the opponent's market share or the extent of its reputation. Given the relatively high unit costs of the goods in question ie. jewellery, and the relative popularity of such goods, which are often purchased as gifts etc. by the general public, it seems to me that the turnover details provided do not indicate a high market share and do not enable me to infer that the opponent has any great reputation under its mark. Furthermore, the opponent has provided no information on expenditure or coverage in relation to marketing and there are no details in relation to the

circulation of catalogues and leaflets attached as Exhibit SSPA1 to Mr Udilo's declaration of 25 July 2002. I would add that no supporting evidence from third parties or the trade has been filed.

32. While the opponent may have had a presence in the UK market place prior to the relevant date for these proceedings, the evidence does not demonstrate a reputation among the relevant public in its earlier cited trade marks. The onus is upon the opponent to prove that its earlier marks enjoy a reputation or public recognition and on the basis of the evidence filed in this case I do not believe the opponent has discharged this onus. In *DUONEBS* (BLO/048/01) a decision of Simon Thorley QC, sitting as the Appointed Person, it was said:

“In my judgement I believe what the ECJ had in mind was the sort of mark which by reason of extensive trade had become something of a household name so that the propensity of the public to associate other less similar marks with that mark would be enhanced. I do not believe that the ECJ was seeking to introduce into every comparison required by Section 5(2), a consideration of the reputation of a particular existing trade mark”.

33. I conclude that the opponent cannot claim an enhanced distinctive character for its mark. However, even if I am wrong in relation to reputation of the opponent's mark I would point out that reputation is only one element which forms part of a global consideration under Section 5(2). It was held in *Marca Mode v Adidas AG* [2000] E.T.M.R. 723:

“The reputation of a mark, where it is demonstrated, is thus an element which, amongst others, may have a certain importance. To this end, it may be observed that marks with a highly distinctive character, in particular because of their reputation, enjoy broader protection than marks with a less distinctive character (Canon, paragraph 18). Nevertheless, the reputation of a mark does not give grounds for presuming the existence of a likelihood of confusion simply because of the existence of a likelihood of association in the strict sense.”

34. In essence the test under Section 5(2) is whether there are similarities in marks and goods which would combine to create a likelihood of confusion. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those differing elements, taking into account the degree of similarity in the goods, the category of goods in question and how they are marketed. Furthermore, in addition to making comparisons which take into account the actual use of the respective marks, I must compare the mark applied for and the opponent's registration on the basis of their inherent characteristics assuming normal and fair use of the mark on a full range of the goods within the respective specifications. In relation to use of the applicant's mark I note that the applicant has no use of its mark in relation to the Class 14 goods applied for prior to the relevant date for these proceedings (26 March 2001).

35. The applicant points out that the opponent's business in the UK ie. its sales under its mark, are to wholesalers or intermediaries rather than to the public at large and that in actual trade this reduces the potential for confusion. This may be so but for the purposes of the current opposition, normal and fair use of the respective marks would include sales of goods bearing the

marks through all normal outlets for the goods e.g. high street retail units, mail order and the internet, to the public at large, as well as sales by both parties to wholesalers and intermediaries.

36. I turn first to a consideration of the respective goods covered by Class 14 of the application in suit and the opponent's earlier registration. It is obvious that the mark applied for which includes (inter-alia) jewellery, chains, bracelets, tie pins, brooches, rings, earrings, goods in precious metals or coated therewith and objects of imitation gold, covers goods identical and similar to those goods specified by the earlier registration.

37. I now go on to compare the mark in suit (SILAS) with the opponent's earlier registration (SILMAR). The opponent's registration comprises an invented word and in my view possesses a strong inherently distinctive character. The mark in suit is a name, although is a somewhat unusual name and may not be recognised as such by a proportion of the public who could perceive it as an invented word. This mark also possesses inherent strength in relation to its distinctive character.

38. The opponent correctly points out that the marks share the first three letters and my attention has been drawn to the general principle that, when comparing trade marks, the beginnings of marks are accepted as having a greater impact than their endings. However, while this is a relevant factor, the respective marks must be compared as a whole and by reference to their overall impression. It is, of course, possible to over analyse marks and in doing so shift away from the real test which is how marks would be perceived in the normal course and circumstances of trade. The average customer rarely has the chance to make direct comparisons between marks and instead must rely upon the imperfect picture of them he has kept in his mind (*Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* page 84, paragraph 27). I must bear this in mind when reaching my conclusions.

39. I turn to a visual comparison of the respective marks. The marks share the first three letters. They differ in their length, the mark applied for consisting of five letters and the opponent's registration six letters. The terminations of the marks also differ. As mentioned earlier, my decision on similarity must be governed by overall impression and notwithstanding that both marks begin with the letters SIL, the terminations of the marks are, in my view, conspicuously different so that, on balance, it seems to me that in totality the marks look different and would be distinguished visually in use. However, I have not reached this view without some hesitation.

40. In relation to oral use I believe the opponent's case to be weaker. While both marks commence with the letters SIL, it is my view that the first syllable of the applicant's mark is likely to be pronounced as "SI" (to rhyme with "My") in accordance with the pronunciation of the name SILAS. The first syllable of the opponent's mark is likely to be pronounced as "SIL" (to rhyme with "sill"). Even if the mark in suit were to share the same first syllable ie. "SIL", I do not believe the opponent's case to be any stronger than on visual similarity. Even bearing in mind that customers may have a propensity to slur the terminations of words, this would be of limited impact in the present case as the terminations sound noticeably different and serve to aurally distinguish the marks in their totalities.

41. Next I turn to a conceptual comparison of the marks. The mark in suit comprises an unusual personal name, while the opponent's mark consists of an invented word. However, even if the applicant's mark were to be perceived as an invented word, I do not believe the marks to share a conceptual similarity.

42. In assessing the likelihood of confusion I must also consider the goods at issue, the average customer for the goods and make allowance for imperfect recollection.

43. In relation to normal and fair use of the respective marks the customers for the goods at issue are the public at large. The relevant goods would be available through a wide variety of outlets and may range widely in price from tens of pounds to tens of thousands of pounds. However, items of jewellery, including imitation jewellery, are usually chosen with some care and consideration, as the appearance or "look" of the product is key to the purchase. In my view the average customer for the goods is likely to be relatively careful in considering a potential purchase and this mitigates against a likelihood of confusion.

44. The opponent contends that, as the relevant goods are small, trade marks would be applied to the goods in very small letters which would increase the possibility of confusion in the market place. However, the opponent has submitted no evidence to support this submission. My own knowledge of the market place tells me that it is highly unusual for small items of jewellery to bear trade marks. In the normal circumstances of trade, marks for jewellery items usually appear on packaging or displays.

CONCLUSION

45. On a global appreciation, taking into account all the relevant factors, including identity of goods and after allowing for an appropriate level of defective recollection, I do not believe on balance that the average customer for the goods is likely to confuse the applicant's mark SILAS with the opponent's mark SILMAR given the differences in the marks when considered in their totalities. The opposition under Section 5(2)(b) of the Act fails.

SECTION 5(4)(a)

46. Next, the Section 5(4)(a) ground. Section 5(4)(a) of the Act states:

"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, or

(b)

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

I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC in the WILD CHILD case p1998] 14 PRC 455. In that decision Mr Hobbs stated that:

“The question raised by the Grounds of Opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods or interest to the Applicant from those of other undertakings (see Section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Article 4(4)(b) of the Directive and Section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the applicant in accordance with the law of passing off.”

"A helpful summary of the elements of an action for passing off can be found in Halsbury's Laws of England 4th Edition Vol 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in Reckitt & Colman Products Ltd v Borden Inc [1990] RPC 341 and Erven Warnink BV v J Townend & Sons (Hull) Ltd [1979] ACT 731 is (with footnotes omitted) as follows:

"The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation."

47. The date at which the matter must be judged is not entirely clear from Section 5(4)(a) of the Act. This provision is clearly intended to implement Article 4(4)(b) of the Directive 89/104/EEC. It is now well settled that it is appropriate to look to the wording of the Directive in order to settle matters of doubt arising from the wording of equivalent provisions of the Act. It is clear from Article 4(4)(b) that the earlier right had to have been “acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed”. The relevant date is therefore the date of the application for the mark in suit.

48. Earlier in this decision I found that the application in suit and the opponent’s registration were not confusable. Accordingly, it is my view that the necessary misrepresentation required by the tort of passing off will not occur. The opposition under Section 5(4)(a) therefore fails.

COSTS

49. The applicant is entitled to a contribution towards its costs.

50. In its written submissions the applicant requested an indemnity basis because the opposition is highly unmeritorious and the opponent was given the opportunity to withdraw the opposition in the course of correspondence. I disagree as I am of the opinion that the opponent's case was arguable and not without force and logic. Indeed I found my final decision to be fairly closely balanced bearing in mind that given identity of goods exists and that the marks share the same first three letters. Costs from the normal scale are appropriate.

I therefore order the opponent to pay the applicant the sum of £1,200 which takes account of the fact that no hearing took place on this case. 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 23rd day of January 2004

**J MacGILLIVRAY
For the Registrar
the Comptroller-General**