

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2423905
BY GLYN BERRINGTON TO REGISTER A TRADE MARK
IN CLASSES 18, 25 AND 35**

**AND IN THE MATTER OF OPPOSITION THERETO
UNDER No. 94928 BY RICHARD CHARLES ARCHER-PERKINS**

**AND IN THE MATTER OF AN APPEAL
TO THE APPOINTED PERSON BY THE OPPONENT
AGAINST A DECISION OF MR G W SALTHOUSE
DATED 4 JUNE 2007**

DECISION

Background

1. This is an appeal from a decision of Mr. George W. Salthouse, the Hearing Officer acting for the Registrar of Trade Marks, dated 4 June 2007 (sic 2008) (BL O/152/08).
2. On the 8 June 2006, Mr. Glyn Berrington (“the Applicant”) applied under number 2423905 to register the following designation for use as a trade mark:



3. Registration was applied for in respect of:

Class 18

Articles made of leather or made of imitation leather and goods made of these materials; bags, tote bags, shoulder bags, shopping bags, luggage, holdalls, trunks and travelling bags, flight bags, sling bags, rucksacks, backpacks, wallets, purses, credit card holders; (included in Class 18)

Class 25

Articles of clothing, headwear, neckwear, underwear, footwear, nightwear, shoes, boots, trainers, socks, gloves, mittens, scarves, hats, caps, hosiery, socks, sportswear, rainwear, ponchos, capes, bandanas and belts for wear; headgear, hats and caps; sports bags shaped to contain clothing used in sports and athletics

Class 35

Advertising, promotion, marketing and publicity services; endorsement services; dissemination of advertising, promotion, marketing and publicity materials; retail services connected with clothing, headwear, neckwear, underwear, footwear, nightwear, shoes, boots, trainers, socks, gloves, mittens, scarves, hats, caps, hosiery, sportswear, rainwear, ponchos, capes, bandanas and belts for wear, headgear, hats and caps, sports bags shaped to contain clothing used in sports and athletics, articles made of leather or of imitation leather and goods made of these materials, bags, tote bags, shoulder bags, shopping bags, luggage, holdalls, trunks and travelling bags, flight bags, sling bags, rucksacks, backpacks, wallets and purses, credit card holders; the bringing together, for the benefit of others, of a variety of clothing, headwear, neckwear, underwear, footwear, nightwear, shoes, boots, trainers, socks, gloves, mittens, scarves, hats, caps, hosiery, sportswear, rainwear, ponchos, capes, bandanas and belts for wear, headgear, hats and caps, sports bags shaped to contain clothing used in sports and athletics, articles made of leather or of imitation leather and goods made of these materials, bags, tote bags, shoulder bags, shopping bags, luggage, holdalls, trunks and travelling bags, flight bags, sling bags, rucksacks, backpacks, wallets and purses, credit card holders, enabling customers to conveniently view and purchase those goods in a retail shop, via mail order catalogues, and Internet websites

4. On 26 January 2007, Mr. Richard Charles Archer-Perkins (“the Opponent”) opposed the Application except in relation to: “Advertising, promotion, marketing and publicity services; endorsement services; dissemination of advertising, promotion, marketing and publicity materials” in Class 35.
5. Opposition was brought under section 5(2)(b) of the Trade Marks Act 1994 that because the mark applied for was similar to the Opponent’s earlier trade mark and to be registered for goods and services identical or similar to those for which the earlier trade mark was protected there existed a likelihood of confusion on the part of the public, which included the likelihood of association with the earlier trade mark.
7. The Opponent’s earlier trade mark is UK Registration number 2347111 URBAN SHOCK applied for on 28 October 2003 and registered on 22 October 2004 in respect of:

Class 14

Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, costume jewellery, precious stones; horological and chronometric instruments

Class 18

Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; handbags, rucksacks and purses; umbrellas, parasols and walking sticks; belts of leather and imitations of leather

Class 25

Clothing, headgear and footwear; scarves, socks, bras, pants and belts.

8. Both parties filed evidence and arguments and were represented at an oral hearing. In a written decision issued on 4 June 2007 (sic 2008), the Hearing Officer dismissed the opposition and ordered the Opponent to pay the Applicant the sum of £2000 in costs.
9. The findings of the Hearing Officer were:
 - (a) Neither mark had been used before the application date therefore neither party could claim reputation.
 - (b) The Opponent's mark was inherently distinctive for the registered goods.
 - (c) The average consumer was the general public.
 - (d) The marks were visually very different.
 - (e) Phonetically, the marks had "urban" in common but differed in their second word.
 - (f) Conceptually, the Applicant's mark conjured up a city whereas the Opponent's mark was fanciful.
 - (g) Clothes etc. were not purchased without some consideration as to the material, cut, design and quality.
 - (h) The differences between the marks outweighed the slight similarities particularly since the purchase of clothing was a visual act.
 - (i) The goods in Classes 18 and 25 were identical.
 - (j) The marks were not identical or even similar. Accordingly, the Applicant's services in Class 35 were not similar to the Opponent's goods.
10. The Hearing Officer concluded:

"37) Taking account of all of the above when considering the marks globally, notwithstanding the fact that the goods in Classes 18 & 25 are identical, I believe that there is not a likelihood of consumers being confused into believing that the goods and services provided by the

applicant are those of the opponent or provided by some undertaking linked to them. The opposition under Section 5(2)(b) therefore fails”.

11. On 2 July 2008, the Opponent filed notice of appeal to the Appointed Person under section 76 of the Act. At the hearing of the appeal, the Opponent was represented by Mr. Simon Malynicz of Counsel. The Applicant appeared in person.

Standard of appeal

12. The appeal is a review and not a rehearing. The approach is as set out by Robert Walker L.J. in *REEF Trade Mark* [2003] RPC 101 at 109 – 110:

“In this case the hearing officer had to make what he himself referred to as a multi-factorial comparison, evaluating similarity of marks, similarity of goods and other factors in order to reach conclusions about likelihood of confusion ... It is not suggested that he was not experienced in the this field, and there is nothing in the Civil Procedure Rules to diminish the degree of respect which has traditionally been shown to a hearing officer’s specialised experience ... On the other hand the hearing officer did not hear any oral evidence. In such circumstances an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle.

The appellate court should not treat a judgment or written decision as containing an error of principle simply because of its belief that the judgment or decision could have been better expressed. The duty to give reasons must not be turned into an intolerable burden: see the recent judgment of this court in *English v. Emery Reimbold & Strick Ltd* (and two other appeals heard with it) [2002] EWCA Civ 605, April 30, 2002, para. 19:

‘... the judgment must enable the appellate court to understand why the judge reached his decision. This does not mean that every factor which weighed with the judge in his appraisal of the evidence has to be identified and explained. But the issues the resolution of which were vital to the judge’s conclusion should be identified and the manner in which he resolved them explained. It is not possible to provide a template for this process. It need not involve a lengthy judgment. It does require the judge to identify and record those matters that were critical to his decision”’.

The grounds of appeal

13. The first ground of appeal is that the Hearing Officer did not undertake a visual comparison of the two marks.

14. Section 5(2)(b) of the Act implements Article 4(1)(b) of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of Member States relating to trade marks and corresponds to Article 8(1)(b) of Council Regulation (EC) No. 40/94 of 20 December 1993 on the Community trade mark.
15. In Case C-334/05 P, *OHIM v. Shaker di L. Laudato & C. Sas* [2007] ECR I-4529 (*LIMONCHELO*), which also concerned a conflict between a figurative mark and a word mark, the Court of Justice of the European Communities (“ECJ”) summarised its previous guidance on those provisions:

“31. ... it should be recalled that, pursuant to this provision [Article 8(1)(b) Regulation 40/94], upon application by the owner of an earlier trade mark, the trade mark applied for is refused registration when, by reason of its identical nature or its similarity with the earlier trade mark and by reason of the identical nature or similarity of the goods or services covered by the two trade marks, there is a likelihood of confusion on the part of the public in the territory where the earlier trade mark is protected. Such a risk of confusion includes the risk of association with the earlier trade mark.

32. On this point, the Community legislature explained, in the seventh recital of Regulation No 40/94, that the appreciation of the likelihood of confusion depends on numerous elements and, in particular, on the recognition of the trade mark on the market, the association which can be made with the used or registered sign, the degree of similarity between the trade mark and the sign and between the goods or services identified.

33. In this regard, it is settled case-law that the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 (see First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1); Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 17; and Case C-120/04 *Medion* [2005] ECR I-8551, paragraph 26).

34. Moreover, the existence of a likelihood of confusion on the part of the public must be appreciated globally, taking into account all factors relevant to the circumstances of the case (see *SABEL*, paragraph 22; *Lloyd Schuhfabrik Meyer*, paragraph 18; Case C-425/98 *Marca Mode* [2000] ECR I-4861, paragraph 40; order in *Matratzen v OHIM*, paragraph 28; *Medion*, paragraph 27; and Case C-206/04 P *Mühlens v OHIM* [2006] ECR I-2717, paragraph 18).

35. According to further settled case-law, the global assessment of the likelihood of confusion, in relation to the visual, aural or conceptual similarity of the marks in question, must be based on the overall

impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The perception of the marks by the average consumer of the goods or services in question plays a decisive role in the global appreciation of that likelihood of confusion. In this regard, the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (see *SABEL*, paragraph 23; *Lloyd Schuhfabrik Meyer*, paragraph 25; *Medion*, paragraph 28; *Mühlens v OHIM*, paragraph 19; and order in *Matratzen Concord v OHIM*, paragraph 29).

36. It should be added that in order to assess the degree of similarity between the marks concerned, it is necessary to determine the degree of visual, aural or conceptual similarity between them and, where appropriate, to assess the importance to be attached to those factors, taking account of the category of goods or services in question and the circumstances in which they are marketed (see *Lloyd Schuhfabrik Meyer*, paragraph 27)”.

- 16 In Case T-363/06, *Honda Motor Europe Ltd v. OHIM*, 9 September 2008, an application for a Community word mark MAGIC SEAT was opposed on the basis of an earlier national figurative trade mark SEAT. The Court of First Instance (“CFI”) said:

“24. As regards, in the first place, the visual comparison of the conflicting signs, it should be noted that it is perfectly possible to consider and determine whether there is any visual similarity between a word mark and a figurative mark, given that the two types of mark have graphic form capable of creating a visual impression (Case T-110/01 *Vedial v OHIM – France Distribution (HUBERT)* [2002] ECR II-5275, paragraph 51, and Case T-359/02 *Chum v OHIM – Star TV (STAR TV)* [2005] ECR II-1515, paragraph 43)”.

The Hearing Officer’s consideration of the marks

17. Turning to the decision under appeal, the respective marks were considered at paragraphs 23 – 33. First, the Hearing Officer dealt with an argument based on notional and fair use. He dismissed as spurious the Opponent’s contention that URBAN SHOCK might be used with one word at ninety degrees to the other or even in the form of a cube. Mr. Malynicz confirmed that the Opponent no longer pursued that point.
18. Second, the Hearing Officer moved to the Internet where the Opponent had argued that the Applicant’s mark would have to be used as URBAN SHOP against its own use of URBAN SHOCK. Further a search might retrieve both parties’ marks. The Hearing Officer observed (paragraph 28):

“Whilst I accept that internet sites are likely to be used by both parties, there is no limitation on either side restricting use only to the internet. I must consider how the marks would be used in the wider context of the marketplace.”

The Opponent says that insufficient account was taken of prospective Internet use.

19. Third, the Hearing Officer debated another test advanced by the Opponent:

“29) The opponent sought to compare the marks in their simplest form with the applicant’s mark being reduced to “The Urban Shop.co.uk” and then compared to the opponent’s mark. In this test the opponent dismissed the words “The” and “.co.uk” as non-distinctive. They therefore contended that the first words of the two marks, “Urban”, were identical and that there were only minor differences between the second words “shop” and “shock”. They also contend that the word “shop” is not distinctive, and quote the Registry Practice Guide with regard to the use of “shop”.

30) If the applicant’s mark had been presented as simply the words “The Urban Shop” I would have agreed with most of the above comments. However, the design element of the applicant’s mark is not something which can so easily be dismissed. Similarly, words parts cannot be treated as though they were not present”.

20. Fourth, the Hearing Officer stated his visual appreciation thus:

“31) Visually the marks are very different from each other. Whilst the words “Urban” and “Shop” can be found in the applicant’s mark they require a small amount of effort to realise ...”.

21. Pausing here to consider the first ground of appeal, the Hearing Officer clearly undertook some visual analysis of the Applicant’s mark. However, he appears not to have determined how the Opponent’s mark would have been perceived visually. Nor did he assess from a visual perspective the distinctive and dominant components of the two marks. In my judgment, there is substance in the first ground of appeal. The Hearing Officer’s visual appreciation was one-sided and therefore constituted an error of principle in the application of section 5(2)(b).

22. Whilst on the subject of visual appreciation, Mr. Malynicz submitted that the Hearing Officer also erred in placing too much emphasis on the visual aspect of the purchasing act to the detriment of aural and conceptual considerations. The Hearing Officer had referred to the following passage in the judgment of Mr. Simon Thorley Q.C. sitting as the Appointed Person in *REACT Trade Mark* [2000] RPC 285, which concerned a figurative mark containing the word REACT and the word mark REACTOR:

"[counsel] drew my attention to the fact that in relation to clothing of the type for which the mark is to be registered, anybody using the mark aurally would be informed to some extent of the nature of the goods they were proposing to purchase; they will therefore know of the mark; and they will know what they want. I think there is force in this in the context of purchasing clothes. The Hearing Officer was prepared of

his own experience to hold that the initial selection of goods would be made by the eye, and I believe this is correct. I must therefore, in taking into account the likelihood of aural confusion, bear in mind the fact that the primary use of trade marks in the purchasing of clothes is a visual act."

23. Mr. Malynicz relied on the observations of Floyd J. in the later case of *Criminal Clothing Limited v. Aytan's Manufacturing (UK) Limited* [2005] EWHC 1303 (Ch) where an opposition under section 5(2)(b) based on a figurative mark CRIMINAL DAMAGE had succeeded against an application for another figurative mark containing the word CRIMINAL. On appeal it was argued that insufficient regard had been paid to the visual differences in the marks (created by the figurative elements) in comparing the concepts presented by the marks. Floyd J. said (paragraph 26):

"It is noteworthy that in the *React* case Mr Thorley QC, having concluded that there was some aural similarity, went on to hold that that there was no visual or conceptual similarity. It is also noteworthy that he compared the conceptual similarity of the words themselves, as opposed to the entire marks. Furthermore he expressly declined to come to a conclusion as to whether there was a likelihood of confusion in aural use until he had considered conceptual similarity of the words. His decision is therefore, in my judgment, entirely consistent with an approach which allows the court to consider, in the context of aural use, and even in a clothing case, the combined effect of the aural and conceptual similarities of the words alone even where one of the marks has a complex and distinctive device element."

24. I do not believe that the Hearing Officer's made this further error in his assessment of the marks. The reference to *REACT* did not, as suggested by Mr. Malynicz, cause him to leave out either an aural or a conceptual appreciation of the marks.
25. Returning to the decision, fifth, the Hearing Officer accepted that phonetically the marks had similarities:

"31) ... I do not believe that the average consumer would pay much attention to the words "The" or "co.uk" when verbalising the mark. They are, in my opinion, far more likely to refer to the applicant's mark as "Urban Shop". Phonetically the marks share the first word but differ in their second".

Before me, the Opponent emphasised the strength of the phonetic case especially because of the propensity of English speakers to slur the ending of words but otherwise did not challenge the Hearing Officer's findings.

26. Sixth, the Hearing Officer considered the marks conceptually. In his view:
- "31) ... Conceptually the applicant's mark conjures up the image of a building, emphasised by the overall shape and design, whereas the opponent's mark is fanciful. Can one shock a city?"
27. The Opponent says that this is an incomplete comparison. The Hearing Officer did not grapple with what concept the Opponent's mark would convey to the public and more importantly with what concept the marks would convey to the public in comparison with each other. I agree that the Hearing Officer's conceptual comparison was perfunctory. That alone would not have caused me to interfere. However, it serves to reinforce my previous conclusion that the Hearing Officer's consideration of the marks was in error.

Interdependence

28. The second ground of appeal is that the Hearing Officer failed to apply the principle of interdependence, which states that the factors to be taken into account when assessing likelihood of confusion under section 5(2)(b) are interdependent so that a lesser degree of similarity between the marks can be offset by a greater degree of similarity between the goods and services, and vice versa (*Case C-342/97, Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel BV* [1999] ECR I-3830, paragraph 19).
29. More generally, Mr. Malynicz criticised the Hearing Officer for simply listing the ECJ authorities on section 5(2)(b) (paragraph 18) rather than setting out the applicable principles. Mr. Malynicz complained that such an approach renders the appeal process more difficult.
30. The Hearing Officer expressly stated that his finding of no likelihood of confusion under section 5(2)(b) was posited on the basis of identical goods (see, paragraph 37). I have no reason to believe that he ignored the principle of interdependence.
31. Nor do I accept the call for censure of the Hearing Officer's legal approach. Nevertheless, his statement at paragraph 36 of the decision has given me cause for concern:
- "Earlier in this decision I came to the conclusion that the marks were not identical, indeed overall they are not even similar. The applicant's services in Class 35 are therefore not similar to the opponent's goods".
32. The ECJ has made clear that the conditions of section 5(2)(b) are cumulative (*Case C-106/03 P, Vedral SA v. OHIM* [2004] ECR I-9573, paragraph 51 and recently, *Case T-316/07, Commercy AG v. OHIM*, 22 January 2009, paragraphs 42 – 43). An independent assessment of the degree of similarity in the goods or services needs to be carried out taking into account all the relevant factors that characterise the relationship between those goods or services including their nature, purpose, method of use, and whether they are in competition with each other or are complementary (*Case C-39/97, Canon*

Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc. [1998] ECR I-5507, paragraphs 22 – 23).

33. In Case T-116/06, *Oakley Inc. v. OHIM*, 24 September 2008, the CFI held that there existed a certain similarity between goods and retail trade in those goods because they are complementary and the services are normally offered in the same places as those where the goods are offered for sale (paragraphs 42 – 62).
34. I imagine what the Hearing Officer meant to say was that in the circumstances there was no likelihood of confusion. However, I shall return to that issue later in my decision.

Decision in the opposition

35. I have found that the Hearing Officer erred in his consideration of the marks visually. No oral evidence was given below and I have access to the same material as was before the Hearing Officer. I believe that the overriding objective of dealing with this case justly is best served by me deciding the opposition.
36. Earlier I mentioned Mr. Malynicz’s criticism that the Hearing Officer did not use the Registry’s standard summary of principles established in the ECJ cases particularly Case C-251/95, *Sabel BV v. Puma AG* [1997] ECR I-5507, Case C-39/97, *Canon*, supra, Case C-342/97 *Lloyd*, supra and Case C-425/98, *Marca Mode CV v. Adidas AG* [2000] ECR I-4881. Arnold J. recently applied that summary in *Hotel Cipriani Srl v. Cipriani (Grosvenor Street) Limited* [2008] EWHC 3032, paragraph 115 as follows:
 - “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 appreciation of the visual, aural and conceptual similarities of the marks must therefore be based on the overall impression created by the marks bearing in mind their distinctive and dominant components;

- e) 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;
- f) there is an interdependence between the various relevant factors, so that 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;
- g) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
- h) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of a likelihood of association in the strict sense;
- i) the risk that the public might wrongly believe that the respective goods or service come from the same or economically linked undertakings constitutes a likelihood of confusion.”

37. In *OHIM v Shaker*, supra, the ECJ gave pertinent guidance on the comparison of complex marks. The applicant had applied for registration as a Community trade mark, a complex sign comprising the word elements “Limoncello della Costiera Amalfitana” and “shaker” and a figurative representation of a round dish decorated with lemons. The application was opposed on the basis of an earlier word mark LIMONCHELO. In overturning the CFI’s decision that the dominance of the round dish decorated with lemons prevented any likelihood of confusion the ECJ said this:

“37. In the present case the Court of First Instance, at paragraph 49 of the judgment under appeal, noted the case-law mentioned in paragraph 35 of the present judgment according to which the global appreciation of the likelihood of confusion must be based on the overall impression created by the signs at issue.

38. However, it stated in paragraph 54 of the judgment under appeal that, if the trade mark claimed was a complex mark which was visual in nature, the assessment of the overall impression created by that mark and the determination as to whether there was a dominant element had to be carried out on the basis of a visual analysis. It added that, in such a case, it was only to the extent to which a potentially dominant element included non-visual semantic aspects that it might become necessary to compare that element with the earlier mark, also taking into account those other semantic aspects, such as for example phonetic factors or relevant abstract concepts.

39. On the basis of those considerations, the Court of First Instance, in the context of the analysis of the signs at issue, firstly held that the mark for which registration was sought contained a dominant element

comprising the representation of a round dish decorated with lemons. It then inferred, in paragraphs 62 to 64 of the judgment under appeal, that it was not necessary to examine the phonetic or conceptual features of the other elements of that mark. It finally concluded, in paragraph 66 of the judgment, that the dominance of the figurative representation of a round dish decorated with lemons in comparison with the other components of the mark prevented any likelihood of confusion arising from the visual, phonetic or conceptual similarities between the words ‘limonchelo’ and ‘limoncello’ which appear in the marks at issue.

40. However, in so doing, the Court of First Instance did not carry out a global assessment of the likelihood of confusion of the marks at issue.

41. It is important to note that, according to the case-law of the Court, in the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see order in *Matratzen Concord v OHIM*, paragraph 32; *Medion*, paragraph 29).

42. As the Advocate General pointed out in point 21 of her Opinion, it is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element.”

Goods in Classes 18 and 25

38. It is accepted that the average consumer of the goods in question is the reasonably well informed and reasonably observant and circumspect (*Lloyd*, supra, paragraph 26) general public. It is also accepted that the respective goods in Classes 18 and 25 are identical or highly similar.
39. Visually, I think that the public will see the words URBAN and SHOP in the Applicant’s mark. They will recognise the image of a block or multi-storey building, which is THE URBAN SHOP. On closer inspection, they will notice .CO.UK at the side. Indeed, Mr. Berrington confirmed at the hearing before me that that was how he intended the mark to be viewed. Mr. Berrington took me to additional features in the mark that he said contributed to its “hip-hop/graffiti” feel namely, the arrow at the side and arrows on the letters “U” and “R” of URBAN. I think that the public would be hard pressed to see the latter at least on the representation of the mark in the application. In his skeleton, Mr. Berrington argued that because of their unusual positioning in the mark, the words “urban” and “shop” would not be read in the normal way. However, in my view, the relative sizes of the words mean that the consumer’s eye would be drawn to the word “urban” first and “shop” second,

giving the key to the image in the mark, a (virtual) town or city building. If asked to visualise the mark aurally, I believe the consumer would say URBAN SHOP or THE URBAN SHOP and not that the mark is the image of a town or city building (*Honda*, supra, paragraph 30, Case T-312/03, *Wassen International Ltd v. OHIM* [2005] ECR II-2897, paragraph 37).

40. Visually, the Opponent's mark would be viewed as comprising the two words URBAN SHOCK. Both words are relatively short and neither would cause the consumer any difficulty in recognition. In my view, each would be equally perceived from the visual perspective.
41. Visually the two marks have URBAN in common. However, there are dissimilarities in the figurative and remaining word and letter elements of the Applicant's mark. Although the letters "SHO" can be picked out of both marks, SHOP in the Applicant's mark and SHOCK in Opponent's mark are visually apparent. Comparing the marks as wholes, I conclude that although there is some degree of visual similarity between them there are also significant visual differences.
42. Phonetically, the marks are quite similar and I was struck by that similarity during oral submissions before me. I am in agreement with the Hearing Officer that the Applicant's mark would be verbalised as URBAN SHOP or THE URBAN SHOP rather than THEURBANSHP.CO.UK. From an aural perspective it is difficult to differentiate between "P" and "CK" at the end of URBAN SHOP and URBAN SHOCK respectively. I conclude that there is a high degree of similarity between the marks aurally.
43. Conceptually, the Applicant's mark conjures up an urban shop (possibly on-line), the place to buy street clothing, leather goods, bags and so on. The image of a block/multi-storey building serves to reinforce that conceptual understanding. The Opponent's mark similarly conveys an urban message but also something sudden, violent or disturbing and to that extent is fanciful in relation to the goods. The SHOCK element in the Opponent's mark therefore introduces a different concept. Nevertheless, the ideas behind the marks are not incompatible. I find that conceptually there is a certain similarity between the two marks due to the "urban" qualifiers but also differences created by SHOP (or SHOP.CO.UK) and SHOCK.
44. I am mindful of the comments of Mr. Simon Thorley QC sitting as the Appointed Person in *REACT*, supra, that the primary use of trade marks in the purchasing of clothes is a visual act, and also the further observations of Floyd J. in *Criminal Clothing*, supra, that a consideration of aural use in clothing cases was not thereby precluded (see paragraphs 22 – 23 above). In any event, I have concluded that there is some visual similarity between the marks at issue in these proceedings.
45. In the assessment of likelihood of confusion, Mr. Malynicz urged me to find that URBAN was the dominant element in both marks. It is true that in the applicant's mark URBAN is presented in larger lettering than the other word elements. However, I believe that the device aspects are equally dominant.

Likewise, in the Opponent's mark URBAN and SHOCK are equally dominant. By the same token, neither mark contains negligible elements, which can be ignored.

46. Mr. Berrington drew attention in his Witness Statement, dated 22 October 2007 to the apparent popularity of URBAN as a mark within the fashion industry and he gave some examples of URBAN marks already existing on the Community and UK registers. In *British Sugar plc v. James Robertson & Sons Ltd* [1996] RPC 281 at 305, Jacob J said:

“It has long been held under the old Act that comparison with other marks on the register is in principle irrelevant when considering a particular mark tendered for registration, see e.g. *MADAME Trade Mark* [1996] RPC 541 and the same must be true under the 1994 Act.”

In *Digipos Store Solutions Group Ltd v. Digi International Inc.* [2008] RPC 591, paragraphs 62 - 66, Mr. Daniel Alexander QC sitting as a deputy High Court judge thought that such state of the register evidence could have the limited value of indicating that a number of other traders wished to use, in that case the prefix DIGI-, as a trade mark for certain goods or services, which in turn could indicate that it had limited capacity to distinguish the products of one undertaking from those of another undertaking. Mr. Berrington's examples show for the most part registrations in class 25 for URBAN coupled with another word (with or without figurative elements) including URBAN BEHAVIOUR, URBAN BLUES, URBAN ATHLETIC, URBAN FUN and URBAN BABY.

47. The distinctiveness or otherwise of a mark or an element in a mark is not relevant to the assessment of similarity of marks (Case C-235/05 P, *L'Oreal SA v. OHIM* [2006] ECR I-57, paragraph 42) and is just one of the factors to be taken into account in the global assessment of likelihood of confusion (*Sabel*, supra, paragraphs 22 – 23). It is perfectly possible for likelihood of confusion to exist between two marks containing non-distinctive elements (*L'Oreal SA*, supra, Joined Cases T-305/06 to T-307/06, *Air Products and Chemicals Inc. v. OHIM*, 15 October 2008). The public perception will be of the marks overall.
48. The respective goods in Classes 18 and 25 are identical or highly similar. As noted earlier the principle of the interdependence of factors in the global assessment of likelihood of confusion means that a greater degree in similarity in the goods can compensate for a lesser degree of similarity in the marks (*Lloyd*, supra, paragraph 19).
49. It is well established that the more distinctive the earlier mark the greater the likelihood of confusion (*Sabel*, supra, paragraph 24, *Canon*, supra, paragraph 18). The Hearing Officer found that although URBAN SHOCK was unused at the application date, it was inherently distinctive for clothing and the other goods for which it was registered. I agree. URBAN SHOCK must therefore be afforded a commensurate scope of protection.

50. The likelihood of confusion includes a likelihood of association in the sense that the public mistakenly believes that goods under the later mark are further goods in the proprietor of the earlier mark's range or are produced by a connected undertaking (*Sabel*, supra, paragraphs 16 – 17, *Canon*, supra, paragraphs 29 – 30). Mr. Malynicz referred me to Case T-104/01, *Claudia Oberhauser v. OHIM* [2002] II-4335 where the CFI commented on the use of sub-brands in the clothing sector:

“49. ... it is common in the clothing sector for the same mark to be configured in various different ways according to the type of product which it designates. It is also common for the same clothing manufacturer to use sub-brands, that is to say signs that derive from a principal mark and which share with it a common dominant element, in order to distinguish his various lines from one another ... In such circumstances it is conceivable that the targeted public may regard the clothing designated by the conflicting marks as belonging, admittedly, to two distinct ranges of products but as coming, none the less, from the same manufacturer.”

The Court of First Instance had noted earlier that consumers often do not take in the figurative aspects of clothing labels but instead remember the word elements, which enable them to make repeat purchases (paragraph 47). Mr. Malynicz submitted that such observations are also applicable to Class 18 goods although possibly to a lesser extent.

51. I have carefully considered the evidence and arguments of the parties. Applying the principles established by the supervising courts in Luxembourg, I find that there would be a likelihood of confusion for the purposes of section 5(2)(b) of the Act, if both marks were registered and used for the goods in classes 18 and 25.

Class 35

52. The Applicant has applied for registration of THEURBANSHP.CO.UK figurative for retail services (in a shop, mail order or on-line) in connection with identical and highly similar goods to those in Classes 18 and 25 of the Opponent's mark. In order to assess the degree of similarity between the Applicant's retail services and the Opponent's goods it is necessary to take into account all the relevant factors relating to those goods and services. In *Canon*, supra, the ECJ stated that those factors included their nature, their purpose, their method of use and whether they are in competition or complementary (paragraph 23). The list is not exhaustive and other factors characterising the relationship between the goods and services may also be taken into account such as the distribution channels (Case C-214/05 P, *Sergio Rossi SpA v. OHIM* [2006] ECR I-7057).
53. As mentioned above, the CFI recently deliberated on services provided in connection with retail trade in corresponding goods in the *Oakley* case, supra. By coincidence, the goods in *Oakley* included clothing, headwear and

footwear and leather goods and bags. The CFI held that the nature, purpose and method of use of the services and the goods in question was different:

“47. Indeed ... the nature of the goods and services in question is different, because the former are fungible and the latter are not. Their purpose is also different, since the retail service precedes the purpose served by the product and concerns the activity carried out by the trader for the purpose of encouraging the conclusion of the sales transaction for the product in question. So, for example, an item of clothing is intended in particular to clothe the person who purchases it, whereas a service linked to the sale of clothes is intended, inter alia, to offer assistance to the person interested in the purchase of that clothing. The same applies to their method of use, which for clothes means the fact of wearing them, whereas the use of a service linked to the sale of the clothes consists, inter alia, in obtaining information about the clothes before proceeding to buy them.”

54. On the other hand, the sales outlets of the services and goods in question were generally the same:

“48. With regard, second, to the distribution channels of the services and the goods in question, it is correct, as rightly pointed out by the Board of Appeal in paragraph 22 of the contested decision, that retail services can be offered in the same places as those in which the goods in question are sold, as the applicant has also recognised. The Board of Appeal’s finding that retail services are rarely offered in places other than those where the goods are retailed and that consumers need not go to different places to obtain the retail service and the product they buy, must therefore be upheld.

49. Contrary to what is claimed by the applicant, the fact that the retail services are provided at the same sales points as the goods is a relevant criterion for the purposes of the examination of the similarity between the services and goods concerned ...”

55. Moreover the services and goods in question were complementary:

“52. ... according to settled case-law, complementary goods are those which are closely connected in the sense that one is indispensable or important for the use of the other, so that consumers may think that the same undertaking is responsible for both (see, to that effect, *SISSI ROSSI*, paragraph 49 above, paragraph 60; *PAM PLUVIAL*, paragraph 49 above, paragraph 94; and *PiraÑAM diseño original Juan Bolaños*, paragraph 49 above, paragraph 48).

53. In that regard, it must be pointed out that the goods covered by the earlier mark, that is, clothing, headwear, footwear, rucksacks, all-purpose sports bags, travelling bags and wallets, are identical to those to which the applicant’s services relate.

54. Clearly, in the present case, the relationship between the retail services and the goods covered by the earlier trade mark is close in the sense that the goods are indispensable to or at the very least, important for the provision of those services, which are specifically provided when those goods are sold. As the Court held in paragraph 34 of *Praktiker Bau- und Heimwerkermärkte*, paragraph 17 above, the objective of retail trade is the sale of goods to consumers, the Court having also pointed out that that trade includes, in addition to the legal sales transaction, all activity carried out by the trader for the purpose of encouraging the conclusion of such a transaction. Such services, which are provided with the aim of selling certain specific goods, would make no sense without the goods.

55. Furthermore, the relationship between the goods covered by the earlier trade mark and the services provided in connection with retail trade in respect of goods identical to those covered by the earlier trade mark is also characterised by the fact that those services play, from the point of view of the relevant consumer, an important role when he comes to buy the goods offered for sale.

56. It follows that, because the services provided in connection with retail trade, which concern, as in the present case, goods identical to those covered by the earlier mark, are closely connected to those goods, the relationship between those services and those goods is complementary within the meaning of paragraphs 54 and 55 above.”

56. The CFI concluded in *Oakley* that because the services and goods in question generally had the same sales outlets and were complementary there existed a certain degree of similarity between them. The same must be true in the present case.

57. The Hearing Officer referred to an observation in the Opinion of Advocate General Léger in Case C-418/02, *Praktiker Bau- und Heimwerkermärkte* [2005] ECR I-5873 as follows (paragraph 99):

“... although the risk of confusion between services provided in connection with the retail sale of goods and the goods sold cannot be excluded, it is nevertheless unlikely, save in particular circumstances, for example where the respective marks are identical or almost identical and are well established on the market.”

58. Mr. Malynicz pointed out that AG Léger’s observation was not followed by the ECJ in *Praktiker Bau*. The observation was made in that part of the Opinion dealing with the third question referred by the German Bundespatentgericht concerning the scope of protection for retail services marks. The ECJ held that third question inadmissible because it was hypothetical to the main proceedings.

59. In *Praktiker Bau*, the ECJ signified that conflicts arising out of retail services marks were to be decided in the normal way, i.e., a global assessment of the likelihood of confusion taking into account all the circumstances of the case, which included “if need be, the particular features of the concept of ‘retail services’ that are connected with its wide scope, having due regard to the legitimate interests of all interested parties” (paragraph 48).
60. Mr. Berrington submitted that there was no likelihood of confusion because the parties traded in different markets. He was male urban hip-hop street wear trading in the UK, whereas URBAN SHOCK was women’s clothing for the Chinese market. However, no such limitations appear in the specifications and I must consider prospective uses including the possibility of URBAN SHOCK clothing etc. being marketed by means of services provided under the Applicant’s THEURBANSHP.CO.UK figurative mark.
61. In the context of retail services in connection with clothes, shoes and bags on the one hand and clothes, shoes and bags on the other hand, in particular, the conceptual associations which the public may make between the two marks are heightened.
62. It follows in my judgment that there is also a likelihood of confusion in relation to Class 35. When confronted with retail services in connection with clothing etc. under the Applicant’s mark, the public could mistakenly believe that those services were offered by the same (or a related) undertaking as that which sells the same goods under the mark URBAN SHOCK or vice versa.

Conclusion

63. In the result, the appeal and the opposition succeed. The Hearing Officer assessed the costs of the successful party in the opposition proceedings at £2000. I will order the Applicant to pay the Opponent the sum of £2000 in respect of the opposition and the further sum of £600 towards the Opponent’s costs of the appeal, such sums to be paid within 21 days of my decision.

Professor Ruth Annand, 25 March 2009

Mr. Simon Malynicz of Counsel instructed by Mastrovito Wyness appeared for the Appellant/Opponent

Mr. Glyn Berrington the Applicant/Respondent appeared in person