

O/441/11

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2546263
IN THE NAME OF HAIRLITE LIMITED**

AND

**OPPOSITION THERETO UNDER NO 100970
BY PACIFIC WORLD CORPORATION**

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**IN THE MATTER of application
No 2546263 in the name of
Hairlite Limited and
Opposition thereto under
No 100970 by Pacific
World Corporation**

Background

1. Application No 2546263 has a filing date of 29 April 2010 and stands in the name of Hairlite Limited (“Hairlite”). The application seeks registration of the following mark:

nailease

2. Notice of opposition was filed on behalf of Pacific World Corporation (“PWC”) and the application was later subject to an amendment of the specification of goods for which registration was sought. Following that amendment, the application seeks registration in respect of the following goods in Class 3 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended:

Nail transfer stickers

3. PWC’s opposition is based on grounds under sections 5(2)(b) and 5(3) of the Act. In acknowledging the reduced specification of goods for which registration is now sought, it confirms in its written submissions that it relies on the following marks insofar as they are registered for the following goods :

Mark No	Application/ Registration dates	Mark	Specification of goods
1514335	01.10.1992/ 15.04.1994	NAILENE	Class 3 Artificial fingernails, nail grooming products
CTM 4888434	14.04.2004/ 25.01.2007	NAILENE	Class 16 Decals for finger nails and toe nails

4. Only PWC filed evidence but both parties have filed written submissions. Neither party requested to be heard. I, therefore, give this decision after a careful review of all the papers.

Findings of fact

5. PWC has filed evidence in the form of a witness statement of Joe M Fracassi, its president since 1991. Mr Fracassi states that NAILENE was first used by PWC in the UK on 10 August 1996 in relation to “artificial fingernails and other nail grooming products”. He does not specify what these other nail grooming products might be. Use is said to have been continuous since that date.

6. Mr Fracassi gives no details of turnover under the mark but says that in the 12 months to October 2010 the value of sales under the mark accounted for 21% of sales of “related nail products” sold by 6 major retailers in the UK. At JM1 he exhibits a list of these sales “as identified by IRI and Retail POS data”. He does not explain who or what IRI might be. The list refers to sales by Superdrug, Tesco, Asda, Sainsbury’s, Morrisons and Boots. It shows no sales of any NAILENE products at Sainsbury’s or Morrisons. It indicates that NAILENE products accounted for 80% of sales at Asda, 30% of sales at Tesco, 18% of sales at Boots and 8% of sales at Superdrug. No evidence is given in relation to what specific goods these sales relate nor is any evidence given of the volume or value of those sales: in any event six months of this period is after the relevant date in these proceedings.

7. Although no monetary value of sales are given, Mr Fracassi states that approximately 7.5% of turnover of retail sales is spent on marketing and promoting the NAILENE brand in the UK each year. At JM2, Mr Fracassi exhibits what he says are various advertising campaigns, promotions and publicity generated in the UK between December 2000 and August 2009. Whilst the exhibit consists of some 110 pages, many are “presentational” pages apparently prepared by a PR company (e.g. page 8 which consists of the following:

nailene
UK Press History
Spring 2003
to
Spring 2004
Presented by
Variations PR(UK)

June 2004

8. Of those pages which include extracts from various publications, the text of many of them is unreadable (e.g. pages 35 and 66). Other pages (e.g. 55-63) are duplicates and still others appear to have no reference to NAILENE or its products (e.g. page 49). There are some pages which make reference to NAILENE products such as false nails, nail varnish remover, nail strengthener, nail hardener, nail glue and pens for applying white to the tips of nails. There are also two references to what may be decals for finger and toe nails. The first is at page 31 where an extract from SUGAR magazine of December 2004 refers to ‘Nailene Duracolour Nail Strips

No Chip Colour' and the second at page 48 from the Asda Magazine of August 2004 which refers to 'Nailene Duracolour Nail Strips', which it describes as 'the latest in nail colour technology' and which retails at 12 pence a strip.

9. In relation to the claims that it has a reputation, PWC must establish that at the date of the filing of the application, 29 April 2010, its trade mark was known by a significant part of the public concerned by the products covered. The Court of Justice of the European Union (CJEU) in *General Motors Corporation v Yplon SA* stated how a party would establish this reputation:

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

10. Taking the evidence as a whole, I accept that the earlier mark has been used in relation to various nail products, however, I have been given no details of e.g. turnover as a whole or turnover in relation to particular goods sold under the mark. Whilst I have been provided with information that shows the percentage of sales within four named store chains, I am given no indication of in how many stores sales of the relevant goods may have been sold, or their location: nor do I know the volume of sales made or the market share any such sales may have attained in relation to the market as a whole. There is no evidence from the relevant public. When considered as a whole, the evidence does not allow me to find that the mark NAILENE had a reputation for the purposes of section 5(3) of the Act at the relevant date in relation to the relevant goods.

Decision

11. The relevant sections of the Act state:

"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.

(3) A trade mark which-

- (a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community

trade mark or international trade mark (EC) in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark”.

12. An earlier trade mark is defined in section 6 of the Act, 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 or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

(b)

(c)

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

13. In respect of its opposition under sections 5(2) and 5(3) of the Act, PWC is relying on two trade marks, each of which has an application date prior to that of the application for registration. Each therefore qualifies as an earlier trade mark under the above provisions. The application for registration was published for opposition purposes on 18 June 2010, whilst the earlier marks were registered on 15 April 1994 (1514334) and 25 January 2007 (CTM 4888434). As 1514334 completed its registration procedure more than five years before the publication date of the marks for which registration has been applied, the provisions of section 6A of The Trade Marks (Proof of Use, etc) Regulations 2004 would be relevant to this mark, however, Hairlite has indicated in its counter-statement that it does not put PWC to proof of use of its mark. Taking into account that both earlier marks are for the same mark and with the respective specification of goods of the two in mind, I do not consider that PWC will be in any better position in respect of mark no 1514334 than in respect of CTM 4888434. Thus, I go on to consider the grounds of opposition based on earlier CTM 4888434 only.

14. In determining whether there is a likelihood of confusion, I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel v Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R 77, *Marca Mode CV v Adidas AG* [2000] E.T.M.R.723, *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di Laudato & C. Sas v OHIM* C-334/05 (Limoncello). 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*, paragraph 22;
- (b) 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 he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen B. V.* 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*, paragraph 23;
- (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 23;
- (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 v Metro-Goldwyn-Mayer Inc*, 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*, paragraph 24;
- (g) in determining whether similarity between the goods or services covered by the two trade marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer inc*; 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*, paragraph 26;
- (h) 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;
- (i) 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*, paragraph 29;
- (j) 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; 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; *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH*;

- (k) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *Shaker di L Laudato & C. Sas v OHIM*.

Comparison of marks

15. The mark applied for consists of the word **nailease**. The word is presented in lower case, however, the word NAIL is presented in a larger and emboldened font such that the mark naturally breaks down into the two component words NAIL and EASE. The word NAIL is the dominant element of the mark because of its position and the fact that it appears in larger and emboldened font. The word NAIL is not, however, distinctive for goods intended for use on nails. The word EASE is descriptive of things which are intended to be easy to use or apply. The distinctiveness of the mark rests in its totality.

16. The earlier mark consists of the word NAILENE. As the mark is presented in plain block capitals, it does not split into any dominant and distinctive components. Again, the distinctiveness of the mark rests in its totality.

17. The marks are made up of 8 and 7 letters respectively. To the extent that each begins with the same five letters in the same order there is a degree of similarity between them from a visual perspective. There are also visual differences between them. As I said above, the presentation of the mark for which registration is applied leads naturally to its breaking down into the component words NAIL and EASE each of which are everyday words in common use. The earlier mark is presented as a single word. Whilst the earlier mark begins with the letters making up the word NAIL, a word which is meaningful in relation to the goods, I do not consider the average consumer would go on to separate the mark in any way especially so given that the letters ENE do not make up any meaningful word. I accept, as Hairlift point out in its submissions, that ENE is a suffix used to denote certain chemical compounds, however, I have not been made aware that this has any relevance in respect of the goods at issue in these proceedings. In my view the respective marks have a very low degree of visual similarity.

18. In its written submissions, PWC says of the aural comparison of the marks:

“each [is comprised] of the identical first syllable ‘nail’ followed by the same distinctive long ‘e’ sound that is orally the part of the mark with the most impact. The opponent has submitted that average consumers will not easily distinguish that one word ends in a ‘s’ sound and the other in a ‘n’ sound”

Hairlift says that its mark:

“...will be pronounced as the two words NAIL and EASE, namely as ‘nayl-eez’ whereas the opposing mark will be pronounced as a single word, namely, ‘nayleen’.”

19. Each mark is made up of two syllables. They each have the first syllable in common. In each case the second syllable begins with the same vowel sound (the elongated eee sound) but they end differently. Whilst I do not consider the differences in the ending of the respective marks will be easily mistaken on careful pronunciation, the marks are aurally similar to a relatively high degree.

20. The application being made up of the well-known words NAIL and EASE, it is likely to bring to mind something which eases the nail or which is easy to use on the nail. The earlier mark is, as far as I have been made aware, a made up word with no particular meaning. It is possible that some will see the word NAIL in each mark and to this extent there could be a degree of similarity between them from a conceptual perspective, however, any similarity is extremely low when taking into account the marks as wholes.

Comparison of goods

21. For ease of reference, the goods to be compared are:

Hairlite's goods	PWC's goods
Class 3	Class 16
Nail transfer stickers	Decals for finger nails and toe nails

22. The significance of classification and the relevance of class numbers have been considered by the courts in *Altecnic Ltd's Trade Mark Application (CAREMIX)* [2002] RPC 639 and *Avnet Incorporated v Isoact Limited* [1998] FSR 16. In *Proctor & Gamble Company v Simon Grogan*, O-176-08, Ms Anna Carboni, sitting as the appointed person, referred to *Altecnic* and said:

“34.....The Court of Appeal has held that, although the purpose of classifying goods and services is primarily administrative, that does not mean that the class numbers in an application have to be totally ignored in deciding, as a matter of construction, what is covered by the specification: *Altecnic Ltd's Trade Mark Application (CAREMIX)* [2001] EWCA Civ 1928, [2002] RPC 639. But neither the Court of Appeal, nor the ECJ, nor any other court or tribunal in the United Kingdom, has gone so far as to state that class numbers are determinative of the question of similarity of goods in the case of national trade marks. On the contrary, they are frequently ignored.”

23. In *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 280 (“TREAT”), Jacob J said (at 289):

“When it comes to construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the

purposes of trade. After all, a trade mark specification is concerned with use in trade.”

He went on (at 295) to set out the following factors as being relevant to the question of similarity of services without reference to the classes in which they may fall:

- (a) the respective uses of the respective services;
- (b) the respective users of the respective services;
- (c) the nature of the services;
- (d) the respective trade channels through which the services are marketed;
- (e) the extent to which the respective services are competitive. This inquiry may take into account how those in trade classify the services, for instance whether market research companies put them into the same or different sectors.

24. Subsequently, in *Canon Kabushiki Kaisha v MGM Inc* the ECJ stated:

“23. In assessing the similarity of the goods or services concerned.....all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, *inter alia*, their nature, their end users and their method of use and whether they are in competition with each other or are complementary.”

25. In Case T-420/03 – *El Corte Inglés v OHIM- Abril Sanchez and Ricote Sauger* (Boomerang TV) the CFI commented:

“96.....Goods or services which are complementary are those where there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for the production of those goods or provision of those services lies with the same undertaking (Case T14169/03 Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI) [2005] ECR II-685, paragraph 60, and judgment of 15 March 2006 in Case T-31/04 *Eurodrive Services and Distribution v OHIM – Gomez Frías* (euroMASTER), not published in the ECR, paragraph 35).”

26. Whilst they have been classified in different classes, *Nail transfer stickers* and *Decals for finger nails and toe nails* are both items which enable a pattern or some sort of design to be placed temporarily on a person’s nail in order to decorate it. The uses, users, respective channels of trade are identical. In my view they are highly similar, if not identical, goods.

The average consumer and the nature of the purchasing process

27. Given the nature of the goods, they are likely to be used most often by females of teenage years and older. As articles of decoration, they are goods which are most likely to be bought by the eye, whether off the shelf in a store for home use or from a display in a nail bar or beauty salon for application by a professional. Whilst they are relatively low-cost goods, I consider that some degree of care will be taken over their choice.

The distinctiveness of the earlier mark

28. In reaching my decision, I also have to take into account the distinctive character of the earlier trade mark having regard to its inherent characteristics and the reputation it enjoys with the public. My findings above indicated that the evidence submitted by PWC did not allow me to find the mark enjoys a reputation with the public. I accept that the mark has been used and that such use will have added to its distinctive character but, given the evidence filed and summarised above, I am unable to say to what degree that will have been. That said, the mark has a reasonable degree of inherent distinctive character.

Likelihood of confusion

29. In determining whether there is a likelihood of confusion, a number of factors have to be borne in mind. The first is the interdependency principle whereby a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. I also have to factor in the distinctive character of the earlier mark as the more distinctive it is the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely on the imperfect picture of them she has retained in mind.

30. I have found the respective marks to have a very low degree of visual similarity, a relatively high degree of aural similarity and to be conceptually dissimilar. Despite being relatively inexpensive goods, the average consumer will take some care over their purchase. Taking all matters into consideration and on a global comparison, I consider there is no likelihood of confusion between the respective marks even if identical goods are involved. The opposition based on grounds under section 5(2) of the Act fails accordingly.

The objection under section 5(3) of the Act

31. In order for there to be a positive finding under section 5(3) of the Act, PWC has to show it has a reputation under the mark in relation to the goods. I found, on the evidence filed, that it had not done so. That being the case, the objection founded on section 5(3) of the Act fails at the first hurdle.

Summary

32. PWC's opposition to the application fails on all grounds on which it was brought.

Costs

33. The opposition having failed on all grounds, Hairlite is entitled to an award of costs in its favour. I make the award on the following basis:

Preparing a statement and considering the other side's statement: £200

Considering the other side's evidence: £300

Preparation of written submissions: £100

Total: £600

34. I order Pacific World Corporation to pay Hairlite Limited the sum of £600 as a contribution to its costs. 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 8th day of December 2011

**ANN CORBETT
For the Registrar
The Comptroller-General**