

O-445-12

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 2578748
BY MR RED LTD
TO REGISTER THE TRADE MARK**

T-TIME

IN CLASSES 14 & 25

AND:

**OPPOSITION THERETO UNDER NO. 102387
BY KTS GROUP LIMITED**


BACKGROUND

1. On 14 April 2011, Mr Red Ltd (“MR”) applied to register the trade mark shown on the cover page of this decision. The application was accepted and published for opposition purposes on 17 June 2011 for the following goods:

Class 14 - Watches.

Class 25 - Clothing, footwear, headgear.

2. On 14 September 2011, KTS Group Limited (“KTS”) filed a notice of opposition, directed against MR’s goods in class 25. KTS’ opposition is based upon a single ground under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). KTS relies upon the following trade mark registration which it says has been used in relation to clothing in class 25 and the retail sale of clothing in class 35:

Trade Mark	No.	Application Date	Registration Date	Registered goods and services
 <p>Series of 4.</p> <p>“The applicant claims the colours silver and mauve (Pantone 2665C) as an element of the third and fourth marks in the series.”</p>	2256180	19.12.2000	5.4.2002	<p>25 - Clothing; footwear; headgear.</p> <p>35 - The bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a retail store specialising in the sale of clothing, footwear and headgear.</p>

3. On 16 December 2011, MR filed a counterstatement. In response to the following question at box 5 of the counterstatement: “Do you want the opponent to provide proof of use?” MR said “Yes”. In relation to the question at box 6 of the counterstatement which reads: “If you answered “yes” to question five, please state for which goods and services you require proof”, MR said: “Class 25 goods only”. MR also said:

“We believe there is enough difference between the two trade marks and our application will not lead to any confusion between the marks. Our mark and the

use of the letter T differentiate our goods as different from [KTS]. We believe our application is unique and distinctive. We would not be taking unfair advantage of the reputation of [KTS]; in fact we cannot find any evidence of the earlier trade mark in use.

4. Only KTS filed evidence. While neither of the parties asked to be heard, KTS filed submissions in lieu of attendance at a hearing; I will refer to these submissions as necessary below.

EVIDENCE

KTS' evidence

5. This consists of a witness statement, dated 18 June 2012, from Khalid Sharif, KTS' Managing Director. The following facts emerge from Mr Sharif's statement:

- KTS and its predecessors in business have provided services selling clothing and related goods from retail premises operating under the TIME trade mark in and around London since on or about March 1992;
- KTS has also sold clothing and related goods bearing the TIME trade mark since about 1995 from its TIME stores.
- KTS and its predecessors in business have been in the retail and wholesale clothing business since as early as 1978. Although this retail business has operated from several stores over the years, since 1992 its stores have all operated under the TIME trade mark and with a common corporate style;
- In the period 1978-1999 KTS had 10 stores; 4 in Essex (Ilford, Chelmsford, Thurrock and Romford), 1 in East Ham, 1 in Watford, 1 in Crawley, 1 in Wood Green, 1 in Chatham and 1 in Slough. Mr Sharif says: "Unfortunately, owing to the economic downturn, and cut-price competition from larger chains, we are presently now only actively trading from the Ilford and Romford stores";
- Sales in the period 2007-2011 were as follows: 2007 - £1.56m, 2008 – £1.67m, 2009 - £1.79m, 2010 - £1.43m and 2011 - £1.44m;
- Exhibit KS1 consists of 19 undated photographs of the exterior and interior of the Ilford store. Whilst the photographs are of a reasonable quality, it is difficult to discern what trade mark appears on the neck labels of many of the garments appearing in the various photographs. That said, it is, I think, fair to say that it is the second trade mark in KTS' series of four which is most in evidence appearing in window displays, on the store's interior walls and at point of sale locations. The word "time" in lower case with what appears to be an orange dot above the letter "i" appears on swing tags. As far as I can tell, all of the clothing in the photographs appears to be for women. Some of the clothing appears to be

unbranded (the first photograph on page 2 for example), whereas other articles appear to be branded with trade marks other than TIME (for example, the first photograph on page 3, the second photograph on page 4 and the second photograph on page 8);

- Exhibit KS2 consists of 22 undated photographs of the exterior and interior of the Romford Store. In these photographs the word “time” presented in lower case in a dot matrix presentation with four pink dots above the letter “i” appear at the entrance to the store, on the store’s windows, in the store’s interior and at point of sale locations. The word time is shown on swing tags in the format mentioned above on unbranded articles (the first photographs on pages 5 and 9 for example) and on a range of articles branded with trade marks other than TIME (for example, the second photograph on page 5, the second photograph on page 6, the first photograph on page 10 and the second photograph on page 11). Once again as far as I can tell, all the clothing all appears to be for women;
- Exhibit KS3 consists of examples of the TIME trade mark (including in the formats mentioned above) in use on swing tags, receipts, carrier bags, promotional material, neck labels and on a long sleeve tee shirt which has the word TIME on the chest and on the neck label.

6. That concludes my summary of the evidence filed to the extent that I consider it necessary.

DECISION

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

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

(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, or

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

8. 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,

(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.”

9. In these proceedings KTS is relying upon the trade marks shown in paragraph 2 above which constitutes earlier trade marks under the above provisions. Given the interplay between the date on which MR’s application was published i.e. 17 June 2011 and the date on which KTS’ then application completed its registration procedure i.e. 5 April 2002, KTS’ registration is subject to proof of use, as per The Trade Marks (Proof of Use, etc) Regulations 2004.

10. As I mentioned earlier, in these proceedings KTS relies upon the use it has made of its earlier trade marks on clothing in class 25 and the retail sale of clothing in class 35. However, because in its counterstatement MR only asked KTS to provide proof of use in relation to the goods in class 25 and not the services in class 35, I need only consider KTS’ evidence in relation to its claim to have used its trade marks in relation to the goods in class 25. The relevant sections of the Proof of Use Regulations read as follows:

“6A Raising of relative grounds in opposition proceedings in case of non-use

(1) This section applies where –

(a) an application for registration of a trade mark has been published,

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

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes –

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

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

(7) Nothing in this section affects –

(a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4) (relative grounds of refusal on the basis of an earlier right), or

(b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration).”

Proof of use

11. In reaching a conclusion on this point, I must apply the same factors as I would if I were determining an application for revocation based on grounds of non-use; the relevant period for present purposes is the five year period ending with the date of publication of MR’s application for registration i.e. 18 June 2006 to 17 June 2011.

The authorities on genuine use

12. The leading authorities on the principles to be applied in determining whether there has been genuine use of a trade mark are: *Ansul BV v Ajax Brandbeveiliging BV* [2003] RPC 40 and *Laboratoire de la Mer Trade Mark* [2006] FSR 5. The general principles were summarised by the Appointed Person in *Pasticceria e Confetteria Sant Ambroeus Srl v G & D Restaurant Associates Ltd (Sant Ambroeus Trade Mark)* [2010] RPC 28 as follows:

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

(2) The use must be more than merely “token”, which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22] -[23].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no de minimis rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25].”

13. In addition, I will keep in mind the guidance in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 in relation to determining what constitutes a fair specification, namely:

“29 I have no doubt that Pumfrey J. was correct to reject the approach advocated in the Premier Brands case. His reasoning in paras [22] and [24] of his judgment is correct. Because of s.10(2), fairness to the proprietor does not require a wide specification of goods or services nor the incentive to apply for a general description of goods and services. As Mr Bloch pointed out, to continue to allow a wide specification can impinge unfairly upon the rights of the public. Take, for instance, a registration for "motor vehicles" only used by the proprietor for motor cars. The registration would provide a right against a user of the trade mark for motor bikes under s.10(1). That might be understandable having regard to the similarity of goods. However, the vice of allowing such a wide specification becomes apparent when it is envisaged that the proprietor seeks to enforce his trade mark against use in relation to pedal cycles. His chances of success under s.10(2) would be considerably increased if the specification of goods included both motor cars and motor bicycles. That would be unfair when the only use was in relation to motor cars. In my view the court is required in the words of Jacob J. to "dig deeper". But the crucial question is--how deep?

30 Pumfrey J. was, I believe, correct that the starting point must be for the court to find as a fact what use has been made of the trade mark. The next task is to decide how the goods or services should be described. For example, if the trade mark has only been used in relation to a specific variety of apples, say Cox's Orange Pippins, should the registration be for fruit, apples, eating apples, or Cox's Orange Pippins?

31 Pumfrey J. in *Decon* suggested that the court's task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under s.10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use.”

14. The comments of Mr Justice Jacob (as he then was) in *Animal Trade Mark* [2004] FSR 19 are also relevant and read:

“20 The reason for bringing the public perception in this way is because it is the public which uses and relies upon trade marks. I do not think there is anything technical about this: the consumer is not expected to think in a pernicky way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide.

Thus, for instance, if there has only been use for threeholed razor blades imported from Venezuela (Mr T.A. Blanco White's brilliant and memorable example of a narrow specification) "three-holed razor blades imported from Venezuela" is an accurate description of the goods. But it is not one which an average consumer would pick for trade mark purposes. He would surely say "razor blades" or just "razors". Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods--are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made."

15. Finally, the comments of the Court of First Instance (now the General Court) in *Reckitt Benckiser (España), SL v OHIM*, Case T- 126/03 are also relevant where it held that:

“45 It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition proceedings, only for the sub-category or subcategories to which the goods or services for which the trade mark has actually been used belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not possible to make any significant sub-divisions within the category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.

46 Although the principle of partial use operates to ensure that trade marks which have not been used for a given category of goods are not rendered unavailable, it must not, however, result in the proprietor of the earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner. The Court observes in that regard that in practice it is impossible for the proprietor of a trade mark to prove that the mark has been used for all conceivable variations of the goods concerned by the registration. Consequently, the concept of „part of the goods or services’ cannot be taken to mean all the commercial variations of similar goods or services but merely goods

or services which are sufficiently distinct to constitute coherent categories or sub-categories.”

16. In summary, Mr Sharif explains that KTS and its predecessors in business have provided retail services in relation to the sale of clothing and related goods under the TIME trade mark in and around London since 1992, and have sold, from its TIME stores, clothing and related goods bearing the TIME trade mark since 1995.

17. KTS’ first store opened in Ilford in 1978 (before the TIME trade mark was adopted) and the last of its ten stores opened in Slough in 1999. Although Mr Sharif explains that “we are presently now only actively trading from the Ilford and Romford stores” he does not say when the other 8 stores ceased to trade. Although no details are provided on amounts spent promoting the trade marks, in the relevant period sales have amounted to something in the order of £8m (although no breakdown between a trade in goods and the operation of a retail service is provided). As to the form in which the trade marks have been used, the evidence shows use in a range of different formats (some that clearly fall within the scope of KTS’ registration whereas for others, the dot matrix version for example, the position is more arguable). In addition, I noted above that some of the articles of clothing appear to carry third party brands (pointing to use as a retail service) whereas other articles of clothing appear to be unbranded (which may or may not point to a trade in the goods).

18. As is so often the case in proceedings such as this, KTS’ evidence is far from perfect. That said, its evidence is not incredible and it has not been challenged by MR. Considering KTS’ evidence as a totality and proceeding on the assumption that the trade marks the subject of its registration have, in the relevant period, only been used in Ilford and Romford, I am prepared to accept that KTS have made genuine use of the trade marks the subject of its registration and that this use has been in relation to a trade in clothing (there is as far as I can tell no evidence showing use on footwear and headgear) and the retailing of clothing (the latter not being in issue in these proceedings). However, even though in its submissions KTS appear to accept that it has only used its trade mark in relation to clothing and retail services relating to clothing, insofar as the goods in class 25 are concerned, they are, as far as I can tell, all articles of clothing for women. Applying the guidance in *Thomson Holidays*, the average consumer test outlined in *Animal* and the guidance regarding sub-categorisation of specifications in *Reckitt Benckiser*, Articles of clothing for women represents, in my view, a fair specification and is the basis on which I will conduct the further comparison below insofar as class 25 is concerned. However, as MR have not challenged KTS’ specification in class 35, my conclusion in this regard is (for reasons which will become apparent when I come to deal with the comparison of goods and services later in this decision) somewhat academic.

Section 5(2)(b) – case law

19. In his decision in *La Chemise Lacoste SA v Baker Street Clothing Ltd* -BL O/330/10 (approved by Arnold J in *Och-Ziff Management Europe Ltd v Och Capital LLP* [2011]

FSR 11), the Appointed Person, Mr Geoffrey Hobbs QC, expressed the test under this section (by reference to the CJEU cases mentioned) on the basis indicated below:

The CJEU cases

Sabel BV v Puma AG [1998] RPC 199; Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc [1999] RPC 117; Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V. [2000] F.S.R. 77; Marca Mode CV v Adidas AG & Adidas Benelux BV [2000] E.T.M.R. 723; Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), Case T-6/01; Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH C-120/04; Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P.

The principles

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

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

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

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

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

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

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

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

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks causes the public to wrongly believe that the respective goods [or services] come from the same or economically-linked undertakings, there is a likelihood of confusion.”

The average consumer and the nature of the purchasing process

20. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods and services and then to determine the manner in which these goods and services will be selected by the average consumer in the course of trade. The goods and services at issue in these proceedings are articles of clothing, footwear and headgear and the associated retail services. The average consumer for such goods and services will be members of the general public. As to how the average consumer will select such goods, in *New Look Ltd v OHIM Cases - T-117/03 to T-119/03 and T-171/03*, the General Court (GC) said:

“50. Generally in clothes shops customers can themselves either choose the clothes they wish to buy or be assisted by the sales staff. Whilst oral communication in respect of the product and the trade mark is not excluded, the choice of the item of clothing is generally made visually. Therefore, the visual perception of the marks in question will generally take place prior to purchase. Accordingly the visual aspect plays a greater role in the global assessment of the likelihood of confusion.”

21. As to the degree of care the average consumer will display when selecting articles of clothing, in the same case the GC said:

“43 It should be noted in this regard that the average consumer's level of attention may vary according to the category of goods or services in question (see, by analogy, Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 26). As OHIM rightly pointed out, an applicant cannot simply assert that in a particular sector the consumer is particularly attentive to trade marks without supporting that claim with facts or evidence. As regards the clothing sector, the Court finds that it comprises goods which vary widely in quality and

price. Whilst it is possible that the consumer is more attentive to the choice of mark where he or she buys a particularly expensive item of clothing, such an approach on the part of the consumer cannot be presumed without evidence with regard to all goods in that sector. It follows that that argument must be rejected.”

22. While I agree that the average consumer’s level of attention is likely to be heightened when selecting, for example, a bespoke gown or suit, it is also, in my view, likely that the same average consumer’s level of attention will diminish when selecting, for example, an inexpensive pair of socks. While these examples demonstrate that the average consumer’s level of attention will vary considerably depending on the cost and nature of the goods at issue, I think that when selecting even routine items of clothing that the average consumer is likely to be conscious of factors such as the size, colour, material and price of the item concerned. Overall, I think they are likely to pay at least a reasonable degree of attention to the selection of the goods at issue.

23. Insofar as the retail services are concerned, once again the average consumer will be a member of the general public who is likely to select the retail outlet concerned by primarily visual means having encountered the trade mark in, for example, signage on the high street, in magazines and on the Internet. As to the degree of care that is likely to be taken when selecting a retail outlet, once again this is likely to vary depending on the nature of the retail outlet and the goods which are being retailed. For example, the average consumer is likely, in my view, to be much more attentive when selecting a retail outlet selling clothing (where brand image is a relevant consideration) than they would when selecting a retail outlet to purchase an inexpensive item such as a newspaper. Considered in the context of the goods at issue and, much like the selection of the goods themselves, I think the average consumer will pay at least a reasonable level of attention to their selection.

Comparison of goods and services

24. The competing goods and services are as follows:

MR’s goods	KTS goods (following proof of use) and services
<p>25 - Clothing, footwear, headgear.</p>	<p>25 - Articles of clothing for women.</p> <p>35 - The bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a retail store specialising in the sale of clothing, footwear and headgear</p>

25. In *Gérard Meric v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM) case T-133/05 the GC said:

“29 In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 Institut für Lernsysteme v OHIM – Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 Oberhauser v OHIM – Petit Liberto (Fifties) [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 Vedial v OHIM – France Distribution (HUBERT) [2002] ECR II-5275, paragraphs 43 and 44; and Case T-10/03 Koubi v OHIM – Flabesa (CONFORFLEX) [2004] ECR II-719, paragraphs 41 and 42).”

26. In view of the principles outlined in *Meric*, as the surviving goods in KTS’ registration in class 25 would be encompassed by the goods in MR’s application in class 25, they must, as a consequence, be considered identical.


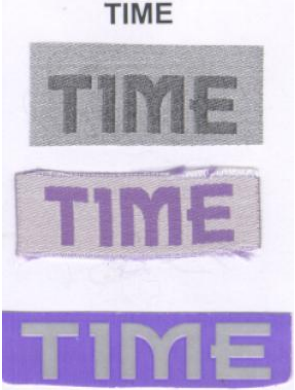
27. Insofar as the retail services contained in KTS’ registration are concerned, I note the comments of the Court of First Instance (now the General Court) in *Oakley, Inc v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-116/06, referred to by KTS in its submissions. In that case the conflict was between an earlier mark which was registered for goods in classes 18 and 25 and a later mark which had been registered for “Retail and wholesale services, including on-line retail store services; retail and wholesale of eyewear, sunglasses, optical goods and accessories, clothing, headwear, footwear, watches, timepieces, jewellery, decals, posters, athletic bags, backpacks and knapsacks and wallets”. The GC upheld OHIM’s decision that the goods in classes 18 and 25 were similar to “retail and wholesale of eyewear, sunglasses, optical goods and accessories, clothing, headwear, footwear, watches, timepieces, jewellery, decals, posters, athletic bags, backpacks and knapsacks, and wallets” as there was a complementary relationship between the retail of the goods and the goods themselves. The Court said:

“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.”

28. Applying the principles outlined above, I find there is a complementary relationship between MR’s goods in class 25 and the service of retailing of these goods encompassed by KTS’ registration in class 35. The competing goods and services are, therefore, similar.

Comparison of trade marks

29. The trade marks to be compared are as follows:

MR's trade mark	KTS' trade marks
	<div style="text-align: center;">  </div> <p data-bbox="824 856 971 886">Series of 4.</p> <p data-bbox="824 928 1172 1087">“The applicant claims the colours silver and mauve (Pantone 2665C) as an element of the third and fourth marks in the series.”</p>

30. It is well established that the average consumer is considered to be reasonably well informed, circumspect and observant but perceives trade marks as a whole and does not pause to analyse their various details. In addition, he/she rarely has the chance to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he/she has kept in his or her mind. In reaching a conclusion on similarity, I must identify what I consider to be the distinctive and dominant elements of the respective trade marks and, with that conclusion in mind, I must then go on and compare the respective trade marks from the visual, aural and conceptual perspectives.

Distinctive and dominant components

31. In its submissions KTS say:

“5...when comparing [the competing trade marks], it is clear that TIME will be regarded as being the dominant and distinctive element within [MR's trade mark].

32. KTS' trade marks all consist of the well known English word TIME. The first trade mark in the series is presented in block capital letters. While the second, third and fourth trade marks in the series are all presented in the same slightly stylised format in a rectangular border, all three would be read and understood by the average consumer as the word TIME. Although KTS claims the colours silver and mauve as an element of the

third and fourth trade marks in the series, as MR's trade mark is presented in black and white this does not, for the reasons given by Mann J in *Specsavers International Healthcare Ltd v Asda Stores Ltd* (No. 2) [2011] FSR 1, assist in distinguishing the competing trade marks. As no part of KTS trade marks is highlighted or emphasised in any way, and as the rectangular border would not be given any trade mark significance by the average consumer, it is the word TIME (which as far as I am aware neither describes nor is non-distinctive for KTS' goods and services) that is the distinctive and dominant element of KTS' trade marks.

33. Turning to MR's trade mark, this consists of three elements i.e. an upper case letter T, the word TIME (also presented in upper case) and a hyphen which separates the initial letter T and the letter T in the word TIME. As a general rule, single letters are likely to lack distinctive character. However, as far as I am aware, when considered in the context of MR's goods in class 25, the letter T alone does not describe those goods. In its submissions, KTS suggest the letter T might be seen as a code or as reference to tee shirts. However, without the word shirts I see no reason why a single letter T might be considered non-distinctive for goods in class 25. Consequently, the letter T appearing in MR's trade mark is, in my view, a distinctive element. For the reasons I gave above the word TIME is also a distinctive element. Insofar as the hyphen in MR's trade mark is concerned this may well go unnoticed by the average consumer. However, even if its presence is registered, the average consumer would accord it no trade mark significance. Although the letter T is the first element of MR's trade mark, the fact that this letter has no specific meaning for the goods at issue, that the word TIME occupies a greater proportion of the trade mark and is a word which is well known to the average consumer, renders it, in my view, the dominant element of MR's trade mark.

Visual similarity

34. As I mentioned above, in its submissions KTS say of the letter T in MR's trade mark:

“5. Visually, this is most likely perceived simply as a code, perhaps used by the proprietor to identify a range of TIME branded clothing e.g. and most obviously, in the context of clothing, T-shirts under the TIME brand.”

35. The fact that both parties' trade marks consist of, or contain the word TIME, results in a reasonably high degree of visual similarity between them.

Aural similarity

36. In its submissions KTS say:

“6. Aurally, [MR's trade mark] may be perceived as Tea-TIME or Tee-TIME, or, if stuttered as Ta-TIME. Again, however, and in the context of clothing, we would submit that the most likely association would be T(ee) for T(ee) shirts rather than as Tea (the drink) or Tee (for golf).”

37. As MR's trade mark would be pronounced as T-TIME and KTS' trade mark as TIME, the degree of aural similarity is, once again, reasonably high.

Conceptual similarity

38. In its submissions KTS say:

“7. Conceptually, there is a clear link between the signs. The relevant public will perceive the marks as referring to the concept of time. The marks will effectively be recognised as having the same connotations, regardless of the addition of the initial letter T. The marks are conceptually highly similar whether its TIME or T(shirt)-TIME.”

39. As both parties' trade marks will convey to the average consumer the concept of time (albeit that MR's trade mark is likely to be seen as a sub-set i.e. T(ea) or T(ee) (as in golf) Time), I agree that the competing trade marks are conceptually similar, and, in my view, to a reasonably high degree.

Distinctive character of KTS' earlier trade mark

40. I must now assess the distinctive character of KTS' trade mark. The distinctive character of a trade mark can be appraised only, first, by reference to the goods and or services for which it is registered and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods and services for which it has been registered as coming from a particular undertaking and thus to distinguish those goods and services from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585. In its submissions KTS say:

“13. Accordingly, and since TIME has no meaning in connection with the goods/services for which it is registered, [KTS' trade mark] is not prima facie low or lacking in distinctive character...”

41. Although KTS have provided evidence which, in my view, is sufficient to establish genuine use of its trade marks for a limited range of goods in class 25, given what I assume to be the size of the market for clothing in this country (of which women's clothing would be a not insignificant sub-set), the relatively modest use made by KTS of its trade marks is not, in my view, likely to have improved upon its trade marks' inherent distinctiveness to any material extent. That, said, as KTS' trade marks are neither descriptive of nor non-distinctive for the goods and services upon which it relies in these proceedings, they are possessed of a normal degree of inherent distinctive character.

Likelihood of confusion

42. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. As I mentioned above, it is also necessary for me to factor in the distinctive character of KTS' trade marks as the more distinctive these trade marks are the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods and services, the nature of the purchasing process and that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind. Earlier in this decision I concluded that:

- the average consumer of the goods and services at issue is a member of the general public who would select the goods and services by predominantly visual means and who would pay a reasonable degree of attention when doing so;
- KTS has made genuine use of its trade marks in class 25 in relation to “articles of clothing for women”;
- the goods at issue are identical and MR's goods in class 25 are similar to KTS' services in class 35;
- the word TIME is a distinctive and dominant element of MR's trade mark;
- the distinctiveness of KTS' trade marks lay in their totalities;
- the competing trade marks are visually, aurally and conceptually similar to a reasonably high degree;
- KTS' trade marks are possessed of a normal degree of inherent distinctive character which, on the basis of the evidence provided, has not been built upon to any material extent.

43. I must now apply these conclusions to the matter in hand. In its submissions KTS say:

“12. Considering [the case shown below] it must further be recognised that where respective goods are identical, or virtually so, where a registered trade mark of normal distinctiveness, is subsumed within a composite mark, and retains an independent distinctive role in it, it will be likely to lead the public to believe the goods at issue derive from companies which are economically linked, in which case, a likelihood of confusion must be held to be established.”

44. The case to which KTS refers above is *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, in which the CJEU said:

“29. 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 *Matratzen Concord*, paragraph 32).

30. However, beyond the usual case where the average consumer perceives a mark as a whole, and notwithstanding that the overall impression may be dominated by one or more components of a composite mark, it is quite possible that in a particular case an earlier mark used by a third party in a composite sign including the name of the company of the third party still has an independent distinctive role in the composite sign, without necessarily constituting the dominant element.

31. In such a case the overall impression produced by the composite sign may lead the public to believe that the goods or services at issue derive, at the very least, from companies which are linked economically, in which case the likelihood of confusion must be held to be established.

32. The finding that there is a likelihood of confusion should not be subject to the condition that the overall impression produced by the composite sign be dominated by the part of it which is represented by the earlier mark.

33. If such a condition were imposed, the owner of the earlier mark would be deprived of the exclusive right conferred by Article 5(1) of the directive even where the mark retained an independent distinctive role in the composite sign but that role was not dominant.

34. This would be the case where, for example, the owner of a widely-known mark makes use of a composite sign juxtaposing this mark and an earlier mark which is not itself widely known. It would also be the case if the composite sign was made up of the earlier mark and a widely-known commercial name. In fact, the overall impression would be, most often, dominated by the widely-known mark or commercial name included in the composite sign.

35. Thus, contrary to the intention of the Community legislator expressed in the 10th recital in the preamble to the directive, the guarantee of the earlier mark as an indication of origin would not be assured, even though it still had an independent distinctive role in the composite sign.

36. It must therefore be accepted that, in order to establish the likelihood of confusion, it suffices that, because the earlier mark still has an independent distinctive role, the origin of the goods or services covered by the composite sign is attributed by the public also to the owner of that mark. “

45. The identity and similarity in the goods and services, the reasonably high degree of visual, aural and conceptual similarity between the competing trade marks and bearing in mind that the word TIME plays an independent distinctive role within MR’s trade mark, results, in my view, in a likelihood of indirect confusion i.e. the average consumer will assume that MR’s goods in class 25 come from an undertaking linked to KTS.

Conclusion

46. KTS’ opposition directed against MR’s goods in class 25 succeeds.

Costs

47. As KTS has been successful it is entitled to an award of costs. Awards of costs are governed by Annex A of Tribunal Practice Notice (TPN) 4 of 2007. Using that TPN as a guide, I award costs to KTS on the following basis:

Preparing a statement and considering MR’s statement:	£200
Preparing evidence:	£400
Written submissions:	£200
Official fee:	£200
Total	£1000

48. I order Mr Red Ltd to pay to KTS Group Limited the sum of **£1000**. 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 14th day of November 2012

C J BOWEN
For the Registrar
The Comptroller-General