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TRADE MARKS ACT 1994


**IN THE MATTER OF INTERNATIONAL REGISTRATION No. 687463
STANDING IN THE NAME OF
L&D S. A.**

AND

**IN THE MATTER OF A REQUEST FOR A DECLARATION
OF INVALIDITY THERETO UNDER No.16182
BY JULIUS SAMANN LIMITED (Bermuda) and
JULIUS SAMANN LIMITED (Switzerland)**




BACKGROUND

1) The following trade mark is registered in the name of L&D S.A.(hereinafter LD):

Mark	Number	Date of designation in UK	Class	Specification
	M687463	24.11.1997	5	Air fresheners.

2) By an application dated 25 October 2011 Julius Samann Ltd (Bermuda) and Julius Samann Ltd (Switzerland) jointly applied for a declaration of invalidity in respect of this registration. The grounds are, in summary:

- a) Julius Samann Ltd (Bermuda) is the registered proprietor of UK trade marks 1212767 and 833966, whilst Julius Samann Ltd (Switzerland) is the registered proprietor of the Community trade mark 91991. The details of all these marks are as follows:

Mark	Number	Filing and Registration Dates	Class	Specification
 Registration of this mark shall give no right to the exclusive use, separately, of the words "Magic" and "Tree".	1212767	14.02.1984 / 26.02.1986	5	Air freshening, air purifying and air deodorizing preparations
	833966	01.05.1962 / 25.07.1963	5	Deodorants.
	CTM 91991	01.04.1996 01.12.1998	5	Air-fresheners.

b) I shall, hereinafter, refer to the joint applicants in the singular and as JS. JS relies upon the above registrations and states that the mark in suit is similar and that the goods are similar such that the mark in suit offends against Sections 5(2)(b), 5(3) and 5(4)(a) of the Act. JS also states that it has used the above marks in the UK and the EU on air fresheners and has a substantial reputation in the UK and Europe.

c) JS also states that LD have a history of filing trade marks and designs which are deliberately designed to mimic the earlier marks of JS and there have been a number

of legal actions which JS has won against LD. JS states that the only reason for LD to adopt the shape of a pine or fir tree is to mimic the earlier rights of JS in such trees. As such the mark in suit offends against section 3(6) of the Act.

3) LD provided a counterstatement, dated 17 January 2012, in which it denies the above grounds and claims. Although it accepts that JS's marks "contain a device with the outline of a stylised fir or pine tree" and admits that its mark "contains, as one of its elements, the device of the top of a stylised fir or pine tree" and that the goods of both parties are identical it maintains that JS's marks were of low distinctive character when registered and continue to be weak marks. LD denies that the previous legal actions between the two parties have any relevance in the instant case as it states that the relevant date in the instant case is April 1977. They also claim that as the registration of its mark took place more than five years prior to the commencement of these proceedings and that JS was aware of LD's use of the mark in suit. As such JS acquiesced in the said use, and under Section 48 of the Act JS had no entitlement to apply for this invalidation. JS is put to strict proof of use.

4) Both sides filed evidence. Both ask for an award of costs. The matter came to be heard on 28 November 2012 when LD was represented by Mr Bartlett of Messrs Beck Greener and JS by Ms Bowhill of Counsel instructed by Messrs Rouse & Co International.

EVIDENCE OF JS

5) JS filed four witness statements. The first, dated 19 March 2012, is by David Kent the Chief Executive of Saxon Industries; a position he has held since January 2009 (apart from an absence between May 2009 and December 2009). He states that he has access to the records of his company, and has been supplied with information by JS and also the company that manufactures the air fresheners, Car-Freshener Corporation. He states that his company is the UK licensee of the three trade marks shown in paragraph 2 above which he refers to as the tree marks, and has been distributing products under the tree marks in the UK since 1991. He states that the air freshener is made of paper and cardboard and is scented and in the shape of a tree. He states that the technique of scenting paper was discovered by Julius Samann who created the tree shape for air fresheners in 1951. The shape has remained almost identical since this time. He states that the product was first sold in the UK in 1961. He states that the tree product has been sold across Europe although under slightly different names. In the UK the product was marketed as "MAGIC TREE" until October 2011 and "LITTLE TREES" subsequently, whilst in Europe translations of Magic tree, such as "WUNDER-BAUM" (German) and "ARBRE MAGIQUE" (French) have been used. In the USA it is known as "LITTLE TREE/S", "CAR-FRESHNER" and "AIRWASH". The constant element has always been the tree shape.

6) Mr Kent states that the product is sold in the UK direct to retailers such as *Halfords*, *Tesco* and *B&Q* and also via national and local wholesalers who sell onto small independent garages. Three products are sold in the UK; the tree paper air freshener, mixed natural air fresheners and "Little tree in a can" aerosols. Many different fragrances have been used on the trees over the years to reflect trends. However, whilst some are obvious scents such as "Pine" or "Lemon" many others are not obvious e.g. "Black Ice", "Energy". Mr Kent states that the packaging is carefully designed so that the tree product

is clearly visible at the point of sale. He states that in the UK, between 1992 and 1997, 29 million trees were sold, whilst between 1998 and 2011, another 131 million trees were sold in the UK. Turnover between 2000 -2005 was approximately £10 million per annum. Other products such as aerosols and pump sprays have been sold in the UK with images of the tree product upon them and under the name MAGIC TREE.

7) Mr Kent states that strict guidelines are set out as to how the trade marks are used and consist of the tree, an upper panel for words, a letter "R" in a circle and a bottom panel for words. His company produces leaflets for customers to use which have the customer name upon them and images of the product. He states that the company produces brochures which appear as inserts in trade magazines. Further, third parties have also asked permission to use the tree image in their advertising campaigns as a metaphor for fresh air. For instance *Volkswagen* used the image of a vast tree air freshener in one of their cars with the words "concentrated Lupo"; "Lupo" being the name of an automobile produced by *Volkswagen*. *Tesco*, *Autotrader* and *Frizzell Insurance* have also used the tree shape in advertisements for their products but drawing upon the recognition by the public of the tree shape for air-fresheners. He also points out that the product has received unsolicited editorial comment in trade and consumer magazines as well as newspapers such as *The Sun*. Mr Kent refers to exhibit DK34 and the claim made in the article which states that an average consumer spends 57 seconds in the garage shop and "motorists won't think twice about picking up a newly designed air freshener or a novelty item as they go to pay for their petrol and other items". He concludes that the purchases made with very little attention being paid. He believes that LD's product could easily be mistaken for his company's goods and given the fact that they are relatively inexpensive goods, would receive little consumer feedback.

8) Mr Kent expresses his view that if the product were available in the UK sales of his company's products would be affected and that by using a tree shape LD would take advantage of the goodwill and reputation of his company's product in the UK. He states that he can see no other reason for choosing a tree shape. He states that it was only in preparing his statement that he became aware of LD's product having been sold, in minor quantities, in the UK. He states that whenever anyone uses a tree shape on air fresheners, legal action is taken as the tree is protected and has been labelled as such since 1991. He also provides the following exhibits:

- DK1: Copies of pages from US publications dated 1952-1965. However, Mr Kent states that the packaging and product shown in the pictures although for the US market was also used on exports. It shows the tree shape with the words "car freshener" and "lasts for months" in large print across the tree with "Forest fresh Air" and the name of the company in the box at the base of the tree.
- DK3: A copy of the current "Tree" range. These pages show trees with the words such as "car-freshener", "Xtra strength", "Forest fresh", "Black ice", "Airwash"; some have designs such as snowflakes, faces, or colours across the middle of the tree. They all have the name of the scent in the box below the tree such as "Black Ice", "Relax", "Energy", "Spice", "new car scent", "strawberry" etc.
- DK5: A small selection of invoices dated between 1996-2011 which shows sales in the UK although the actual figures have all been redacted. The products are identified by their fragrance and can be related back to the products shown in DK3.

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- DK15: Examples of customer leaflets which feature the customer's name, images of the products and prices, and the words "MAGIC TREE".
- DK17: A copy of a brochure inserted into *Car and Accessory Trader* in 2001, which has images of the tree products and also carries the name MAGIC TREE prominently.
- DK20-27: Copies of advertisements by *Volkswagen*, *Tesco*, *Autotrader* and *Frizzell Insurance* where the tree shape was used to promote the products of these third parties. The adverts were produced during the period 2000-2008.
- DK28: Copies of articles from *Forecourt Trader* 1995 where Magic Tree was named as the number 1 top brand; *Redline* December 1998 where the Magic Tree is the first amongst air fresheners; it is reviewed in a humorous manner; *The Sun* in December 2005 makes a less than flattering reference to Magic Tree in a review of car air fresheners.
- DK34: A copy of a *Forecourt Trader* article dated 25 October 2005, which states that the average consumer spends 57 seconds in a petrol station shop.
- DK37-38: Copies of notices on point of sale material, packaging and also advertisements warning that the tree is a registered trade mark.

9) The second witness statement, dated 16 March 2012, is by Mihaela Reade, the Sales Support Manager at Little Trees Europe. She states that her company is responsible for marketing and promotion of JS's tree shaped air fresheners throughout Europe. She provides information regarding sales in Europe on a country by country basis. The information is backed by witness statements, duly translated, which are attached as exhibits to her statement. These show the following in relation to the tree shaped products:

- Germany: Sales are under the German mark WUNDER BAUM and the product has been sold continuously since 1965. In 1997 sales of tree air fresheners exceeded 12 million units.
- Italy: Sales here are under the French mark ARBRE MAGIQUE and the product has been sold continuously since 1964. Between 2006 and 2011 60 million units were sold and €3 million spent on promotion. The product has a 70% share of the market for paper air fresheners. In a decision of the Court of First Instance in Case T168/04 the Court accepted that sales in Italy of tree air fresheners under the ARBRE MAGIQUE mark in 1997/98 exceeded 45 million units, with over €3.5 million spent on promotion and that the product enjoyed a 50% market share.
- France: Sales here are under the mark ARBRE MAGIQUE and the product has been sold continuously since 1965. Between 2000 and 2009, 50 million units were sold and €1.4 million spent on promotion.

- Poland: Sales are under the German mark WUNDER BAUM and the product has been sold continuously since 1992. Between 2006 and 2011 sales of tree air fresheners exceeded 26 million units.

10) The third witness statement, dated 16 March 2012, is by Arty Rajendra, a solicitor employed by JS's attorneys Rouse & Co Int. She states that she has been overseeing matters on behalf of JS since Rouse took on JS as a client in 2003. She provides details of previous actions between the two parties in the instant case and she provides as exhibits, witness statements from previous legal actions in relation to the position in 1997. She also refers to a court case between JS and Tetrosyl Ltd who were the UK distributor of LD's "Aire Limpio" product. In that case it was alleged that JS should have been aware of the use of "Aire Limpio" in the UK as it had been sold in the UK under the mark Lumber Jacks since May 2000, but JS only became aware of this activity when investigating Tetrosyl regarding their production of a Christmas tree air freshener. However, as the case proceeded in October 2004 acquiescence was not raised as a defence to the infringement action, which JS won. During the court case Tetrosyl withdrew the "Aire Limpio" product and their letter confirming this is at exhibit AR5.

11) Ms Rajendra states that JS has been assiduous in protecting its rights a fact acknowledged by Kitchin J. (as he was then) in the Tetrosyl case. She states that in preparing for the instant case she searched to discover whether the Aire Limpio product was being sold in the UK. She found one company advertising the product and a possibility that another company was also trading in the product. Letters were sent to the two companies. One claimed that it had never stocked the product; the other stated that the quantities sold were minimal and agreed that in future they would not deal in these goods. Copies of these letters are provided at exhibit AR6. I will now summarise the exhibits Ms Rajendra provided:

- AR1: This is a statutory declaration, dated 2 September 1996, by Julius Samann, the beneficial owner of Car-Freshener Corporation. He states that the tree device has been used in the UK since 1952. He provides the following figures which relate to sales of these products under the magic tree and device mark in the UK along with advertising figures:

Year	Unit sales	Retail value £	Advertising £
1978	250,000	95,000	1,000
1979	402,000	125,000	2,000
1980	502,000	200,000	3,000
1981	650,000	240,000	7,000
1982	750,000	300,000	6,000
1983	740,000	300,000	11,000
1984	875,000	350,000	11,000
1985	1,100,000	600,000	13,000
1986	1,200,000	700,000	17,000
1987	1,600,000	1,000,000	14,000
1988	1,600,000	1,000,000	n/a
1989	2,300,000	1,200,000	n/a
1990	2,300,000	1,200,000	n/a
1991	2,300,000	1,200,000	n/a

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1992	2,840,000	2,800,000	75,000
1993	3,340,000	3,400,000	85,000
1994	4,180,000	4,200,000	110,000
1995	5,026,000	5,100,000	120,000

- Mr Samann also provides, at exhibit JS3, a range of articles from newspapers and magazines from the UK covering the years going back to 1952, and at exhibit JS4 examples of publicity and advertising. All of these show use of the tree shape and the mark MAGIC TREE. It is clear that the product has enjoyed extensive coverage in the media. Mr Samann also provides at exhibit JS5 examples of other air fresheners on the market in the UK and elsewhere. Only JS and LD produce an item that is tree shaped. Lastly he refers to previous legal actions he has taken, and won, against LD.
- AR2: A copy of a statutory declaration, dated 16 December 1996, by Timothy James Hazzard the Chief Executive of Saxon Industries the sole importer and distributor of JS's air fresheners in the UK. He states that all of the air fresheners sold are in the shape of a tree but not all have the words MAGIC TREE on them. In particular he draws attention to three versions which do NOT have the words MAGIC TREE on the item but only on the packaging. He provides the following sales numbers for these items in the UK:

Year	Potpurri	No smoking	New Car scent
1994	442,376	n/a	357,947
1995	543,004	108,792	340,865
1996	594,564	52,334	392,731

- AR3: A copy of a statutory declaration, dated 10 December 1997, by Ronald F Samann the President of JS (Bermuda) which administers the intellectual property of Julius Samann. He points out that Saxon Industries are a distributor in the UK and this is the reason why the UK Trade Mark Register does not show Saxon but JS. This was in response to claims made by LD in their evidence in the court case at that time. He also points out that the figures provided by Julius Samann in his evidence (see above) related to three trade marks (as per paragraph 2 above) whereas Mr Hazzard's evidence shows the split between mark 833966 and the other two marks.
- AR4: A copy of the claim form in the Tetrosyl case which cited sales of "fir tree shaped" air fresheners under the mark AIRE LIMPIO in the UK by Tetrosyl as its basis for infringement.
- AR5: A copy of an undertaking, dated 3 November 2005, provided by Tetrosyl that they will cease to distribute a tree shaped air freshener under the name AIRE LIMPIO.
- AR6: Copies of correspondence between JS's agents Rouse & Co, and various companies who were selling infringing items. These show that JS does take action to protect its intellectual property.

12) The fourth witness statement, dated 15 March 2012, is by Antonio Castan, a lawyer with the firm of Elzaburu in Madrid. He refers to an affidavit he signed on 2 September 2011 which he provides at exhibit AC1. He provides an up-to-date table of decisions of either the Spanish Trade Mark Office or the Spanish Courts relating to applications filed by LD for trade marks. All the trade marks are based upon a fir or pine tree (some including the wording "Aire Limpio" across the middle of the tree); in all eleven cases the office/Court in Spain held that there was a likelihood of confusion with the marks of JS.

- AC1: In his affidavit, dated 2 September 2011, Mr Castan states that he has, since 1987, represented JS in Spain and that there have been a number of legal disputes regarding the registration of trade marks and infringement between the two parties in the instant case. He states that in these disputes JS has always relied upon its tree shape solus, and the tree shape with various slogans (MAGIC TREE, ARBRE MAGIQUE, WUNDER BAUM) upon them. Mr Castan states that he personally has been involved in all the disputes and so has an intimate knowledge of the issues. He states that the conduct of LD has a clear pattern. Whenever, they are refused a trade mark or have one invalidated, they immediately file a trade mark which except in minor details is identical to the one which was adjudicated against. He provides copies of the marks filed over the years and it is clear that the marks filed are highly similar, apart from minor details.

EVIDENCE OF LD

13) LD filed three witness statements. The first, dated 16 August 2012, is by David Fernandez Torres the Chief Executive Officer of L&D S.A.U., a position he has held since the company was founded in 1980. He states that the company changed its specific legal form from S.A. to S.A.U. in 2007 but it remains the same legal entity. He states that his company sells to wholesalers and distributors throughout Europe as well as via Amazon and eBay. He states that since 2006 the UK has accounted for approximately 3% of his company's revenue with sales of approximately €700,000. He states that the AIRE LIMPIO brand was first launched in 1989 in Spain although the mark was first used in the UK in 1998. He states that in addition to the shapes shown in the exhibits his company has also produced special editions such as football shirts and lumber jacks. He states that the Spanish words AIRE LIMPIO mean "Clean Air". Mr Torres denies that the mark has anything to do with the JS brand and states that the mark embodies his company's reputation for playful, colourful and visually appealing designs. He acknowledges that the shape of his company's product is like a pine or fir tree as they convey freshness and are associated with the Alps and other high altitude areas. He states that it has long been known that pine oil has a freshening function, and he points to the numerous products available in the UK which are pine scented such as candles, air fresheners, disinfectants, soap and detergents. These often have visual or verbal references to pine in plain view, easily seen by the consumer. He contends that in Europe the scent of pine is equated with freshness or purity. He points out that many other manufacturers of car air fresheners also use the scent of pine. Mr Torres refers to the IPO manual regarding the use of representations of flowers, shrubs and trees being common in the perfumery trade and not being regarded as distinctive in respect of perfumes or perfumed goods in Classes 3 or 5. He therefore states his belief that the marks of the two parties are not similar.

14) Mr Torres refers to the US patent Number 3065915 filed by Mr Samann in 1959 under the title "Container for volatile substances". The patent states:

"In the particular construction illustrated, the porous member is in the form of a tree and this generally conical shape serves two purposes. In the first place, when the volatile material is of the maximum strength, only a small part of the apex of the tree or conical member is exposed and gradually larger areas of the tree are exposed to the atmosphere while smaller portions of the volatile material are left in the pouch. Another purpose of the conical shape is that as the opening in the upper end of the pouch is gradually increased in size, the conical shape limits the extent to which the member may be drawn out of the pouch and holds the pouch in place on the porous member. When the strength of the volatile material has greatly diminished, the pouch can be entirely removed from the porous member which may then be used without the pouch until it has lost its effectiveness."

15) Mr Torres claims that the shape of the pine tree serves two purposes in controlling the amount of scent and holding the pouch in place. He states that the instructions upon JS's own products serve to reflect the functionality of the shape used. He also states that having benefitted from a patent in the shape it was not acceptable for JS to extend this monopoly by way of a trade mark. He also emphasises that he is not advocating that all hanging card in-car air fresheners have to be triangular or conical. He states that his company filed for a Spanish trade mark in June 1996 which was opposed by JS. Eventually LD won in the Spanish courts and the application (number 2033859) was granted and is still in force. He states that in November 1997 his company filed an International trade mark application based upon the Spanish registration. The International mark was granted on 24 November 1997. The UK was one of the designated territories, and protection in the UK was granted as of March 1999. Mr Torres denies mimicking the design of JS, he views pine and fir tree designs as being appropriate and obvious for pine scented products as well as generally for air fresheners. He points out that JS failed in the Spanish Courts and contends that there has never been any confusion between the products in the marketplace and that no-one would confuse their Aire Limpio product with JS's MAGIC TREE. He states that the product is sold globally and that since 2006 approximately four million units have been sold worldwide. He states that the products are sold to distributors and wholesalers and that to promote the product his company attends trade fairs in a number of countries. Since 1989 the company would have included its Aire Limpio range on its stand. He points out that the distributors for JS would have also been at the exhibitions and so would have seen the Aire Limpio range. He specifically mentions the "Equip Auto" show in Paris in 1997, 1999, 2005 and 2007 where distributors for JS were present as well as his company. He also provides a record which shows that at the Frankfurt show in 2006 the LD stand was visited by the Italian distributor for JS.

16) Mr Torres states that his company has marketed its products in trade magazines, and provides copies of a French publication for the years 1996, 1997, 1999, 2000 and 2001 in which JS also advertised. He also provides a copy of his company website from 1999 which shows AIRE LIMPIO mark; although the wording is all in Spanish. Mr Torres states that it is not credible that JS were unaware of LD's activities.

17) At exhibit DF25 Mr Torres claims to provide sales figures for AIRE LIMPIO products in the UK. However, what he actually provides is simply a list of invoices to UK

companies some of which show the amount in sterling, others are in pesetas. Making the best I can, I have adduced the following:

Year	Unit sales (000)
1998	19
1999	72
2000	29
2001	99
2002	118
2003	90
2004	25
2005	46
2006	17
2007	0
2008	0
2009	40
2010	0

18) The first sale into the UK was invoiced on 3 November 1998. The average price per unit is approximately 20p. Mr Torres comments on the evidence of JS and states that because of the disputes between the two parties he finds it difficult to accept that JS was not aware of the activities in the UK of his company. Mr Torres states that the Tetrosyl case might have had a different finding if it were heard today as Lord Justice Kitchin has himself criticised his approach to the issue in the *Specsavers* case.

19) Mr Torres also provides a great deal of detail regarding cases brought between the parties around the world, which I do not find to be of assistance in my decision. He states that following a refusal by OHIM to register the Aire Limpio mark as a result of an opposition brought by JS, his company is seeking to invalidate JS's marks. He provides considerable information regarding other manufacturers of air fresheners who seemingly produce them in a variety of shapes. These included representations of leaves, palm trees, oak trees, traffic lights, eagles, fruit shapes, clover leaves and flowers. It is clear that some producers have a single image such as an oak tree upon which they put all manner of fragrances including pine. Indeed pine is shown on a number of these designs; however the exhibits DF37-DF41 do not contain any images of pine trees. He states that some of his company's other ranges include pine tree designs, however, those included in the exhibits appear to be square or rectangular with a mountain scene of a road and trees. The overall design of the air freshener is not in the shape of a pine tree.

20) It is clear from the comments of Mr Torres that he objects to JS's actions and he describes them thus:

"99. JSL is well known for its aggressive tactics and constantly overstates its intellectual property rights. I believe that the current proceedings are an illustration of this. I believe that for this reason, other manufacturers try to avoid getting into disputes with JSL. We at my company have tried to resist JSL's exaggerated claims and as I have explained we have had considerable success, including in Spain, Germany and more recently Russia and now in France."

21) A great deal of Mr Torres statement concerns his companies activities elsewhere in Europe or worldwide. There is also a great deal of repetition and blurring of times such as his evidence regarding an advertisement in a magazine in 1999 and the fact that JS advertised in the same magazine a decade later. He also includes a number of documents which are not in English and which have not been translated. Any such documents have not been taken into account in my decision. He also provides the following exhibits:

- DF1 & 2: Copies of LD's English language website and photographs of actual products showing the range of air freshener products that they offer. These include bottled items, cans, sprays, vents as well as paper air fresheners. The paper versions are shaped like fruit, leaves, hearts and palm trees. They use a wide range of marks upon the shapes and on the packaging.
- DF3: Examples of the AIRE LIMPIO range which shows a pine tree shape with the different scents that are used and the mark upon the shape.
- DF4: A photograph of Scots pine trees.
- DF13: A copy of the Spanish Supreme Court regarding Spanish Trade Mark application 2033859 and opposition thereto by JS. The decision is dated 25 October 2004.
- DF19: Photographs of exhibition stands in Frankfurt, Paris, Madrid, Birmingham and Slovenia between 1994 and 2003. The Aire Limpio product is visible in all the photographs.
- DF20: Copies of the Exhibitors Directory for Equip Auto in Paris for the years 1997, 1999, 2005 and 2007 where both parties are shown to have exhibited.
- DF23: Copies of a directory which is in French.
- DF24: A copy of his company website from 1999 which shows AIRE LIMPIO mark although the wording is all in Spanish.
- DF25: See paragraph 17 above.
- DF 26: This document is in Spanish and has not been translated, it will therefore not be taken into account. There are various documents attached, one of which is in English. It is a copy of Car & Accessory Trader magazine dated April 1999 which has on its front cover a small image of a new range of air fresheners. One of these would appear on close examination to be the Aire Limpio product.
- DF27: This shows that in 2010 JS were advertising in Car and Accessory Trader.
- DF 28: A letter in Spanish with no translation.
- DF29: An Affidavit from Emilio-Juan Alonso Langle. Mr Langle states that he has represented LD since 1996 and has dealt with a number of cases brought against LD by JS. He states that LD is the owner of Spanish trade mark 1744698 which

appears to be a large fungi, trade mark 2033859 the basis of the instant case, and number 2318507, after overcoming opposition by JS.

- DF31: This consists of an Affidavit by Michael Knospe a German lawyer who acted for LD in a series of actions brought by JS. He provides details of these cases and also copies of the decisions in German at Anlage 1.1b; 1.2a; 1.2b; 2.1; 2.2; 2.3a; 2.3b; 2.4 and 3.1a. He also provides translations at Anlage 4.1 and 4.2.

22) The second witness statement, dated 6 August 2012, is by Peter Agapiou a director of Wholesale Automotive (UK) Ltd based in Upminster. He states that his company is a wholesaler of car accessories and that they have sold LD's products for a number of years, including for the last year the Aire Limpio range. He provides his opinion on the issue of confusability, however, that is a jury question which is for me to decide.

23) The third witness statement, dated 9 August 2012, is by Paramjit Singh Walia who is the proprietor of a business which specialises in the distribution of in-car air fresheners. He states that he sold LD's Aire Limpio range to petrol stations between 2003 and 2006. He estimates that they supplied between 50-100 petrol stations and he believes that most also sold the products of JS. He also provides his opinion which also carries no weight.

EVIDENCE IN REPLY OF JS

24) JS filed two witness statements in reply. The first, dated 5 November 2012, is by Arty Rajendra who has provided evidence previously in these proceedings. She contests the claim made by Mr Torres in his evidence that the pine tree shape is necessary in order for the product to actually work. She points out that LD make air-fresheners which have a volatile liquid in a pouch, where the card has to be withdrawn over a period of weeks but their cards are not conical or tree shaped. She then refers to claims regarding the use of a pine tree in relation to pine scents. She points out that the pine tree shape is used with manner of different scents and refers me to paragraphs 40-45 of the judgment of Kitchin J. (as he was then) in the Tetrosyl case where he deals with this aspect. She states that in her first witness statement she provided her recollection that JS was not aware that Tetrosyl were selling Aire Limpio until they investigated the selling of the Christmas tree product. As Mr Torres has stated that he cannot believe that JS were unaware that his company had been selling the product since 1999, Ms Rajendra sought to verify her first statement. A number of documents have come to light which she produces as exhibit AR12. These are copies of communications between Saxon and JS, dated January 2001, which show that a decision was reached to sue Tetrosyl regarding the Christmas tree, and discussing action against the Aire Limpio product. By the last communication (31 January 2001) it is said to have been withdrawn from the UK market and so action was suspended. She points out that Mr Torres evidence confirms that at 2001 Tetrosyl was the only UK based customer for LD's products. When it was discovered that Tetrosyl were selling Aire Limpio in 2004 then legal action was commenced against Tetrosyl.

25) Ms Rajendra states that whilst Mr Torres claims to have sold to UK based distributors, no evidence of sales in the UK has been provided. She points out that LD produce card air-fresheners in a range of shapes, and that Mr Torres admits that he was aware of JS's tree product when he adopted the Aire Limpio product. She states that it was clearly open for LD to choose a different shape to a pine tree.

26) The second witness statement, dated 31 October 2012, is by Mark Hogan, the Sales Director of Saxon Industries a position he has held for over four years, having been with his company for over eight years. He is providing evidence as Mr Kent who gave evidence on behalf of Saxon earlier in this case is no longer with the company. He states that he has read the statement of Mr Kent and agrees with it. He points out that the sales of Aire Limpio in the UK were very small and there was negligible advertising, the result being that Saxon was unaware of the products existence in the UK. Prior to working for Saxon, Mr Hogan worked for Tetrosyl and so is familiar with the Aire Limpio product from his time there. He states:

“The Aire Limpio product was an insignificant product in the Tetrosyl range. I cannot recall anyone else apart from Tetrosyl selling the Aire Limpio product at the time.”

27) Mr Hogan observes that of all the trade shows listed by Mr Torres as being attended by LD, only one was in the UK. He points out that Saxon was responsible only for the UK and thus even though he attended foreign trade shows he would not have paid much attention to the Aire Limpio product, although he does not recall ever seeing it even at foreign trade shows. Mr Hogan states that he has attended UK trade shows since joining Saxon and has not seen the Aire Limpio product being exhibited. He points out that Mr Torres provided sales figures for Aire Limpio in the UK for the period 1992-2011 and that these average 45,000 units per year, whereas sales of JS's tree product averaged over 8 million per annum during the same period. In monetary terms, he points out this equates to £2,594 per annum (1998-2012) for LD compared to £9-10 million per annum (2000-2005) for JS. He rejects claims of acquiescence, pointing out that legal action was taken against Tetrosyl.

FURTHER EVIDENCE OF LD

28) LD filed a further witness statement by David Fernandez Torres, dated 19 November 2012. He states that his company does not permit its products to be re-exported and so any goods sold to distributors in the UK would have been sold on the UK market. He states that JS would have been aware that his company was the source of the Aire Limpio product because of the wording on the packaging. He refers to exhibit DF46 to corroborate this claim. He accepts that “a triangular or conical shape is not necessary in order for a product to be viable or marketable”, but states that such shapes have a “useful functional attribute” and refers again to Mr Samann's US patent. He refers to Ms Rajendra's comments on the shape of his company's “Don Pino” product, and points out that it is a conical shape. He asserts that the carded displays of both companies would be alongside each other in petrol stations and so the Aire Limpio product would have been seen by representatives or distributors of JS in the UK. He also provides the following exhibit:

- DF46: A copy of the packaging supplied to Tetrosyl Ltd dating back to 1999. The back clearly shows that the product is “manufactured under licence from LD Aromatics”.

FURTHER EVIDENCE OF JS

29) JS filed a further witness statement, dated 27 November 2012, by Arty Rajendra. She states:

“2. I make this witness statement on behalf of the applicants out of an abundance of caution to address a query which has recently been raised by the proprietor as to why no action has ever been taken in the UK against L&D SA. This is because, certainly as far as the Tetrosyl Case was concerned, there was no evidence that L&D SA had committed any infringing acts in the UK pursuant to section 10 of the Trade Marks Act 1994. As far as I was aware, Tetrosyl was the exclusive importer and distributor of the Aire Limpio product in the UK at that time. L&D SA is a Spanish company based in Spain. Any activities which L&D SA was undertaking took place out of the UK jurisdiction. I assume the same applied to the situation in 2000-2001 described in paragraphs 6 to 8 of my second witness statement.”

30) That concludes my review of the evidence. I now turn to the decision.

DECISION

31) At the hearing Ms Bowhill confirmed that her client was not pursuing the ground under Section 3(6). She also confirmed that the outcome under 5(2)(b) would determine the 5(4)(a) issue.

32) Section 47 of the Trade Marks Act 1994 reads:

“47.-(2) The registration of a trade mark may be declared invalid on the ground -

- (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
- (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.”

33) I shall first consider the ground of invalidity under Section 5(2)(b) which reads:

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

- (a)...
- (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.”

34) An “earlier trade mark” is defined in section 6, the relevant part of which states:

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

- (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application or registration earlier than

that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

35) JS is relying upon its trade marks listed in paragraph 2 above which are clearly earlier trade marks. LD put JS to strict proof of use. Regarding Proof of Use in section 47 (grounds for invalidity of registration), after subsection (2) there shall be inserted –

“(2A) But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

- (a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,
- (b) the registration procedure for the earlier trade mark was not completed before that date, or
- (c) the use conditions are met.

(2B) The use conditions are met if-

- (a) within the period of five years ending with the date of the application for the declaration 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) it has not been so used, but there are proper reasons for non-use.

(2C) 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.

(2D) In relation to a Community trade mark, any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Community.

(2E) 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.”

36) Section 47(2B) requires that the earlier mark relied upon be used in the five year period leading up to the date of the application for invalidity. At the hearing it was agreed that the relevant period for the proof of use is 25 October 2006 to 24 October 2011. The requirements for “genuine use” have been set out by the Court of Justice of the European Union (CJEU) in its judgments in *Ansul BV v Ajax Brandbeveiliging BV*, Case C-40/01

[2003] RPC 40 and *Silberquelle GmbH v Maselli-Strickmode GmbH* Case C495/07, [2009] ETMR 28 and by the Court of Appeal in the UK in *LABORATOIRE DE LA MER Trade Mark* [2006] FSR 5. The principles established in these judgments have been conveniently summarised by Ms Anna Carboni, sitting as the Appointed person O-371-09 *SANT AMBROEUS*:

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

(b) 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].

(c) 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].

(d) 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].




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

(ii) 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].

(e) 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].

(f) 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].”

37) The marks concerned are registered for the following goods:

Trademark	Specification
1212767  Registration of this mark shall give no right to the exclusive use, separately, of the words "Magic" and "Tree".	Air freshening, air purifying and air deodorizing preparations
833966 	Deodorants.
CTM 91991 	Air-fresheners.

38) JS have supplied a raft of evidence of use. However, most of the use shown is of trade marks which have the pine tree shape but with a variety of words such as “MAGIC TREE”, “LITTLE TREE”, “ENERGY” and “BLACK ICE” printed upon them. The issue I have to consider is whether the marks that have been shown in the evidence can be considered as variants of the registered marks. In considering this issue I look to the guidance set out on whether a mark used is in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered. In considering this question I look to the judgement of the Court of Appeal in *BUD / BUDWEISER BUDBRAU* [2003] RPC 24. In particular, I refer to the comments of Lord Walker at paragraphs 43-45 where he stated:

“43. The first part of the necessary inquiry is, what are the points of difference between the mark as used and the mark as registered? Once those differences have been identified, the second part of the inquiry is, do they alter the distinctive character of the mark as registered?”

39) I also take into account the comments of Ms Carboni acting as the Appointed Person in *Orient Express* (BL O/299/08) where she said:

“66. It is unnecessary for me to give any further details here of the various underlying decisions. Their full case references are set out in *NIRVANA* [BL O/262/06] and *REMUS* [BL O/061/08]. But I do set out below the guidance that Richard Arnold QC derived from his review, which he set out in *NIRVANA* and reiterated in *REMUS*, as follows:

33. The first question is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period....

34. The second question is whether the sign differs from the registered trade mark in elements which do not alter the latter’s distinctive character. As can be

seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all....

67. There have been no decisions in the ECJ or CFI since *REMUS* that would give any reason to change this guidance. It seems to me that it is fully consistent with the approach laid down in *BUD*, effectively being a step-by-step version of the process that Lord Walker described in the extract that I have set out at paragraph 19 above. I would not expect a different result to come out of a comparison between a logo and a word mark depending on which guidance was being followed.”

40) The registered marks consist of a plain fir tree, a fir tree with two blank spaces in which to print words such as the fragrance, and a fir tree with the words “MAGIC TREE” printed upon it. The evidence of use shows that the name of the fragrance is usually also present. To my mind the questions posed by Lord Kitchin in *Specsavers International Healthcare Ltd, Specsavers BV, Specsavers Optical Group Ltd and Specsavers Optical Superstores Ltd v Asda Stores Ltd* [2012] E.T.M.R. 17 are not on all fours with the instant case as there is no evidence that the other elements used are registered trade marks. I also look to *Fruit of the Loom v. OHIM* Case T-514/10 [2012] ETMR 44 the GC invoked the judgment in *Atlas Transport* (T-482/08) and accepted that the fact that a registered mark is sometimes used with additional elements and sometimes without such elements maybe one of the criteria on which to base a finding that there has been no alteration to the distinctive character of the registered mark. To my mind the additional elements do not make an indissoluble whole but the device element is a clear trade mark on its own on a par with the type of use in *CRISTAL CASTELLBLANCH* (T-29/04). In my opinion the evidence shows use of all three registered marks.

41) When considering the issues under Section 5(2)(b) and the likelihood of confusion, I take into account the guidance from the settled case law provided by the CJEU in *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 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* C-334/05 P (LIMONCELLO). In the recent case of *La Chemise Lacoste SA v Baker Street Clothing Ltd* [ALLIGATOR O/333/10] Mr Hobbs QC acting as the Appointed Person set out the test shown below which was endorsed by Arnold J. in *Och-Ziff Management Europe Ltd and Oz Management Lp v Och Capital LLP; Union Investment Management Ltd & Ochocki*, [2010] EWCH 2599 (Ch).

(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/ 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; 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;

(e) 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 in that mark;

(f) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa;

(g) 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;

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

(i) 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;

(j) 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.

Distinctive character of JS's earlier trade marks

42) JS has provided considerable evidence of sales and has shown that it has a significant reputation in the marks relied upon. Overall, JS's marks have a reasonable degree of inherent distinctiveness for the goods for which they are registered, even accepting that for a pine fragranced air freshener the shape loses some of its distinctiveness.





The average consumer and the nature of the purchasing process

43) I must now determine the average consumer for the goods of the parties. Both sides manufacture air fresheners, mainly for use in cars, although the specifications are not limited to cars. The average consumer it was accepted would be a member of the general

public who drives a car. The average purchase will take place in a garage or petrol station when the driver is paying for the petrol supplied. It is accepted that the items are low cost and that the average consumer will not spend a deal of time over the purchase. Given that the item is likely to be displayed upon a carousel and self selected by the consumer the visual aspect of the comparison is the most important.

Comparison of trade marks

44) The trade marks to be compared are as follows:

Applicant's mark	Opponent's mark
	<p>1212767</p>  <p>Registration of this mark shall give no right to the exclusive use, separately, of the words "Magic" and "Tree".</p>
	<p>833966</p> 
	<p>CTM 91991</p> 

45) It is well established that the average consumer is considered to be reasonably well informed, circumspect and observant but perceives trade marks as wholes and does not pause to analyse their various details. In addition, he rarely has the chance to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has kept in his 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 go on and compare the respective trade marks from the visual, aural and conceptual perspectives.

Distinctive and dominant components

46) Clearly the distinctive and dominant feature of JS's marks is that of a fir or pine tree. Trade mark 1212767 also has the words "magic tree" upon it. To my mind, most consumers will link this to the shape of the item and it will simply reinforce their perception of the mark as being a tree. LD has accepted that its mark includes the outline of a fir or pine tree. However, this is, to my mind, not the dominant element. The overall

impression is of a cartoon character in the shape of a tree. The character has a smiling face, arms which emanate from the tree and also feet clad in large almost clown like boots. Very few consumers in the UK will understand the meaning of the words “AIRE LIMPIO” printed upon the characters “chest” and they may even take it as being the name of the character.

VISUAL COMPARISON

47) To my mind whilst both marks are clearly trees, they are significantly different. The marks of JS are effectively a representation of a real pine or fir tree whilst LD’s mark is a cartoon character of an animated pine or fir tree. The overwhelming impression of LD’s mark is that of a cartoon character, complete with arms, legs, eyes, large nose and mouth complete with tongue and teeth. The character also has a name, albeit incomprehensible to the average monolingual UK consumer. The marks are significantly different to the eye.

AURAL COMPARISON

48) Clearly the only verbalisation possible on the marks of JS, is that of “MAGIC TREE”; and that is only on one of the marks above, the other two having no words registered. By contrast LD’s mark has a “name”, which will be pronounced probably as “AIRY LIMPIO”. Clearly the marks of the two parties are aurally distinct; although this element is not as important as the visual element.

CONCEPTUAL COMPARISON

49) Whilst the marks of JS are realistic outlines of a pine or fir tree the mark in suit being a cartoon character has a completely different conceptual nature. Clearly, a happy if not to say clownish character who has a large proboscis, big feet and a name.

Comparison of goods and services

50) LD accepted that the goods of the two parties are identical.

Likelihood of confusion

51) I must now take all the above into account and consider the matter globally taking into account the interdependency principle- a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods and vice versa. Clearly the goods are identical. However, there are very significant visual and conceptual differences between the mark in suit and the marks of JS, such that despite the goods being identical and purchased with little attention there is no likelihood of consumers being confused into believing that the goods provided by LD are those of JS or provided by some undertaking linked to them. **The opposition under Section 5(2)(b) therefore fails.**

52) At the hearing it was accepted that this finding would also resolve the 5(4)(a) ground.

53) Lastly, I turn to the ground of invalidity based upon Section 5(3) which reads:

“5-(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 3 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.

54) The scope of the Section has been considered in a number of cases notably *General Motors Corp v Yplon SA (Chevy)* [1999] ETMR 122 and [2000] RPC 572, *Premier Brands UK Limited v Typhoon Europe Limited (Typhoon)* [2000] RPC 767, *Daimler Chrysler v Alavi (Merc)* [2001] RPC 42, *C.A. Sheimer (M) Sdn Bhd's TM Application (Visa)* [2000] RPC 484 *Valucci Designs Ltd v IPC Magazines (Loaded) O/455/00* and, more recently *Mastercard International Inc and Hitachi Credit (UK) Plc* [2004] EWHC 1623 (Ch) and *Electrocoin Automatics Limited and Coinworld Limited and others* [2005] FSR 7. Guidance in relation to reputation under Section 5(3) has been set out in *General Motors Corporation v Yplon SA* in paragraphs 23 to 27. Paragraphs 26 & 27 indicate the standard that must be reached:-

“26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

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.”

55) The onus is upon JS to prove that its earlier trade marks enjoy a reputation or public recognition and it needs to furnish the evidence to support this claim. To my mind JS has provided the evidence that its marks do enjoy such a reputation and so it clears the first hurdle.

56) Once the matter of reputation is settled any applicant for invalidity must then show how the earlier trade marks would be affected by the registration of the later trade mark. JS contends that its marks are unique and there is no evidence to the contrary. In *Inlima S.L's* application [2000] RPC 61 Mr Simon Thorley QC, sitting as the Appointed Person, said:

“The word ‘similar’ is a relative term. One has to ask the question ‘similar for what purpose’. The question of similarity accordingly can only be answered within the context of a particular set of facts, once one has identified both the facts and the purpose for which similarity is required. In the case of section 5(3), the purpose of requiring similarity is so that the possibility of detriment or unfair advantage might arise. In any particular case, a conclusion as to whether it does arise must depend not only upon the degree of similarity but on all the other factors of the case, not least, the extent of the reputation. I therefore conclude that the same global appreciation as is required for confusion under section 5(2) is likewise to be applied to the changed circumstances of section 5(3).”

57) More recently this matter was considered by Mr Daniel Alexander sitting as the Appointed Person in B/L O/307/10 where he stated:

“37. The Decision in this case was handed down on 18th May 2009. On 18th June 2009, the ECJ handed down judgment in *L'Oréal v. Bellure*, Case C-487/07 in which it gave guidance on the proper approach to interpretation of Article 5(2) of the 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), (the “Trade Marks Directive”).

38. The ECJ said the following as regards Article 5(2) of the Trade Marks Directive and the requirement to show detriment or unfair advantage.”

"40. As regards detriment to the repute of the mark, also referred to as 'tarnishment' or 'degradation', such detriment is caused when the goods or services for which the identical or similar sign is used by the third party may be perceived by the public in such a way that the trade mark's power of attraction is reduced. The likelihood of such detriment may arise in particular from the fact that the goods or services offered by the third party possess a characteristic or a quality which is liable to have a negative impact on the image of the mark.

41 As regards the concept of 'taking unfair advantage of the distinctive character or the repute of the trade mark', also referred to as 'parasitism' or 'free-riding', that concept relates not to the detriment caused to the mark but to the advantage taken by the third party as a result of the use of the identical or similar sign. It covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coattails of the mark with a reputation.

42 Just one of those three types of injury suffices for Article 5(2) of Directive 89/104 to apply (see, to that effect, *Intel Corporation*, paragraph 28).

43 It follows that an advantage taken by a third party of the distinctive character or the repute of the mark may be unfair, even if the use of the identical or similar sign is not detrimental either to the distinctive character or to the repute of the mark or, more generally, to its proprietor.

44 In order to determine whether the use of a sign takes unfair advantage of the distinctive character or the repute of the mark, it is necessary to undertake a global assessment, taking into account all factors relevant to the circumstances of the case, which include the strength of the mark's reputation and the degree of distinctive character of the mark, the degree of similarity between the marks at issue and the nature and degree of proximity of the goods or services concerned. As regards the strength of the reputation and the degree of distinctive character of the mark, the Court has already held that, the stronger that mark's distinctive character and reputation are, the easier it will be to accept that detriment has been caused to it. It is also clear from the case-law that, the more immediately and strongly the mark is brought to mind by the sign, the greater the likelihood that the current or future use of the sign is taking, or will take, unfair advantage of the distinctive character or the repute of the mark or is, or will be, detrimental to them (see, to that effect, *Intel Corporation*, paragraphs 67 to 69).

45 In addition, it must be stated that any such global assessment may also take into account, where necessary, the fact that there is a likelihood of dilution or tarnishment of the mark.

46 In the present case, it is a matter of agreement that Malaika and Starion use packaging and bottles similar to the marks with a reputation registered by L'Oréal and Others in order to market perfumes which constitute 'downmarket' imitations of the luxury fragrances for which those marks are registered and used.

47 In that regard, the referring court has held that there is a link between certain packaging used by Malaika and Starion, on the one hand, and certain marks relating to packaging and bottles belonging to L'Oréal and Others, on the other. In addition, it is apparent from the order for reference that that link confers a commercial advantage on the defendants in the main proceedings. It is also apparent from the order for reference that the similarity between those marks and the products marketed by Malaika and Starion was created intentionally in order to create an association in the mind of the public between fine fragrances and their imitations, with the aim of facilitating the marketing of those imitations.

48 In the general assessment which the referring court will have to undertake in order to determine whether, in those circumstances, it can be held that unfair advantage is being taken of the distinctive character or the repute of the mark, that court will, in particular, have to take account of the fact that the use of packaging and bottles similar to those of the fragrances that are being imitated is intended to take advantage, for promotional purposes, of the distinctive character and the repute of the marks under which those fragrances are marketed.

49 In that regard, where a third party attempts, through the use of a sign similar to a mark with a reputation, to ride on the coat-tails of that mark in order to benefit from its power of attraction, its reputation and its prestige, and to exploit, without paying any financial compensation and without being required to make efforts of his own in that regard, the marketing effort expended by the proprietor of that mark in order to create and maintain the image of that mark, the advantage resulting from such use must be considered to be an advantage that has been unfairly taken of the distinctive character or the repute of that mark.

50 In the light of the above, the answer to the fifth question is that Article 5(2) of Directive 89/104 must be interpreted as meaning that the taking of unfair advantage of the distinctive character or the repute of a mark, within the meaning of that provision, does not require that there be a likelihood of confusion or a likelihood of detriment to the distinctive character or the repute of the mark or, more generally, to its proprietor. The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an advantage taken unfairly by that third party of the distinctive character or the repute of the mark where that party seeks by that use to ride on the coat-tails of the mark with a reputation in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image."

58) It is accepted in the instant case that the goods of the two parties are identical. I also found that the marks of JS are inherently very distinctive for "Air fresheners" and has an enhanced reputation. I also found that, whilst the mark in suit is a cartoon character in the shape of a pine or fir tree, the differences between the marks was such that overall they are quite dissimilar, and will not create the link that is required. Adopting the composite approach advocated, the conclusions that I have set out above naturally lead me to the view that there

is no advantage for the applicants to derive. As far as detriment is concerned, JS suggested that this would subsist in a reduction in the distinctiveness of their marks. I do not consider that registration of LD's mark could have an impact in this respect, be it to the distinctiveness of the earlier marks or the reputation they enjoy. **The opposition under Section 5(3) therefore fails.**

CONCLUSION

59) The invalidity action under Sections 5(2)(b), 5(3) and 5(4)(a) have all failed. The mark of LD therefore remains on the Register unaltered.

COSTS

60) The registered proprietor has been successful and it is therefore entitled to a contribution towards its costs.

Preparing a statement and considering the other side's statement	£300
Preparing evidence and considering the other sides evidence	£1000
Preparing for and attending a hearing	£1500
TOTAL	£2800

61) I order Julius Samann Ltd (Bermuda) and Julius Samann Ltd (Switzerland) to pay L & D S.A. the sum of £2,800. This sum 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 15th day of April 2013

**G W Salthouse
For the Registrar
the Comptroller-General**