

O-225-13

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2588875 IN THE NAME OF
SUCCESS STORY MANAGEMENT LIMITED

AND

OPPOSITION THERETO UNDER NO 102670 BY
THE SAUL ZAENTZ COMPANY

Background

1. Application no 2588875 has a filing date of 23 July 2011 and seeks registration of the mark HENRY SPURWAY'S BILBO BAGGINS. Following an assignment from George Henry Spurway, the person who originally filed the application, it now stands in the name of Success Story Management Limited ("the applicant") and seeks registration in respect of the following goods and services:

Class 9
Recorded media

Class 41
Recorded media; entertainment services.

2. Following publication in the *Trade Marks Journal* on 19 August 2011, notice of opposition was filed by The Saul Zaentz Company ("the opponent"). The opposition is founded on grounds under sections 5(2)(b), 5(3) and 5(4)(a) of the Act.

3. In relation to the objections under sections 5(2)(b) and 5(3), the opponent relies on the following trade marks:

Mark	Application / Registration dates	Specification relied on
2473043 BILBO	22 November 2007/ 1 August 2008	Class 9: Apparatus for computer and video games adapted for use with TV only; apparatus for recording, transmission or reproduction of sound or images; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; automatic vending machines and mechanisms for coin-operated apparatus; binoculars; calculating machines; calculators; cameras; carrying cases for audio cassettes, video cassettes, compact discs, video discs, computer game software, computer game discs, video game software, video game discs, video game cartridges and CD players; cash registers; cell phones; checking (supervision); cinematographic; compact discs featuring fantasy games, fantasy films, and music; computer games; computer game programs; computer game programs for use in connection with multiplayer interactive games played over the internet; computer game software; computer game software featuring fantasy games, fantasy films, and music; computer hardware; computer joysticks; computer peripherals; computer programs for tracking the status of various users of online interactive gaming services and for matching online game players with other players of similar skill levels; data processing equipment and computers; decorative magnets; diving goggles; downloadable electronic games via the internet and wireless devices; downloadable interactive video games; downloadable music via the internet and wireless devices; downloadable on-line interactive computer game programs having single and multi-player capability; downloadable ring tones, graphics and music via a global computer network and wireless devices; downloadable ring tones via the internet and wireless devices; downloadable video games; DVD players; eyeglass cases; fashion eyeglasses; fire-extinguishing apparatus; goggles for sports; hand-held videogame devices; headphones; inflatable floatation devices; interactive computer game software and instructional materials packaged as a unit; interactive computer video games and instructional materials packaged as a unit; interactive multimedia computer game programs; interactive video game software and instructional materials packaged as a unit; keyboards; life-saving and teaching apparatus and instruments; magnetic data carriers; magnetically encoded cards for playing computer games, video games and on-line interactive games; magnetically encoded credit cards; measuring; nautical; optical; pedometers; personal computers; photographic; prepaid magnetically encoded telephone calling cards; prepaid magnetically encoded transportation cards; mouse pads; on-line interactive games; pre-recorded

		<p>albums of a stage production; pre-recorded audio cassettes featuring fantasy games, fantasy films, and music; pre-recorded CD-ROMs featuring fantasy games, fantasy films, and music; pre-recorded cast albums of a film; pre-recorded computer game discs featuring fantasy games, fantasy films, and music; pre-recorded DVD discs featuring fantasy games, fantasy films, and music; pre-recorded laser discs featuring fantasy games, fantasy films, and music; pre-recorded phonograph records with music for fantasy films; pre-recorded video tapes, CD-ROMs, DVDs and compact discs featuring animated cartoons, fantasy films, and music; pre-recorded video game cartridges; recording discs; scientific; signaling; snow goggles; sunglasses; surveying; swimming goggles; telephones; video discs featuring fantasy games, fantasy films, and music; video game cartridges featuring fantasy games, fantasy films, and music; video games and interactive video games for use with gaming consoles; video game discs featuring fantasy games, fantasy films, and music; video game joy sticks; video game machines for use with television sets; video game software featuring fantasy games, fantasy films, and music; weighing.</p> <p>Class 41: Amusement arcades; amusement parks; amusement park rides; arranging and conducting competitions for video gamers and computer game players; arranging and conducting concerts; arranging for ticket reservations for shows and other entertainment events; arranging online competitions for interactive game players; booking of entertainment halls; booking of seats for shows; booking of theater tickets; casinos; conducting entertainment exhibitions in the nature of musical concerts; dinner theaters; discotheques; education; educational and entertainment services in the nature of providing interactive online computer games via the internet; entertainment; entertainment in the nature of dance performances; entertainment in the nature of light shows; entertainment in the nature of musical orchestra; entertainment in the nature of theater productions; entertainment services in the nature of amusement park shows; entertainment services in the nature of on-going television programs; entertainment services in the nature of personal appearances of film celebrities and stage celebrities; fan club services; fantasy festivals and magic shows; film distribution; movie studios; movie theaters; night clubs; nursery schools; on-line journals; on-line ticket agency services; operating a film studio; organizing dance events; organizing film events; organizing online community events; organizing theatrical events; planning and conducting a series of film festivals; post-production editing services in the field of music, video and films; presentation of live show performances; presentation of musical performances; production and distribution of motion pictures; production and distribution of television shows; production of video and computer game software; production of video discs; providing computer games that may be accessed network-wide by network users; providing information about online computer games and video games and enhancements for such games via the internet; providing facilities for special events featuring casino and gaming contests and tournaments; providing multiplayer interactive games provided over the internet; providing non-downloadable films and television programs; providing on-line card games; providing slot machine parlors; providing sporting and cultural activities; providing training; providing of training; providing theater listing; providing theme park services; publication of books and magazines and other printed matter; publishing of books, magazines, journals, software, games, music and electronic publications; rental of computer game programs; rental of motion pictures; rental of video games; sport camps; sporting and cultural activities; sweepstake services.</p>
CTM 6460778 BILBO	22 November 2007/ 31 July 2010	As above

4. In relation to the objection under section 5(4)(a), the opponent relies on use since 1937 of the marks BILBO and BILBO BAGGINS in respect of the same goods and services.

5. The applicant filed a counterstatement in which, essentially, it denies the claims made.

6. Both sides filed evidence and the matter came before me for a hearing which took place on 9 April 2013. The applicant was represented by Euan Duncan of McClure Naismith LLP, its representatives in these proceedings. The opponent was represented by Mr Mark Engelman of counsel, instructed by its legal representatives, Edwards Wildman Palmer UK LLP.

The evidence

7. The following evidence was filed:

Opponent's evidence:

- Witness statement of Pat de Spon dated 27 June 2012 with 6 exhibits. Ms de Spon is an employee of Farncombe International;
- Witness statement of Paul Bufton dated 2 July 2012 and 9 exhibits. Mr Bufton is the General Manager of Warner Bros. Consumer Products UK;
- Witness statement of Al Bendich dated 2 July 2012 with 68 exhibits. Mr Bendich is the Vice President for Business Affairs at the opponent company.

Some of the evidence of Messrs Bufton and Bendich has been made subject to an order for confidentiality which I take into account in writing this decision.

Applicant's evidence:

- Witness statement of George Henry Spurway dated 24 September 2012 and 26 exhibits. Mr Spurway is a director and sole shareholder of the applicant company.

Opponent's evidence in reply:

- 2nd witness statement of Patricia de Spon dated 13 December 2012;
- 2nd witness statement of Al Bendich dated 20 December 2012 with 7 exhibits.

8. Given the significant volume of evidence filed, I do not intend to summarise it here but will refer to it as necessary in this decision.

The objection under section 5(2)(b) of the Act

9. I consider, first, the objection brought under the provisions of section 5(2)(b) of the Act, which states;

“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.”

10. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

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

(a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

(b)

(c)

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

11. I also have to consider whether section 6 of The Trade Marks (Proof of Use, etc) Regulations 2004 is relevant to these proceedings. The opponent relies upon its two registrations as set out above, insofar as they are registered for goods and services in classes 9 and 41. Whilst both are earlier marks, neither is subject to the proof of use provisions because neither has been registered for the necessary five year period. This means that the opponent is entitled to rely upon them in respect of all of the goods and services claimed. As the two earlier marks relied upon are the same in each case, and identical goods and services are relied upon for each, I shall refer to them in the singular in this decision.

12. In determining the question under section 5(2)(b), I take into account the guidance provided by the European Court of Justice (CJEU) in *Sabel v Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R 77, *Marca Mode CV v Adidas AG* [2000] E.T.M.R.723, *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di Laudato & C. Sas v OHIM* C-334/05 (Limoncello), as cited with approval in *Och-Ziff Management Europe Ltd and Oz Management LP v Och Capital LLP, Union Investment Management Ltd and Ochoki* [2010] EWCH 2599 (Ch). It is clear from these cases that:

(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 greater 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.

Comparison of the respective goods and services

13. In its notice of opposition, the opponent claims that all of its goods and services relied upon, as set out at paragraph 3 above, are identical or similar to the goods and services for which registration is sought by the applicant but makes no further comment. In its written submissions, it sets out its position in more detail. I do not consider it necessary to set these submissions out here given that, at the hearing, I

made it clear that I considered the respective specifications to include identical goods and services. I set out below my reasons for so finding.

14. In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 28, Jacob J gave advice as to how similarity should be assessed. He identified the following factors to be taken into account:

- (a) The respective uses of the respective goods and services;
- (b) The respective users of the respective goods and services;
- (c) The physical nature of the goods or provision of services;
- (d) The respective trade channels through which the goods and services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods and services are competitive. This inquiry may take into account how those in trade classify the goods or services, for instance whether market research companies, who of course act for industry, put them in the same or different sectors.”

15. Subsequently, in *Canon Kabushiki Kaisha v MGM Inc* the CJEU stated:

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

16. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-325/06 the General Court stated:

“82 It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 *Sergio Rossi v OHIM- Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05P *Rossi v OHIM* [2006] ECR I-7057; Case T-364/05, *Saint-Gobain Pam v OHIM –Promamsa (PAM PLUVIAL)* [2007] ECR II-757, paragraph 94; and Case T-443/05 *El Corte Inglés v OHIM –Bolaños Sabri (PiraNam diseño original Juan Bolaños)* [2007] ECR-1-0000, paragraph 48).”

17. In *Gérard Meric v OHIM*, Case T-133/05, the General Court 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).”

18. I do not intend to compare each and every item within the opponent’s specification against that of the applicant (I do not consider that anyone could seriously consider e.g. *binoculars, fire-extinguishing apparatus or pedometers* as appear in the opponent’s specification of goods in class 9 to be identical or similar to *recorded media* in either class 9 or class 41) but will instead concentrate on where I consider the closest matches to be.

19. As indicated above, the applicant seeks registration in class 9 in respect of *recorded media*. This is a wide term which, on a notional basis, includes material recorded e.g. in video, vinyl, CD, DVD or other format. The type of material which may be recorded is equally wide and could include data or e.g. films, music, live or studio performances and computer games. I consider *recorded media* to be identical to the following goods as is included within the opponent’s earlier mark:

compact discs featuring fantasy games, fantasy films, and music; computer games; magnetic data carriers; magnetically encoded cards for playing computer games, video games and on-line interactive games; pre-recorded albums of a stage production; pre-recorded audio cassettes featuring fantasy games, fantasy films, and music; pre-recorded CD-ROMs featuring fantasy games, fantasy films, and music; pre-recorded cast albums of a film; pre-recorded computer game discs featuring fantasy games, fantasy films, and music; pre-recorded DVD discs featuring fantasy games, fantasy films, and music; pre-recorded laser discs featuring fantasy games, fantasy films, and music; pre-recorded phonograph records with music for fantasy films; pre-recorded video tapes, CD-ROMs, DVDs and compact discs featuring animated cartoons, fantasy films, and music; pre-recorded video game cartridges; recording discs; video discs featuring fantasy games, fantasy films, and music; video game cartridges featuring fantasy games, fantasy films, and music; video games and interactive video games for use with gaming consoles; video game discs featuring fantasy games, fantasy films, and music; video game software featuring fantasy games, fantasy films, and music.

20. The applicant also seeks registration for the following services in class 41: *Recorded media; entertainment services*. It is not entirely clear what *recorded media* means in relation to this class of services, however, given Mr Duncan’s submissions at the hearing that they were services intended to be provided by a band, I take them to be covered by the more general term *entertainment services*. Again, focusing on where I consider the closest matches to be, I find these services to be identical to the following services as appear in the opponent’s specification in class 41:

entertainment; entertainment in the nature of musical orchestra; presentation of live show performances; presentation of musical performances.

The average consumer and the nature of the purchasing process

21. The relevant consumer is deemed to be reasonably well informed, reasonably circumspect and observant. 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. I must then determine the manner in which these goods and services are likely to be selected by the average consumer in the course of trade.

22. *Recorded media* for which registration is sought in class 9, are items bought by the general public. They are widely available and may be bought either from a supermarket or other store on the high street or via mail order or the Internet. Whilst they may be bought by self-selection, in which case visual aspects are of importance, or with the help of an assistant, in which case aural considerations apply, they are most likely to be bought for their content or subject matter and thus conceptual considerations will also play a part in the purchasing process. Whilst they are relatively inexpensive goods which may be bought with some regularity, I consider they will be goods bought with a reasonable degree of care.

23. As for the services for which registration is sought in class 41, they are services which are also widely available and bought by the general public. Again, they may be bought with some regularity, however, the costs are likely to vary quite widely depending on the type of entertainment being provided and by whom and the venue at, or medium by which it is delivered. Again, they are services likely to be bought by a variety of methods and with a reasonable degree of care.

Comparison of the respective marks

24. The marks to be compared are as follows:

Earlier mark	Applicant's mark
BILBO	HENRY SPURWAY'S BILBO BAGGINS

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 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 then go on and compare the respective trade marks from the visual, aural and conceptual perspectives.

25. Mr Engleman submitted that BILBO was not a common name but derived only from Tolkien's books and has an above average level of distinctive character. For his part, Mr Duncan submitted that it "would be ill conceived and wrong of me to try and

pretend that [the earlier mark] had not gained a level of distinctiveness through the films, through the merchandising and through the books”.

26. Mr Engleman also submitted that BILBO plays an independent role within the applicant’s mark and, as it contains HENRY SPURWAY’S in a possessive form, those words place an emphasis on what follows those words. He submitted that whilst BILBO may not be a dominant element within the applied for mark, it did have an independent distinctive role within it. He referred me to the case of *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, where the court stated:

“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.”

27. The earlier mark consists of the word BILBO. As a single word, no part of which is highlighted in any way, it has no dominant or distinctive components: the distinctiveness of the mark rests in its whole.

28. The applicant’s mark is made up of four words but the use of the apostrophe and genitive letter ‘s’ serves to separate the words HENRY SPURWAY’S from the alliterative words BILBO and BAGGINS.

29. To the extent that the word BILBO appears in each mark, there is a degree of visual and aural similarity between them. There are also visual and aural differences, given the presence of the other words within the applicant’s mark which are absent from the earlier mark. The respective marks are visually and aurally similar to a fairly low degree.

30. There is no dispute that the word BILBO is the first name of a character in The Hobbit and the Lord of the Rings trilogy written by J.R.R. Tolkien or that it was a name created by him. Neither is there any dispute that the character’s full name is Bilbo Baggins.

31. The applicant submits that the mark applied for is intended to be used in connection with the revival or relaunch of a band from the 1970s who were called Bilbo Baggins (also known as Bilbo) and that the average consumer, on seeing the mark, will bring the band to mind. I disagree. In the first instance, the application includes the words HENRY SPURWAY’S, which is likely to be considered the name of a person but there is no evidence that the relevant public will have any knowledge of an actual person with this name or have any reason to connect him to a band that existed some 40 years ago. The fact that this name appears in its possessive form puts a degree of emphasis on the words which follow. Whilst there is no dispute that the band existed, the evidence shows this band to have been relatively short-lived (late 1972 to 1979) and that it underwent a number of personnel and fundamental style changes during its existence. The band is said to have released nine singles in the UK with the most successful being released in 1978 and reaching the “top 50” in the UK charts. The band broke up in 1979 with debts of some £100k. The evidence does not show the band was successful or well known. In contrast, Mr Bendich’s unchallenged evidence is that The Hobbit was first published in the UK in 1937 with the Lord of the Rings novels being published in the UK in 1954 (Lord of the Rings: Fellowship of the Rings and Lord of the Rings: The Two Towers) and 1955 (Lord of the Rings: Return of the King). Since publication, over 100m copies of the Hobbit and over 150m copies of the Lord of the Rings books are said to have been sold worldwide. Amongst other accolades, the books have appeared in the 1996

Waterstone's/Channel 4 list of the Greatest Book of the 20th Century (Lord of the Rings at #1, The Hobbit at #19) and the 2003 BBC's Big Read list (Lord of the Rings at #1, The Hobbit at #25). In addition, feature films have been made based on the books. Lord of the Rings: The Fellowship of the Ring was released in December 2001 and grossed £63m in the UK. It was the UK's top selling film on DVD and VHS in 2002 and 5th top selling film in 2003. Lord of the Rings: The Two Towers was released in December 2002. It grossed £57.6m in the UK (the top grossing film of that year). It was the top selling DVD of 2003. Lord of the Rings: The Return of the King was released in December 2003. It grossed £61.1m in the UK, the highest grossing film of that year and became the most popular DVD film in 2004. All of these details come from the UK Film Council's yearbooks, relevant extracts of which are exhibited to Mr Bendich's witness statement. The 2011 yearbook, extracts from which are also exhibited, shows that the films remain, respectively, the 6th, 8th and 7th highest grossing films at the UK box office. Films based on The Hobbit, as prequels were in production/planned at the relevant date in these proceedings. These figures, and the fact that there is no evidence before me that the word has any other meaning, support my view that many will, on seeing the mark BILBO, bring the Tolkien character to mind.

32. In relation to the mark of the application, the presence of the word BILBO, particularly in view of the fact that it is followed by the word BAGGINS, leads me to consider that the Tolkien character will also be brought to mind. Taking the marks as wholes, there is a fairly high degree of conceptual similarity between them.

The distinctive character of the earlier mark

33. I must also assess the distinctive character of the earlier mark. The distinctive character of a trade mark must be appraised first, by reference to the goods and services in respect of which it has been registered and, second, 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.

34. Mr Duncan accepted that the mark has gained a level of distinctiveness through its use in relation to books, merchandising and films. Not all of these are goods or services relied on by the opponent under this ground of opposition. Whilst the opponent has filed a large volume of evidence, that evidence does not show the earlier mark to have been used in relation to many of the goods and services relied on under this ground of opposition. There can be little doubt that given the box office takings, very many people will have seen the films in the UK and be familiar with the Bilbo (Baggins) character but the evidence does not show that those films were promoted under the BILBO mark. I do not find that the distinctive character of the mark will have been enhanced to any material degree. That said, I consider the mark to have a high degree of inherent distinctive character.

Likelihood of confusion

35. 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 goods and services and vice versa. It is also necessary for me consider the distinctive character of the opponent's trade mark, as the more distinctive this trade mark is, 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 the fact 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.

36. Earlier in this decision I found:

- that the respective marks have a fairly low degree of visual and aural similarity;
- that the respective marks have a reasonably high degree of conceptual similarity;
- that the respective goods and services are identical;
- that the earlier mark has a reasonably high level of inherent distinctive character which has not been shown to have been enhanced to any material degree through its use.

37. I have to consider both direct and indirect confusion. In relation to the former, where one mark is mistaken for the other, the differences between the respective marks lead me to conclude that this is unlikely. In relation to the latter, where one mark is likely to lead the average consumer to consider that the goods and services come from economically linked undertakings, the similarities between the marks highlighted above and in relation to identical goods and services, lead me to consider that there is such a likelihood. The opposition based on section 5(2)(b) of the Act succeeds.

38. In view of my findings, I decline to consider the grounds of opposition founded on sections 5(3) and 5(4) of the Act as the opponent can be in no better position in respect of them.

Summary

39. The opposition succeeds under grounds founded on section 5(2)(b) of the Act.

Costs

40. The opponent, having succeeded, is entitled to an award of costs in its favour. Both parties filed evidence and submissions and a hearing also took place. Taking relevant matters into account, I arrive at the following award:

Preparing a statement and considering the other side's statement:	£200
Fee for filing opposition:	£200
Preparing and reviewing evidence:	£800
Written submissions and attendance at hearing:	£300
Total:	£1500

41. I also factor in that a case management conference ("CMC") took place during the course of these proceedings. At the CMC, I granted the opponent an extension of time and admitted evidence filed under cover of a letter dated 21 December 2012 into the proceedings. I refused the opponent leave to prepare and file survey evidence and further refused an extension of time for the opponent to consider whether it wished to file any further evidence. In relation to the CMC, I award the applicant the sum of £300 which I will offset against the amount awarded to the opponent.

42. Taking the above into account, I order Success Story Management Limited to pay The Saul Zaentz Company the sum of £1200. 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 29th day of May 2013

**Ann Corbett
For the Registrar
The Comptroller-General**