

O-266-13

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NOS 2493776 & 2588985
BY TAJESH TALWAR TO REGISTER THE TRADE MARK**

RARE

IN CLASSES 18, 25 & 35

AND

**BY FASHION FINDER (LE MONDE) LIMITED TO REGISTER THE TRADE
MARK**

RARE LONDON

IN CLASSES 3, 9, 14, 16, 18, 20, 21, 24, 25, 26, 35 & 43

**AND IN THE MATTER OF CONSOLIDATED OPPOSITIONS
THERE TO UNDER NOS 98947 & 102886
BY FLASH & PARTNERS S.P.A.**

BACKGROUND AND PLEADINGS

1) On 26 July 2008, Rajesh Talwar applied under the Trade Marks Act 1994 (“the Act”) for registration of the mark RARE in respect of the following goods:

Class 18

Bags; handbags; purses.

Class 25

Clothing, footwear and headgear.

Class 35

The bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase clothing, footwear, headgear, bags, handbags and purses from a retail outlet and by means of the Internet.

2) On 25 July 2011, Mr Talwar’s company, Fashion Finder (Le Monde) Limited (“Fashion Finder”) also applied for registration of the mark RARE LONDON in respect of the following goods and services:

Class 3

Perfumes, toilet water, perfumed water, colognes; essential oils; bath and shower preparations; toilet soaps; body deodorants; creams and gels for the face, the body and the hands; non-medicated toilet preparations; cosmetics; skin care preparations; sun care preparations; hair care preparations; shampoos; gels, sprays, mousses and balms for hair styling and haircare; dentifrices; anti-perspirants; shaving preparations; pre-shave and after-shave preparations; essential oils; shoe cleaning preparations.

Class 9

Spectacle frames, sunglasses frames, sunglasses; lenses, clips, cases and containers for spectacles and sunglasses; radios; calculators; holders and covers for mobile phones; accessories for mobile phones; holders, covers and skins for laptops; parts and accessories for all the aforesaid goods.

Class 14

Jewellery and imitation jewellery; articles made of precious metals or coated therewith; clocks and watches; watch straps and watch bracelets;

lapel pins; cufflinks; tie clips, tie pins, tie slides and tie bars; collar and shirt studs; scarf rings.

Class 16

Stationery; posters; cards, postcards, greetings cards; invitations; diaries; calendars; photograph albums; prints; gift bags, gift boxes, gift tags and gift wrap; notepads; writing instruments; stickers; transfers; personal organizers; address books; pen and pencil holders; desk mats; folders; bookmarks; bookends; picture holders.

Class 18

Articles made from leather or imitation leather; bags, luggage, travel bags, leisure bags, sports bags, holdalls, cases, rucksacks, handbags, toiletry and cosmetic bags, tie cases, briefcases; belts; wallets; card holders, cheque book holders; purses; walking sticks; umbrellas and parasols.

Class 20

Ornaments made of plastic, wood or plaster; non-metal key chains; sleeping bags; cushions; none of the aforesaid for bathrooms.

Class 21

Glassware; crockery; mugs; plates; tableware; decorative articles; cookware; household utensils and containers; brushes; combs; bowls, vases and plant pots; candlesticks and candleholders; hair brushes; brushes for footwear; clothes brushes; shoe horns; shoe trees; drinking glasses; jugs; coasters; serving trays; lunchboxes; none of the aforesaid for bathrooms.

Class 24

Bed linen; hand towels; bath towels; dish towels; duvet covers; pillowcases; table linen; table napkins; textile wall hangings; friezes and borders of textiles, for wall hanging; cushion covers; handkerchiefs.

Class 25

Clothing, footwear, headgear.

Class 26

Hair ornaments, hairbands, hairclips, hairpins; hat pins; badges; lapel pins; collar and shirt studs.

Class 35

Retail services connected with the sale of perfumes, toilet water, perfumed water, colognes, essential oils, bath and shower preparations, toilet soaps, body deodorants, creams and gels for the face, creams and gels for the body, non-medicated toilet preparations, cosmetics, skin care preparations, sun care preparations, hair care preparations, shampoos, hair gels, hair sprays, hair mousses and hair balms, dentifrices, anti-perspirants, shaving preparations, pre-shave and after-shave preparations, essential oils, shoe cleaning preparations, spectacle frames, sunglasses frames, sunglasses, lenses for spectacles and sunglasses, clips for spectacles and sunglasses, cases and containers for spectacles and sunglasses, radios, calculators, holders and covers for mobile phones, accessories for mobile phones, holders for laptops, covers for laptops, skins for laptops, jewellery and imitation jewellery, articles made of precious metals or coated therewith, clocks and watches, watch straps and watch bracelets, lapel pins, cufflinks, tie clips, tie pins, tie slides, tie bars, collar and shirt studs, scarf rings, stationery, posters, cards, postcards, greetings cards, invitations, diaries, calendars, photograph albums, prints, gift bags, gift boxes, gift tags, gift wrap, notepads, writing instruments, stickers, transfers, personal organizers, address books, pen and pencil holders, desk mats, folders, bookmarks, bookends, picture holders, articles made from leather or imitation leather, bags, luggage, travel bags, leisure bags, sports bags, holdalls, cases, rucksacks, handbags, toiletry and cosmetic bags, tie cases, briefcases, belts, wallets, card holders, cheque book holders, purses, walking sticks, umbrellas and parasols, furniture, ornaments made of plastic, ornaments made of wood, ornaments made of plaster, non-metal key chains, sleeping bags, cushions, drinking glasses, jugs, coasters, serving trays, candlesticks and candle holders, combs and brushes, lunchboxes, glassware, crockery, mugs, plates, tableware, decorative articles, cookware, household utensils and containers, brushes, combs, bowls, vases, plant pots, candlesticks, candleholders, soap boxes, hair brushes, brushes for footwear, clothes brushes, shoe horns, shoe trees, household containers, bed linen, hand towels, bath towels, dish towels, duvet covers, pillowcases, table linen, table napkins, textile wall hangings, friezes and borders of textiles for wall hanging, cushion covers, handkerchiefs, clothing, footwear, headgear, hair ornaments, hairbands, hairclips, hairpins, hat pins, badges, lapel pins, collar and shirt studs, parts and accessories for all the aforesaid goods; none of the aforesaid for bathrooms.

Class 43

Provision of food and drink.



3) Subsequent to the hearing in these proceedings, but before this decision was issued, an assignment was recorded in respect of application 2588985 RARE LONDON so that it is now also in the name of Mr Talwar. For convenience, I will refer to the applicant's marks and actions as being those of Mr Talwar even though I may be referring to circumstances when application 2588985 would have been in the name of Fashion Finders.





4) These two marks were subsequently published in the Trade Marks Journal on 9 January 2009 and 14 October 2011 respectively and on 9 April 2009 and 13 January 2012 respectively, Flash & Partners S.p.A. ("Flash") filed notice of partial opposition to both applications. The grounds of opposition are essentially the same and are, in summary:


- a) Mr Talwar's applications offend under Section 5(2)(b) of the Act because they are for marks that are similar to numerous earlier marks in the name of Flash and because *bags, handbags and purses* in Class 18, *footwear and headgear* in Class 25 and *the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase footwear, headgear, bags, handbags, and purses from a retail outlet and by means of the Internet* in Mr Talwar's 2493776 application are identical or similar to Flash's goods, and because all goods except *clothing* in Class 25 and *retail services connected with the sale of clothing* in Class 35 in application 2588985 are identical or similar to Flash's goods. Flash refrained from opposing Mr Talwar's/Fashion Finder's *clothing and retail services connected to the sale of clothing* because it believes that the co-existence agreement between the parties prohibits it from doing so;
- b) The applications also offend under Section 5(3) of the Act because Flash claims that its earlier marks have acquired a very significant reputation in the UK and that any use of Mr Talwar's marks in respect to the goods and services identified in a) above will result in unfair advantage of, and be detrimental to, Flash's reputation in its earlier marks.

5) The relevant details of Flash's earlier marks are:

| Mark and relevant dates | Goods and services relied upon | Goods relied upon where proof of use required | Proceedings where relied upon |
|--------------------------------------|---|---|-------------------------------|
| Community Trade Mark ("CTM") 4449252 | <i>Class 3: Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices.</i> | <i>Class 16: Paper, cardboard and goods made from these materials; printed matter; photographs; hang tags; books;</i> | Both oppositions |

| | | | |
|---|--|--|------------------------------|
|  <p>Filing date: 13 May 2005</p> <p>Registration date: 29 June 2006</p> | <p>Class 9: <i>Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; Apparatus and instruments for conducting, supplying, transferring, accumulating, regulating or controlling electric current; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus.</i></p> <p>Class 16: <i>Paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers' type; printing blocks.</i></p> <p>Class 18: <i>Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.</i></p> | <p><i>catalogues; line sheets.</i></p> <p>Class 18: <i>Leather and imitations of leather, and goods made of these materials; bags; belts.</i></p> | |
| <p>CTM 1844240</p>  <p>Filing date: 18 August 2000</p> <p>Registration date: 12 April 2002</p> | <p>Class 25: <i>Clothing; clothing of leather; footwear; headgear.</i></p> | <p>Clothing and accessories such as shoes, bags, hats, belts, costume jewellery, watches</p> | <p>Opposition 98947 only</p> |
| <p>CTM 3381878</p> | <p>Class 3: <i>Soaps, perfumery, essential oils, cosmetics, hair lotions.</i></p> | <p>Class 18: <i>Leather and imitation leather, and goods made of these</i></p> | <p>Both oppositions</p> |

| | | | |
|--|---|--------------------------------|-------------------------|
|  <p>Filing date: 1 October 2003</p> <p>Registration date: 5 October 2006</p> | <p>Class 9: Spectacles and sunglasses, parts and fittings therefor including frames, chains and cases; contact lenses.</p> <p>Class 18: Leather and imitation leather, and goods made of these materials, in particular bags, handbags, wallets and satchels.</p> | <p>materials; bags, belts.</p> | |
| <p>International Registration designating the EU ("IR(EU)") 917928</p>  <p>Date of international registration: 7 November 2005</p> <p>Date of protection in the EU: 7 November 2005</p> | <p>Class 9: Eyeglasses and sunglasses and parts and accessories thereof, like frames, cases and chains; contact lenses.</p> <p>Class 18: Leather and imitations of leather and goods made of these materials, namely bags, handbags, wallets and briefcases.</p> <p>Class 25: Clothing, footwear, headgear.</p> | | <p>Both oppositions</p> |
| <p>IR (EU) 887792</p>  <p>Date of international registration: 20 March 2006</p> <p>Date of protection in the EU: 20 March 2006</p> | <p>Class 16: Paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers' type; printing blocks</p> | | <p>Both oppositions</p> |
| <p>IR (EU) 964858</p>  <p>Date of international registration:</p> | <p>Class 14: Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, custom jewelry, precious stones and synthetic precious stones; horological and chronometric instruments.</p> | | <p>Both Oppositions</p> |

| | | | |
|--|---|--|-------------------------------|
| <p>19 March 2008</p> <p>Date of protection in the EU: 19 March 2008</p> | | | |
| <p>IR (EU) 1028279</p>  <p>Date of international registration: 21 October 2009</p> <p>Date of protection in the EU: 21 October 2009</p> | <p>Class 18: <i>Goods made of leather and imitation leather; bags, trunks, suitcases, travelling bags, garment bags for travel; rucksacks, portfolios, holdalls, handbags, shoulder bags, briefcases, attache cases, shopping bags and shopping bags with wheels attached; men's and ladies' wallets, leather folders, purses, key-cases, card holders, cases; luggage tags; beauty-cases, cosmetic cases and cosmetic bags sold empty; cases for manicure sets sold empty; umbrellas, parasols; walking sticks; clothing for domestic pets; horse blankets; collars and leashes for domestic pets; saddlery.</i></p> <p>Class 25: <i>Clothing articles, footwear and headgear.</i></p> <p>Class 35: <i>Services consisting of the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods, namely goods made of leather and imitation leather, bags, trunks, suitcases, travelling bags, garment bags for travel, rucksacks, portfolios, holdalls, handbags, shoulder bags, briefcases, attache cases, shopping bags and shopping bags with wheels attached, men's and ladies' wallets, leather folders, purses, key-cases, credit card holders, cases, luggage tags, beauty-cases, cosmetic cases and cosmetic bags sold empty, cases for manicure sets sold empty, umbrellas, parasols, walking sticks, clothing for domestic pets, horse blankets, collars and leashes for domestic pets, saddlery, clothing articles, footwear, headgear, from a retail outlet, by correspondence, by electronic means of communication including the Internet.</i></p> | | <p>Opposition 102886 only</p> |

6) Mr Talwar subsequently filed counterstatements denying most of Flash's claims and, where appropriate, putting Flash to proof of use. He admits that there is some identity/similarity with some of the respective goods and services. He also relies upon a co-existence agreement between the parties and claims that the terms of this agreement are such that the entire oppositions should be struck out for abuse of process because they have been brought in breach of the agreement by which Flash agreed not to object to the registration of Mr Talwar's

marks. Further, he also claims that the agreement specifically prevents Flash from relying upon its earlier CTMs 4449252 and 3381878.

7) Both sides filed evidence in these proceedings. Both sides ask for an award of costs. The matter came to be heard before me when Flash was represented by Mr Michael Hicks of Counsel, instructed by Forresters and Mr Talwar was represented by Mr Simon Malynicz of Counsel, instructed by Serjeants.

Opponent's Evidence

8) This takes the form of a witness statement by Mr Romeo Bertoncello, President of Flash. He explains that his company produces Spring/Summer and Autumn/Winter collections each year for each of its "RARE branded ranges". Its adult collections contain about 250 styles and its children's collections contain about 100. He states that Flash first adopted a "RARE" mark in the year 2000 and that various forms of its marks have been used over the years since then. The mark shown in CTM 1844240 has been used between the years 2000 and 2002. Between the Spring of 2002 and Winter 2006 the mark was used in the form shown in CTM 3381878 and thereafter in the form **RA[®]Я**.

9) Mr Bertoncello states that despite the mark being used in this latest form, it is still known, and referred to by third parties, as "RARE".

10) Mr Bertoncello provides wholesale figures (at Exhibit RB3) and "retail value" figures for the UK (based on a mark up of 2.6) for its "RARE" brand, as follows:

| Year | Wholesale (€) | Retail Value (€) |
|-------------------|----------------------|-------------------------|
| 2003 | 466,558 | 1,213,051 |
| 2004 | 1,130,944 | 2,940,455 |
| 2005 | 896,060 | 2,329,756 |
| 2006 | 733,928 | 1,908,213 |
| 2007 | 462,406 | 1,202,256 |
| 2008 | 307,438 | 799,339 |
| 2009 | 180,035 | 468,091 |
| 2010 (to October) | 173,310 | 450,606 |

The same exhibit also provides a summary sheet of wholesale figures from around the world. This includes the following sums: Austria, €130k to €465k per year between 2004 and 2010; France, €150k to €1.95 million between 2003 and 2010; Germany, €245k to €2.6 million between 2003 and 2010; Italy, €2.16 million to €15.38 million between 2003 and 2010.

11) Whilst Flash's clothing ranges continually change, Mr Bertoncello states that they encompass the full range of men's, women's and children's clothing. A range of accessories is also marketed under a stylised SO RARE mark.

Examples of various versions of its marks in use on garments and labels are shown at Exhibit RB2, including **RA@EЯ** (dated 2008) and the word and device mark shown in CTM 3381878 (dated 2004/5, 2006/7 and 2007/8). This exhibit is not wholly consistent with Mr Bertoncello's statement where he claims that the mark represented in CTM 3381878 was only used between 2002 and 2006. In addition the exhibit illustrates other variations of marks that are similar, but do not match the marks relied upon in these proceedings. There is no indication, in the exhibits, that these marks were used in the UK.

12) Mr Bertoncello explains that turnover in the UK declined after 2004 as a result of a previous dispute between the parties that was settled by way of agreement in 2005. He states that the agreement was specifically intended to be limited to "clothing" and that the oppositions are not directed towards such goods.

13) At Exhibit RB4, Mr Bertoncello provides invoices relating to RARE branded goods in various European territories. About 60 pages of invoices relate to the UK, the vast majority addressed to an undisclosed party or parties in London. Five were sent to addresses in the home counties. All are dated between January 2003 and February 2010. There are numerous references to the mark "RA.RE" and to jackets, shirts, t-shirts, trousers, caps, singlets and sweaters. Amounts vary widely between a few hundred and tens of thousands of Euros. Similarly, there are numerous invoices dated within the relevant period and addressed to businesses in France, Spain, Germany and the Netherlands. These consistently refer to various items of clothing under the headings "RA.RE" and "RA.RE THE KID". Accessories are listed in a number of invoices but under the heading "SO RARE".

14) In response to Mr Talwar's submission that the agreement is constructed so as to prevent Flash from relying upon its CTM 4449252 and 3381878, Mr Bertoncello states that it was agreed between the parties that the removal of Class 25 from the earlier marks was sufficient to comply with the requirements of the agreement. To support this, at Exhibit RB5 he provides a letter from Serjeants (Mr Talwar's representative) dated 22 November 2005, some 6 weeks after the date of the agreement. The relevant part of the letter reads:

"I have advised my client to accept the withdrawal of only Class 25 from the two Community trade mark applications as complying with paragraph 12 of the Settlement Agreement. Unless he should disagree, this would seem to conclude the matter (apart from the ongoing duties of each party) ..."

15) Mr Bertoncello explains that Flash's RARE branded goods are aimed at the top end of the market at consumers with a high level of disposable income and take the form of casual clothing typically classed as "contemporary sportswear" and "premium denim". In the UK, Flash's goods used to be sold through a

distributor, but it now has its own office and showroom and makes direct sales to over 100 UK outlets including *Harrods*.

16) Mr Bertoncetto states that the UK market represents only a very small part of Flash's overall business, being "only a fraction of one percent of [its] wholesale figures".

17) Marketing costs are provided, but it is not clear whether this relates to the UK or to Flash's broader business operations. At Exhibit RB6 is a list of trade shows attended worldwide and includes shows in Berlin, Barcelona and Amsterdam during the relevant period (five year period ending with the date of publication of Mr Talwar's marks – see paragraph 59 below). Whilst none of these are in the UK, Mr Bertoncetto states that these shows are attended "by all the major players from the fashion industry worldwide" and "including many from the UK". At Exhibit RB10, Mr Bertoncetto provides copies of poster, billboard and magazine advertising, from 2007, of its clothing and appears to relate to Italy. The mark shown is that represented by IR(EU)917928 and others

18) Mr Bertoncetto refers to an advertising campaign in Italy in 2006 where the "RARE brand received massive international publicity" as a result of its use of apparently gay people. Exhibit RB12 provides extracts of press coverage of the campaign. The two English language articles refer to financial amounts in dollars, suggesting that they do not originate from the UK or Europe.

19) At Exhibit RB13, Mr Bertoncetto provides invoices relating to advertising and marketing material. There is a large volume of these that all appear to relate to Italy and where the goods are shown, they are identified by the mark shown in IR(EU)917928. Many of the invoices are within the relevant date.

20) Mr Bertoncetto provides two items of correspondence from third parties attesting to the reputation of Flash's "RARE logo" at Exhibit RB18. One clearly originates from the USA. The other, dated 7 March 2011, was sent to Richard Ketley who, Mr Bertoncetto states, is manager of operations running Flash's UK office and showroom. The writer, Louis Darcy, offers his impression of "the RARE trademark" obtained from his 15 years working at *Cruise*, a company with stores in the UK that stock Flash's RARE branded clothing. He states that he introduced the RARE brand in *Cruise* stores in 2001 and that the brand is associated with top end fashion.

21) Mr Bertoncetto provides copious quantities of evidence relating to Flash's activities in Italy in particular. I have not summarised all of these but I note that they also illustrate use, in respect of clothing, of the mark represented by IR(EU)917928 during the relevant period.

Applicant's Evidence

22) This takes the form of a witness statement by Catherine Slater, a solicitor with Mr Talwar's representative, Serjeants. Ms Slater provides, at Exhibit CS1, a copy of the agreement made between the parties. The interpretation of this agreement is central to both parties' positions. In light of its importance to the outcome, I reproduce it in full in the annex to this decision.

Opponent's Evidence in reply

23) This takes the form of three witness statements. One is a further statement from Mr Bertoncello, the second is by Mr Nicola Tarantini, trade mark attorney with Racheli between 2003 and 2005, when he was in charge of Flash's trade mark registrations. The third and final statement is by Mr Gianni Pivato, a consultant to the fashion industry and in 2004/5 was Flash's Commercial Director for Europe and the world.

24) Mr Bertoncello provides background information regarding the dispute between the parties that led to the agreement. As part of the negotiations, Flash agreed to change the logo it used in the UK. As a result of this, Flash changed its logo for all markets, to that used in the UK.

25) At Exhibit NT1 to his witness statement, Mr Tarantini provides copies of correspondence sent between the parties at the time of the dispute. Mr Talwar's representatives categorise Mr Talwar's use of his mark as being "in respect of fashion clothing since 1993" and that, as a result of this use, it has "acquired a substantial reputation and goodwill ... for clothing". Whilst mention is made of a meeting in Leicester, held in the Summer of 2005, none of the letters indicate the detail of what was to be, or actually was discussed.

26) Despite these letters being silent on the issue, Mr Tarantini states that it was always clear to him that the issue between the parties related to clothing being sold by Flash on the UK market. He states that Mr Talwar made no complaint regarding any other goods. He recalls amending one of Flash's CTMs by removing clothing from its scope and this change was accepted by Mr Talwar's representatives. Flash also filed for further RARE CTMs for other goods which Mr Talwar did not object to.

27) In his witness statement, Mr Pivato states that he signed the co-existence agreement between the parties on behalf of Flash and states that his understanding was that the agreement was for Mr Talwar to sell clothing in the UK and nothing more.

DECISION

Co-existence agreement

28) Mr Malynicz, on behalf of Mr Talwar, argued that the agreement should be interpreted that:

- Flash undertook not to prevent registration (by Mr Talwar or any person with his consent such as Fashion Finder) of any RARE mark (Clause 13(b));
- Flash undertook to withdraw (the then) applications CTM 444952 and 3381878 (Clause 12) and, consequently, is debarred from relying upon them in these proceedings.

29) On the other hand, Mr Hicks argued, on behalf of Flash, that the scope of the agreement should be interpreted, taking account of all the surrounding facts, as:

- being in the context of clothing only;
- Mr Talwar must seek a remedy through the courts if it is his view that Flash has not complied with the requirement of the agreement when not withdrawing (the then) applications CTM 444952 and 3381878 (Clause 12);
- in any event, Mr Talwar waived his right to rely on Clause 12, as illustrated by the letter from his representatives, dated 22 November 2005, and provided at Exhibit RB5. In this letter, it is stated that it was to be recommended to Mr Talwar that he accept an offer to remove only Class 25 from Flash's two CTMs as a way of Flash complying with the requirements of Clause 12(b) of the agreement.

30) In considering the merits of the arguments put forward on behalf of the parties, I am mindful of the guidance in *Investors Compensation Scheme Ltd v West Bromwich Building Society* [1998] 1 WLR 896, where Lord Hoffman stated:

“My Lords, I will say at once that I prefer the approach of the learned judge. But I think I should preface my explanation of my reasons with some general remarks about the principles by which contractual documents are nowadays construed. I do not think that the fundamental change which has overtaken this branch of the law, particularly as a result of the speeches of Lord Wilberforce in *Prenn v. Simmonds* [1971] 1 W.L.R. 1381, 1384-1386 and *Reardon Smith Line Ltd. v. Yngvar Hansen-Tangen* [1976] 1 W.L.R. 989, is always sufficiently appreciated. The result has been, subject to one important exception, to assimilate the way in which such documents are interpreted by judges to the common sense

principles by which any serious utterance would be interpreted in ordinary life. Almost all the old intellectual baggage of "legal" interpretation has been discarded. The principles may be summarised as follows:

(1) Interpretation is the ascertainment of the meaning which the document would convey to a reasonable person having all the background knowledge which would reasonably have been available to the parties in the situation in which they were at the time of the contract.

(2) The background was famously referred to by Lord Wilberforce as the "matrix of fact," but this phrase is, if anything, an understated description of what the background may include. Subject to the requirement that it should have been reasonably available to the parties and to the exception to be mentioned next, it includes absolutely anything which would have affected the way in which the language of the document would have been understood by a reasonable man.

(3) The law excludes from the admissible background the previous negotiations of the parties and their declarations of subjective intent. They are admissible only in an action for rectification. The law makes this distinction for reasons of practical policy and, in this respect only, legal interpretation differs from the way we would interpret utterances in ordinary life. The boundaries of this exception are in some respects unclear. But this is not the occasion on which to explore them.

(4) The meaning which a document (or any other utterance) would convey to a reasonable man is not the same thing as the meaning of its words. The meaning of words is a matter of dictionaries and grammars; the meaning of the document is what the parties using those words against the relevant background would reasonably have been understood to mean. The background may not merely enable the reasonable man to choose between the possible meanings of words which are ambiguous but even (as occasionally happens in ordinary life) to conclude that the parties must, for whatever reason, have used the wrong words or syntax. (see *Mannai Investments Co. Ltd. v. Eagle Star Life Assurance Co. Ltd.* [1997] 2 W.L.R. 945)

(5) The "rule" that words should be given their "natural and ordinary meaning" reflects the common sense proposition that we do not easily accept that people have made linguistic mistakes, particularly in formal documents. On the other hand, if one would nevertheless conclude from the background that something must have gone

wrong with the language, the law does not require judges to attribute to the parties an intention which they plainly could not have had. Lord Diplock made this point more vigorously when he said in *The Antaios Compania Neviera S.A. v. Salen Rederierna A.B.* 19851 A.C. 191, 201:

" . . . if detailed semantic and syntactical analysis of words in a commercial contract is going to lead to a conclusion that flouts business commonsense, it must be made to yield to business commonsense."

31) In *Bank of Credit and Commerce International SA (in liquidation) v Ali* [2001] UKHL/8, [2001] 1 All ER 961 Lord Bingham of Cornhill stated (at paragraph 8):

"In construing this provision, as any other contractual provision, the object of the court is to give effect to what the parties intended. To ascertain the intention of the parties the court reads the terms of the contract as a whole, giving the words used their natural and ordinary meaning in the context of the agreement, the parties' relationship and all the relevant facts surrounding the transaction so far as known to the parties. To ascertain the parties' intentions the court does not of course inquire into the parties' subjective states of mind but makes an objective judgment based on the materials supplied."

Lord Hoffmann stated (at paragraph 37):

"What would a reasonable person have understood the parties to mean by using the language of the document against all the background which would reasonably have been available to them at the time?"

32) In *Roche Products Limited, Roche Diagnostics GmbH v Kent Pharmaceuticals Limited* [2006] EWCA Civ 1775 Neuberger LJ stated

"At least in English law, it is well established that, in the context of commercial contracts, although an expression will normally be given its ordinary English meaning, it has to be construed in its verbal and commercial context. Further, where it is demonstrated by satisfactory evidence that an expression is understood to have a special meaning by virtue of what has been called the "custom of the trade", then effect will be given to the custom of the trade, unless it is inconsistent with the express terms of the contract - see for instance *Smith Hogg Co. -v- Louis Bamberger & Sons* [1929] 1 KB 150 and the cases cited therein. In *Yangtze Insurance Association -v- Indemnity Mutual Marine Assurance Co* [1908] 2 KB 504 at 509, Farwell LJ said this:

"The general rule of construction is that words used in documents must receive their primary signification, unless the context of the instrument read as a whole, or surrounding contemporaneous circumstances, show that the secondary meaning expresses the real intention of the parties, or unless the words are used in connection with some place, trade or the like, in which they have acquired the secondary meaning as their customary meaning *quoad hoc*".

28. Thus, when interpreting a contract, an English court is prepared to recognise that a particular expression, which may have a different or more limited meaning to an ordinary speaker of English, can nonetheless come to have a different or wider meaning in a particular trade. By parallel reasoning, it seems to me that the court should, in principle, be prepared to recognise that a mark may have a different or wider meaning, in a particular trade, from that which would be derived from the reason (whether in law or otherwise) for the affixing of the mark. Despite the strict approach to the meaning of "consent" in the context of Article 7, I doubt that what the ECJ said in the *Zino Davidoff* case would rule out the possibility of such an argument on the part of Kent succeeding, at least in principle, in the present case."

33) In *Anglo Continental Educational Group (GB) Limited v Capital Homes (Southern) Limited* [2009] EWCA Civ 218 at paragraph 13, Arden LJ stated:

"The court will also prefer an interpretation which produces a result which the parties are likely to have agreed over an improbable result."

34) There is little dispute between the parties regarding this body of case law, however, the parties dispute how the guidance should be applied in the current proceedings. Specifically, I must consider the following issues:

- i) What is the scope of the agreement? Should it all be considered only in the context of *clothing*?
- ii) Does Clause 12(b) prohibit Flash from relying upon its CTM 3381878 and CTM 4449252 when bringing these oppositions?
- iii) Does the wording of Clause 13 of the agreement amount to consent (within the meaning of Section 5(5) of the Act) to Mr Talwar registering further RARE marks?

What is the scope of the agreement? Should it all be considered only in the context of clothing?

35) A statement by Foresters, on behalf of Flash, in a letter dated 6 February 2012, claimed that the contested agreement should be rectified. However, at the hearing, both Mr Hicks and Mr Malynicz were in agreement that the Registry has no power to do this. I concur and it is not necessary that I comment further on this point.

36) Mr Hicks submitted that Clause 7 is important because, despite it only being a “recital” and not an operative part of the agreement, it is of assistance in understanding the scope of the agreement. It states:

“The Parties wish to agree between them the rights to use and register the sign RARE and similar signs henceforth as trade marks for clothing.”

37) Mr Hicks put forward the argument that such wording has the effect of limiting the scope of the agreement to use and registration of the defined marks in respect of clothing and not in respect of any wider range of goods and services.

38) Mr Malynicz, on the other hand, submitted that a wider construction makes perfect sense when the factual matrix is taken into account. Further, Mr Malynicz argued that it is well established that recitals do not, in general, control the operative part of agreements. Mr Hicks countered by referring me to extracts from Sir Kim Lewison’s publication entitled *The Interpretation of Contracts* (Sweet & Maxwell), in particular, parts 10.10 to 10.13 where he noted the conclusion recognised in various authorities that even where the contract is not ambiguous, the recitals may govern, or qualify, the operative part of a contract provided there is some doubt about its true meaning.

39) Clearly there is some doubt regarding the true meaning of some parts of the current agreement because the parties interpret these parts differently. I must consider how a reasonable person (having all the background knowledge which would reasonably have been available to the parties in the situation in which they were at the time of the contract) would interpret the contract.

40) Essentially, Mr Malynicz’s position was that Clause 7 merely reflected the dispute before the parties at the time (and is applicable to clauses 8 to 10 only) and did not act as a constraint on clauses that were intended to shape the future relationship between the parties (and dealt with in Clauses 11, 12 and 13). Such an approach has some force and Mr Malynicz put forward an interpretation of the factual matrix that painted Mr Talwar as the party holding all the cards during the negotiations because he was the party with the earlier right and because Flash’s only use in the UK was infringing use. Consequently, he argued, Mr Talwar was in a position to obtain a very broad protection from the agreement with regard to his future interests and, further, it was in Flash’s interests to agree if it permitted them to retain a presence in the UK market. Finally, Mr Malynicz drew my attention to the witness statement of Mr Tarantini and the letters he provided at Exhibit NT1 and to the fact that there is no record that, at the one meeting

between the parties to discuss the details of the agreement, there was any discussion regarding the scope of the agreement being limited to clothing. This was despite Mr Tarantini stating that this was his own understanding of the scope of the agreement.

41) It is my view that Clause 7 does have some effect upon the agreement because it clearly states the wishes of the parties regarding the rights to use and register the identified marks *for clothing*. It effectively frames the agreement as one that regulates the use and registration of the marks in respect of clothing. It is important to note that in this context, “clothing” has its own natural meaning and is not constrained by trade mark classification practice. In order to fully insulate Mr Talwar’s clothing business from attack by Flash, it would be necessary to control Flash’s registrations in a way that goes beyond these core goods. This is because a) Flash would otherwise be able to rely upon goods other than clothing, but nonetheless still be in the same field of activity as clothing in order to attack Mr Talwar’s marks, and; b) Mr Talwar would wish to protect his future business interests that realistically may include goods and services in the same field of activity as clothing. Further, Clause 10 of the Agreement commits Flash to take steps to ensure that retailers in the UK do not use its marks for clothing and makes it clear that the scope of the agreement extends to the retailing of clothing as well as clothing as goods.

42) Mr Malynicz attempted to strengthen his clients’ case by drawing attention to the fact that in one of the letters shown at Mr Tarantini’s Exhibit NT1 made reference to Mr Talwar being prepared to sell his marks and business and a figure of £50,000 was mentioned in this context, but the agreement required Flash’s (then) UK distributor to pay only £700 “in full and final settlement of his [Mr Talwar’s] costs”. Mr Malynicz asked the question that if Mr Talwar was prepared to settle for such a small sum, when a significant sum had been on the table, what else was he getting out of the agreement? The sum of £50,000 related to a perceived value of Mr Talwar’s marks and business. As he ultimately chose not to sell these to Flash (or Flash ultimately chose not to buy it) is a totally different issue to that of costs incurred by Mr Talwar. To make a comparison between the two sums appears artificial and irrelevant.

43) Taking all of the above into account, and giving due account to the framework provided by clauses 7 and 10 of the Agreement, I find that the scope of the agreement should not be interpreted so narrowly that it only has affect on the term *clothing* in either party’s trade mark specifications. Rather, the clause should be interpreted as limiting the agreement to trade marks that have an effect upon a business whose field of activity is *clothing*. This is a broader and more realistic interpretation that still takes account of the impact of Clauses 7 and 10 whilst also considering the commercial reality at the time. Activity that will have an effect upon a clothing business will include use and registration of marks in respect of clothing and footwear, the retailing of the same as well as fashion

accessories such as handbags, purses, tie cases and belts, cufflinks, tie clips, tie pins, tie bars, scarf rings and collar and shirt studs and the retailing of the same.

Does Clause 12(b) prohibit Flash from relying upon its CTM 3381878 and CTM 4449252 when bringing these oppositions?

44) The relevant part of Clause 12 of the agreement reads:

12. Flash shall within seven days of the Agreement Date:

(a) [...].

(b) Withdraw its Community trade mark applications 003381878 and 004449252.

45) This wording appears to be very clear and unambiguous. However, it is important that I consider the clause in the context of the scope of agreement, as discussed in some detail above. Taking this into account, the only one realistic interpretation of this clause is that Flash was required to withdraw its two CTMs insofar as they cover fashion goods that would be considered to be in the same field of activity as clothing. My comments and conclusions in paragraph 43, above, apply here also. In doing this, I conclude that the clause should be interpreted as applying to only the following goods listed in these two CTMs: "...goods made of these materials [being leather and imitation leather, and could include handbags]", "bags" [as, once again this can include handbags] and "hand bags".

46) It is also necessary for me to comment upon a further submission from Mr Hicks that the letter, dated 22 November 2005, provided at Mr Bertoncello's Exhibit RB5 and where Mr Talwar's representative, Sarjeants, confirms that they would recommend to Mr Talwar that he accept Flash's offer to remove only Class 25 from its two CTMs, as complying with the requirements of Clause 12(b). Mr Hicks submitted that, as a result, Mr Talwar waived his right to enforce this clause. Mr Malynicz relied upon the comments of Arnold J in *Omega Engineering v Omega* [2010] FSR 26, paragraph 59 where he stated:

"It is also common ground that in construing the Agreement evidence of what the parties said or did after the date of the Agreement is inadmissible: see *James Miller & Partners Ltd v Whitworth Street Estates (Manchester) Ltd* [1970] AC 583."

47) He contended that as the correspondence was post-contractual, it cannot be taken into account. Secondly, he submits that it sheds light on restrictions to Flash's use of its mark and not to registration. I reject the second submission. The letter responds to an offer to remove Class 25 from the (then) applications.

This is a direct offer to limit the scope of its trade mark registrations and not to the scope of use of its mark.

48) The first submission requires further analysis. There is no claim on behalf of Flash that the letter exhibited had the effect of amending the agreement and I do not think that it does. The agreement continues to exist in its original form and, as I have already observed, categorically requires the withdrawal of Flash's two CTMs. In the context of this, the purported acquiescence of Mr Talwar must be interpreted as doing no more than tolerating non-compliance to the agreement. The current proceedings have brought an end to Mr Talwar's tolerance. I say "*purported acquiescence*" because the exhibited letter also falls short of indicating Mr Talwar's acquiescence, but rather it merely records that his representative intended to recommend to him that he accepts Flash's offer to remove only Class 25 from the CTMs but there is no evidence that he actually did this. At best, I can conclude that he remained silent on the issue. For these reasons, I find that the content of this letter does not change the requirement, in the agreement, that Flash withdraw its CTMs.

Does the wording of Clause 13 of the agreement amount to consent (within the meaning of Section 5(5) of the Act) to Mr Talwar registering further RARE marks?

49) Clause 13 of the agreement reads:

13. Flash and M & L Harris and Mr Harris each undertake that they will not, whether acting directly or through an agent or through any other business that is under their control, object to:

(a) [...]

(b) The registration as a Trade Mark of any Reserved Sign

by Mr Talwar or his licensees or successors in title or by any person with his consent.

50) It was submitted by Mr Hicks that this is a "not to object" clause as distinct from a "consent" clause and consequently not covered by Section 5(5) of the Act. Secondly, he argued that even if it is interpreted as "consent", then taking account of the scope of the agreement, in that it is limited to clothing, then any consent is similarly limited. Mr Malynicz countered the first point by reference to the following comments made by Arnold J's in *Omega*:

"60. It is also common ground that by clause 5 of the Agreement Swiss agreed not to object to (and hence consented to) the use or registration in the United Kingdom by Engineering of *inter alia* the Trade Mark in respect of "the excluded goods". [...]"

51) Mr Hicks criticised Mr Malynicz's reliance upon this by claiming that the issue was not in dispute in the *Omega* case and, therefore, there was no need to interpret the clause. This may be true, however Arnold J chose to comment (without criticism) that agreement not to object is the same as consent. It is my view that to construct a clause in this way amounts to implied consent. The effect is exactly the same in that a party is permitted to register its mark without objection from the party providing consent.

52) Having found that Clause 13 should be interpreted as consent, it is necessary for me to consider the scope of that consent. Mr Malynicz countered Mr Hicks' submission that it is only consent in respect of clothing by pointing out that the no such restriction is present in the clause itself and that when considering the scope of the agreement, there is no limitation to clothing. I have already concluded, at paragraph 42 above, that the scope of the agreement should be interpreted as being the *field of activity related to clothing* and not just *clothing* itself. It is my view that, when considered in the commercial context of the agreement and by a "reasonable man having all the background knowledge", the scope of consent would be such as to apply in the same way as to protect Mr Talwar's clothing business. In this respect, interpreting the clause in a way that he is only permitted to register marks in respect of clothing is an interpretation that is too narrow to reflect the commercial context. It is wholly likely that Mr Talwar would wish to obtain protection for other goods and services that may also be part of his clothing business or likely to become part of it in the future. Consequently, accepting that Clause 13 is limited by the commercial context of the agreement, I find that it should be interpreted as providing consent to Mr Talwar in respect of the same list of goods and services as I have listed in paragraph 42.

Summary – interpretation of the agreement between the parties

53) Taking account of all my findings regarding the interpretation of the agreement between the parties, the scope of Flash's oppositions to Mr Talwar's applications are affected by the agreement in the following ways:

- (i) Flash can rely upon its CTM 3381878 and CTM 4449252, but not in respect to "...goods made of these materials", "bags" or "hand bags";
- (ii) Flash is deemed as consenting to Mr Talwar registering marks in respect to clothing and footwear, the retailing of the same as well as fashion accessories such as handbags, tie cases and belts, cufflinks, tie clips, tie pins, tie bars, scarf rings and collar and shirt studs and the retailing of the same and, consequently, it is debarred from opposing applications insofar as they relate to these goods and services in classes 14, 18, 25, 26 and 35;

- (iii) Flash is entitled to bring opposition proceedings against all other goods and services and can rely upon its earlier marks (subject to meeting other requirements such as proof of use) other than CTM 3781878 and CTM 4449252.

54) As a consequence of my findings regarding the scope of the agreement between the parties, Mr Talwar's application 2493776 RARE is totally insulated from attack by Flash as all the goods and services covered by the application are covered by the scope of the agreement. Therefore, the opposition fails in its entirety in respect of this application and I will not comment further on this application.

55) However, the application 2588985 is only partially insulated from opposition by the scope of the agreement. The agreement prevents Flash from opposing the following list of goods and services listed in the specification of this application:

Class 14

...; articles made of precious metals or coated therewith [because these can include fashion accessories]; ... cufflinks; tie clips, tie pins, tie slides and tie bars; collar and shirt studs; scarf rings; lapel pins.

Class 18

Articles made from leather or imitation leather [because these can include fashion accessories]; bags, ..., handbags, purses ... tie cases, ...; belts; ...; purses; ...

Class 25

Clothing, footwear, headgear.

Class 26

... collar and shirt studs; hat pins; label pins.

Class 35

Retail services connected with the sale of ..., articles made of precious metals or coated therewith, articles made of precious metals or coated therewith [because these can include fashion accessories] ..., cufflinks, tie clips, tie pins, tie slides, tie bars, collar and shirt studs, scarf rings, lapel pins ..., articles made from leather or imitation leather [because these can include fashion accessories], bags, ..., handbags, ..., tie cases, ..., belts,

..., purses, ..., clothing, footwear, headgear, ..., collar and shirt studs, hat pins, lapel pins; parts and accessories for all the aforesaid goods; none of the aforesaid for bathrooms.

56) My remaining considerations are, therefore, limited to application 2588985 RARE LONDON insofar as it relates to the following list of goods and services:

Class 3

Perfumes, toilet water, perfumed water, colognes; essential oils; bath and shower preparations; toilet soaps; body deodorants; creams and gels for the face, the body and the hands; non-medicated toilet preparations; cosmetics; skin care preparations; sun care preparations; hair care preparations; shampoos; gels, sprays, mousses and balms for hair styling and haircare; dentifrices; anti-perspirants; shaving preparations; pre-shave and after-shave preparations; essential oils; shoe cleaning preparations.

Class 9

Spectacle frames, sunglasses frames, sunglasses; lenses, clips, cases and containers for spectacles and sunglasses; radios; calculators; holders and covers for mobile phones; accessories for mobile phones; holders, covers and skins for laptops; parts and accessories for all the aforesaid goods.

Class 14

Jewellery and imitation jewellery; articles made of precious metals or coated therewith [other than cufflinks; tie clips, tie pins, tie slides and tie bars; collar and shirt studs; scarf rings]; clocks and watches; watch straps and watch bracelets.

Class 16

Stationery; posters; cards, postcards, greetings cards; invitations; diaries; calendars; photograph albums; prints; gift bags, gift boxes, gift tags and gift wrap; notepads; writing instruments; stickers; transfers; personal organizers; address books; pen and pencil holders; desk mats; folders; bookmarks; bookends; picture holders.

Class 18

Articles made from leather or imitation leather [except bags, handbags, tie cases, belts], luggage, travel bags, leisure bags, sports bags, holdalls, cases, rucksacks, ..., toiletry and cosmetic bags, ..., briefcases;...; wallets; card holders, cheque book holders; ...; walking sticks; umbrellas and parasols.

Class 20

Ornaments made of plastic, wood or plaster; non-metal key chains; sleeping bags; cushions; none of the aforesaid for bathrooms.

Class 21

Glassware; crockery; mugs; plates; tableware; decorative articles; cookware; household utensils and containers; brushes; combs; bowls, vases and plant pots; candlesticks and candleholders; hair brushes; brushes for footwear; clothes brushes; shoe horns; shoe trees; drinking glasses; jugs; coasters; serving trays; lunchboxes; none of the aforesaid for bathrooms.

Class 24

Bed linen; hand towels; bath towels; dish towels; duvet covers; pillowcases; table linen; table napkins; textile wall hangings; friezes and borders of textiles, for wall hanging; cushion covers; handkerchiefs.

Class 26

Hair ornaments, hairbands, hairclips, hairpins; badges; ...

Class 35

Retail services connected with the sale of perfumes, toilet water, perfumed water, colognes, essential oils, bath and shower preparations, toilet soaps, body deodorants, creams and gels for the face, creams and gels for the body, non-medicated toilet preparations, cosmetics, skin care preparations, sun care preparations, hair care preparations, shampoos, hair gels, hair sprays, hair mousses and hair balms, dentifrices, anti-perspirants, shaving preparations, pre-shave and after-shave preparations, essential oils, shoe cleaning preparations, spectacle frames, sunglasses frames, sunglasses, lenses for spectacles and sunglasses, clips for spectacles and sunglasses, cases and containers for spectacles and sunglasses, radios, calculators, holders and covers for mobile phones, accessories for mobile phones, holders for laptops, covers for laptops, skins for laptops, jewellery and imitation jewellery, articles made of precious metals or coated therewith [except fashion accessories], clocks and watches, watch straps and watch bracelets, ..., stationery, posters, cards, postcards, greetings cards, invitations, diaries, calendars, photograph albums, prints, gift bags, gift boxes, gift tags, gift wrap, notepads, writing instruments, stickers, transfers, personal organizers, address books, pen and pencil holders, desk mats, folders, bookmarks, bookends, picture holders, articles made from leather or imitation leather [except fashion accessories], ..., luggage, travel bags, leisure bags, sports

bags, holdalls, cases, rucksacks, ..., toiletry and cosmetic bags, ..., briefcases, ..., wallets, card holders, cheque book holders, ..., walking sticks, umbrellas and parasols, furniture, ornaments made of plastic, ornaments made of wood, ornaments made of plaster, non-metal key chains, sleeping bags, cushions, drinking glasses, jugs, coasters, serving trays, candlesticks and candle holders, combs and brushes, lunchboxes, glassware, crockery, mugs, plates, tableware, decorative articles, cookware, household utensils and containers, brushes, combs, bowls, vases, plant pots, candlesticks, candleholders, soap boxes, hair brushes, brushes for footwear, clothes brushes, shoe horns, shoe trees, household containers, bed linen, hand towels, bath towels, dish towels, duvet covers, pillowcases, table linen, table napkins, textile wall hangings, friezes and borders of textiles for wall hanging, cushion covers, handkerchiefs, ..., hair ornaments, hairbands, hairclips, hairpins, badges, ..., parts and accessories for all the aforesaid goods; none of the aforesaid for bathrooms.

Class 43

Provision of food and drink.

Proof of use

57) The Trade Marks (Proof of Use, etc) Regulations 2004 apply in respect to some aspects of this case. The provision reads as follows:

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

(1) This section applies where –

- (a) an application for registration of a trade mark has been published,
- (b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1),(2) or (3) obtain, and
- (c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

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

(3) The use conditions are met if –

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

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

(4) For these purposes –

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

...

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

58) Consideration has to be taken, also, of section 100 of the Act which states:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

Consequent upon section 100 the onus is upon the registered proprietor to prove that it has made use of the trade mark in suit, or that there are proper reasons for non-use.

59) Mr Talwar’s 2588985 RARE LONDON mark was published on 14 October 2011. The five year period when Flash is required to demonstrate use is between 15 October 2006 and 14 October 2011. All of Flash’s earlier marks, except IR(EU) 964858 and IR(EU) 1028279, were registered more than five years prior to the date of publication of the contested mark. Flash’s earlier CTM 1844240 is in respect of the following mark:



60) In his first witness statement, Mr Bertoncello stated that this mark was only used between the years 2000 and 2002. Consequently, there can be no use during the relevant five year period.

61) Of Flash's remaining marks, CTM 4449252, CTM 3381878, IR(EU) 917928 and IR(EU) 887792. Are all subject to the proof of use requirements because their date of registration (or, in the case of the IR(EU)s, the date of protection in the EU) predates by more than five years, the date of publication of Mr Talwar's application.

62) The Class 18 specifications of both CTM 4449252 and IR(EU) 917928, insofar as they are relevant to this case, are covered by the Class 18 specification of IR(EU) 1028279 that is not subject to proof of use. The remaining specifications of the four earlier marks identified in the above paragraph are in respect of classes 3, 9, 16 and 25. Whilst technically, Flash may be able to rely upon the Class 25 specification, in reality, my findings regarding the interpretation of the agreement between the parties will present a barrier to any potential success based upon this specification. Therefore, I will confine my considerations of proof of use to the goods listed variously in Flash's Class 3, 9 and 16 specifications of its earlier marks.

63) No use has been shown in respect of any of Flash's earlier marks in respect of goods in Class 3, Class 9 or Class 16. Mr Bertoncello states that accessories to Flash's clothing ranges are sold under a stylized SO RARE mark and this is supported by some of the invoices exhibited. There is no mention or evidence of any of its earlier marks being used in respect of any of the goods covered in the Class 3, Class 9 or Class 16. Consequently, I am unable to conclude that Flash has demonstrated any use in respect of any of its **RA[®]RE** marks in respect of the goods claimed in Class 9 and Class 16 or of its mark **RA[®]RE** that is relied upon as acceptable variant use of its mark.

64) In respect of CTM 3381878, Mr Bertoncello states that this mark was used from the Spring/Summer collection of 2002 to the Fall/Winter collection of 2005/2006. He further states that collections are presented almost one year earlier. Consequently, it is not clear to me that there has been any use of this mark within the relevant period, beginning 15 October 2006.

65) In respect of Class 18 goods, Flash's earlier mark IR(EU) 1028279 **RA[®]ER**, includes these goods and is not subject to the proof of use provisions. Consequently, it is not necessary that I consider proof of use in respect of Flash's CTM 4449252 or IR(EU) 917928 as they cannot improve upon its position based upon IR(EU) 1028279.

66) Similarly, in respect of Class 16 goods, there is no use shown. Consequently, I must conclude that regarding Flash's earlier mark IR(EU) 887792 no use has been demonstrated in the relevant period.

67) In summary, Flash has either not demonstrated genuine use in respect of the marks that it is required to do so, or where it has, it places it in no better position than when it relies solely on its earlier marks not subject to the proof of use provisions. As a consequence, Flash's best case lies with its earlier marks that are not subject to the proof of use provisions, namely IR(EU) 964858 in respect of the following of its Class 14 goods:

Class 14: *Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, custom jewellery, precious stones and synthetic precious stones; horological and chronometric instruments.*

and IR(EU) 1028279 in respect of the following of its Class 18 and 25 goods and Class 35 services:

Class 18: *Goods made of leather and imitation leather; bags, trunks, suitcases, travelling bags, garment bags for travel; rucksacks, portfolios, holdalls, handbags, shoulder bags, briefcases, attache cases, shopping bags and shopping bags with wheels attached; men's and ladies' wallets, leather folders, purses, key-cases, card holders, cases; luggage tags; beauty-cases, cosmetic cases and cosmetic bags sold empty; cases for manicure sets sold empty; umbrellas, parasols; walking sticks; clothing for domestic pets; horse blankets; collars and leashes for domestic pets; saddlery.*

Class 25: *Clothing articles, footwear and headgear.*

Class 35: *Services consisting of the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods, namely goods made of leather and imitation leather, bags, trunks, suitcases, travelling bags, garment bags for travel, rucksacks, portfolios, holdalls, handbags, shoulder bags, briefcases, attache cases, shopping bags and shopping bags with wheels attached, men's and ladies' wallets, leather folders, purses, key-cases, credit card holders, cases, luggage tags, beauty-cases, cosmetic cases and cosmetic bags sold empty, cases for manicure sets sold empty, umbrellas,*

parasols, walking sticks, clothing for domestic pets, horse blankets, collars and leashes for domestic pets, saddlery, clothing articles, footwear, headgear, from a retail outlet, by correspondence, by electronic means of communication including the Internet.

Section 5(2)(b)

68) Section 5(2)(b) reads:

“(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.”

69) In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law provided by the Court of Justice of the European Union (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] FSR. 77, *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] ETMR 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. It is clear from these cases that:

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*,

(b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, 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; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*,

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*,

(d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by

the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*,

(e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

(f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it; *Sabel BV v Puma AG*,

(g) in determining whether similarity between the goods or services covered by two marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

(h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*,

(i) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v Adidas AG and Adidas Benelux BV*,

(j) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*.

(k) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*

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

Comparison of goods

70) In assessing the similarity of goods, it is necessary to apply the approach advocated by case law and all relevant factors relating to the respective goods and services should be taken into account in determining this issue. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the CJEU stated at paragraph 23:

‘In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, *inter alia*, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.’

71) Other factors may also be taken into account such as, for example, the distribution channels of the goods concerned (see, for example, *British Sugar Plc v James Robertson & Sons Limited (TREAT)* [1996] RPC 281).

72) For ease of reference, the respective goods and services being considered after taking account of my finding in respect to the interpretation of the agreement between the parties and my considerations in respect to genuine use, are reproduced below:

| Flash’s goods and services | Mr Talwar’s’s goods and services |
|--|---|
| <p>IR(EU) 964858</p> <p>Class 14: Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, custom jewellery, precious stones and synthetic precious stones; horological and chronometric instruments.</p> <p>IR(EU) 1028279</p> <p>Class 18: Goods made of leather and imitation leather; bags, trunks, suitcases, travelling bags, garment bags for travel; rucksacks, portfolios, holdalls, handbags, shoulder bags, briefcases, attache cases, shopping bags and shopping bags with wheels attached; men’s and ladies’ wallets, leather folders, purses, key-cases, card holders,</p> | <p>Class 3: Perfumes, toilet water, perfumed water, colognes; essential oils; bath and shower preparations; toilet soaps; body deodorants; creams and gels for the face, the body and the hands; non-medicated toilet preparations; cosmetics; skin care preparations; sun care preparations; hair care preparations; shampoos; gels, sprays, mousses and balms for hair styling and haircare; dentifrices; anti-perspirants; shaving preparations; pre-shave and after-shave preparations; essential oils; shoe cleaning preparations.</p> <p>Class 9: Spectacle frames, sunglasses frames, sunglasses; lenses, clips, cases and containers for spectacles and sunglasses; radios; calculators; holders and covers for mobile phones; accessories for mobile phones; holders, covers and skins for laptops; parts and accessories for all the aforesaid goods.</p> <p>Class 14: Jewellery and imitation jewellery; articles made of precious metals or coated therewith [other than cufflinks; tie clips, tie pins, tie slides and tie bars, collar and shirt studs; scarf rings, lapel pins]; clocks and watches; watch straps and watch bracelets;.</p> <p>Class 16: Stationery; posters; cards, postcards, greetings cards; invitations; diaries; calendars; photograph albums; prints; gift bags, gift boxes, gift tags and gift wrap; notepads; writing instruments; stickers; transfers; personal organizers; address books; pen and pencil holders; desk mats; folders; bookmarks; bookends; picture holders.</p> <p>Class 18: Articles made from leather or imitation leather [except bags, handbags, tie cases, belts, purses] luggage, travel bags, leisure bags, sports bags, holdalls, cases,</p> |

cases; luggage tags; beauty-cases, cosmetic cases and cosmetic bags sold empty; cases for manicure sets sold empty; umbrellas, parasols; walking sticks; clothing for domestic pets; horse blankets; collars and leashes for domestic pets; saddlery.

Class 25: *Clothing articles, footwear and headgear.*

Class 35: *Services consisting of the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods, namely goods made of leather and imitation leather, bags, trunks, suitcases, travelling bags, garment bags for travel, rucksacks, portfolios, holdalls, handbags, shoulder bags, briefcases, attache cases, shopping bags and shopping bags with wheels attached, men's and ladies' wallets, leather folders, purses, key-cases, credit card holders, cases, luggage tags, beauty-cases, cosmetic cases and cosmetic bags sold empty, cases for manicure sets sold empty, umbrellas, parasols, walking sticks, clothing for domestic pets, horse blankets, collars and leashes for domestic pets, saddlery, clothing articles, footwear, headgear, from a retail outlet, by correspondence, by electronic means of communication including the Internet.*

rucksacks, ..., toiletry and cosmetic bags, ..., briefcases;...; wallets; card holders, cheque book holders; ...; walking sticks; umbrellas and parasols.

Class 20: *Ornaments made of plastic, wood or plaster; non-metal key chains; sleeping bags; cushions; none of the aforesaid for bathrooms.*

Class 21: *Glassware; crockery; mugs; plates; tableware; decorative articles; cookware; household utensils and containers; brushes; combs; bowls, vases and plant pots; candlesticks and candleholders; hair brushes; brushes for footwear; clothes brushes; shoe horns; shoe trees; drinking glasses; jugs; coasters; serving trays; lunchboxes; none of the aforesaid for bathrooms.*

Class 24: *Bed linen; hand towels; bath towels; dish towels; duvet covers; pillowcases; table linen; table napkins; textile wall hangings; friezes and borders of textiles, for wall hanging; cushion covers; handkerchiefs.*

Class 26: *Hair ornaments, hairbands, hairclips, hairpins; badges; ...*

Class 35: *Retail services connected with the sale of perfumes, toilet water, perfumed water, colognes, essential oils, bath and shower preparations, toilet soaps, body deodorants, creams and gels for the face, creams and gels for the body, non-medicated toilet preparations, cosmetics, skin care preparations, sun care preparations, hair care preparations, shampoos, hair gels, hair sprays, hair mousses and hair balms, dentifrices, anti-perspirants, shaving preparations, pre-shave and after-shave preparations, essential oils, shoe cleaning preparations, spectacle frames, sunglasses frames, sunglasses, lenses for spectacles and sunglasses, clips for spectacles and sunglasses, cases and containers for spectacles and sunglasses, radios, calculators, holders and covers for mobile phones, accessories for mobile phones, holders for laptops, covers for laptops, skins for laptops, jewellery and imitation jewellery, articles made of precious metals or coated therewith [not covered by agreement], clocks and watches, watch straps and watch bracelets; ..., stationery, posters, cards, postcards, greetings cards, invitations, diaries, calendars, photograph albums, prints, gift bags, gift boxes, gift tags, gift wrap, notepads, writing instruments, stickers, transfers, personal organizers, address books, pen and pencil holders, desk mats, folders, bookmarks, bookends, picture holders, articles made from leather or imitation leather [not covered by agreement], ..., luggage, travel bags, leisure bags, sports bags, holdalls, cases, rucksacks, ..., toiletry and cosmetic bags, ..., briefcases, ..., wallets, card holders, cheque book holders, ..., walking sticks, umbrellas and parasols, furniture, ornaments made of plastic, ornaments made of wood, ornaments made of plaster, non-metal key chains, sleeping bags, cushions, drinking glasses, jugs, coasters, serving trays, candlesticks and candle holders, combs and brushes, lunchboxes, glassware, crockery, mugs, plates, tableware, decorative articles, cookware, household utensils and containers, brushes, combs, bowls, vases, plant pots, candlesticks, candleholders, soap boxes, hair brushes, brushes for footwear, clothes brushes, shoe horns, shoe trees, household containers, bed linen, hand towels, bath towels, dish towels, duvet covers, pillowcases, table linen, table napkins, textile wall hangings, friezes and borders of textiles for wall hanging, cushion covers, handkerchiefs, ..., hair ornaments, hairbands, hairclips, hairpins, badges, ..., parts and accessories for all the aforesaid goods; none of the aforesaid for bathrooms.*

73) Before considering the comparison of goods and services, there is one general observation to make. Whilst, technically, Flash is able to rely upon its goods listed in Class 25 and the retail of the same in Class 35, in reality, any goods or services that would be considered to be similar to a degree that would influence the outcome of the proceedings is likely to be goods or services that are immune from attack because of the scope of the agreement between the parties. Consequently, it is not necessary to consider Flash's case based upon its Class 25 goods or the retail of the same in Class 35.

Fashion Finders' Class 3, 9, 16, 20, 21, 24 and 26 goods and Class 43 services

74) It is not obvious to me that any of Flash's goods and services in classes 14, 18 or the remainder of its Class 35 services, share any similarity to Fashion Finder's Class 3, 9, 16, 20, 31, 24 and 26 goods and Class 43 services. All are different in respect to nature, intended purpose, method of use and distribution channels. Neither are they in competition or complementary, 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 the judgment of the GC in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-325/06*).

75) Consequently, I find that none of Flash's goods and services are similar to Fashion Finder's Class 3, 9, 16, 20, 21, 24 and 26 goods and Class 43 services.

Fashion Finders' Class 14

76) The GC in *Gérard Meric v OHIM*, T-133/05 stated "... 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 ... or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark". With this guidance in mind, it is clear that Fashion Finders' *jewellery and imitation jewellery; articles made of precious metals or coated therewith* are identical to "... goods in *precious metals or coated therewith; ... jewellery, custom jewellery*" listed in Flash's corresponding specification.

77) Similarly, Fashion Finders' *clocks and watches* are covered by Flash's broad term *horological and chronometric instruments*. Finally, Fashion Finder's *watch straps and watch bracelets* are parts and fittings for goods covered by Flash's term *horological and chronometric instruments*. Consequently, they share a good deal of similarity and are complementary in the sense that watches (covered by Flash's broad term) are indispensable for the use of *watch straps and watch*

bracelets and the consumer may think that the responsibility for those goods lies with the same undertaking.

Fashion Finders' Class 18

78) It is self evident that Fashion Finders' term *articles made from leather or imitation leather* covers identical goods to Flash's *goods made of leather and imitation leather*.

79) Similarly, Fashion finder's *luggage, travel bags, leisure bags, sports bags, holdalls, cases, rucksacks,... briefcases ... wallets... card holders* must be considered identical to, overlapping with, or covered by Flash's *goods made of leather and imitation leather; bags, trunks, suitcases, travelling bags, garment bags for travel; rucksacks,... briefcases, attache cases... men's and ladies' wallets, ..., card holders*.

80) Fashion finders' *walking sticks; umbrellas and parasols* are self evidently identical to Flash's *umbrellas, parasols; walking sticks*.

81) Fashion Finders' *toiletry and cosmetic bags* are identical to Flash's *beauty-cases, cosmetic cases and cosmetic bags sold empty; cases for manicure sets sold empty*.

82) Finally, Fashion Finders' *cheque book holders*, at least insofar as they are made of the same materials is covered by Flash's broad term *goods made of leather and imitation leather* and where they are not made of the same material they will obviously be very highly similar.

Fashion Finders' Class 35

83) In line with my above comments regarding goods, it is self evident that Fashion Finders' *retail services connected with the sale of ... , articles made from leather or imitation leather, ..., luggage, travel bags, leisure bags, sports bags, holdalls, cases, rucksacks, ..., toiletry and cosmetic bags, ..., briefcases, ..., wallets, card holders, cheque book holders, ..., walking sticks, umbrellas and parasols* covers an identical list of services as Flash's *services consisting of the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods, namely goods made of leather and imitation leather, bags, trunks, suitcases, travelling bags, garment bags for travel, rucksacks, ..., holdalls, handbags, shoulder bags, briefcases, attache cases, ..., men's and ladies' wallets, ..., credit card holders, ..., beauty-cases, cosmetic cases and cosmetic bags sold empty, ..., umbrellas, parasols, walking sticks*.

84) In respect to Fashion Finders' remaining services in this class, by virtue of being a retail services, there is some similarity with Flash's services, but because

these services relate to goods where I have found no similarity, it follows that the level of similarity between these services is not high.


The average consumer

85) Matters must be judged through the eyes of the average consumer (*Sabel BV v. Puma AG*, paragraph 23), who is reasonably observant and circumspect (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.*, paragraph 27). The degree of care and attention the average consumer uses when selecting goods and services can, however, vary depending on what is involved (see, for example, the judgment of the GC in *Inter-Ikea Systems B.V. v. OHIM*, Case T-112/06).

86) In respect of all the goods and services of both parties, the average consumer is principally the general public. The level of care involved in the purchase will vary with some goods, such as anti-perspirents, stationery, lunchboxes being bought with only a low level of care. Other goods such as watches, spectacles and jewellery will involve a higher level of care and attention, but not the highest level. Similar conclusions can be drawn concerning the respective services with the nature of the purpose varying depending upon the nature of the goods being purchased. In respect to provision of food and drink, such services can cover a wide spectrum in terms of quality, price, location etc and this will result in a correspondingly wide range in the attention paid by the consumer of these services. I note this despite there being no similarity between these services and any of Flash's goods. In respect of all of these goods and services, I accept Mr Malynicz's submission that they are, primarily, "bought by eye" and that visual considerations are important when comparing the marks.

Comparison of marks

87) For ease of reference, the respective marks are:

| Flash's earlier mark | Fashion Finders' mark |
|---|-----------------------|
|  | RARE LONDON |

88) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The visual, aural and conceptual similarities of the marks must, therefore, be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components; in relation to this the CJEU in *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* Case C-342/97 stated:

"27. In order to assess the degree of similarity between the marks concerned, the national court must determine the degree of visual, aural or conceptual

similarity between them and, where appropriate, evaluate the importance to be attached to those different elements, taking account of the category of goods or services in question and the circumstances in which they are marketed.”

89) There cannot be an artificial dissection of the marks, although it is necessary to take into account any distinctive and dominant components. The average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of the them and is deemed to be reasonably well informed and reasonably circumspect and observant. The assessment of the similarity of the marks must be made by reference to the perception of the relevant public.

90) I have already commented that in respect of Flash’s mark, the distinctive character resides in the combination of the RA, “reverse RE” and device elements. In respect of Mr Talwar’s mark, the word LONDON is an obvious reference to the geographical location with the word RARE being the dominant and distinctive element of the mark.

91) I now consider the similarity of the marks from a visual, aural and conceptual perspective. Visually, both marks begin with the letters RA and both marks also include the additional letters RE. In Fashion Finder’s mark, these letters combine to form the word RARE, but it is my view that the two pairs of letters in Flash’s mark do not visually combine to form the word RARE but rather they present as the letters RA and either RE or ER. These letters are separated by the device element (that consists of two letter Rs back to back, presented within a circle border) and this is a further point of difference between the marks. Taking all of this into account, I conclude that the respective marks share only a low level of visual similarity.

92) From an aural perspective, whilst it is contended on behalf of Flash that its goods are still referred to as RARE goods, this is not the natural impression created by its mark. The mark is likely to be articulated as if the mark consisted of letters i.e. “R-A R-E” or possibly “R-A E-R”. Alternatively, they may be articulated as “RAA-REE” or “RAA-ERR”. The visual separation of the two pairs of letters by the device element and the fact that the second pair of letters appears backwards combine to result in the mark not being pronounced as the word RARE. Fashion Finders’ mark will be pronounced as the words RARE and LONDON. Taking this into account, if there is any aural similarity between the marks, it is only very low.

93) From a conceptual perspective, I have already indicated that Flash’s mark will not be perceived as including the word RARE, but rather it will be perceived as the two pairs of letters that have no obvious meaning. Taking this into account together with the other differences between the marks, it leads me to the conclusion that there is no conceptual similarity between the marks.

94) In summary, I found a low level of visual similarity, at best only a very low level of aural similarity and no conceptual similarity. This all combines to give a low to very low level of similarity overall.

Distinctive character of the earlier trade mark

95) I must consider the distinctive character of the earlier mark because the more distinctive it is, either by inherent nature or by use the greater the likelihood of confusion (*Sabel BV v Puma AG* [1998] RPC 199). The distinctive character of the earlier mark must be assessed by reference to the goods for which it is registered and by reference to the way it is perceived by the relevant public (*Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91). Flash has provided evidence to demonstrate that its mark has been used since sometime in 2006 (about two years before the relevant date) in respect of its clothing range, but as I concluded in paragraph 73 above, it cannot rely on these goods in respect to this ground of opposition. Consequently, I must conclude that even if it benefited from acquired distinctiveness (and I have serious doubts that this is so, taking account of the sales figures from the relevant period within the context of the self-evidently massive fashion industry) in respect of clothing, this is not relevant to my considerations here.

96) In terms of inherent distinctive character, the mark is endowed with a reasonably high level because it consists of three elements that combine to give a distinctive whole that has no concept related to the goods and services at issue.

Likelihood of confusion

97) I must adopt the global approach advocated by case law and take into account that marks are rarely recalled perfectly with the consumer relying instead on the imperfect picture of them he has in kept in his mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27). I must take into account all factors relevant to the circumstances of the case, in particular the interdependence between the similarity of the marks and that of the goods or services designated (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*)

98) I have found that none of Flash's goods and services are similar to Fashion Finder's Class 3, 9, 16, 20, 21, 24 and 26 goods and Class 43 services. When bearing in mind the guidance of the CJEU in *Waterford Wedgwood plc v OHIM*, C-398/07 P that some similarity between the respective goods and/or services is required before a finding of likelihood of confusion can be made, it is clear that I must find that there is no likelihood of confusion in respect to these goods and services.

99) Of the remaining goods and services, Flash's best case lies where the respective goods are identical and in circumstances where the level of care

involved in the purchasing act is not likely to be particularly high. This would be the case in respect of, for example, *umbrellas, wallets and toiletry and cosmetic bags* present in both parties' Class 18 specifications. If Flash is not successful here, it will not be successful in respect of goods where the purchasing process involves a higher level of attention as this will make the consumer more likely to differentiate between the marks.

100) I have found a low level of visual similarity, at best only a very low level of aural similarity and no conceptual similarity between the respective marks and this all combines to give a low to very low level of similarity overall. In respect of the goods identified above, they are identical and the level of care taken by the consumer in purchasing act is not high. Further, I have found that Flash's mark is endowed with a reasonably high level of distinctive character. Taking all of this into account, I am of the view that the marks exhibit sufficient differences so as not to result in the consumer confusing the two (direct confusion) or for the consumer to consider that the goods and services provided under the respective marks originate from the same or linked undertaking (indirect confusion). The principle reason for this is that, despite the submissions made on behalf of Flash, the get up of its mark is such that the consumer will not see it as a RARE mark at all, but rather a mark consisting of the unrelated elements RA, RE (or even possibly ER) and a device incorporating the letters RR. None of these elements lead the consumer to perceive any resemblance to the word RARE.

101) It follows that there is no likelihood of confusion where identical goods are involved. By extension, there is no likelihood of confusion in respect of any of the parties' goods and services. Consequently, the grounds based upon Section 5(2)(b) of the Act fails.

Section 5(3)

102) Finally, I turn to consider the ground for opposition under Section 5(3) of the Act which reads as follows:

“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 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.”

103) The scope of Section 5(3) has been considered in a number of cases notably *General Motors Corp v Yplon SA (CHEVY)* [1999] ETMR 122 and [2000]

RPC 572, *Adidas Salomon AG v Fitnessworld Trading Ltd.* [2004] ETMR 10, *Premier Brands UK Limited v Typhoon Europe Limited (TYPHOON)* [2000] FSR 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, Mastercard International Inc and Hitachi Credit (UK) Plc* [2004] EWHC 1623 (Ch), *Electrocoin Automatics Limited and Coinworld Limited and others* [2005] FSR 7, *Davidoff & Cie SA v Gofkid Ltd (DAVIDOFF)* [2003] ETMR 42, *Intel Corporation Inc. v CPM United Kingdom Ltd (INTEL)* [2009] RPC 15, *L'Oreal v Bellure* [2010] RPC 1 and *Whirlpool Corp v Kenwood Limited* [2010] RPC 2.

104) The applicable legal principles arising from these cases are as follows:

- a) 'Reputation' for the purposes of Section 5(3) means that the earlier mark is known by a significant part of the public concerned with the products or services covered by that mark (paragraph 26 of the CJEU's judgment in *CHEVY*).
- b) Under this provision the similarity between the marks does not have to be such as to give rise to a likelihood of confusion between them; the provision may be invoked where there is sufficient similarity to cause the relevant public to establish a link between the earlier mark and the later mark or sign (*Adidas Salomon v Fitnessworld*, paragraphs 29-30).
- c) Whether there is a link, within the meaning of *Adidas-Salomon and Adidas Benelux*, between the earlier mark with a reputation and the later mark must be assessed globally, taking into account all factors relevant to the circumstances of the case (*INTEL*).
- d) The fact that, for the average consumer, who is reasonably well informed and reasonably observant and circumspect, the later mark calls the earlier mark with a reputation to mind is tantamount to the existence of such a link between the conflicting marks, within the meaning of *Adidas-Salomon and Adidas Benelux*. (*INTEL*)
- e) The stronger the earlier mark's distinctive character and reputation the easier it will be to accept that detriment has been caused to it (per Neuberger J. in *Premier Brands*, and the CJEU in *CHEVY*, paragraph 30).
- f) Whether use of the later mark takes or would take unfair advantage of, or is or would be detrimental to, the distinctive character or the repute of the earlier mark, must be assessed globally, taking into account all factors relevant to the circumstances of the case (*INTEL*).
- g) Unfair advantage is taken of the distinctive character or the repute of the earlier trade mark where there is clear exploitation and free-riding on

the coat-tails of a famous mark or an attempt to trade upon its reputation (*Spa Monopole v OHIM*).

h) The use of the later mark may be detrimental to the distinctive character of the earlier mark with a reputation even if that mark is not unique; a first use of the later mark may suffice to be detrimental to the distinctive character of the earlier mark; proof that the use of the later mark is or would be detrimental to the distinctive character of the earlier mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future (*INTEL*).

i) Taking unfair advantage of the distinctive character or repute of a mark relates not to detriment caused to the earlier mark but to the advantage taken by the third party. Such an advantage may be unfair even where the use is not detrimental to the distinctive character or to the repute of the mark (*L'Oreal v Bellure*). It is not sufficient to show that an advantage has been obtained. There must be an added factor of some kind for that advantage to be categorised as unfair (*Whirlpool Corp v Kenwood Limited*).

105) My considerations in respect of this ground of opposition will be limited in scope in the same way as my considerations in respect of the grounds based upon Section 5(2)(b) of the Act and set out in paragraph 73, above.

Reputation

106) 'Reputation' for the purposes of Section 5(3) means that the earlier mark is known by a significant part of the public concerned with the products or services covered by that mark (paragraph 26 of the CJEU's judgment in *General Motors Corp v Yplon SA (CHEVY)* [1999] ETMR 122 and [2000] RPC 572).

107) It is already clear from my earlier comments, that the core goods and services of Flash's business are subject to the agreement between the parties and consequently must be stripped out of Flash's earlier marks for the purposes of my analysis here. Further, the only other area where Flash may have the required reputation is in respect of "accessories" but by its own admission (see Mr Bertoncello's witness statement) it uses the mark SO RARE in respect of these goods. This mark is not an earlier mark relied upon by Flash. Consequently, I must conclude that Flash has failed to demonstrate the required reputation. Where a reputation may exist (in respect of Flash's clothing), it will be debarred from relying upon this because of the effect of the agreement between the parties.

108) This effectively ends the case based upon Section 5(3) of the Act. However, I will add that even if I am wrong and Flash is entitled to rely on some of its goods for the purposes of Section 5(3), the differences between the marks are such that Mr Talwar's mark is not likely to bring Flash's mark to mind. This is principally because of the inability of Flash's mark to indicate in any way, to the consumer, the word RARE.

Summary

109) As a result of the agreement between the parties, the opposition against Mr Talwar's mark 2493776 RARE fails in its entirety.

110) In respect of Mr Talwar's mark 2588985 RARE LONDON, the opposition also fails in its entirety because it is insulated, in part, by the agreement between the parties and because, in respect of the goods and not services not insulated by the terms of the agreement, I have found that the grounds based upon Section 5(2)(b) and Section 5(3) fail.

COSTS

111) With the opposition being unsuccessful, Mr Talwar is entitled to a contribution towards his costs.

112) I take account of the case management conference held at the request of Mr Talwar where I denied leave for cross examination of Flash's three witnesses. This was because it was my view that whatever their recollections of the circumstances surrounding the agreement, it would not change my conclusions reached from an ordinary reading of the text of the agreement. I consider it appropriate to reduce the award to Mr Talwar by £200 in respect of this case management conference.

113) I also take account that both sides filed evidence and that a hearing has taken place. I award costs on the following basis:

| | |
|---|--------------|
| Considering Notice of Opposition & preparing statement of case in reply | £400 |
| Preparing and filing evidence & considering other side's evidence | £900 |
| Preparing and attending hearing | £900 |
| Reduction related to the case management conference | £200 |
| TOTAL | £2000 |

114) I order Flash & Partners S.P.A. to pay Tajesh Talwar the sum of £2000. 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 1st day of July 2013

**Mark Bryant
For the Registrar,
the Comptroller-General**

ANNEX

CO-EXISTENCE AGREEMENT

Parties

- (1) Flash & Partners S.p.A.
Via Tiepolo 6
35019 Tombolo (Padova)
Italy

- (2) M & L Harris Agencies Ltd
Ground Floor
Hinde Street
London
W1M 5AQ
United Kingdom

- (3) Michael Anthony Harris
7 Hyde Park Street
London
W2 2JW
United Kingdom

- (4) Rajesh Talwar
5 Rockbourne Way
Liverpool
L25 4TD
United Kingdom

Definitions

1. The “Agreement Date” shall mean the date on which this Agreement is executed by the last of the Parties to execute it.

2. A “Reserved Sign” shall mean the word RARE presented in any style, font or colour or a mixture of styles, fonts and colours and in upper or lower case or a mixture of cases; or any sign confusingly similar thereto, including without limitation the following signs:

RA-RE RA_RE RA.RE RA-RE Ra Re

Background

3. Flash & Partners S.p.A. (hereafter “Flash”) is a supplier of clothing, to which it has applied signs including RARE and similar signs; and is the

proprietor of registered Community trade mark 001844240 and Community trade mark applications 003381878 and 004449252, details of which are shown in Annex A; and has filed an application for British trade mark 2186647 of Rajesh Talwar to be declared invalid.

4. M & L Harris Agencies Ltd (hereafter "M & L Harris") is the sole distributor in the U.K of clothing supplied by Falsh & Partners.
5. Michael Anthony Harris (hereafter "Mr Harris") is the company secretary and a director of M & L Harris Agencies Ltd.
6. Rajesh Talwar (hereafter "Mr Talwar") is the proprietor of British registered trade mark 2186647 for the word RARE in stylized form, details of which are shown in Annex B; and has filed an opposition against the Community trade mark application 003381878 of Flash.
7. The Parties wish to agree between them the rights to use and register the sign RARE and similar signs henceforth as trade marks for clothing.

Terms

8. Mr Talwar hereby undertakes that he will not object to the use of any Reserved Sign in relation to clothing supplied on or before 10 October 2005 by Flash or by M & L Harris or by Mr Harris.
9. Flash and M & L Harris each undertake that they will not after 10 October 2005, whether acting directly or through an agent or through any other business that is under their control:
 - (a) Stock, offer for sale or put on the market in the United Kingdom any item of clothing to which, or to the packaging of which, a Reserved Sign has been applied; or
 - (b) Otherwise use a Reserved Sign in the course of any trade in clothing in the United Kingdom.
10. Flash and M & L Harris each agree that they will take reasonable steps to ensure that retailers in the United Kingdom do not use any Reserved Sign in relation to clothing supplied by Flash or by M & L Harris after 10 October 2005.
11. Notwithstanding paragraphs 9 and 10, Mr Talwar hereby consents to the use by Flash, by M & L Harris, by Mr Harris or by their customers of the signs shown in Annex C and Mr Talwar agrees not to contest,

oppose or seek to cancel any trade mark application or registration made by Flash in respect of signs shown in Annex C.

12. Flash shall within seven days of the Agreement Date:

(b) Withdraw its application 82041 for British trade mark 2186647 to be declared invalid.

(b) Withdraw its Community trade mark applications 003381878 and 004449252.

14. Flash and M & L Harris and Mr Harris each undertake that they will not, whether acting directly or through an agent or through any other business that is under their control, object to:

(c) The use of any Reserved Sign; or

(d) The registration as a Trade Mark of any Reserved Sign

by Mr Talwar or his licensees or successors in title or by any person with his consent.

15. M & L Harris shall, within seven days of the Agreement Date, pay to Mr Talwar the sum of seven hundred pounds (£700) in full and final settlement of his costs and all claims and potential claims against M & L Harris and Mr Harris in relation to the use of any Reserved Sign prior to 10 October 2005.

16. This Agreement shall be governed by the law of England and Wales and the Parties submit to the exclusive jurisdiction of the English courts.

17. This Agreement may be executed by the Parties on separate counterparts, each of which when executed and delivered shall constitute an original, but all of which shall constitute one and the same instrument and shall be binding as such.