

O-049-14

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2643772
BY MAROC ORGANICS LIMITED

AND

OPPOSITION THERETO UNDER NO 400028
BY CREATIVE NAIL DESIGN, INC

Background

1. Application no 2643772 has a filing date of 20 November 2012, stands in the name of Maroc Organics Limited (“the applicant”) and seeks registration of the trade mark HARLEQUIN SHELLAC in respect of the following goods:



Class 3:

Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices.

Class 11:

Ultraviolet ray lamps, not for medical purposes.

2. Following publication of the application in the *Trade Marks Journal* on 28 December 2012, notice of opposition was filed by Creative Nail Design, Inc (“the opponent”). The opposition is founded on grounds under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”) relying on the following:

No and grounds	Mark and relevant dates	Goods/use relied upon
2582300 Under sections 5(2)(b) and 5(3)	 Filing date: 24.5.2011 Entered in register: 4.11.2011	Class 3: Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices. Class 11 Ultraviolet ray lamps, not for medical purposes.
2582298 Under sections 5(2)(b) and 5(3)	CND SHELLAC Filing date: 24.5.2011 Entered in register: 26.8.2011	Class 3: Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices. Class 11: Ultraviolet ray lamps, not for medical purposes.
2562523 Under sections 5(2)(b) and 5(3)	 Filing date: 28.10.2010 Entered in register: 28.1.2011	Class 3: Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices. Class 11 Apparatus for lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purposes.

Under section 5(4)(a)	SHELLAC	Use on: Nail products, nail varnishes, nail care products, nail polish removers, ultra-violet lamps, cosmetics since May 2010 throughout the UK
Under section 5(4)(a)	CND SHELLAC	Use on: Nail products, nail varnishes, nail care products, nail polish removers, ultra-violet lamps, cosmetics since May 2010 throughout the UK
Under section 5(4)(a)	CNDC SHELLAC	Use on: Nail products, nail varnishes, nail care products, nail polish removers, ultra-violet lamps, cosmetics since May 2010 throughout the UK
Under section 5(4)(a)	CNDC Color SHELLAC	Use on: Nail products, nail varnishes, nail care products, nail polish removers, ultra-violet lamps, cosmetics since May 2010 throughout the UK

3. The applicant filed a counterstatement in which, essentially, it denies the claims made and submits that the respective marks are not visually or conceptually similar and the respective goods are not identical.

4. Only the opponent filed evidence. In addition the opponent filed written submissions. Neither party sought to be heard. I give this decision after a careful review of all the material before me.

The evidence

5. The opponent's evidence consists of three witness statements as follows:

- Josep Maria Rovira, in-house Counsel for the opponent;
- Samuel Sweet, Managing Director and co-founder of Sweet Squared (UK) LLP;
- Jane Ann Nelson, trade mark attorney.

6. Whilst noting that throughout the document, Sr Rovira has mistakenly referred to the opponent as the applicant, I shall not repeat that mistake in summarising the relevant parts of his evidence.

7. Sr Rovira states that the opponent company was incorporated in 1979 and is involved in the sale of manicure and pedicure care products including, and specifically, nailcare products. He states that the opponent launched its products in the UK in April 2010, those products being the result of a technology which it patented. He states that the use made of the mark has been in relation to a nail coating system.

8. Samuel Sweet is the Managing Director and co-founder of Sweet Squared (UK) LLP, a company which was appointed in 2007 as the exclusive distributor of the opponent's products in the UK but which also distributes goods for other companies under a number of brands. He states that in addition to distributing them, Sweet Squared is involved in the promotion and advertising of those products.

9. Mr Sweet does not provide a breakdown by each of the individual marks relied upon in these proceedings but states that turnover generated by his company from the sale and distribution of products under the marks amounted to over £700,000 in calendar year 2010, over £4m in 2011 and over £5m in 2012. A proportion of this latter amount is likely to be from after the relevant date in these proceedings.

10. Mr Sweet states that since its launch, products under the marks have been supplied to approximately 20,000 customers, the majority of which are independent salons or mobile operators but which also includes large salons, spa chains and companies such as Ragdale Hall, Centre Parks, Alton Towers, and the Virgin Atlantic First Class Lounge and Clubhouse.

11. Mr Sweet estimates that the opponent's products under the marks have a "45-65% market share in the professional gel polish market in the UK" though he gives no information of how he has arrived at this somewhat wide-ranging statistic. He states that it is market leader and in support, at SS4, exhibits what he states is an extract from the Beauty Industry Survey produced by The Guild of Beauty Therapists which, he says, shows that the opponent and his own company together achieved the top position in relation to the supply of natural nail care and nail enhancements. The extract shows it to be results of a 2012 survey. Whilst the 'main supplier' shown at position 1 is given as CND/Sweet Squared, I note that the supplier appearing at position 14 is said to be "shellac". Mr Sweet states that this is an erroneous entry as it:

"is the name of the brand supplied by CND/Sweet Squared (it is not a supplier in its own right) and so respondents have inadvertently put SHELLAC the brand as the name of the supplier instead of CND/Sweet Squared."

12. Mr Sweet gives no explanation of how he knows the respondents have "inadvertently" answered the survey and the claim that this is an "erroneous" entry raises questions as to the validity of the information contained within the survey. The problems with the survey, however, are even more fundamental. No evidence is provided as to how the survey was carried out, who (and how many people) might have completed it, what questions they were asked or when it took place. In any event, as Mr Sweet states, his company distributes goods for a number of companies and the opponent has a number of brands but neither the extract nor the table itself make any reference to the trade marks under which any of the companies listed may have traded nor the relationship of their position in the table to the trade under any particular trade marks. The document appears to raise more questions than it answers and I find it to be of no assistance to me.

13. Advertising expenditure in 2011 and 2012, again not broken down by mark, is given by Mr Sweet as over £300k and over £400k respectively. At SS5, he exhibits copies of a small amount of advertising material, most if not all of which appears to have been downloaded from the Internet. Most are undated though page 1 has a copyright date of 2013 and so appears to be from after the relevant date. The only reference to any of the earlier marks that I can see appears on page 2. This appears to be a press release. It announces: "Virgin Atlantic name CND Shellac in "Wildfire" [as] the official nail color for their flight attendants" and further states that as of 1 May, nail treatments were offered to certain passengers in the Heathrow and

Gatwick airport lounges. The document is undated but the text shows it to refer to events in 2011. No information is given as to whom this press release may have been sent or made available or how many people may have seen it but I note that it was prepared by a company in New York and in light of this and the use of the word “color” within it, it is likely this was intended for a US audience.

14. Mr Sweet says that his company has set up a website (salongeek) promoting all of the products it distributes including those of the opponent. He states the site is now maintained “at arm’s length” (he doesn’t say by whom) and as a website to allow industry professionals to share information, knowledge and comments. The company is said to have Facebook and Twitter accounts and work with a PR company who arranges the advertising and promotion direct to end customers which is generally limited to editorial promotions. At SS1 and 2, Mr Sweet exhibits pages taken from the Facebook and Twitter websites. Various parts are in Spanish and the Twitter pages appear to consist largely of retweets by Sweet Squared itself. All of the pages show they were downloaded in either March or July 2013 with the postings on them being from a few hours or days beforehand and therefore from well after the relevant date.

15. Mr Sweet states that his company regularly advertises in the trade press and, at SS6, he exhibits 7 pages of promotional material. None of the pages are dated though some refer to CND Shellac being a “Readers’ Choice Awards” winner in 2010 and 2011. I presume the award is given by an organisation of some sort but no details are provided which allows me to establish who that might be or where they or the “readers” may be located. I am able to see that the material shown at page 2 of the exhibit invites readers to “visit us on stand 105” which suggests that it was intended for distribution at an exhibition but I can see no indication on any of the pages as to which exhibition that might have been or where or when it took place or who might have attended it. In fact, there is no information of where or when any of the material within the exhibit might have been published or what the readership or awareness of it might have been.

16. Mr Sweet states that in addition to distributing nail products, his company has provided tailor-made courses about the use of them to nail care professionals. At SS 6 he exhibits some training materials which show prices is US\$. He states that courses have been held across the UK and refers to courses run in May 2010, November 2011, August 2012 and October 2012 stating that, on average, 20 people attended these courses. Whilst stating that no specific records are kept of them, he estimates that training sessions have been provided to over 5,500 people at unnamed events and shows. No further information about these events or shows has been provided.

17. Jane Ann Nelson is a trade mark attorney in the employ of the opponent’s legal representatives in these proceedings. Her witness statement serves only to introduce a number of exhibits as follows:

JAN1: a list of links to various internet pages. Whilst the links are listed, the pages themselves are not and no information is given as to what they may show;

JAN2: a number of internet prints which Ms Nelson says warn of “fake shellac products”. The prints are taken from a number of websites and Facebook/Twitter pages as follows:

The pages from “nailboutique narborough” show it was posted on 15 February 2013, after the relevant date.

Five pages were downloaded from the “bellasugar” site though only three of those pages have been exhibited and so I do not know what the rest of the pages may have shown. Posted on 20 January 2012, the article is entitled “How to tell if a Gel Manicure is phony”. Point 6 (points 1 to 5 are not exhibited) urges readers to “look for the CND seal of approval” if they’re “on the hunt for Shellac”. There are two accompanying blog postings by readers of the article. One criticises the article itself saying “there are some things wrong” with it. The other articulates his/her concerns with “some of the comments on here” and then gives a view on how to remove nail coatings.

Two pages were downloaded from the “Pinkies” site, but only one is exhibited. Again, I do not know what the missing page might have shown but on the page exhibited is an article entitled “£10-£15 Fake & Cheap Shellac-BEWARE!” The article tells of “Kirsty’s” experience of having a manicure in two different salons. She criticises the first “shellac manicure in wildfire (red)” in respect of the skills of the nail technician and service she received. As to the second manicure, she criticises it as being “cheap, FAKE and does not offer anything like the shellac finish”.

Of the remaining pages, one gives an opinion on “How to spot a genuine CND Shellac Service” but is not dated, one is a Facebook entry by “Donna” showing it was posted on 28 April (year not specified) and the last, from “treatmentden”, is not dated and shows three bottles of nail coatings and states each is a copy of “the original CND Shellac. The quality of the print is such that I cannot see what might appear on any of the bottles. Each of these remaining pages was downloaded on 12 July 2013.

JAN3: What Ms Nelson refers to as hard copies of online articles. Most of the articles appear to be taken from US publications. Whilst one, a page from the Channel 4 beauty pages, appears to be from the UK and refers to a shellac manicure, the only date shown is the download date of 17 July 2013;

JAN4: Extracts said to be taken from UK salons and beauty blogs. For the most part, the only dates shown on the pages are the date they were downloaded (12 July 2013). That said, page 11, an extract from the Luxe Nail bar blog, shows an entry dated 18 August 2012. The entry is entitled “Shellac or not to Shellac that is the question?” Whilst the text mentions the opponent company’s website and advises readers to “be careful that any salon you visit uses Shellac with the CND brand name on the bottle”, I note that in the image bar accompanying the article is an image for MINX Shellac. In addition, the blog entries shown at pages 19 to 24 show them to have been posted from as early as June 2010. Some of these postings mention the word shellac but a number are clearly from people in other countries (e.g. “Basia” posts “I am

from polish, "Amanda" posts, "I am here in the states", "Oanh-manucure" posts, "Vous parle francaise???", "Katrina" posts "Wow-I just had my nails Shellac'ed in Malta"). Many of the other posts appear to be from people advertising their services or looking for a recommendation e.g. "Hi I am a mobile nail technician also offering shellac manicure and minx nails... I am in York, can call me on 01904....." and "Hi I live in east London is there any techs out there to do my nails or nail bar near?". Yet others are posts of seemingly random questions or comments "What if draw the mums on the nail", "I just realized you have a video up on youtube about your rings! Nmv my previous comment/post. Thanks!" and "Lisa I love your site! I was wondering what lipstick you where wearing when you had the Schlac done..."

JAN5: consists of two pages showing some of the results of a Google search carried out for the words "fake shellac". The pages show that the search returned "about 808,000" results. The search, which was carried out on 17 July 2013, appears to be a worldwide search as one result refers to the cost in dollars of having fake nails treatment and another is a Hollywood site. For reasons which have not been explained, only pages 9 and 12 of these results are shown. Some refer to shellac and its use on food and another refers to a film. The pages listed in the results have not been exhibited and so I do not know what they might show.

JAN6: Pages taken from the salongeek website mentioned above. Some of the pages show the posters are located in other countries, e.g. Spain, US, Germany, Toronto though most show no location. A large number make no reference to any of the opponent's trade marks though there are some entries which do e.g. "CND Shellac is NOT a gel!" The pages were downloaded on 31 May 2013 and 17 July 2013 and, whilst some show entries from earlier dates, most show entries posted in 2013.

18. The opponent bases its claims on the seven trade marks/rights set out above at paragraph 2. They include the word SHELLAC alone, the word SHELLAC in combination with other letter and/or word elements and with or without a device element. Turnover figures for 2010-2012 are given as are advertising figures for 2011-2012 but none of them are broken down in any way that enables me to establish what use might have been made in the UK of any one of them. In its notice of opposition, the opponent claims that it has used the mark SHELLAC consistently in advertising and promotional material since its launch on a nail product and further claims it is widely recognised by salon professionals and by end users alike. It claims the mark has received extensive media coverage in various consumer magazines and newspapers but has filed no evidence of any such promotion.

19. Whilst the opponent's goods are said to be market leaders, there is evidence the opponent uses other marks as well. None of the evidence filed establishes the size of the relevant market or the percentage share of the market that accrues to any one of the marks relied on in these proceedings. There is no evidence in the form of invoices or order forms etc. and no evidence from the trade. The evidence from various Internet sites does not assist the opponent, either because it is incomplete, does not relate to the position in the UK (or is not clear that it does) or because it is not dated or dates from after the relevant date in these proceedings. Whilst there is

evidence of an occasional blog entry from before the relevant date, the content of those entries means I put no reliance on them. Considered as a totality, the evidence does not establish the level of any use that has been made of any of the marks or rights relied upon nor does it establish that there is any reputation accruing from such use.

20. In its written submissions, the opponent makes reference to a family of marks, however, no such claim is made in its notice of opposition and I do not take it into account. Even if I had done so, the evidence of use filed would not have led to a finding in its favour.

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

21. I intend to consider, first, the ground of opposition based on section 5(2)(b) of the Act, which states:

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

a) ...

b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

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

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

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

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

23. The opponent relies under this ground on three registrations, details of which are given in the table at paragraph 2 above. Each is an earlier mark within the meaning of section 6 of the Act. Given the interplay between the date the earlier marks were entered in the register and the date of publication of the application, the earlier marks are not subject to the proof of use provisions set out in section 6A of the Act.

24. In considering this ground of objection, and the likelihood of confusion between the respective marks, I take into account the guidance from the settled case law provided by the CJEU in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* C-334/05 P

(LIMONCELLO). In the case of *La Chemise Lacoste SA v Baker Street Clothing Ltd* [ALLIGATOR] O/333/10, Mr Hobbs Q.C., acting as the Appointed Person, set out the test shown below which was endorsed by Arnold J. in *Och-Ziff Management Europe Ltd and Oz Management Lp v Och Capital LLP; Union Investment Management Ltd & Ochocki*, [2010] EWCH 2599 (Ch).

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- (b) the matter must be judged through the eyes of the average consumer of the goods/ services in question; who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements; nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;
- (e) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element in that mark;
- (f) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa;
- (g) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it;
- (h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient;
- (i) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;
- (j) if the association between the marks causes the public to wrongly believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion.

Comparison of the respective goods

25. For ease of reference, the goods to be compared are as follows:

Opponent's specification of goods	Applicant's specification of goods
<p>Class 3: Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices.</p> <p>Class 11 Ultraviolet ray lamps, not for medical purposes</p>	<p>Class 3: Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices.</p> <p>Class 11: Ultraviolet ray lamps, not for medical purposes.</p>

26. In its counterstatement, the applicant claims the respective goods are not identical. It submits:

“The colour range for Harlequin Shellac is not similar in any way to the opponents, the mechanism of application is a one coat system unlike the opponents 3 coat system and the product is aimed at a direct retail market unlike the opponents who are aimed at salons”.

Whilst it does not mention any specific goods in its submission, I assume it refers to cosmetics in the form of nail products which are the goods the opponent has indicated, in its evidence, in which it trades.

27. As to the ways in which the respective goods may be marketed, I take note of the findings of the Court of First Instance (now General Court) set out in *Saint-Gobain SA v OHIM* Case T-364/05 where it said:

“67... it is important to reiterate that the comparison between the goods in question is to be made on the basis of the description of the goods set out in the registration of the earlier mark. That description in no way limits the methods by which the goods covered by the earlier mark are likely to be marketed.”

28. Regardless of any use which may have been made of the respective marks, I have to compare the specification of goods as registered against that for which registration is applied. With this in mind, I can put my findings on the comparison of goods no better than the opponent who, in its written submissions, states:

“The list of goods filed by the Applicant is, word for word, identical to that covered by the Opponent's earlier marks. Thus, there is total identity of goods between the parties.”

The average consumer and the nature of the purchasing process

29. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods and then to determine the manner in which these goods are likely to be selected by that average consumer in the course of trade.

30. The opponent submits that the average consumer:



“would be the ordinary member of the public as the goods, especially those in class 03, are goods which are purchased in large volumes by large numbers of different people throughout the length and breadth of the United Kingdom every day of the week. Another marketplace ... is the professional beauty salon and, in relation to nail care products, professional nail care salons and individual self-employed beauticians and nail care professionals.”

31. Each of the goods as is included with the specification of goods in class 3 is such as would be used by members of the general public. They may also be used by professionals, whether those in the cleaning business (e.g. substances for laundry use, cleaning preparations) or those in what I will call the beauty business (e.g. essential oils, cosmetics, hair lotions). They are goods which are widely available, bought and used on a frequent basis and are of relatively low cost though it may be that some, such as perfumery, may be somewhat higher. As far as the goods within the specification in class 11 are concerned, these are likely to be of somewhat higher cost and bought and used by the general public and businesses though this is likely to be a rather less frequent purchase.

32. In respect of all goods, the purchase is likely to be primarily a visual one, whereby the purchaser chooses the product from e.g. a shelf, catalogue or the Internet, however, I do not rule out the possibility that those in business may order the goods by telephone where aural considerations are likely to play a part. Each of the goods is such that the average consumer, who is assumed to be reasonably well informed, circumspect and observant, will pay a reasonable level of attention to their selection.

Comparison of marks

33. For ease of reference, the respective marks are:

Earlier marks	Applicant's mark
2582300 	HARLEQUIN SHELLAC
2582298 CND SHELLAC	
2562523 	

34. Whilst the opponent relies on three earlier marks under this ground, I intend to confine my comparison to its mark no 2582298 given that, like the applicant's, it is a mark presented in word-only form. It is well established that the average consumer is considered to be reasonably well informed, circumspect and observant but perceives trade marks as wholes and does not pause to analyse their various details. In addition, he rarely has the chance to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has kept in his mind. In reaching a conclusion on similarity, I must compare the respective trade marks from the visual, aural and conceptual perspectives identifying, where appropriate, what I consider to be their distinctive and dominant elements.

35. The earlier mark consists of two separate elements: the letters CND and the word SHELLAC. In its written submissions, the opponent states that the letters CND are the initials of the opponent which:

“would be noticed by the average consumer who would, therefore, consider the element SHELLAC to refer to the particular products or products emanating from the Opponent as the source of the goods in question.”

36. Whilst it may be that the letters CND are derived from the name of the opponent, there is no evidence that the average consumer will be aware of this, though I accept that it may be that the average consumer will view the letters as an abbreviation of some sort. The letters have no meaning in relation to the goods and form a distinctive element of the mark.

37. As for the word SHELLAC, in its counterstatement, the applicant states that this is a “thin hard varnish traditionally used on wood but gives no explanation of the relevance of this. The *Collins English Dictionary* provides the following definitions:

“1: a yellowish resin secreted by the lac insect, especially a commercial preparation of this used in varnishes, polishes and leather dressings

2: *Also called shellac varnish. A varnish made by dissolving shellac in ethanol or a similar solvent.*”

The *Merriam-Webster Dictionary* defines it as:

“noun: a clear liquid that dries to a hard coating and that is put on a surface to protect it.”

38. Shellac is used to produce a hard, glossy, protective surface. I note that in his witness statement filed on behalf of the opponent, Sr Rovira states that the goods sold under the earlier marks are nail coatings which have “a mirror-like shiny and flawless effect, which is outstandingly durable”. The word SHELLAC is not distinctive for goods, such as polish or coatings, which may either be made from shellac or provide a shellac-like result. This will include *polishing preparations* and *cosmetics* (the latter of which will include nail polish, varnish or coatings) as are included within the specification of goods. In respect of these goods, the letters CND form the dominant and distinctive element within the mark.

39. As to the remaining goods within the specification in class 3, I have no evidence that the word SHELLAC has any meaning. Similarly, whilst I am aware that UV lamps may be used in the drying or curing of nail polishes, there is no evidence that the word SHELLAC has any descriptive meaning in relation to these goods. I consider it a distinctive element of the mark for these goods with the element CND having a degree of dominance due to its position within the mark.

40. The mark as applied for also consists of two separate elements: the word HARLEQUIN and the word SHELLAC. The word HARLEQUIN is perhaps best known as the name of a theatrical character though it is also the name of a beetle. For the same reasons as set out above, the word HARLEQUIN is the distinctive and dominant element of the mark in relation to *polishing preparations* and *cosmetics*. In respect of the remaining goods, both HARLEQUIN and SHELLAC are distinctive elements.

41. Whilst the first elements of each mark differ markedly, there is an obvious point of visual, aural and conceptual similarity between the respective marks as both have the word SHELLAC as the second of the two elements from which they are made.

The distinctiveness of the earlier mark

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

43. In my consideration of the evidence set out above, I indicated that it does not establish the use that has been made of any of the marks or rights relied upon nor does it establish that there is any reputation accruing from that use. That being the case, I have only the inherent distinctiveness of the earlier mark to consider, which I find to be one of an average level.

Likelihood of confusion

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

45. In reaching my decision, I take note of the comments in *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, where the CJEU stated:

“29. In the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see *Matratzen Concord*, paragraph 32).

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

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

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

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

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

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

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

46. Earlier in this decision I concluded that:

- the respective goods are identical;
- the respective marks have an obvious point of visual, aural and conceptual similarity due to the second word in each mark being identical;
- the word SHELLAC is descriptive for certain goods but is distinctive for others;
- the average consumer will be members of the general public as well as professionals;
- the earlier mark has an average degree of inherent distinctive character.

47. In respect of the following goods:

Class 3

Bleaching preparations and other substances for laundry use; cleaning, scouring and abrasive preparations; soaps; perfumery, essential oils, hair lotions; dentifrices.

Class 11

Ultraviolet ray lamps, not for medical purposes.

I consider there is a likelihood of confusion between the respective marks. I do not consider that this will be direct confusion, where the average consumer mistakes one mark for the other, given the differences in the respective marks' first elements. Rather, I consider there will be indirect confusion caused by the presence in each mark, as a second element, of the word Shellac which I have found to be an independent and distinctive element of the mark in respect of these goods. The objection under section 5(2)(b) succeeds in respect of these goods.

48. I find there is no likelihood of either direct or indirect confusion in relation to the following goods:

Class 3
Polishing preparations; cosmetics.

The only point of similarity of the marks is the presence in each of the non-distinctive word SHELLAC. The objection under section 5(2)(b) fails in respect of these goods.

49. In reaching the above conclusions, I have borne in mind the broad nature of some of the terms in the applicant's specification and have considered whether it is appropriate to give the applicant the opportunity offer a limited specification which might avoid the above conclusions as per the guidance in Tribunal Practice Notice 1/12: Partial Refusal. The relevant part of paragraph 3.2.2(d) of that notice reads:

"...Generally speaking, the narrower the scope of the objection is to the broad term(s), compared to the range of goods/services covered by it, the more necessary it will be for the Hearing Officer to propose a revised specification of goods/services. Conversely, where an opposition or invalidation action is successful against a range of goods/services covered by a broad term or terms, it may be considered disproportionate to embark on formulating proposals which are unlikely to result in a narrower specification of any substance or cover the goods or services provided by the owner's business, as indicated by the evidence. In these circumstances, the trade mark will simply be refused or invalidated for the broad term(s) caught by the ground(s) for refusal."

50. Given the applicant's own comments that the goods of interest to it are a nail coating system, I have concluded that it is not appropriate to offer the applicant this opportunity.

The objection under section 5(3) of the Act

51. Section 5(3) of the Act states:

"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."

52. Having considered the evidence filed by the opponent, I determined it was insufficient to find that any of the earlier marks is possessed of a reputation. That being the case, the objection founded on section 5(3) of the Act is dismissed.

The objection under section 5(4)(a) of the Act

53. Section 5(4)(a) of the Act states:

“5(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or
- (b) ...

A person thus entitled to prevent the use of a trade mark is referred to in the Act as the proprietor of an “earlier right” in relation to the trade mark.”

54. The opponent relies under this ground on four earlier rights, set out at paragraph 2 above, which it claims to have used throughout the UK since May 2010 in respect of the following goods:

Nail products, nail varnishes, nail care products, nail polish removers, ultra-violet lamps, cosmetics.

55. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19, Pumfrey J. commented upon the evidence that is required to establish goodwill (which is often referred to as reputation):

“27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent’s reputation extends to the goods comprised in the applicant’s specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under Section 11 of the 1938 Act (See *Smith Hayden (OVAX)* (1946) 63 RPC 97 as qualified by *BALI* [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised the applicant must rebut the prima facie case. Obviously he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur.”

56. As I indicated above, the evidence filed is insufficient to show that the opponent has a reputation in any or each of the rights relied on under this ground. Whilst turnover figures “generated from the sale and distribution” of the opponent’s products

are given by Mr Sweet, the figures have not been separated in any way which allows me to determine to which particular mark(s) or in respect of which particular goods they may have accrued. What evidence there is has not been directed to the relevant date and the majority dates from well after it. Whilst a small amount of promotional material has been filed, again the majority of it dates from after the relevant date or is not dated at all and I have no information as to where or when it was published or who, if anyone, might have seen it. I have no evidence from the trade. The objection under this ground fails.

Summary

57. The opposition succeeds under section 5(2)(b) of the Act in respect of the following goods:

Class 3

Bleaching preparations and other substances for laundry use; cleaning, scouring and abrasive preparations; soaps; perfumery, essential oils, hair lotions; dentifrices.

Class 11

Ultraviolet ray lamps, not for medical purposes.

but fails in respect of:

Class 3

Polishing preparations; cosmetics.

58. The opposition fails in respect of the objections brought under sections 5(3) and 5(4)(a) of the Act.

Costs

59. The opponent has had the greater degree of success and is entitled to an award of costs in its favour to reflect that success. In making the award, I note that only the opponent filed evidence but I have found that it was not well directed either to the issues to be determined, the individual marks relied upon or to the position at the relevant date. I do not consider that costs should be awarded in respect of it. I also note that no hearing took place but that written submissions were filed by the opponent. I make the award on the following basis:

For filing a statement and reviewing the other side's statement:	£300
Fee:	£200
For preparation of written submissions:	£100
Total:	£600

60. I order Maroc Organics to pay Creative Nail Design, Inc the sum of £600 as a contribution towards its costs. This sum is to be paid within seven days of the expiry of the period for appeal against this decision or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 29th day of January 2014

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