

O-063-14

TRADE MARKS ACT 1994

In the matter of application no 2633502 by Kate Walton

to register the trade mark:



and the opposition thereto

under no 104530

by J & P Coats, Limited

1) On 3 September 2012, Miss Kate Walton filed an application to register the trade mark:



(the trade mark). The application was published for opposition purposes on 23 November 2012 for the following goods:

packaging;

yarns and threads;

clothing, footwear, headgear.

The above goods are in classes 16, 23 and 25 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended¹.

2) J & P Coats, Limited, hereinafter Coats, has opposed the registration of the trade mark in respect of the class 23 and 25 goods of the application.

3) Proceedings before the registrar are governed by the Trade Marks Act 1994 (the Act). The Act implements, inter alia, Directive 2008/95/EC of the European Parliament and the Council of 22 October 2008 (the Directive) (as it is now). Consequently, interpretation of the Act is made on the basis of judgments of the

¹ As per the Classification Guide of the Intellectual Property Office (IPO):

“In order to allow efficient searching of trade marks the UK uses “The International Classification of Goods and Services”, also known as the “Nice Classification”. The International Classification is administered by the World Intellectual Property Organisation (WIPO) and is used by over 140 countries throughout the world and by organisations such as The Office for Harmonization in the Internal Market (OHIM). Of these countries 78 are party to the Nice Agreement and 68, although not party to it, use the Nice Classification for their classification purposes. The system comprises 45 classes and groups together broadly similar goods or services into categories which assists the registry carrying out efficient searches of the register. Classes 1 – 34 contain goods and classes 35 – 45 contain services. It also allows businesses to check whether there are registered marks that conflict with marks they are using, or propose to use, in respect of particular goods or services. Whilst classification may be seen as an administrative tool its importance to applicants in relation to determining the boundaries of infringement rights cannot be stressed too highly. If the classification of the goods or services on an application is made incorrectly, the validity of any rights stemming from a subsequent registration might be called into question at a later date. This could result in a mark being the subject of proceedings to remove it from the register.”

Court of Justice of the European Union (CJEU) and the General Court (GC), both with their seats in Luxembourg, as well as those of the courts in the United Kingdom. All of the judgments of the GC (previously the Court of First Instance) and the CJEU can be found at the url:

<http://curia.europa.eu/jurisp/cgi-bin/form.pl?lang=en>

Judgments preceded by the letter C are from the CJEU and judgments preceded by the letter T are from the GC. The former is the higher court.

Decisions of the appointed persons, who are one of the two fora for appeal from decisions of the registrar, can be found on the website of the Intellectual Property Office at the url:

<http://www.ipo.gov.uk/types/tm/t-os/t-find/t-challenge-decision-results.htm>

Decisions of the appointed persons can be identified by the prefix BL (decisions of the registrar also have this prefix). (The other fora of appeal are the High Court of England and Wales, the High Court of Northern Ireland and the Court of Session (in Scotland).)

Where available the urls for judgments of the courts of England and Wales have been given.

The acronyms RPC, FSR and ETMR refer to Reports of Patent, Design and Trade Mark Cases, Fleet Street Reports and European Trade Mark Reports respectively. These are publications in which various decisions and judgments in relation to intellectual property and the law of passing-off are reported.

In relation to the law of passing-off, the sign(s) upon which Coats relies will be referred to as a trade mark.

4) Coats has opposed the registration of the trade mark under sections 5(2)(b), 5(3) and 5(4)(a) of the Act.

5) Section 5(2)(b) of the Act states:

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

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

Section 5(3) of the Act states:

“(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.”

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

“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”.

6) Coats relies upon five earlier registered trade marks which are identified in the table below.

Trade mark no	Trade mark	Specification	Date of application/date of registration
CTM ² 2103349		Class 23: Yarns and threads, for textile use. Class 26: Lace and embroidery, ribbons and braid; buttons, hooks and eyes, pins and needles; artificial flowers.	22 February 2001/ 26 April 2002
UK 1264569		Yarns and threads, all included in Class 23.	11 April 1986/20 January 1989

² CTM is the acronym for community trade mark, meaning a trade mark that has been registered at the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM), with rights in the European Union as a whole.

CTM 10297539	RED HEART WITH WOOL	Class 23: Yarns and threads, for textile use.	28 September 2011/9 February 2012
CTM 6508816	RED HEART SOFT TOUCH	Class 23: Yarns and threads, for textile use.	12 December 2007/13 November 2008
CTM 10297571	RED HEART RIBBONS	Class 23: Yarns and threads, for textile use.	28 September 2011/9 February 2012

7) In relation to section 5(2)(b) of the Act, Coats relies upon all five trade mark registrations. In relation to section 5(3) of the Act, Coats relies upon -349 and -569; it claims that it has a reputation in respect of all of the goods of these two registrations.

8) In relation to section 5(4)(a) of the Act, in the notice of opposition, Coats relies upon the trade mark that is the subject of -349.

9) In its statement of grounds Coats makes reference to CTM 5933643 of the trade mark CROCHET WITH HEART, which is registered for *magazines, leaflets and newsletters*. However, this is not identified in the notice of opposition and, other than listing it as a trade mark it owns, Coats makes no reference to it in the statement of grounds. Consequently, no cognisance is taken of this trade mark registration in these proceedings.

10) Coats claims that a range of yarns and threads were sold under the trade mark the subject of -569 from 1986 in the United Kingdom. It claims that several years ago it acquired the United States brand RED HEART and ceased use of its United Kingdom brand. Coats claims that use of the United States brand “recommenced” in Eastern Europe in 2006 and in the United Kingdom in 2010.

11) Coats claims that its trade marks have an increased level of inherent distinctiveness because they do not allude to the goods the subject of the registrations. It claims that its trade marks have acquired distinctiveness as a result of longstanding use and are, therefore, entitled to a broader ambit of protection “because of the inherent residual goodwill and reputation, and acquired distinctiveness”. Coats claims that the trade mark of Miss Walton so closely resembles its trade marks that it is likely to deceive or cause confusion. It claims that the respective trade marks are visually, phonetically and conceptually similar.

12) Coats claims that its class 23 goods are identical to the class 23 goods of the application.

13) Coats claims that its yarns and hand knitting yarns are sold alongside pictures of the finished knitwear, such as jumpers, cardigans, scarves, headwear, footwear and baby clothes. It claims that consumers familiar with RED HEART yarns would believe that Miss Walton's knitted clothing, footwear and headgear was made from yarn originating from Coats or an economically linked undertaking. Coats submits that yarns are sold in haberdasheries and "yarn shops". It claims that hand knitting yarns are sold in art or craft shops. Coats claims that "it is likely" that in all of these shops knitwear made of yarn is sold alongside the yarns. Coats claims that "[t]herefore, yarn and knitwear share, at least, some similarities given that all these goods can be sold in the same establishments and shops, and can be complementary to or used jointly in the making or wearing of clothing, and are aimed at the same public which is the general consumer". Coats claims that its goods, yarns and knitting yarns, are often found in baby retail shops alongside baby clothing. It claims, therefore, that consumers can see yarns and knitted clothing alongside each other. Consequently, it claims, that there is a likelihood of confusion.

14) Coats claims that the trade mark the subject of -569 was used in the United Kingdom from 1986 but this use then ceased. It claims that use "of the brand in its new (US) form commenced throughout the UK and Member States of the European Union in relation to "yarns and threads" since at least 2010 and 2006 respectively". It claims that its yarns have acquired a significant goodwill and reputation in the United Kingdom and the European Union and are well-known to consumers. Coats claims use of Miss Walton's trade mark would take unfair advantage of, or cause detriment to, the distinctive character or the repute of its trade marks. It claims that Miss Walton would gain an unfair advantage by "appropriating the Opponent's goodwill and reputation". Coats claims that use of Miss Walton's trade mark would "lead relevant consumers to confuse the Contested Goods as originating from the Opponent, or believing there to be an economic link between the Opponent and the Applicant". Coats claims that "[d]etriment is foreseeable in the ordinary course of events and indeed the Opponent is likely to suffer or have suffered a decrease of sales or loss of customers, particularly as respective purchasers of the Opponent's Goods may confuse the Contested Goods". Coats also claims that Miss Walton would gain an unfair advantage by seeking to benefit from the "attractiveness" of Coat's trade marks "by misappropriating its goodwill and repute, particularly since the Opponent's Marks have a strong distinctive character. The Applicant can benefit from evoking associations with the Opponent's Marks, whereas the Opponent's reputation can be eroded, diluted and tarnished by negative association." Consequently, registration of the trade mark would be contrary to section 5(3) of the Act.

15) Coats claims that it has used the "unregistered trade marks"ⁱ RED HEART "words and Heart logos throughout the UK" since 1986 in respect of yarns and

threads. It states that this use ceased and under “the new brand” use in the United Kingdom was recommenced in 2010. It claims that since then it has built up substantial goodwill and reputation which attaches to its “unregistered” trade marks. Coats claims that use of Miss Walton’s trade mark would be passing-off. It claims that Miss Walton would gain an unfair advantage “by appropriating and misrepresenting the Opponent’s goodwill and reputation, which would cause damage”. Consequently, registration of the trade mark for the goods under attack would be contrary to section 5(4)(a) of the Act.

16) Miss Walton filed a counterstatement. In relation to section 5(2)(b) of the Act, Miss Walton denies that the trade mark the subject of -569 is similar to her trade mark. She submits that “[t]he trademark of the opposition relates to knitwear, surely class 24. I am registering the trademark in class 25 which relates to clothing, footwear, headwear not specifically knitwear”.

17) In relation to section 5(3) of the Act, Miss Walton again denies the similarity between the trade mark the subject of -569 and her trade mark. She submits that the trade mark of Coats is red whilst hers is fuchsia pink. She claims that the only component similar to the heart logo “is the fact that we have named the trademark a heart”. Miss Walton submits that her trade mark consists of small dots which outline a heart shape unlike “the claimant’s logo which is a mass of colour that forms a heart”.

18) In relation to section 5(4)(a) of the Act, Miss Walton denies that her trade mark will cause damage to the trade mark or business of Coats in terms of passing-off as it is not similar to her trade mark. She claims that her trade mark will not cause misrepresentation in the course of trade to the public. Miss Walton claims that she already has a registration for the trade mark for havetolove, United Kingdom registration no 2457096³, which contains the heart shaped trade mark that she wishes to register.

19) Trade mark registrations -569 and -349 had been registered for more than five years at the date of the publication of Miss Walton’s application; consequently, under section 6(A) of the Actⁱⁱ, she could have required proof of use of the trade marks in relation to the goods encompassed by them for the period 24 November 2007 to 23 November 2012. Miss Walton has not required proof of use of these two trade mark registrations.

20) Only Coats filed evidence. Neither party requested a hearing. Coats filed two sets of submissions. Miss Walton has not been legally represented in the proceedings. Since the filing of the counterstatement Miss Walton has not made any representations.

³ This is the trade mark to which Miss Walton refers:



Evidence for Coats

21) This consists of a witness statement by Rajesh Lakhanpal. Mr Lakhanpal is development director of Coats plc, the parent company of Coats.

22) In the first paragraph of his witness statement, Mr Lakhanpal lists what Coats plc and associate and subsidiary companies do. In this paragraph there is neither particularisation by trade mark or jurisdiction, consequently, it is of no assistance in these proceedings.

23) Mr Lakhanpal states that in the United Kingdom, Coats used the trade mark RED HEART in relation to stranded cotton in 1986. He states that examples can still be found on eBay. Exhibited at annexure A are two pages downloaded from eBay on 30 August 2013. The first relates to 200 skeins of RED HEART stranded cotton with an end date for bidding of 7 April 2013. The second relates to an offer of RED HEART stranded cotton, the bidding ended on 12 August 2011.

24) Mr Lakhanpal refers to matters in the United States which are not pertinent to these proceedings. Annexure B contains pages downloaded from redheart.com on 30 August 2013. The quality of the copies is very poor. The pages relate to yarns, the trade mark the subject of -349 appears at the top of the pages. From the spelling and internal references, this material emanates from a United States website.

25) Mr Lakhanpal states that RED HEART products can be purchased online from the related website shooredheart.com. Pages from this website, downloaded on 30 August 2013, are exhibited at annexure C. From the internal evidence, eg prices in dollars, this is a United States website. On the final page there are tables giving the costs of postage in the United States. The page also has a heading "other countries" under which the flags of various countries, including that of the United Kingdom, appear.

26) Exhibited at annexure D is a page downloaded from coatscrafts.com on 30 August 2013. This advises that Coats is a global leader in sewing and needlecrafts. A list of countries appears, including the United Kingdom. The quality of the copy is very poor but the trade mark the subject of -349 appears to be present upon the page.

27) Mr Lakhanpal states that when in 2010 RED HEART stranded cotton was phased out, RED HEART knitting yarn was launched in the United Kingdom and Western Europe. Mr Lakhanpal states that whilst RED HEART knitting yarn was only reintroduced into the United Kingdom in 2010 "sales of products in 2012 have already amounted to approximately \$210,000". It is not clear from this statement if Mr Lakhanpal is referring to sales in one year or cumulative sales.

Material date(s)

28) Trade mark and passing-off cases have to be considered in relation to a particular point(s) in time. It is the position at this point(s) in time that has to be considered. Evidence should relate to the period up to and including that point(s) in time, the material date(s). In relation to sections 5(2) and 5(3) of the Act the material date is the date of the application for registration.

29) A similar provision to section 5(4)(a) of the Act is to be found in Article 8(4) of Council Regulation 40/94 of December 20, 1993 (this is the regulation that governs the Community trade mark). This was the subject of consideration by the GC in *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Joined Cases T-114/07 and T-115/07, in which the GC stated:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.”

The reasoning of the GC, *mutatis mutandis*, is followed in relation to the Act. An opponent must establish goodwill at the date of the filing of the application which is being opposed. If the opponent fails to establish this, its claim under section 5(4)(a) of the Act must fail.

30) Consideration has also to be given to the position at the date that the behaviour complained of commencedⁱⁱⁱ, if this is earlier than the date of application. This has to be considered when the trade mark the subject of the application has been used prior to the date of application for the same or some of the goods of the application. In this case there is no evidence that at the date of application the trade mark had been used for the goods the subject of the application. Consequently, for the purposes of section 5(4)(a) of the Act, the material date is the date of the application for registration.

31) The material date in respect of all three grounds of opposition is the date of the application for registration, ie 3 September 2012.

Findings of fact

32) In relation to section 5(3) of the Act, Coats must establish that at the date of the filing of the application, its trade mark was known by a significant part of the public concerned by the products covered^{iv}. The CJEU in *General Motors Corporation v Yplon SA* stated how a party would establish this reputation:

“27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.”

33) The evidence of does not establish the market share. There is an absence of any evidence in relation to promotion in the United Kingdom or the European Union. There is no evidence in relation to the geographical extent of use. In relation to the use of knitting yarns, Mr Lakhanpal states use has been from 2010. The previous use had been for a very different product, stranded cotton, which is used in embroidery.

34) Coats has failed to establish that at the material date either of the trade marks upon which it relies in relation to section 5(3) of the Act had the requisite reputation. The ground of opposition under section 5(3) must, therefore, be dismissed.

35) The evidence of Coats also fails to establish that at the material date any of its earlier trade marks enjoyed a reputation which increases their distinctiveness for the purposes of section 5(2)(b) of the Act.

36) In relation to the law of passing-off, Coats has to establish it had goodwill at 3 September 2012 in a business in relation to which the trade marks upon which it relies are related.

37) Goodwill was described by Lord Macnaghten in *IRC v Muller & Co's Margarine Ltd* [1901] AC 217 in the following terms:

"What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has power of attraction sufficient to bring customers home to the source from which it emanates. Goodwill is composed of a variety of elements. It differs in its composition in different trades and in different businesses in the same

trade. One element may preponderate here and another element there. To analyse goodwill and split it up into its component parts, to pare it down as the Commissioners desire to do until nothing is left but a dry residuum ingrained in the actual place where the business is carried on while everything else is in the air, seem to me to be as useful for practical purposes as it would be to resolve the human body into the various substances of which it is said to be composed. The goodwill of a business is one whole, and in a case like this it must be dealt with as such. For my part, I think that if there is one attribute common to all cases of goodwill it is the attribute of locality. For goodwill has no independent existence. It cannot subsist by itself. It must be attached to a business. Destroy the business, and the goodwill perishes with it, though elements remain which may perhaps be gathered up and be revived again."

38) Goodwill has to be situated in the jurisdiction^v ie Coats must have business within the United Kingdom; although, an undertaking does not have to be located here^{vi}. In the notice of opposition, Coats refers only to the logo trade mark. In the statement of grounds it refers to the word trade mark RED HEART. It is taken that Coats is relying upon both the word trade mark RED HEART and the logo trade mark that is shown in the notice of opposition.

39) All of the material exhibited was downloaded from after the material date. The second eBay page in annexure A relates to a sale of RED HEART stranded cotton which ended on 12 August 2011. Annexures B and C relate to use in the United States. The final page of Annexure C shows "other countries". However, it is not clear if these are "click-throughs" or if they relate to the possibility of sales in the jurisdictions shown. If the latter, there is no evidence that any such sales have been made to the United Kingdom through the web pages. Annexure D indicates that information is available in relation to the United Kingdom but this printout emanates from after the material date. The one exhibit showing use in the United Kingdom prior to the material date is for stranded cotton, is from a private seller and emanates from after when the sale of stranded cotton was phased out. There is no exhibited material relating to use of RED HEART knitting yarn in the United Kingdom. Mr Lakhanpal describes the knitting yarn as being "reintroduced" into the United Kingdom in 2010 but this is contradictory to an earlier part of his statement where he describes RED HEART as being used in relation to stranded cotton previously⁴. Paragraph 13 of his statement also

⁴ Residual goodwill can exist in relation to a trade mark. The existence of such goodwill is an evidential matter and the evidence filed cannot support an existence of residual goodwill. In relation to stranded cotton the evidence has more failings than those in *Starbucks (HK) Limited, PCCW Media Limited and UK Broadband Limited v British Sky Broadcasting Group PLC, British Sky Broadcasting Limited and Sky IP International Limited* [2012] EWHC 3074 (Ch) where Arnold J stated:

"138. PCCU's service. I am satisfied that PCCU's service had generated some degree of reputation and goodwill in the UK under the name NOW by the time it was closed in January 2002, but on the evidence it is clear that the extent of this was modest. Furthermore, over 10

lacks clarity as to whether the sales were made in 2012 or whether the sales figures relate to a cumulative total. There is no information as to the sales made by the material date, 3 September 2012. So it is not possible to ascertain how many sales were made by then. There are no exhibits showing how the trade marks have been used in the United Kingdom by Coats. No labels, no catalogues, no promotion, no price lists in relation to the United Kingdom have been adduced. Coats has failed to establish that at the material date it enjoyed goodwill in the United Kingdom in relation to any of the goods claimed.

40) Owing to the failure to establish goodwill at the material date, the ground of opposition under section 5(4)(a) of the Act must be dismissed.

Likelihood of confusion – section 5(2)(b) of the Act

Average consumer and the purchasing process

41) The average consumer is deemed to be reasonably well informed and reasonably circumspect and observant^{vii}.

42) In *New Look Ltd v Office for the Harmonization in the Internal Market (Trade Marks and Designs)* Joined Cases T-117/03 to T-119/03 and T-171/03 the GC stated:

“49 However, it should be noted that in the global assessment of the likelihood of confusion, the visual, aural or conceptual aspects of the opposing signs do not always have the same weight. It is appropriate to examine the objective conditions under which the marks may be present on the market (*BUDMEN*, paragraph 57). The extent of the similarity or difference between the signs may depend, in particular, on the inherent qualities of the signs or the conditions under which the goods or services covered by the opposing signs are marketed. If the goods covered by the mark in question are usually sold in self-service stores where consumer

years elapsed between then and the announcement of Sky's service. It is common ground that, if a business has not been abandoned in a manner which results in its goodwill being destroyed, a residual goodwill may continue to subsist for a time after the business has ceased trading: see Wadlow, *The Law of Passing Off* (4th ed) at §§3-220 to 3-226. In principle, the lesser the extent of the original goodwill and the more time that has elapsed since the business ceased trading, the more one would expect the residual goodwill to have evaporated; but the extent of any residual goodwill in any particular case is a matter for evidence. In the present case there is no direct evidence that any goodwill continued to exist in March 2012. In my judgment there is no sufficient evidence from which the continued existence of any goodwill can be inferred. It follows that the claim for passing off based on the goodwill generated by PCCU's service fails.”

The full judgment can be found at the url:

<http://www.bailii.org/ew/cases/EWHC/Ch/2012/3074.html>

choose the product themselves and must therefore rely primarily on the image of the trade mark applied to the product, the visual similarity between the signs will as a general rule be more important. If on the other hand the product covered is primarily sold orally, greater weight will usually be attributed to any aural similarity between the signs.”

43) In *Adelphoi Limited v DC Comics (a general partnership)* BL O/440/13 Professor Annand, sitting as the appointed person, stated

“21. As for the services, e.g., broadcasting, whilst I agree with Mr. Malynicz that the average consumer would include business consumers or professionals as well as the general public, the likelihood of confusion must be assessed in relation to the part of the public whose attention is lower (see e.g., Case T-448/11, *Golden Balls Ltd v. OHIM*, 16 September 2013, para. 26), although in any event, the Hearing Officer relied on an average consumer (reasonably well informed and reasonably circumspect and observant) paying an average level of attention (para. 41).”

44) In *New Look Ltd* the GC also stated:

“43 It should be noted in this regard that the average consumer’s level of attention may vary according to the category of goods or services in question (see, by analogy, Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 26). As OHIM rightly pointed out, an applicant cannot simply assert that in a particular sector the consumer is particularly attentive to trade marks without supporting that claim with facts or evidence. As regards the clothing sector, the Court finds that it comprises goods which vary widely in quality and price. Whilst it is possible that the consumer is more attentive to the choice of mark where he or she buys a particularly expensive item of clothing, such an approach on the part of the consumer cannot be presumed without evidence with regard to all goods in that sector. It follows that that argument must be rejected.”

45) The purchasers of the class 25 goods of the application are the public at large. The goods will normally be bought by the eye and so visual similarity is of greater importance than aural similarity. Owing to the wide variation in quality and price of the goods, the purchasing will not always be the result of a particularly careful decision. However, as the purchaser will be interested in size, colour and possibly material, the decision will engage a reasonable deal of care; if not the uppermost. The effect of imperfect recollection will be limited.

46) *Yarns and threads* can be bought by industry and also by the public at large. Industry will take more care in the purchase than the public at large and so, applying the finding in *Adelphoi Limited*, the matter will be considered in relation to the public at large. The purchase of *yarns and threads* will be from shops, catalogues or through the Internet. The primary means of purchase will be by the

eye and so visual similarity will be of greater importance than aural similarity. *Yarns* will be bought for specific projects, such as knitting a jumper. The purchaser will take care in relation to the nature of the yarn and its colour. The purchasing process is likely to be careful and quite educated. Consequently, the effects of imperfect recollection will be limited. Some *threads* may be bought with a similar amount of care as *yarns*, however, some may be bought without a greater deal of care, eg cotton bought for re-attaching a button. Consequently, the effects of imperfect recollection will be increased.

Comparison of trade marks

47) The trade marks upon which Coats rely are:

RED HEART
RIBBONS

RED
HEART
SOFT
TOUCH

RED
HEART
WITH
WOOL



The trade mark of the application is:



48) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details^{viii}. 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^{ix}; 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.”

There cannot be an artificial dissection of the trade 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 them he/she has kept in his/her mind and he/she is deemed to be reasonably well informed and reasonably circumspect and observant^x. The assessment of the similarity of the trade marks must be made by reference to the perception of the relevant public^{xi}.

49) Miss Walton comments upon her trade mark being in fuchsia pink. As the earlier trade marks are not limited to colour, the trade mark of Miss Walton must be drained of colour for the purposes of the comparison of the respective trade marks^{xii}.

50) The application is for a device⁵ only. Mr Geoffrey Hobbs QC, sitting as the appointed person, considered device only trade marks and the issues of aural and visual similarity in BL O/333/10:

“39 In *Dainichiseika* the General Court upheld a decision of the Second Board of Appeal at the Community Trade Marks Office to the effect that it was difficult to avoid the perception of a pelican on seeing the following mark:



and that this would give rise to the existence of a likelihood of confusion in the event of concurrent use of the following mark:

⁵ Device is the term used in trade mark proceedings for what the person in the street will often describe as a logo or as a picture.



in relation to identical and similar goods in Classes 1, 2 and 17.

40 The General Court considered that the marks shown above 'have a low degree of visual similarity, are conceptually identical and phonetically identical or very similar'. With regard to conceptual identity, it was taken to be obvious that the marks in issue would be perceived and remembered as 'pelican' marks. The finding of phonetic resemblance was made on the basis that a substantial number of relevant consumers would refer to the non-verbal device mark by using the word in their native language corresponding to the term 'pelican'. It was emphasised that this was not a case of mere association between two trade marks as a result of their analogous semantic content:

"...the similarities between the signs at issue in the present case are numerous and go beyond mere concordance of elements which are derived from nature and, therefore, not very fanciful. It must be borne in mind, in particular, that the signs all contain the image of the same bird (a pelican) and that, both in the mark applied for and the earlier trade marks, that pelican is shown in left profile, as a white silhouette with a black outline, inside a circle, sitting on a white base with a black outline ... "

41 The judgment is of interest for present purposes because it confirms that due weight must be given to the way in which a non-verbal mark is likely (if it is likely) to be vocalised by the relevant average consumer for the purpose of distinguishing the trade mark proprietor's goods or services from those of other suppliers. The General Court treated the likely vocalisation as an attribute of, not a substitute for, the non-verbal mark in issue. It did not elaborate on the criteria to be used for the purpose of deciding whether there is a relevant likelihood of vocalisation. It did not decide that words must always or necessarily be regarded as linked by similarity to graphic representations they might possibly be used to identify or describe."

51) The trade mark of Miss Walton will be perceived as a heart and will be vocalised as the word heart. Consequently, as all of the earlier trade marks

include the word heart or the word heart and a device of a heart, there is a degree of conceptual and aural similarity between all of these trade marks and that of Miss Walton. It may also be that some will see the trade mark of Miss Walton as being red, rather than fuchsia pink, and so bringing about closer aural and conceptual similarity. The two word and device trade marks of Coats also include the device of a heart; bringing about a reasonable degree of visual similarity; despite the differences in the designs of the hearts. The word only trade marks of Coats do not enjoy visual similarity. Consequently, the closest earlier trade marks of Coats to those of Miss Walton are the two word and device trade marks.

52) There is no single distinctive and dominant component in the trade mark of Miss Walton, the distinctiveness lies in the trade mark as a whole. The word and device components of -569 are discrete; neither is allusive nor descriptive of the goods of the registration. The word and device components are both distinctive and neither component dominates to the detriment of the other. In -349 the device element is a background to the words and the words are more dominant than the devices of hearts; although all of the components are distinctive. Taking all these factors into account -569 is more similar to the trade mark of Miss Walton than -349. -569 has a degree of visual, aural and conceptual similarity with the trade mark of Miss Walton; overall there is a reasonable degree of similarity.

Comparison of goods

53) Taking into account the finding above re the degree of similarity of -569 and Miss Walton's trade mark and the specification of -569, the comparison with the class 23 goods of the earlier registrations will be made by reference to -569 (as well as the likelihood of confusion).

54) Miss Walton in her counterstatement submits that knitwear is in class 24. This is incorrect. With the exception of clothing for safety purposes, effectively all clothing is in class 25, including knitwear. Class 24 covers textiles, textile goods, not included in other classes, bed covers and table covers; it does not cover clothing.

55) *Yarns and threads* are included in the specification of -569; the respective class 23 goods are identical.

56) In "construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade^{xiii}". Words should be given their natural meaning within the context in which they are used, they cannot be given an unnaturally narrow meaning^{xiv}. Consideration should be given as to how the average consumer would view the goods and services^{xv}. In *YouView TV Limited v Total Limited* [2012] EWHC 3158 (Ch)^{xvi} Floyd J stated:

“12. There are sound policy reasons for this. Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IPTRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of "dessert sauce" did not include jam, or because the ordinary and natural description of jam was not "a dessert sauce". Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

The class of the goods in which they are placed may be relevant in determining the nature of the goods^{xvii}. In assessing the similarity of goods it is necessary to take into account, inter alia, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary^{xviii}. In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J also gave guidance as to how similarity should be assessed^{xix}. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-325/06 the General Court (GC) explained when goods are complementary:

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

Consideration is also taken into account of the decision of Mr Daniel Alexander QC, sitting as the appointed person, in *Sandra Amalia Mary Elliott v LRC Products Limited* BL O/214/13^{xx}.

57) In its notice of opposition, Coats claims that the class 26 goods of -349 are similar to the class 25 goods of the application. It has put forward no argument as to how they are similar in either the statement of grounds or in its two sets of written submissions. In *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C-39/97 the CJEU stated:

“22. It is, however, important to stress that, for the purposes of applying Article 4(1)(b), even where a mark is identical to another with a highly distinctive character, it is still necessary to adduce evidence of similarity between the goods or services covered. In contrast to Article 4(4)(a), which expressly refers to the situation in which the goods or services are not similar, Article 4(1)(b) provides that the likelihood of confusion presupposes that the goods or services covered are identical or similar.”

The court required evidence of similarity to be adduced. This finding has been reiterated by the CJEU and the GC; eg in *Commercy AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-316/07:

“43 Consequently, for the purposes of applying Article 8(1)(b) of Regulation No 40/94, it is still necessary, even where the two marks are identical, to adduce evidence of similarity between the goods or services covered by them (see, to that effect, order of 9 March 2007 in Case C-196/06 P *Alecansan v OHIM*, not published in the ECR, paragraph 24; and Case T-150/04 *Mülhens v OHIM – Minoronzoni(TOSCA BLU)* [2007] ECR II-2353, paragraph 27).”

The above part of the *Canon* judgment has been more recognised in the breach than in the observance in this jurisdiction. It may not always be practical to adduce evidence of similarity; it may be that the nature of the goods and/or services is so well-known that it would be a waste of effort and resources to do so. This is not the case here. In the absence of both evidence and argument in relation to the alleged similarity, the claim is dismissed.

58) In written submissions, Coats writes:

“The Contested Services in class 25 are identical or at least highly similar to the Opponent’s Services.”

It is not understood how the respective **goods** could in any shape or form be described as being identical.

59) Coats makes various assertions as to why the respective class 23 and 25 goods are similar but supports none of these with evidence (see paragraph 13). If the assertions are correct, it should have been a simple matter to exhibit material supporting the assertions. The assertions certainly do not reflect the experience of the hearing officer.

60) The class 25 goods will be sold through clothing retailers or the clothing parts of department stores or websites. The class 23 goods will be sold in specialist shops, specialist websites or in discrete areas of department stores. It is not the norm for clothing and footwear retailers or their suppliers to supply or sell *yarns*

and threads. The respective goods do not share channels of trade, neither through suppliers nor retailers. The respective goods are not fungible, they are not in competition. The intended purpose of the class 25 goods is for wearing; the intended purpose of the class 23 goods is to repair or to make something. Even if the yarn is made into an item to wear this does not give it the same intended purpose; no more than a plank of wood that could be made into a table has the same purpose as a table. The class 25 goods are end products that require no further action, the class 23 goods are of their nature latent products; products that need to be used to produce something. The class 23 goods are used to embroider, knit, sew or to be made into material at an industrial level; the class 25 goods are used to wear, their methods of use are different. It is difficult to envisage that the trade would put the respective goods in the same category. The class 23 goods could be used to produce certain types of the class 25 goods but owing to the very different methods of use and channels of trade, customers will not think that the responsibility for the respective goods lies with the same undertaking. The respective goods are not complementary. Coats has furnished no evidence to even suggest that the name of yarn producers is used in connection with finished knitwear products. There is nothing to indicate that there is any parallel with the few cloth manufacturers whose trade marks are used in relation to finished products eg Lycra and Gore Tex. If there is any similarity between the class 25 and 23 goods, because knitwear is made of yarn, owing to the norms of trade, it is of the most limited nature.

61) Any similarity between the class 23 and 25 goods is of the most limited nature.

Conclusion – global appreciation of likelihood of confusion

62) In considering whether there is a likelihood of confusion various factors have to be taken into account. There is the interdependency principle – a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods, and vice versa^{xxi}. There is a reasonable degree of similarity with the trade mark that, as argued above, represents Coats' best case, -569. In relation to class 23, the respective goods are identical. The GC in *Aldi GmbH & Co KG v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-505/11 stated:

“91 In addition, the Opposition Division considered that the goods at issue were identical, as was recalled in the contested decision, without the Board of Appeal's taking a final decision in that regard (see paragraph 40 et seq. above). That implies, in accordance with the case-law cited at paragraph 23 of the present judgment, that, if there is to be no likelihood of confusion, the degree of difference between the marks at issue must be high (see, to that effect, judgment of 29 January 2013 in Case T-283/11 *Fon Wireless v OHIM – nfon (nfon)*, not published in the ECR, paragraph 69).”^{xxii}

Owing to the nature of the trade mark, this is not a case where the considerations in *Meda Pharma GmbH & Co KG c Office de l'harmonisation dans le marché intérieur (marques, dessins et modèles) (OHMI) les affaires jointes T-492/09 et T-147/10* comes into play; ie the trade mark of Coats does not have a limited degree of distinctiveness^{xxiii} (see below).

63) It is necessary to consider the distinctive character of the earlier trade mark; the more distinctive the earlier trade mark the greater the likelihood of confusion^{xxiv}. The distinctive character of a trade mark can be appraised only, first, by reference to the goods in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public^{xxv}. 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 trade 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^{xxvi}. -569 is neither allusive nor descriptive of the goods for which it is registered. It enjoys a good deal of inherent distinctiveness.

64) Owing to the differences between -569 and the trade mark of Miss Walton, this is not a case where there would be direct confusion ie confusing one trade mark for another. Mr Iain Purvis QC, sitting as the appointed person, in BL O/375/10 commented upon direct and indirect confusion:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: *“The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark”*

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

In *Sabel BV v Puma AG* Case C-251/95 the CJEU stated:

“16. According to those governments, the likelihood of association may arise in three sets of circumstances: (1) where the public confuses the sign and the mark in question (likelihood of direct confusion); (2) where the public makes a connection between the proprietors of the sign and those of the mark and confuses them (likelihood of indirect confusion or association); (3) where the public considers the sign to be similar to the mark and perception of the sign calls to mind the memory of the mark, although the two are not confused (likelihood of association in the strict sense).

17. It must therefore be determined whether, as those governments claim, Article 4(1)(b) can apply where there is no likelihood of direct or indirect confusion, but only a likelihood of association in the strict sense. Such an interpretation of the Directive is contested by both the United Kingdom Government and by the Commission.”

65) Owing to the identity of the class 23 goods and the distinctiveness of - 569, there is a likelihood of indirect confusion. Any similarity of goods between class 23 and 25 is of the most limited nature and, owing to the very different channels of trade, and the differences in the trade marks, there is not a likelihood of either direct or indirect confusion.

66) The application is to be refused for the class 23 goods.

67) Miss Walton referred to her registration no 2457096 in her counterstatement. The trade mark of this registration is very different to that of the application. It is only registered for goods in class 25. The issues have to be considered upon the basis of the trade mark the subject of the application and the earlier rights upon which Coats relies. Consequently, the earlier registration of Miss Walton is not pertinent to these proceedings.

Costs

68) As each party has had a measure of success, the parties are to bear their own costs.

Dated this 6th day of February 2014

**David Landau
For the Registrar
the Comptroller-General**

ⁱ English law does not recognise the concept of an unregistered trade mark:

Parker J in *Burberrys v J C Cording & Co Ltd* [1909] 26 RPC 693 held:

“The principles of law applicable to a case of this sort are well known. On the one hand, apart from the law as to trade marks, no one can claim monopoly rights in the use of a word or name. On the other hand, no one is entitled by the use of any word or name, or indeed in any other way, to represent his goods as being the goods of another to that other’s injury. If an injunction be granted restraining the use of a word or name, it is no doubt granted to protect property, but the property, to protect which it is granted, is not property in the word or name, but the property in the trade or good-will which will be injured by its use. If the use of a word or a name be restrained, it can only be on the ground that such use involves a misrepresentation, and that such misrepresentation has injured, or is calculated to injure another in his trade or business.”

Millett LJ in *Harrods Ltd v Harrodian School Ltd* [1996] RPC 697 stated:

“It is well settled that (unless registered as a trade mark) no one has a monopoly in his brand name or get up, however familiar these may be. Passing off is a wrongful invasion of a right of property vested in the plaintiff; but the property which is protected by an action for passing off is not the plaintiff’s proprietary right in the name or get up which the defendant has misappropriated but the goodwill and reputation of his business which is likely to be harmed by the defendant’s misrepresentation: see *Reddaway v. Banham* [1896] A.C. 199 per Lord Herschell; *Spalding v. Gamage* (1915) 32 R.P.C. 273 at page 284 per Lord Parker; *H.P. Bulmer Ltd. and Showerings Ltd. v. J. Bollinger SA and Champagne Lanson Pere et Fils* (the *Bollinger case*) [1978] R.P.C. 79 at page 93-4 per Buckley L.J.”

ⁱⁱ Section 6A of the Act reads:

“(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, and
- (b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.
- (5) In relation to a Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.
- (6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.
- (7) Nothing in this section affects –
- (a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4)(relative grounds of refusal on the basis of an earlier right), or
- (b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration).”

ⁱⁱⁱ *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC 429 and *Inter Lotto (UK) Ltd v Camelot Group PLC* [2004] RPC 8 and 9. The *Inter Lotto* judgments can be found at:

<http://www.bailii.org/ew/cases/EWHC/Ch/2003/1256.html>
and
<http://www.bailii.org/ew/cases/EWCA/Civ/2003/1132.html>

^{iv} *General Motors Corporation v Yplon SA* Case C-375/97.

^v See for instance *Plentyoffish Media Inc v Plenty More LLP* [2011] EWHC 2568 (Ch). The full judgment can be found at the url:

<http://www.bailii.org/ew/cases/EWHC/Ch/2011/2568.html>

^{vi} See *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others* Arnold J [2008] EWHC 3032(Ch) and *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others* [2010] EWCA Civ 110 Lloyd LJ. The full judgments can be found at the urls:

<http://www.bailii.org/ew/cases/EWHC/Ch/2008/3032.html>

and <http://www.bailii.org/ew/cases/EWCA/Civ/2010/110.html>

^{vii} *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* Case C-342/97.

^{viii} *Sabel BV v Puma AG* Case C-251/95.

^{ix} *Sabel BV v Puma AG* Case C-251/95.

^x *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* Case C-342/97.

^{xi} *Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02.

^{xii} In *Specsavers International Healthcare Limited & Others v Asda Stores Limited* [2010] EWHC 2035 (Ch) Mann J stated:

“119. It is not clear to me that this is a debate which advances the case very much, but the position seems to me to be as follows. As a matter of principle the exercise involves comparing the offending sign with the registered mark and assessing the likelihood of confusion or association. The two things have to be compared. Since we live in a visual world, and signs are visual, some form of appearance has to be considered. If the registered mark is limited to a colour, then the mark that is used has to be compared, as used, to the mark that is registered, as registered (and therefore in colour). If the registered mark is unlimited as to colour then it is registered for all colours. This means that the colour of the offending sign becomes irrelevant. It will not be possible to say that its colour prevents there being an infringement. At this point one can take one of two courses, each of which ought to have the same result. The first is to imagine the registered mark in the same colour as the offending sign. The second is to drain the colour from the offending sign. Either way one then has the material for comparison. One could even imagine them both in a third colour. It does not matter. So in a sense both Mr Purvis and Mr Bloch are right. As a matter of visual convenience it seems to me to be easier to imagine the registered mark in a colour than to imagine the offending sign drained of colour, and I propose to adopt that course.”

The full judgment can be found at the url:

<http://www.bailii.org/ew/cases/EWHC/Ch/2010/2035.htm>

^{xiii} *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281.

^{xiv} *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267.

^{xv} *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 dealt with a non-use issue but are still pertinent to the consideration of the meaning and effect of specifications:

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

The full judgment can be found at the url:

<http://www.bailii.org/ew/cases/EWCA/Civ/2002/1828.html>

^{xvi} The full judgment can be found at the url:

<http://www.bailii.org/ew/cases/EWHC/Ch/2012/3158.html>

^{xvii} *Altecnic Ltd's Trade Mark Application* [2002] RPC 34. The full judgment can be found at the url:

<http://www.bailii.org/ew/cases/EWCA/Civ/2001/1928.html>.

Also: *The Sunrider Corporation v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-221/12*.

^{xviii} *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc Case C-39/97*.

^{xix} He considered that the following should be taken into account when assessing the similarity of goods and/or services:

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

^{xx} “17. First, the starting point for the analysis of similarity is the wording of the Act and the Directive. These require the tribunal to determine whether or not the respective goods are “identical or similar” but they do not specify the criteria by reference to which similarity is to be assessed. In the well-established guidance from the Court of Justice on this issue originating in *Canon*, to which the Hearing Officer referred, the Court has not suggested that every case requires assessment of whether the respective goods or services are complementary. To the contrary, the Court has regularly made it clear that all relevant factors relating to the goods or services themselves should be taken into account, of which complementarity is but one (see e.g. in *Boston*).

18. Second, the concept of complementarity is itself not without difficulty. In a number of cases, reference to it does not make the assessment of similarity easier. If tribunals take the explanation of the concept in *Boston* as akin to a statutory definition, it can lead to unprofitable excursions into

matters such as the frequency with which certain goods are used with other goods and whether it is possible for one to be used without the other. That analysis is sometimes of limited value because the purpose of the test, taken as a whole, is to determine similarity of the respective goods in the specific context of trade mark law. It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes.

19. Third, the Hearing Officer said at [32]:

As stated above, the legal definition of ‘complementary’, as per *Boston*, is that the goods must be “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”. It is not sufficient that the goods “can” be used together; nor is it sufficient that they are sold together.

20. In my judgment, the reference to “legal definition” suggests almost that the guidance in *Boston* is providing an alternative quasi-statutory approach to evaluating similarity, which I do not consider to be warranted. It is undoubtedly right to stress the importance of the fact that customers may think that responsibility for the goods lies with the same undertaking. However, it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together. I therefore think that in this respect, the Hearing Officer was taking too rigid an approach to *Boston*.

21. Moreover, it is necessary to view the quotation from *Boston* in the context of the facts of that case where the dispute over similarity turned in part on whether the goods were used together for a rather specific medical procedure. The Court of First Instance said at [77]-[87]:

Similarity between the products

77 According to consistent case-law, in order to assess the similarity of the products or services concerned, all the relevant features of the relationship that might exist between those products or services should be taken into account. Those factors include, in particular, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary (*Sunrider v OHIM*, paragraph 27 above, paragraph 85; judgment of 15 March 2006 in Case T-31/04 *Eurodrive Services and Distribution v OHIM - Gómez Frías (euroMASTER)*, paragraph 31).

78 As regards the assessment of the similarity of the goods at issue, the Board of Appeal found, in paragraphs 22 to 24 of the contested decision, that, owing to their functional differences, apparatus for placing a suture, on the one hand, and hollow fiber oxygenators with detachable hard-shell reservoir, on the other hand, have a different method of use, are not in competition with each other and are not interchangeable. However, the Board found, in essence, that the goods at issue were closely linked to the goods of the intervener in so far as they had a certain complementary character, since they could be used simultaneously in the field of medicine, for example during surgery. They might also be purchased through the same distribution channels and be found in the same points of sale, so that the relevant public could be led to believe that they came from the same undertaking.

79 Those findings must be upheld.

80 In this respect, it must be noted that the goods bearing the earlier trade mark and those covered by the mark applied for both concern the medical field and are therefore intended to be used in the context of a therapeutic treatment.

81 In addition, as the Board of Appeal rightly pointed out, all the goods covered by the mark applied for have a certain complementary relationship with those bearing the earlier trade mark.

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

83 It is also true that, as OHIM moreover acknowledged, apparatus for placing a suture cannot be considered to be indispensable or important for the use of hollow fiber oxygenators with detachable hard-shell reservoir.

84 However, it is clear that apparatus for placing a suture and hollow fiber oxygenators with detachable hard-shell reservoir can be considered to be complementary where, in surgery which has required an incision and during which an oxygenator has been used, the surgeon uses apparatus for placing a suture. Thus, in the course of a single, very specific procedure, namely a surgical operation, two apparatus, namely an oxygenator and apparatus for placing a suture, might be used, one bearing the trade mark CAPIOX and the other the trade mark CAPIO.

85 It follows that, even though the applicant claims that the goods at issue cannot be considered to be similar simply because they are both used in the field of medicine, which, according to the applicant, is the case of nearly all goods of significance, the goods at issue are similar because they are in fact in a certain complementary relationship and specifically target certain professionals in the medical sector. In addition, in the present case, contrary to what the applicant claims, the goods at issue are not similar solely because they are used in the field of medicine, but because they could be used in the same, very specific surgical operation, namely open-heart surgery.

86 Finally, the products at issue can in fact be found in the same distribution channels, such a criterion being relevant for the purposes of the assessment of the similarity of the goods (*PiraÑAM diseño original Juan Bolaños*, paragraph 82 above, paragraph 37; see also, to that effect, *SISSI ROSSI*, paragraph 82 above, paragraph 65; and *PAM PLUVIAL*, paragraph 82 above, paragraph 95).

87 Accordingly, given the close link between the products in question as regards their end users, the fact that they are to some extent complementary and the fact that they may be distributed via the same distribution channels, the Board of Appeal was right to find that the applicant's goods and those of the intervener were similar (see, to that effect, Case T-388/00 *Institut für Lernsysteme v OHIM - Educational Services (ELS)* [2002] ECR II-4301, paragraph 56).

22. The Court of First Instance was not attributing decisive importance to the question of whether the goods in that case were complementary in determining the overall question of whether they were similar.

23. In the present case, because of the way in which the case was presented to the Hearing Officer, the issue of whether the goods were complementary assumed excessive importance which may have diverted the Hearing Officer's attention from other, no less important, considerations in the evaluation of similarity. That requires me on this appeal to scrutinize the approach taken by the Hearing Officer in considering the evidence by reference to the test of similarity more closely than would ordinarily be warranted by the REEF principles on an appeal of this kind.£

^{xxi} *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C-39/97.

^{xxii} In *Fon Wireless Ltd c Office de l'harmonisation dans le marché intérieur (marques, dessins et modèles) (OHMI)* l'affaire T-283/11 the GC stated :

« 67 Il convient de rappeler que le risque de confusion doit être apprécié globalement, selon la perception que le public pertinent a des signes et des produits ou des services en cause, et en tenant compte de tous les facteurs pertinents en l'espèce, notamment de l'interdépendance entre la similitude des signes et celle des produits ou des services désignés (voir arrêt *GIORGIO BEVERLY HILLS*, précité, points 30 à 33, et la jurisprudence citée). Ainsi, un faible degré de similitude entre les produits ou les services désignés peut être compensé par un degré élevé de similitude entre les marques, et inversement [arrêt de la Cour du 29 septembre 1998, *Canon*, C-39/97, Rec. p. I-5507, point 17, et arrêt *VENADO* avec cadre e.a., précité, point 74].

68 En l'espèce, comme indiqué au point 39 ci-dessus, il y a lieu de confirmer le constat de la chambre de recours selon lequel les produits et les services désignés par les marques antérieures et par la marque demandée sont hautement similaires s'agissant des produits relevant de la classe 9, et identiques s'agissant des services relevant de la classe 38.

69 Ce constat implique, conformément à la jurisprudence citée au point 67 ci-dessus, que le degré de différence entre les marques en conflit doit être élevé pour éviter un risque de confusion. Or, ainsi qu'il ressort du point 62 ci-dessus, il existe un degré de similitude visuelle et phonétique élevé et un certain degré de similitude conceptuelle entre les marques en conflit. »

^{xxiii} «50 La requérante soutient que, en cas d'identité de produits, il est nécessaire, pour exclure tout risque de confusion, que les signes présentent une plus grande différence que dans une situation où l'écart entre les produits est important. Or, dans les circonstances de l'espèce où l'identité des produits n'est pas contestée, la chambre de recours aurait dû conclure au risque de confusion, à l'instar de ce qui a été considéré dans la décision R 734/2008-1 de la première chambre de recours de l'OHMI, du 14 septembre 2009 (*Alleris et Allernil*). Selon la requérante, plusieurs décisions de l'OHMI démontrent que les décisions attaquées s'écartent de la pratique décisionnelle de l'OHMI, ce qui viole les principes d'égalité et de non-discrimination.

51 Il ressort de la jurisprudence que l'OHMI est tenu d'exercer ses compétences en conformité avec les principes généraux du droit de l'Union. Si, eu égard aux principes d'égalité de traitement et de bonne administration, l'OHMI doit prendre en considération les décisions déjà prises sur des demandes similaires et s'interroger avec une attention particulière sur le point de savoir s'il y a lieu ou non de décider dans le même sens, l'application de ces principes doit toutefois être conciliée avec le respect du principe de légalité. Au demeurant, pour des raisons de sécurité juridique et, précisément, de bonne administration, l'examen de toute demande d'enregistrement doit être strict et complet afin d'éviter que des marques ne soient enregistrées de manière indue. C'est ainsi qu'un tel examen doit avoir lieu dans chaque cas concret. En effet, l'enregistrement d'un signe en tant que marque dépend de critères spécifiques, applicables dans le cadre des circonstances factuelles du cas d'espèce, destinés à vérifier si le signe en cause ne relève pas d'un motif de refus [voir, en ce sens, arrêt de la Cour du 10 mars 2011, *Agencja Wydawnicza Technopol/OHMI*, C-51/10 P, non encore publié au Recueil, points 73 à 77, et la jurisprudence citée, et arrêt du Tribunal du 22 novembre 2011, *LG Electronics/OHMI (DIRECT DRIVE)*, T-561/10, non publié au Recueil, point 31).

52 Or il apparaît que, dans la présente affaire, la chambre de recours a correctement pris en compte les circonstances de l'espèce. À cet égard, elle a, à juste titre, constaté l'identité des produits concernés en l'espèce, elle a aussi retenu une similitude très faible des signes en cause sur les plans phonétique et visuel et une impossibilité de comparaison de ces mêmes signes sur le plan conceptuel, comme il ressort des points 40, 41 et 46 ci-dessus. Dès lors, comme le soutient à juste titre l'OHMI, l'identité entre les produits désignés est compensée par un très faible degré de similitude entre les signes en cause et la chambre de recours a pu conclure à bon

droit à l'absence de tout risque de confusion, d'autant que le degré d'attention du public est accru et qu'il n'est pas démontré que la marque antérieure présente un caractère distinctif élevé.”

^{xxiv} *Sabel BV v Puma AG* Case C-251/95.

^{xxv} *Rewe Zentral AG v OHIM (LITE)* Case T-79/00.

^{xxvi} *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97.