

O-064-16

TRADE MARKS ACT 1994

TRADE MARK APPLICATION 3068435

BY MW RESTAURANTS LIMITED

AND

OPPOSITION 403369

BY G STAR RAW C.V.

Background and pleadings

1. On 13th August 2014, MW Restaurants Limited (“the applicant”) applied to register the trade mark shown below.



RAW

2. The mark is proposed to be registered in class 43 for:

Hospitality services [food and drink]; providing food and drink; restaurant services; bar services; restaurant services incorporating licensed bar facilities; cocktail lounge services; wine bar services; grill restaurants; club services for the provision of food and drink; preparation of food and drink; public house services; brasserie services; café services; booking of restaurant seats; take-out restaurant services; catering services; information, advisory and consultancy services in relation to the aforementioned.

3. The application was accepted and the mark published in the Trade Marks Journal on 5th September 2014.

4. G-Star Raw C.V. of the Netherlands (“the opponent”) opposes the application. The opposition is based on four earlier Community trade marks (“CTM”) and an earlier UK trade mark. The earlier CTMs are for the word RAW.

5. One of these is CTM 9702184. The opponent relies on the registration of this mark for a range of entertainment, publishing and educational services in class 41, including organising concerts, parties and workshops. The opponent claims this mark has a reputation in the Community for these services.

6. Another is CTM 11493012. The opponent relies on the registration of this mark for alcoholic and non-alcoholic beverages in classes 32 and 33.

7. The third CTM is 11493103. This is registered in classes 31 and 43 for:

“Grains and agricultural, horticultural and forestry products not included in other classes; live animals; fresh fruits and vegetables; seeds; natural plants and flowers; foodstuffs for animals; malt.”

And

“Services for providing food and drink; temporary accommodation.”

8. It will be noted that the services for which earlier CTM 11493103 is registered cover most of the services listed in the application.

9. None of the above CTMs had been registered for five years at the date of publication of the opposed application. Consequently, they are not subject to the ‘proof of use’ requirements in s.6A of the Trade Marks Act (“the Act”).

10. The opponent’s earlier national trade mark is 2491837. This consists of the mark shown below.



11. This mark is registered in classes 18, 25 and 35 for a range of leatherwear, clothing, business services relating to franchising, and retail services relating to wide range of goods (but not food or drink). This mark is subject to proof of use.

12. The opponent claims that all four of the above marks are similar to the applicant’s mark and cover identical or similar services. According to the opponent, the similarities are such that there is a likelihood of confusion on the part of the public. Consequently, registration would be contrary to s.5(2)(b) of the Act.

13. The fourth CTM is 4743225, which consists of the word RAW. This CTM is registered for a range of soaps, cosmetics, perfumes and similar goods in class 3, for clothing, headgear and footwear in class 25, and for advertising and various business services in class 35. This CTM is also subject to proof of use. The opponent claims that CTMs 4743225 has a reputation for the goods and services for which it is registered.

14. The opponent relies on the reputation claimed in the mark RAW for services in class 41 under CTM 9702184 (see paragraph 5 above), and for goods and services in classes 3, 25 and 35 (see paragraph 13 above) under CTM 4743225, as support for further grounds of opposition under s.5(3). Essentially, the opponent claims that use of the applicant’s mark will, without due cause, take unfair advantage of the reputation of the earlier marks for the goods and services already mentioned and/or

will be detrimental to the distinctive character or repute of the earlier marks. Consequently, registration of the applicant's mark would be contrary to s.5(3) of the Act.

15. The applicant filed a counterstatement denying the grounds of opposition. I note that the opponent claimed that RAW is devoid of any distinctive character for foodstuffs in class 31 (which can be served 'raw') and is low in distinctiveness for restaurant services, for essentially the same reason.

16. Both sides ask for an award of costs.

Evidence and case management

17. The opponent was given until 16th April 2015 to file its evidence. On that day the opponent filed an application for a one month extension of time. The application indicated that the collection of evidence had been delayed by the Easter holiday, but that it was almost complete. The application for an extension of time was provisionally refused. The opponent filed its evidence on 30th April and asked for a hearing to contest the provisional refusal of the extension of time.

18. The opponent's evidence consists of a witness statement by Mr Johannes Christian de Bil together with 22 exhibits totalling over 1450 pages.

19. A case management conference ("CMC") was appointed for 22 June 2015. Amongst the issues listed for consideration were:

- "1. The opponent's request for an extension of time to file its evidence
2. If the evidence is admitted, and given its volume, whether it would be proportionate and more cost effective for the proceedings to be split under Rule 62(1)(h) and the s.5(2) grounds based on the CTMs in class 43 to be dealt with first, with the remaining grounds suspended. This would avoid the applicant having to deal with the opponent's voluminous evidence until after it knows whether the s.5(2)(b) grounds based on the registration of RAW as CTMs in class 43 will succeed independently of the other grounds."

20. At the CMC the applicant's representative resisted the opponent's application was an extension of time on the basis that the evidence is essentially the same as the evidence filed in earlier opposition proceedings. Therefore the reason given for the extension of time was not valid. Having examined the opponent's prospective evidence in this case, and the evidence filed in the earlier opposition (400497), I allowed an extension of time until 30th April. Although the evidence is similar, I was satisfied that the evidence before me was more than a re-filing of substantially the same evidence. The opponent's evidence was therefore admitted into the proceedings.

21. Neither side resisted the registrar's proposal to separate the proceedings. I therefore directed as follows:

"i) The opponent's extension of time request should be accepted and the evidence filed on 30 April should be admitted into the proceedings.

ii) The opposition under section 5(2)(b) based on earlier CTM 11493103 in class 43 (only) should be dealt with as separate proceedings in accordance with Rule 62(1)(h).

iii) The proceedings based on the other grounds of opposition should be suspended pending the outcome of the opposition based on CTM 11493103 in class 43.

iv) As the opponent's evidence has no relevance to the ground of opposition based on CTM 11493103, there is no evidence to which the applicant needs to respond. However, the applicant should be permitted to file any evidence it considers to be relevant to the opposition based on CTM 11493103 in class 43."

The relevant evidence

22. The applicant filed a witness statement by Joanne Joyce. Ms Joyce is a solicitor with Shoosmiths LLP who advises the applicant on intellectual property matters. According to Ms Joyce, the applicant opened a restaurant in the City of London in 2014. She says that the contested trade mark was designed to be used for the applicant's 'Raw Food' restaurant. Exhibit JKJ1 consists of example pages from the restaurant's website 'mrestaurants.co.uk/m-raw'. They show use of the contested mark and provide examples of the menus. The latter show a preponderance of uncooked plates with an emphasis on health. The covering page states:

"RAW specialises in small plates of SUSHI, SASHIMI, TARTARES, SALADS and CAVIAR, plus HOT STONES and BAO"

And

"Breakfast is served in RAW from 7am each morning and features breakfast classics alongside uber-healthy 'Brain Breakfasts' and RAW Juices..."

23. According to Ms Joyce, the word raw has become descriptive in the restaurant trade for a certain kind of food preparation style which includes mostly uncooked foods. Ms Joyce exhibits extracts from the website purelyraw.com/history and from Wikipedia¹. Eating uncooked foods is not a new thing, but the style appears to have become more popular following the opening in California of a restaurant serving raw

¹ See exhibit JKJ2

foods. The Californian restaurant was called RAW. The information on the purelyraw website records that *“there are pockets of raw fooders in California, New York and Oregon in America and also Brighton, Glastonbury and London in the UK”*. Wikipedia records that the raw food movement remains a novelty in Europe, although a few restaurants have opened in the UK, Germany and other large cities.

24. According to a contemporaneous article in The Independent, the first all-raw restaurant in Britain opened in London in 2005. It was called the Little Earth Cafe². Extracts from various websites indicate that in 2015 there were around a dozen restaurants, cafes and catering services offering raw food in London. Most of these were marketed as particularly suitable for vegans³.

25. Ms Joyce concludes that in addition to an obvious descriptive meaning for uncooked food, the word raw has taken on a related meaning in relation to restaurants and cafes serving uncooked foods. The word therefore describes a type of cuisine rather than any particular such business.

26. The opponent filed a witness statement in response from its trade mark attorney, Claire Hutchinson of HGF. The sole purpose of this was to provide a full copy of the applicant’s menu from its website. The significance of this is that it includes some dishes which do not appear to be raw food.

Submissions

27. I received written submissions from HGF on behalf of the opponent. I also received written submissions from Sipara, the applicant’s representatives in these proceedings. No hearing was requested and so this decision is taken following a careful perusal of the papers.

Section 5(2)(b)

28. Sections 5(2)(b) of the Act is as follows:

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

² See exhibit JKJ3

³ See exhibits JKJ4 and 5

Comparison of goods and services

Applicant's services	Services covered by CTM 11493103
Hospitality services [food and drink]; providing food and drink; restaurant services; bar services; restaurant services incorporating licensed bar facilities; cocktail lounge services; wine bar services; grill restaurants; club services for the provision of food and drink; preparation of food and drink; public house services; brasserie services; café services; booking of restaurant seats; take-out restaurant services; catering services; information, advisory and consultancy services in relation to the aforementioned.	Services for providing food and drink; temporary accommodation

29. I find that all of the applicant's services, with the exceptions of 'booking of restaurant seats' and 'information, advisory and consultancy services in relation to [services for the provision of food and drink]' are covered by the broad term 'services for providing food and drink' in the list of services for which the CTM is registered.

30. In assessing the similarity of these services to those covered by the earlier CTM, I take account of the judgment of the CJEU in *Canon*⁴. The court stated at paragraph 23 of its judgment that:

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

31. The descriptions of the applicant's services listed in paragraph 29 above are plainly complementary to 'services for providing food and drink'. Further, as the applicant apparently intends to provide all these services on a commercial basis it is not open to the applicant to contend that they are not usually provided by the same undertaking. I find that there is a medium degree of similarity between these services.

⁴ Case C-39/97

Global assessment of the likelihood of confusion

32. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

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

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of marks


33. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in *Bimbo SA v OHIM*⁵ that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

⁵ Case C-591/12P

The respective trade marks are shown below:

RAW	
Earlier trade mark	Contested trade mark

34. The opponent's mark is included within the applicant's mark. It is not the dominant element of that mark, at least from a visual perspective. The figurative element is dominant. However, the word RAW is not negligible in the visual impression created by that mark. Therefore there is a low to medium degree of visual similarity between the marks.

35. The applicant contends that its mark will be verbalised as EM-RAW whereas the opponent's mark is plainly just RAW. I accept that some consumers may verbalise the applicant's mark as EM-RAW, but I do not accept that the majority of average consumers would verbalise it like this. This is because although the figurative element is based on the letter M, it is not clearly the letter M. Most consumers would see it as just a geometric device. Further, its position above the word RAW does not encourage consumers to 'read through' the figurative and word elements of the mark as EM-RAW. This is consistent with the applicant's own evidence, which shows that it calls the restaurant in question just RAW.

36. I acknowledge that the applicant's evidence shows that it operates other restaurants (or possibly that the restaurant promoted under the mark is part of a complex of restaurants) some of which are operated under figurative marks more clearly based on the letter M. However, the applicant's current marketing strategy is irrelevant for the purposes of this comparison. This is because it could change in the future. Consequently, this enquiry must consider the effect of normal and fair use of the mark applied for, without taking account of such external factors⁶.

37. Consequently, I find that, to the extent that the applicant's mark is liable to be verbalised, it is likely to be verbalised as just RAW. This is obviously the same as the opponent's word mark, so the marks are aurally identical.

⁶ See paragraphs 46 to 47 of the judgment of the Court of Appeal in *J.W.Spear & Sons Ltd and Others v Zynga Inc.* [2015] EWCA Civ 290

38. From a conceptual perspective, the opponent's mark is likely to convey the idea of uncooked food/drink to average consumers of services for the provision of food and drink. The applicant's representative submitted that the figurative element in the applicant's mark has some conceptual meaning based on the letter M and a pair of chopsticks. I do not understand what concept this would convey to the public. However, as I have already explained, I consider that most consumers would see the figurative element as just a geometric device. Consequently, it has no conceptual meaning. The word RAW in the applicant's mark is liable to convey the same meaning as it does in the opponent's mark, albeit to a lesser degree because the word RAW is not the dominant element of the applicant's mark.

39. Overall, I find that the marks are similar to a medium degree.

Distinctive character of the earlier trade mark

40. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*⁷, the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

41. A key part of the applicant's case is that RAW is descriptive of a characteristic of restaurant, cake and catering services and therefore non-distinctive. On that footing, the degree of similarity between the marks is of little importance because there is no distinctive similarity between the marks.

⁷ Case C-342/97

42. In *Formula One Licensing BV v OHIM*⁸, the CJEU found that:

“41.it is not possible to find, with regard to a sign identical to a trade mark protected in a Member State, an absolute ground for refusal, such as the lack of distinctive character, provided by Article 7(1)(b) of Regulation No 40/94 and Article 3(1)(b) of Directives 89/104 and 2008/95. In this respect, it should be noted that the characterisation of a sign as descriptive or generic is equivalent to denying its distinctive character.

42. It is true that, as is clear from paragraph 48 of the judgment under appeal, where an opposition, based on the existence of an earlier national trade mark, is filed against the registration of a Community trade mark, OHIM and, consequently, the General Court, must verify the way in which the relevant public perceives the sign which is identical to the national trade mark in the mark applied for and evaluate, if necessary, the degree of distinctiveness of that sign.

43. However, as the appellant rightly points out, their verification has limits.

44. Their verification may not culminate in a finding of the lack of distinctive character of a sign identical to a registered and protected national trade mark, since such a finding would not be compatible with the coexistence of Community trade marks and national trade marks or with Article 8(1)(b) of Regulation No 40/94, read in conjunction with Article 8(2)(a)(ii).”

43. The rules governing the co-existence of CTMs and national marks similarly prohibit me from finding that the earlier CTM in these proceedings has no distinctive character⁹. The validity of the earlier CTM has not been put in issue at OHIM, and this Office has no jurisdiction to examine the validity of the CTM.

44. I cannot therefore accept the applicant’s submission that the word RAW has become generic for restaurants, cafes and catering services specialising in uncooked food and drinks. This is because such a finding, which I acknowledge is well arguable on the evidence, would inevitably require me to conclude that the earlier CTM has no distinctive character. That would be tantamount to a finding that the CTM is invalidly registered for the services at issue.

45. I accept that one of the well known meanings of the word ‘raw’ in relation to foodstuffs is uncooked¹⁰. The word ‘raw’ is, therefore, at least highly allusive of a characteristic of restaurant, cafe and catering services featuring uncooked dishes. I therefore accept that the earlier CTM has only a low degree of distinctive character for the services at issue.

⁸ Case C-196/11P

⁹ See, for example, article 107 of Council Regulation 207/2009

¹⁰ It is indeed surprising that the CTM was registered for agricultural products at large, and for fruits and vegetables.

Average consumer and the purchasing act

46. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*¹¹.

47. The average consumer of the applicant's services is obviously the general public who will pay an average degree of attention when selecting the services.

48. The services are likely to be selected from advertisements, internet promotion and/or from signs on premises serving food/drinks. Therefore the degree of visual and conceptual similarity between the marks is more important than the level of aural similarity¹². Nevertheless, the services are liable to be the subject of word of mouth recommendations (or the opposite) so the level of aural similarity between the marks should not be dismissed as completely irrelevant.

Likelihood of Confusion

49. Given the identity of most of the respective services, the medium degree of overall similarity between the marks would usually be sufficient to justify a finding of likelihood of confusion. Further, even if I were to substitute the low-to-medium level of visual similarity between the marks for the medium degree of overall similarity (on the basis that this is the most important measure of similarity for the purposes of assessing the likelihood of confusion in this case), then this could still be sufficient to justify the same finding.

50. The applicant relies on the judgment of the High Court in *Supreme Petfoods Limited v Henry Bell & Co (Grantham) Limited*¹³. That case concerned the defendant's use of the mark SUPREME in the face of a number of registrations of that mark by the claimant for the same or similar goods (animal food). The judge found that the claimant's mark had acquired a slender degree of distinctive character by the relevant date, but that the defendant's use was not such as to infringe the trade mark because it was descriptive and did not adversely affect the functions of the registered marks. Alternatively, the use was covered by defences based on honest concurrent use or descriptive use. However, that was an infringement case. The judge was therefore required to consider the specific uses made of the defendant's sign¹⁴. By contrast, I am required to consider the effect of all normal and fair uses of the applicant's mark. Furthermore, defences which on the evidence

¹¹ Case C-342/97

¹² See, for example, *Quelle AG v OHIM*, Case T-88/05 at paragraphs 68 and 69 of the judgment

¹³ EWHC [2015] 256 (Ch)

¹⁴ See *O2 Holdings Limited, O2 (UK) Limited v Hutchison 3G UK Limited*, CJEU, Case C-533/06

before me would probably permit descriptive use of the word RAW as part of the opposed trade mark¹⁵ are not available to the applicant in opposition proceedings. I do not therefore find the *Supreme* case to be of much assistance.

51. The case of *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another*¹⁶ is more relevant. In that case Arnold J. considered the registrability of a composite word mark - JURA ORIGIN - which included the opponent's earlier trade mark – ORIGIN. The latter was registered for similar goods – wine – to those of the applicant – whisky. The opponent also had an earlier CTM consisting of the word ORIGIN and a device made up of vine leaves. This mark was registered for alcoholic goods at large and therefore covered identical goods to whisky. The judge considered the impact of the CJEU's judgment in *Bimbo* on the court's earlier judgment in *Medion v Thomson*. He found that:

“18 The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors.”

¹⁵ For example, s.11(2)(b) of the Act. See also *Gerolsteiner*, CJEU, Case C-100/02

¹⁶ [2015] EWHC 1271 (Ch)

52. The judge found that the mark JURA ORIGIN formed a unit having a different meaning to those of the individual components. Consequently, the case law set out in *Medion v Thomson* did not apply. There is no similar argument available to the applicant in this case. The figurative element in the applicant's mark plainly does not 'form a unit' with the word RAW.

53. There is another possible basis on which it might be said that the principle set out in *Medion v Thomson* does not apply. The CJEU's ruling in that case was that:

“Article 5(1)(b) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks is to be interpreted as meaning that where the goods or services are identical there may be a likelihood of confusion on the part of the public where the contested sign is composed by juxtaposing the company name of another party and a registered mark which has normal distinctiveness and which, without alone determining the overall impression conveyed by the composite sign, still has an independent distinctive role therein.”

54. The earlier CTM in this case does not have a normal level of distinctiveness for the services for which it is registered. It has a low level of distinctiveness. However, the CJEU's preliminary ruling in *Medion v Thomson* was specific to the facts of that case. Like the reference to the other part of the contested mark being a company name, the proposition that the common element of the contested mark had a normal level of distinctiveness was part of the question posed by the referring court. It was not a qualification added by the CJEU. Consequently, the terms of the court's ruling do not mean that the principle set out in *Medion v Thomson* cannot apply where the common element has a low level of distinctiveness. However, as Arnold J. pointed out in paragraph 44 of his judgment in *Whyte and Mackay v Origin Wine*, although there is no rule that a likelihood of confusion cannot arise from the presence in marks of a common element of low distinctiveness, “*what can be said with confidence is that, if the only similarity between the respective marks is a common element which has low distinctiveness, that points against there being a likelihood of confusion.*” This observation has particular force where both marks include other elements. It has less force where, as in this case, the earlier mark is subsumed within the later mark and constitutes a separate element of that mark.

55. In *L'Oréal SA v OHIM*¹⁷ the CJEU considered an appeal from a judgment of the Court of First Instance, which had found that there was a likelihood of confusion between the marks FLEXI AIR and FLEX for hair products. The applicant submitted that the word FLEX was low in distinctiveness and could not therefore provide a proper basis for the finding that there was a likelihood of confusion between the marks. The CJEU rejected this saying:

¹⁷ Case C-235/05 P

“45. The applicant’s approach would have the effect of disregarding the notion of the similarity of the marks in favour of one based on the distinctive character of the earlier mark, which would then be given undue importance. The result would be that where the earlier mark is only of weak distinctive character a likelihood of confusion would exist only where there was a complete reproduction of that mark by the mark applied for, whatever the degree of similarity between the marks in question. If that were the case, it would be possible to register a complex mark, one of the elements of which was identical with or similar to those of an earlier mark with a weak distinctive character, even where the other elements of that complex mark were still less distinctive than the common element and notwithstanding a likelihood that consumers would believe that the slight difference between the signs reflected a variation in the nature of the products or stemmed from marketing considerations and not that that difference denoted goods from different traders.”

56. I acknowledge that the figurative element of the applicant’s mark is more, not less, distinctive than the word RAW. However, it remains the case that:

- The applicant’s mark includes a complete reproduction of the opponent’s mark;
- I am required to consider the earlier mark – the word RAW - as having a minimum degree of distinctiveness;
- The dominant and more distinctive element of the applicant’s mark is the figurative element. This has no counterpart in the earlier mark.
- The common element – the word RAW – plays an independent role in the applicant’s mark;
- The word RAW must therefore also have a minimum degree of distinctiveness in the applicant’s mark;
- On that footing, there is a low to medium degree of lowly distinctive visual similarity between the marks;
- The services are mostly identical;
- Although aural similarity is less important than the degree of overall visual similarity between the marks, if the marks are verbalised they will sound the same.

57. Taking all relevant factors into account, I find that there is a likelihood of confusion. There is a risk of a limited degree of direct aural confusion. More importantly, there is a likelihood of indirect confusion through consumers believing

that the applicant's mark is a variant of the opponent's mark and used by the same undertaking, or by an economically related undertaking.

58. In coming to this conclusion I have given particularly careful consideration to the competing submissions of the parties. Ultimately I have decided that the logic of the applicant's case effectively depends upon me attributing no distinctive character to the opponent's CTM. For the reasons given above, it is not open to me to do so.

Outcome

59. The opposition therefore succeeds. Subject to appeal, the application will be refused.

Costs

60. The opponent asks for costs to take account of the CMC occasioned by the applicant's objection to it being given a short extension of time to file evidence, and also the evidence it filed (even though it has not needed to be taken into account).

61. The applicant also asked for an award of costs, but takes no particular points about the matter.

62. I will award the opponent a contribution towards the cost of the CMC at which it effectively won the issue which triggered it. I will not award costs for preparation of the opponent's evidence which has not been considered. If this decision stands, the evidence was unnecessary. If this decision is reversed on appeal and the proceedings continue to cover the other grounds of opposition, a further decision will be required and costs can then be assessed again.

63. Costs usually follow the event. I therefore order MW Restaurants Limited to pay G-Star Raw C.V. the sum of £1150. This is made up as follows:

- £200 official fee for filing the notice of opposition
- £300 for preparing that notice and considering the counterstatement
- £200 for the cost of the CMC
- £250 for considering the applicant's evidence and filing a short witness statement in response
- £200 for written submissions in lieu of a hearing

64. The above sum should be paid within 14 days of the date of the end of the period allowed for appeal or, if there is an appeal, within 14 days of the conclusion of those proceedings.

Dated this 8th day of February 2016

**Allan James
For the Registrar**