

O-046-17

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION 3099357
BY CHANEL LIMITED
TO REGISTER THE FOLLOWING TRADE MARK IN CLASS 18:**

11.12

AND

OPPOSITION THERETO (NO. 404579) BY LACOSTE

Background and pleadings

1. This dispute concerns whether the following trade mark should be registered:

11.12

Leather and imitation leather; skins and hides; handbags; pocket wallets, umbrellas, parasols, vanity cases (not fitted), briefcases, articles of luggage, wallets, purses (not of precious metal or coated therewith), leather belts; bags; sporrans; credit card holders; card holders; make-up bags and cases; cloth pouches and sleeves; key holders; pet clothing; carrying cases; parts and fittings for the aforesaid goods.

2. The mark was filed on 16 March 2015 by Chanel Limited (“the applicant”) and it was published for opposition purposes on 27 March 2015.

3. Lacoste (“the opponent”) opposes the registration of the mark. It is the proprietor of the following earlier trade mark:

European Union trade mark (“EUTM”) 9564345 for the mark **L.12.12** which was filed on 1 December 2010 and registered on 24 September 2014 in respect of:

Class 3: Bleaching preparations and other substances for laundry use; Cleaning, polishing, scouring and abrasive preparations; Soaps; Perfumes, essential oils, cosmetics, hair lotions; Dentifrices; Depilatories; Make-up removing preparations; Lipstick; Cosmetic masks; Shaving preparations; Leather preservatives (polishes); Creams for leather; Shoemakers' wax.

Class 18: Leather and imitation leather; articles made of leather, namely: luggage (excluding textile packaging bags and bags for the transport and storage of materials in bulk) , travel bags, sports' bags (excluding sports bags specifically designed to hold certain objects), leather ware, vanity cases, toiletry cases (empty) , handbags, beach bags, rucksacks, document holders, satchels, wallets, card holders, purses, coin holders (not of precious metal), belt

pouches, pouches; skins, hides and pelts; trunks and suitcases; umbrellas, parasols and walking sticks; whips, harness and saddlery.

Class 25: Clothing, footwear, headgear; Boot uppers; Footwear uppers; Heelpieces for footwear; Insoles; Non-slipping devices for footwear; Tips for footwear; Welts for footwear; Shirt fronts; Shirt yokes; Pockets for clothing

on which the opponent founds claims under sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 (“the Act”). The opponent relies, and claims a reputation, in respect of all of the goods covered by the earlier mark. The opponent also founds a claim under section 5(4(a) of the Act relying on the use of a sign corresponding to the earlier mark and, additionally, the sign **L1212**. It is claimed that the signs have been used since January 2011 in relation to clothing (in particular a style of polo shirt), fragrances, bags and belts.

4. It should be noted that the earlier mark had been registered for less than five years when the applicant’s mark was published, so meaning that there is no requirement for it to have been genuinely used in order for it to be relied upon. I also note the following claims from the opponent’s statement of grounds:

- The opponent is the proprietor of the well-known LACOSTE and crocodile device mark.
- The use of L.12.12 originated in 1933 following the creation in 1927 of the first Lacoste pique polo shirt by Rene Lacoste, a French tennis player. The shirts were first known as “the 12 12” and subsequently L.12.12 became the style designation for the polo shirt.
- L 12.12 has been used as a distinct brand name.
- That the respective marks are similar, sharing 4 out of 7 characters.
- That the majority of the goods are identical, any which are not are still similar.

- Both the opponent and applicant operate in the field of luxury goods and use similar marketing methods and retailers. Given the similarity between the marks and the goods, it is claimed that there is a likelihood of confusion.
- The opponent's mark has a reputation, given this, and given the similarity between the marks, the earlier mark will be brought to mind.
- That it can be inferred that the applicant deliberately chose its mark so as to ride on the coat tails of the earlier mark. Thus, there is unfair advantage.
- The use of the applicant's mark would also impact on the earlier mark's ability to act as a designation of the opponent and would also impact on the ability of the opponent to expand its own use.
- That the opponent has a goodwill in relation to the claimed signs and the use of the applied for mark would amount to a misrepresentation that the goods sold under it are those of the opponent, something which would cause damage to the opponent's goodwill.

5. The applicant filed a counterstatement denying the claims. I note the following from the counterstatement:

- The marks are not visually, aurally or conceptually similar.
- That the beginnings of the marks are more important (and are different).
- It is accepted that the goods are either identical or similar (in particular on account of the opponent's class 18 specification).
- There will be no likelihood of confusion under section 5(2)(b).
- The opponent is put to proof in relation to its claimed reputation.
- The claims under sections 5(3)/5(4) are denied.

- The applicant denies that the mark was chosen to take advantage of the opponent's mark, it adds "[t]he Applicant has significant resources at its disposal to advertise and promote its products without reference to the intellectual property of third parties".

6. Both sides are professionally represented. Both sides filed evidence. A hearing took place before me on 26 January 2017 at which the applicant was represented by Ms Marisa Broughton of Withers & Rogers LLP, and the opponent by Mr Michael Hicks, of counsel, instructed by Wedlake Bell LLP.

The evidence

The opponent's evidence

7. This comes in the form of a witness statement from Ms Constance Laennec-Cuny, a French-qualified lawyer who holds the title "Senior Intellectual Property Counsel and Head of Clearance (Global) and Prosecution (EMEA/APAC)" at a company called Maus Frères International Services, part of the group which owns the Lacoste brand.

8. Some of Ms Laennec-Cuny's evidence focuses on the use of the LACOSTE mark and the crocodile device, however, as it is not seriously disputed that such marks are well-known, I will not detail the evidence that was filed in relation to this. In terms of the history of the L.12.12 mark, its origins stem from the late 1920s when the tennis player Rene Lacoste began to develop a new type of sports clothing to be worn by tennis players. It was a short sleeve polo shirt designed to be light, absorbent and more comfortable than the then current form of clothing. An emblem of a crocodile was placed on the polo shirt because that was Mr Lacoste's nickname at the time. The polo shirt was denoted with the reference L.12.12, the L standing for Lacoste, 1 for the material, 2 for the short sleeve and 12 for the number of versions presented to Mr Lacoste before he accepted the design. Exhibit CLC1 contains some pictures of the polo shirt and corporate material about its history; there is also a photograph of it on an internal wall in the opponent's corporate premises (including the designation L.12.12). Additionally, there are some extracts from a publication detailing the history I have described, but they are in French.

9. The evidence also shows that the polo shirt is the biggest selling Lacoste product. In the UK alone between 33k and 41k shirts per year were sold between 2013 and 2015. However, given that Ms Laennec-Cuny accepts that the opponent's main brands are Lacoste and the crocodile device, it is worth focusing on how L.12.12 is said to be used.

10. It is explained that whilst both retailers and distributors use the designation, consumers will also have become familiar with the mark and will have had exposure to it through other channels. Examples are said to be at pages 24-29 of Exhibit CLC1. This contains corporate (internal) documentation about a press campaign that was to be run in June 2010 about the history of the L.12.12. There is also the Facebook page of the opponent with a banner reading "Discover all colours of the L.12.12 POLO". Also provided is an advertising image for a polo shirt headed L.12.12, but the text on it appears to be French. In any event, there is no evidence about the advertising campaign in terms of how it was operated and how many consumers would have seen it. The same exhibit does, though, contain other uses of L.12.12 in relation to polo shirts including:

- Prints from its own website (with the product priced in £s) for LACOSTE L.12.12 POLO.
- Various Facebook pages referring to the L.12.12 POLO
- Prints from the website of House of Fraser for Lacoste [Classic/Marl] L.12.12 POLO.
- A swing tag used on the polo shirts featuring the code L.12.12.

11. Ms Lennec-Cuny states that the mark has also been used in relation to bags. Various prints are provided from the opponent's website (priced in £s) for various ladies handbags which use L.12.12 in the product description. No swing tags or advertising material are provided in relation to the bags. The trade marks used on the bags include LACOSTE and the crocodile device. Inside the bag the word LACOSTE

is ingrained, underneath which appears to be some letters which could be L.12.12 but it is very unclear. Some Facebook pages are also provided which refer to LACOSTE L.12.12 bags. Sales of the bags (including in the UK) began in 2012. Sales in the UK were around 12.5k in 2012, 4.5k in 2013, 3.5k in 2014 and 1k in 2015. The final page of exhibit CLC2 depicts a belt on the opponent's website which, again, uses L.12.12 in the product description; it is stated that the first belt of this type was sold in March 2014, although no sales figures are given.

12. Exhibit CLC3 focuses on the sale of perfume products. Various prints are provided including Facebook prints and prints from the opponent's website which use the L.12.12 designation when describing the product, some of which also show the designation on the front of the packaging (the box but not the bottle). Pages are also provided from the website of some UK retailers including Debenhams, House of Fraser and Boots which also use the designation. Prints about the products from various publications are provided, however, some cannot be read because they are so small, some are in other languages and some are just press releases. Unit sales in the UK have ranged between 140k to 200k between the years 2012 and 2015.

13. Exhibit CLC3 relates to other products such as underwear, watches, sunglasses and footwear. However, given that no sales figures for the UK are provided, and even those provided for the EU are limited prior to the relevant date, I do not consider it necessary to summarise this aspect of the evidence further.

14. In relation to any use by the applicant of its mark, it is stated that the precise date of first use is not clear. Reference is made to Exhibit CLC4 which contains an article from the publication Marie Claire dated 3 March 2015 promoting the new 11.12 bag.

15. Written submissions were also provided by the opponent which will be borne in mind but not separately summarised.

The applicant's evidence

16. This comes in the form of a witness statement from Ms Lucy Aboulian, the applicant's Senior Intellectual Property Counsel. She provides evidence about the

applicant, however, as it is not denied by the opponent that Chanel is a well-known fashion house, I do not need to summarise the evidence that relates to this. A lot of evidence is about Chanel's 2.55 bag which it says is iconic and that it has a reputation for its leather goods. However, the 11.12 bag was not promoted until April 2015. This is consistent with the evidence provided by the opponent. It was named after the style code (AO1122) used for a classic flap bag and mirrors the number dot formation of the applicant's 2.55 bag. Ms Abouljian accepts that consumers may not be aware of the origin of the name (the code) and may, instead, see it as a date of some sort. I do not consider it necessary to comment on the evidence further here.

Section 5(2)(b)

17. Section 5(2)(b) of the Act states that:

“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,

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

18. The following principles are gleaned from the judgments 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.

(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 greater degree of similarity between the marks, and vice versa;

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

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

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

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

Comparison of goods

19. When making a comparison, all relevant factors relating to the goods/services in issue should be taken into account. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the Court of Justice of the European Union (“CJEU”) stated at paragraph 23 of its judgment:

“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.”

20. Guidance on this issue has also come from Jacob J In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281 where the following factors were highlighted as being relevant when making the comparison:

“(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.”

21. In terms of being complementary (one of the factors referred to in *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer*), this relates to close connections or relationships that are important or indispensable for the use of the other. In *Boston Scientific Ltd v OHIM* Case T- 325/06, it was stated:

“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).”

22. In relation to complementarity, I also bear in mind the guidance given by Mr Daniel Alexander QC, sitting as the Appointed Person, in case B/L O/255/13 *LOVE* where he warned against applying too rigid a test:

“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.”

23. In relation to understanding what terms used in specifications mean/cover, the case-law informs me that “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 the trade”¹ and that I must also bear in mind that words should be given their natural meaning within the context in which they are used; they cannot be given an unnaturally narrow meaning². I also note the judgment of Mr Justice Floyd (as he then was) in *YouView TV Limited v Total Limited* where he stated:

“..... 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.”

24. Goods can be considered identical if one term falls within the ambit of the other, as per the decision in *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05 (*Meric*):

¹ See *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281

² See *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 Institut für Lernsysteme v OHIM- Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

25. The applicant seeks registration in respect of:

Leather and imitation leather; skins and hides; handbags; pocket wallets, umbrellas, parasols, vanity cases (not fitted), briefcases, articles of luggage, wallets, purses (not of precious metal or coated therewith), leather belts; bags; sporrans; credit card holders; card holders; make-up bags and cases; cloth pouches and sleeves; key holders; pet clothing; carrying cases; parts and fittings for the aforesaid goods.

26. There was not a great deal of discussion at the hearing about the respective goods, not least because of the applicant’s acceptance (both in its pleadings and at the hearing) that the competing class 18 specifications contain identical or similar goods. However, due to the interdependency principle (see paragraph 18 – point G) I should make it clear which goods I consider to be identical and which goods are merely similar (and to what degree).

27. The opponent’s class 18 goods are:

Leather and imitation leather; articles made of leather, namely: luggage (excluding textile packaging bags and bags for the transport and storage of materials in bulk) , travel bags, sports' bags (excluding sports bags specifically designed to hold certain objects), leather ware, vanity cases, toiletry cases (empty), handbags, beach bags, rucksacks, document holders, satchels, wallets, card holders, purses, coin holders (not of precious metal), belt pouches, pouches; skins, hides and pelts; trunks and suitcases; umbrellas, parasols and walking sticks; whips, harness and saddlery.

28. I consider the following of the applicant's goods to be identical; they either have identically worded counterparts, or clearly fall within the ambit of a broad term and are identical on the *Meric* principle:

Leather and imitation leather; skins and hides; handbags; pocket wallets, umbrellas, parasols, vanity cases (not fitted), articles of luggage, wallets, purses (not of precious metal or coated therewith); bags; credit card holders; card holders

29. The remaining goods require a little more consideration:

briefcases, leather belts; sporrans; make-up bags and cases; cloth pouches and sleeves; key holders; pet clothing; carrying cases; parts and fittings for the aforesaid goods.

30. *Briefcases* are not really items of luggage per se, but they seem to me to have a high level of similarity to items such as document holders and satchels – they are items of a similar nature, often made of the same material, and serving a broadly similar purpose of a convenient mechanism to carry documents and other items. They are also likely to be sold through the same channels and may compete with each other on the market.

31. *Leather belts* in class 18 are not belts for the purpose of holding up one's trousers. According to the TMClass Classification System, belts in class 18 could be shoulder belts and belts for saddlery. To the extent that they are for saddlery then such an item would be identical (on the *Meric* principle) to the opponent's saddlery. To the extent that they are shoulder belts, and whilst I confess that I am not entirely sure what they are, they seem apt to fall within the ambit of the opponent's term leather ware and are, therefore, identical on that basis also.

32. *Sporrans* are, effectively, decorative and functional pouch-like items worn on the front of a kilt. Mr Hicks highlighted that the earlier mark includes the term pouches. I consider this to be broad enough to include sporrans and, as such, the goods may be considered identical.

33. In respect of *make-up bags and cases*, I note that the earlier mark covers vanity cases and toiletry cases. Thus, the applied for cases are identical or else similar to the very highest degree. In relation to the applied for make-up bags, whilst there may be a difference in nature between a bag and a case, it is a small difference. The purpose is highly similar, the channels of trade overlap and the goods compete. They are also highly similar.

34. In respect of cloth pouches and sleeves, the cloth pouches fall within the ambit of the opponent's pouches and are therefore identical. Sleeves and pouches are highly similar in all respects, so there is a high degree of similarity between cloth sleeves and the opponent's pouches (which include cloth pouches).

35. *Key holders* is a term apt to fall within the ambit of the opponent's leather ware. The goods are, therefore, identical.

36. *Pet clothing* has no obvious counterpart. Mr Hicks highlighted that the opponent's specification includes items such as saddlery. However, a horse is not an animal usually associated with being a pet. Therefore, any similarity between such goods would be extremely low. Even though the opponent's specification covers clothing items in class 25, these are for humans and any similarity with pet clothing is, again, extremely low.

37. In respect of *carrying cases*, this would include cases for carrying various items and, as such, could be items of luggage or toiletry/vanity cases. I consider them to be identical (on the *Meric* principle) to these items in the opponent's specification.

38. In relation to the *part and fittings* of the various items, to the extent that the goods themselves are identical or highly similar then it follows that their parts and fittings are also highly similar. In relation to pet clothing, where similarity was extremely low, the same applies to parts and fittings for those goods.

Average consumer and the purchasing act

39. 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*, Case C-342/97. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

40. I accept Mr Hicks' submission that the average consumer is a member of the general public. He also stressed the fact that whilst both the opponent and the applicant may operate in the field of designer/luxury goods, the assessments should not be made on this basis alone. He argued that goods such as bags have a wide range of prices and the full spectrum must be considered when assessing whether there exists a likelihood of confusion. I accept this submission, the matter must be assessed notionally and must take into account the specifications as they stand, not limited to any form of marketing strategy.

41. Where the goods overlap, and whilst accepting that there will be a range of prices, they are not generally expensive items. They may not, though, be everyday purchases, but will nevertheless be purchased reasonably frequently. The goods will be subject to a reasonable degree of consideration in respect of style, colour, fitness for purpose etc. I consider that this equates to a reasonable, no higher or lower than the norm, level of care and consideration. The goods will be perused in physical premises (department stores, leather goods shops etc) and the online equivalent, they

may be seen in advertisements and on websites. This means that the visual impression of the marks may take on more significance, but the aural impact of the marks should not be ignored from the assessment completely. The matter may be slightly different in respect to pet clothing, with an obviously different trade channel, but the underlying principles are the same in terms of the level of care and consideration and the nature of the purchasing act.

42. Ms Broughton accepted that there may also be an overlap between certain of the applied for goods in class 18 (such as handbags) and certain goods in class 25. However, she did not accept the opponent's contention that there was also an overlap between the class 18 goods and the opponent's class 3 goods such as creams (for treating leather) and perfumes. I agree with both of Ms Broughton's submissions. In relation to class 25, there may be some similarity between ladies handbags and certain items of ladies' fashion clothing in class 25 due to the complementary relationship that may exist including a desire to co-ordinate an overall look³. However, there is no complementary relationship between perfumes and bags because there is no aspect of co-ordination and the goods are not important in any shape or form for the use of the other. Neither is there a true complementary relationship between cream for leather and bags (which I accept are often made of leather) because although one may be used to protect the other, this is not the type of relationship where consumers would assume, absent evidence to the contrary, that the same company would be responsible for both.

Comparison of marks

43. 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 Case C-591/12P, *Bimbo SA v OHIM*, that:

³ See *El Cortes Ingles SA v OHIM* (Case T-443/05)

“.....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.”

44. 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. The marks to be compared are:

11.12 v **L.12.12**

45. In terms of the overall impressions, both marks comprise a numeric/alpha-numeric string and in neither do I think that any of the particular numbers/letter dominates the other numbers/letter in the respective marks.

46. Visually, the eye will notice that both marks contain a numeric element comprising two double digits. One double digit is the same (12), the other similar (11/12). The way in which the numbers/letters are separated by a dot(s) is another aspect of visual similarity. There is, though, a notable point of difference in that the earlier mark has the additional letter L (and dot) at its beginning. That the difference is at the beginning of the mark was something highlighted by Ms Broughton. I note, however, that it is just a rule of thumb that the beginnings of marks take on more importance. I have already found, for example, that the overall impression of the earlier mark is not dominated by the letter L. Therefore, whilst I bear in mind the position of this point of difference, and whilst the difference clearly impacts on the degree of visual similarity, I do not consider the position of the point of difference to be highly significant in this case. Weighing the points of difference and similarity, I consider there to be a medium degree of visual similarity.

47. Aurally, Mr Hicks submitted that both marks have the same (or at least similar) beginning sound EL (from the L) and EL (from the beginning of the 11). He submitted that both marks end with the same sound, the common articulation of the number 12. Ms Broughton submitted that the beginning sound was not that similar as the letter L and the number eleven did not sound particularly similar as 11 has more of an EH rather than EL sound. She also highlighted the longer form of articulation inherent in L.12.12 compared to 11.12.

48. Regardless of whether the initial articulation of 11 is an EH or an EL, there is still some similarity, although, this is countered to a degree by the fast transition of that sound to the rest of the articulation of the number. In contrast, the L in the opponent's mark has a more truncated sound given that it is single element. The most likely articulations are:

11.12	EL-EVEN TWELVE or EH-LEVEN TWELVE
L.12.12	EL TWELVE TWELVE

49. As you will see, I think it unlikely that the dots will be articulated. Whether they are or not, the identical ending, combined with there being some similarity in the beginning sound, must be weighed against the longer articulation of L.12.12 (and additional middle part). I consider there to be a medium degree of aural similarity.

50. Conceptually, Mr Hicks focused on the similar compositions of a numeric/alpha-numeric string, separated by dots. Ms Broughton submitted that this did not really create a concept and that, in fact, the applicant's mark may be perceived as a date, something which the opponent's mark does not. Whilst the applicant's mark could potentially be seen as a date, I do not think that this would immediately jump out to the average consumer. Both marks will, instead, be perceived as what they are: numeric/alpha-numeric strings separated by dots. That being said, I do not consider that this equates to a particularly high level of conceptual similarity for two reasons: i) neither strings conjures up a particular meaning or significance beyond the number/letter combination that underpins them, and ii) the strings themselves are not the same. Therefore, whilst there is some conceptual similarity, I consider this to be of a moderate level.

Distinctive character of the earlier mark

51. The degree of distinctiveness of the earlier mark must be assessed. This is because the more distinctive the earlier mark, based either on inherent qualities or because of use made, the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 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).”

52. From an inherent perspective, whilst the origin of the earlier mark is as a style or model number of a particular product, I must consider the mark as a trade mark, not merely a model number on a swing tag for example. A combination of letters and numbers is not something that would ordinarily create a highly distinctive trade mark. Nevertheless, L.12.12 does look somewhat odd and usual. Ms Broughton submitted that its distinctiveness owed more to the beginning part (the L) and the impact of this

on the mark as a whole. I do not accept this submission. The distinctiveness lies in the totality. I consider the mark to have a medium level of inherent distinctive character, neither higher nor lower than the norm.

53. That then leads to the use that has been made of the mark. Whilst I accept that the mark has been used (see, for example, its use as part of product descriptions on the websites of some UK retailers and its use on the opponent website) I am far from satisfied that its use will have enhanced the distinctive character of the mark. I come to this view for a number reasons:

- Where the goods conflict, the primary area is in relation to bags.
- The actual use in relation to bags does not appear to me to be particularly strong in terms of sales. There is no evidence of market share to demonstrate otherwise.
- The use is best described as tertiary use. The opponent's witness accepts, as is apparent from the evidence anyway, that the primary marks are LACOSTE and the crocodile device.
- A good deal (although I accept not all) of the evidence such as publications is in a foreign language, overseas or unreadable.
- The significance placed on L.12.12 as a distinct brand is in my view not great and will have had little impact on the UK average consumer.

54. Whilst I will say more about this later when dealing with reputation under section 5(3), it suffices to say that the evidence of use of L.12.12 does not assist the opponent under section 5(2)(b) of the Act.

Likelihood of confusion

55. The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them

must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused. Confusion can be direct (which effectively occurs when the average consumer mistakes one mark for the other) or indirect (where the average consumer realises the marks are not the same, but puts the similarity that exists between the marks/goods down to the responsible undertakings being the same or related). In terms of indirect confusion, this was dealt with by Mr Iain Purvis QC, sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10 where he noted that:

“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).”

56. I should say upfront that any argument based on the absence of confusion in the marketplace is bound to fail due to i) the fact that the applicant’s use only started at, or around, the relevant date, so the opportunity for confusion to have arisen is limited and, ii) the fact that both parties use strong house marks LACOSTE/CHANEL which provides a further and obvious point of differentiation that is not part of the notional assessment before me.

57. I will consider the position first in relation to bags, such as handbags. Mr Hicks submitted that the average consumer, taking into account the concept of imperfect recollection, may mistake one mark for the other. He further argued that even if direct confusion was not applicable, some average consumers would assume that the goods come from the same (or a related) undertaking given the similar numeric/alpha-numeric strings in play. He argued that their assumption would be that the goods are one up or one down in the same range, moving from the 11.12 to the 12.12 or vice versa. He did not feel that the letter L was sufficient to overcome such an assumption. Ms Broughton did not feel the marks were similar enough (indeed she said they were not similar at all) to cause confusion because of the different strings involved and the additional letter L at the start of the earlier mark.

58. My views are in line with that of Mr Hicks, despite Ms Broughton’s forceful submissions to the contrary. I have assessed the degrees of visual and aural similarity to be medium. The goods are identical and the earlier mark averagely distinctive. Whilst the conceptual similarity per se is not high, the fact that neither of the strings in question has a particular significance means that there is no specific conceptual hook to use as a point of recollection. That does not mean that any string may be confused with any other string, but in the case before me, with the dots that separate two

numbers which are one up in number (the 11) or the same (12), irrespective of the additional letter L, I consider that there is a likelihood of confusion.

59. In terms of what type of confusion that will be, I agree with Mr Hicks that this could be a mixture. Due to imperfect recollection, some average consumers may simply mistake one mark for the other. There then may be average consumer who spot the differences but make the assumption that the closeness of numbering and the format (with the dots) is indicative of a brand extension. The letter L may be seen as part of such an extension. There is also a third possibility, some average consumers may imperfectly recall the numbers, so that the only difference they notice is the additional L, which would not do enough, in my view, to avoid confusion, with this being seen as some form of brand variant. I accept that some average consumers may not be confused. However, total confusion amongst average consumers is not a requirement. I consider that the combination of the three types of confusion I have mentioned would represent the majority of average consumers. The opposition under section 5(2)(b) in respect of bags succeeds.

60. In relation to the other goods, they are mostly also identical or highly similar. I therefore extend my finding to those goods. The one exception is in relation to pet clothing. Here I found any similarity to be extremely low. My finding is that the combination of factors means that the average consumer will not be confused here.

61. Section 5(2)(b) succeeds except in relation to pet clothing (and parts and fittings).

Section 5(4)(a) – passing off

62. Mr Hicks accepted that the assessment under section 5(4) placed the opponent in no better position than it was under section 5(2). I agree. Consequently, there is no need for me to make any observations about this ground of opposition.

Section 5(3) of the Act

63. Given my findings under section 5(2)(b), there is not a great deal of merit in considering section 5(3). However, I will give my views on the matter i) in case of

appeal, and, ii) because the opposition under section 5(2) did not succeed in relation to pet clothing (and parts and fittings). Section 5(3) of the Act reads:

“5-(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark,

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of Community trade mark, 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.”

64. The leading cases are the following CJEU judgments: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the later mark would cause an average consumer to bring the earlier mark to mind; *Addidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant

consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious likelihood that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics

which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

Reputation

65. The earlier marks must have a reputation⁴. In *General Motors* the CJEU stated:

“The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.”

66. Earlier in this decision I touched on the use made of the earlier mark. Despite the claims that the opponent's L.12.12 mark is iconic, I do not find this to be the case. Put simply, what has been shown to have been done to educate the public in this regard is far from compelling. Of course, a mark does not have to be iconic to found a claim under section 5(3). It merely needs to have been used to such an extent that it is known by a significant part of the relevant public. I accept that it has been used, as evidenced, for example, by the use of the mark in product descriptions on certain retail websites, and also on the opponent's own website. However, the level of use (in terms of sales) is not such that it strikes me as a significant amount of use that would have come to the attention of a significant part of the public. The context of the relevant public is, of course, of the general public, so on that measure the use is certainly not significant. There is no evidence of, for example, market share, to dispel this. The additional uses in the press and on Facebook does little to have brought the mark to the attention of the general public to any greater material degree.

67. In view of the above, the claim fails under section 5(3).

⁴ As the mark is an EUTM, the reputation must be in the EU – see *Pago*

Conclusion

68. The opposition succeeds other than in relation to “pet clothing; parts and fittings for the aforesaid goods” for which, subject to appeal, the mark may be registered.

Costs

69. The opponent has been largely successful and is entitled to a contribution towards its costs. My assessment is as follows:

Opposition fee - £200

Preparing a statement of case and considering the counterstatement – £400

Filing and considering evidence (including submissions) – £700

Attending the hearing - £500

Total – £1800

70. I order Chanel Limited to pay Lacoste the sum of £1800 within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 7th day of February 2017



Oliver Morris

For the Registrar,

The Comptroller-General