

**O-095-17**

**TRADE MARKS ACT 1994**

**TRADE MARK REGISTRATION NO. 3020886  
OF THE TRADE MARK**

**PORTOBELLO BY INSPIRE**

**IN CLASS 21**

**IN THE NAME OF UP GLOBAL SOURCING UK LIMITED**

**AND**

**THE APPLICATION FOR INVALIDITY  
UNDER NO. 501139  
BY COURTNEY INVESTMENTS LTD**

## Background and pleadings

1. UP Global Sourcing UK Limited (“the proprietor”) owns registration number 3020886 for the trade mark PORTOBELLO BY INSPIRE. It was applied for on 5 September 2013 and was registered on 21 February 2014 for *ceramic and earthenware dinner ware*, in class 21.

2. Courtney Investments Ltd (“the applicant”) has applied for a declaration of invalidity under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”) claiming that there is a likelihood of confusion with the class 21 goods of its earlier EU trade mark, the details of which are as follows:

EU8700965

PORTOBELLO

Filing date: 20 November 2009; date of completion of the registration procedure: 14 August 2012.

*Household or kitchen utensils and containers; combs and sponges; brushes; brush-making materials; articles for cleaning purposes; steel wool; articles made of ceramics, glass, porcelain or earthenware which are not included in other classes; electric and non-electric toothbrushes.*

3. The application is based on section 47(2) of the Act:

“(2) The registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.”

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

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

(a) ....

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

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

5. The proprietor denies the ground. Whilst it accepts that the goods are identical, it claims that the marks are visually, phonetically and conceptually dissimilar. Furthermore, the proprietor claims that the earlier mark possesses an extremely low level of distinctiveness in relation to the goods for which it is registered because it designates a well-known London location, famous for its markets where, so the proprietor claims, the goods at issue are likely to be sold.

6. Only the proprietor filed evidence. The matter came to be heard before me, by video conference, on 31 January 2017. The applicant was represented by Mr Daniel Sullivan, of Elkington & Fife LLP. The proprietor was represented by Ms Charlotte Scott, of Counsel, instructed by Mathys & Squire LLP.

### **The proprietor’s evidence**

7. The proprietor’s evidence comes from its Managing Director, Andrew Gossage. He states that INSPIRE is used predominantly in relation to ceramics, place mats

and tableware. From 2005, INSPIRE was used on place mats and table ware, with sales figures of £3.4 million. From 2011, INSPIRE was also used in relation to ceramics. Sales of INSPIRE ceramics between August 2011 and August 2013 came to just over £104,000. Invoices in Exhibit AG4<sup>1</sup> show a relatively low unit price, to major UK High Street retailers, department stores and a major UK supermarket chain. Exhibit AG2 comprises some poorly reproduced and undated images of boxes containing place mats and cutlery, which bear the word INSPIRE.

8. Mr Gossage says that at the date on which the contested registration was applied for, it is his belief that INSPIRE had a reputation. He states that the contested mark was launched as PORTOBELLO BY INSPIRE to provide the PORTOBELLO brand with more provenance, using the reputation in INSPIRE.

9. Exhibit AG5 comprises internet prints referring to the market held in Portobello Road (London), selling antiques, food, fashion, household goods, vintage clothing, bric-a-brac, and furniture. There is also a shop in Portobello Road called Portobello China & Woollens, and two other 'household stores' in the same road.

## **Decision**

10. 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**

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<sup>1</sup> This exhibit is subject to a confidentiality order.

(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 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

11. The proprietor accepts in its counterstatement that the parties' goods are identical. They clearly are, since the earlier mark contains *articles made of ceramics ... or earthenware* which covers the goods of the contested registration, *ceramic and earthenware dinner ware*.

### Average consumer and the purchasing act

12. 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*.

13. The average consumer for the parties' goods is a member of the general public. The goods are likely to vary (notionally) in price and will be bought relatively frequently, although they are not everyday purchases. They are likely to be subject to a reasonable degree of consideration in respect of style, colour, fitness for purpose etc. A reasonable level of care and consideration will be taken during the purchasing process. Primarily, the average consumer's encounter with the parties'

marks will be on a visual level, in a retail environment, whether physical, online or in catalogues, but I do not discount the potential for oral use.

Comparison of marks

14. 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:

“.....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.”

15. 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.

16. The respective marks are:

<b>Earlier mark</b>	<b>Later mark</b>
PORTOBELLO	PORTOBELLO BY INSPIRE

17. The earlier mark consists of a single element. The same element forms the first of three words in the later mark, all of which contribute to the overall impression of the mark.

18. There is a medium degree of visual and aural similarity between the marks owing to the position of the common element at the front of the later mark, but clearly the additional two words (comprising three extra syllables) create points of visual and aural difference.

19. The proprietor claims that PORTOBELLO will be seen purely as a reference to the well-known London location, Portobello Road, which it says is famous for its markets. That may be the case for some people in the UK, but I doubt that Portobello Road is known throughout the UK. Furthermore, without the word 'Road' to give it a geographical or locational context, it is also likely to be seen as the name of a type of mushroom, commonly sold in UK supermarkets. Other people may not know of this meaning, in which case it will be seen as a word which looks and sounds Italian. Neither the Portobello Road nor the mushroom meaning is likely to come to mind in the case of the later mark because of the additional words BY INSPIRE. In the context of trade marks, PORTOBELLO BY INSPIRE (my emphasis) immediately creates the impression that INSPIRE is a house name and PORTOBELLO is a sub-brand which looks and sounds like an Italian word. I find that there is a good deal of similarity between the marks on a conceptual level, depending on what the average consumer knows, and overall.

#### Distinctive character of the earlier mark

20. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*<sup>2</sup> 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

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<sup>2</sup> Case C-342/97.



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).”

21. There is no evidence from the applicant to enable me to assess whether it has used its mark and, if so, whether such use entitles it to claim that the distinctive character of its mark has been enhanced through use. Therefore, I have only the inherent, intrinsic qualities of PORTOBELLO to consider, in relation to the goods upon which the applicant relies.

22. The proprietor has claimed that PORTOBELLO is ‘extremely low’ in distinctive character because it designates a well-known London location, famous for its markets where class 21 goods would be likely to be sold. It has filed some evidence to show that Portobello Road, in London, is a location for several markets, including those specialising in antiques, and a small number of shops selling housewares.

23. The earlier mark is not Portobello Road. Without the presence of ‘Road’ to give the mark context, I am not convinced that the average, UK-wide consumer, would get to the London location meaning, certainly not immediately. Portobello is also the name of a type of mushroom, widely sold in supermarkets. The mark does not

describe the goods, or any characteristic of them. I consider that it has a normal level of distinctive character.

#### Likelihood of confusion

24. Deciding whether there is a likelihood of confusion is not scientific; it is a matter of considering all the factors, weighing them and looking at their combined effect, in accordance with the authorities set out earlier in this decision. One of those principles states that a lesser degree of similarity between goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*).

25. Ms Scott submitted that INSPIRE has acquired a secondary, trade origin meaning as a result of the proprietor's 'extensive' use. As a result, she said that PORTOBELLO BY INSPIRE will cause the average consumer to bring to mind the proprietor and to recognise that PORTOBELLO is a sub-brand or a product range of the proprietor's well-known INSPIRE brand. Ms Scott submitted that the mark, therefore, forms a unit which has a different meaning to PORTOBELLO by itself.

26. I agree that PORTOBELLO BY INSPIRE will cause the average consumer to see the PORTOBELLO as a sub-brand and INSPIRE as a house brand. This is the natural reading of the mark because of the word BY. I disagree that the average consumer will perceive the mark this way because of the use made by the proprietor of INSPIRE, as the evidence has not been well marshalled. However, even if this proposition were correct, it will not make any difference; with or without use of INSPIRE, the natural conclusion which the average consumer will reach is that PORTOBELLO is a range or a sub-brand by INSPIRE.

27. In *Medion AG v. Thomson*, the CJEU stated (my emphasis):

“29 In the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component

of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see *Matratzen Concord*, paragraph 32).

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

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

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

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

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

the overall impression would be, most often, dominated by the widely-known mark or commercial name included in the composite sign.

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

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

37 Accordingly, the reply to the question posed must be that Article 5(1)(b) of the directive 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.”

28. In *Aveda Corporation v. Dabur India Limited* [2013] EWHC 589 (Ch), Arnold J said, at paragraph 45:

“I entirely accept the basic proposition which the Court of Justice has repeated many times, namely that the assessment of likelihood of confusion must be made by considering and comparing each of the signs as a whole. As the Court of Justice recognised in *Medion v Thomson*, however, there are situations in which the average consumer, while perceiving a composite sign as a whole, will recognise that it consists of two signs one or both of which has a significance which is independent of the significance of the composite whole. Thus when the well-known pharmaceutical company Glaxo plc acquired the well-known pharmaceutical company Wellcome plc, the average

consumer of pharmaceutical goods confronted with the composite sign GLAXO WELLCOME or GLAXOWELLCOME would perceive the significance of both the whole and its constituent parts and conclude that this was an undertaking which combined the two previously separate undertakings (see *Glaxo Group Ltd v Glaxowellcome Ltd* [1996] FSR 388). The essence of the Court of Justice's reasoning in *Medion v Thomson* is that an average consumer of leisure electronic products confronted with the composite sign THOMSON LIFE could perceive both the whole and its constituent parts to have significance and thus could be misled into believing that there was a similar kind of connection between the respective undertakings.”

29. Ms Scott submitted that PORTOBELLO does not have an independent distinctive role within PORTOBELLO BY INSPIRE because the mark has a meaning as a unit. In *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), Arnold J. considered the impact of the CJEU's judgment in *Bimbo*, Case C-591/12P, and on the court's earlier judgment in *Medion v Thomson*. The judge said:

“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.”

30. The construction of the mark at issue includes the word BY. That word puts the average consumer on immediate notice that there are two independent components to the mark, perceiving the significance of both the whole mark and of its constituent parts as comprising exactly as Ms Scott submitted, a sub-brand and an overarching house mark. Mr Gossage, for the proprietor, states that proprietor’s mark was launched as PORTOBELLO BY INSPIRE to provide the PORTOBELLO brand with more provenance, using the reputation in INSPIRE. Although in no way determinative of the manner in which the average consumer would perceive the mark, the proprietor’s intention confirms my own view that PORTOBELLO has an independent distinctive role in the mark, as does INSPIRE. As for forming a unit, the mark means no more, or less, than the sum of its parts. Further, it does not matter that there is no evidence that the earlier mark has been present on the market because confusion works both ways. If the average consumer knows of PORTOBELLO BY INSPIRE, and encounters the earlier mark, he or she is just as likely to perceive an economic connection as the other way around.

31. The earlier mark is possessed of a normal level of distinctive character; the part of the proprietor's mark which is similar to the applicant's mark appears at the beginning of the proprietor's composite word mark; and the respective goods are identical. These factors point towards a likelihood of confusion. Paragraph 37 of *Medion* states 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." Here, the goods are identical and the contested mark has been composed by juxtaposing the parent brand name of another party and PORTOBELLO, which has a normal level of distinctive character. PORTOBELLO does not determine the overall impression conveyed by the composite sign, yet still has an independent distinctive role therein. There is a likelihood of confusion.

#### Request for suspension

32. Ms Scott's skeleton argument said that, on Friday 27 January 2017, the proprietor had applied to invalidate the applicant's EUTM (the substantive hearing before me took place on the following Tuesday). The application to invalidate has been made on the grounds that the EUTM is devoid of any distinctive character and/or is descriptive in relation to the goods for which it is registered. Ms Scott accepted that the action was filed extremely late in the day, but gave the reason as being that there had been "some negotiation" between the parties, which had not been successful. In short, the proprietor requests that if the applicant were to be successful in the instant case (which it has been) that I should make the decision a provisional one, pending the outcome of the EUIPO proceedings.

33. I have decided that this decision will be a final decision, not a provisional decision. Filing an action on the day on which the skeleton arguments came in for the hearing is far too late. I have no idea when meetings took place and when correspondence was exchanged, so cannot gauge whether the parties were

negotiating right up until the last minute, or whether matters stalled some time ago. These things are something of a balancing act, but in this case the lateness of the filing tips the balance against suspension because, potentially, there will be no legal certainty reached in this (UK) case for many months. That is unacceptable.

## **Outcome**

**34. The application for a declaration of invalidity succeeds in full. Under section 47(6) of the Act, the registration is deemed never to have been made. Consequently, registration 3020886 is cancelled from the date on which it was applied for, 5 September 2013.**

## **Costs**

35. The applicant has been successful and is entitled to a contribution toward the cost of the proceedings. The registrar normally awards costs from the published scale, as set out in Tribunal Practice Notice 4/2007. The parties made submissions about the costs relating to a pre-hearing review which I held on 31 January 2017. This was caused by the late filing of a further, very short, witness statement by Mr Gossage. The purpose of the witness statement was to correct an error in the turnover figures in his first witness statement. The further evidence was not copied to the applicant, an error which was later rectified by the proprietor. The applicant asked a) that the evidence should not be admitted because it had not been sent to the applicant at the time at which it was filed<sup>3</sup> and b) that if the evidence was admitted, that the applicant should be allowed to cross-examine Mr Gossage as to why the original figures were wrong.

36. I allowed the evidence to be admitted since it would have been nonsensical for me to summarise evidence (the set of figures in the first witness statement) which I knew to be wrong and which the proprietor had tried to put right. I refused the applicant's request to cross-examine Mr Gossage because the evidence about the proprietor's use of INSPIRE would have made little difference to the case, as is

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<sup>3</sup> As per rule 64(6)(b) of the Trade Marks Rules 2008 (as amended).



borne out by paragraph 26 of this decision. Ms Scott submitted that the proprietor should have the costs of the pre-hearing review. Mr Sullivan disagreed, submitting that the pre-hearing review was wholly caused by the proprietor. Whilst that may be so, it was disproportionate for the applicant to have objected to the evidence being admitted and to have requested cross-examination, for the reasons I have already stated, earlier in this paragraph.

37. Under the circumstances, I will award an amount to the proprietor for the pre-hearing review by reducing the applicant's award. The costs breakdown is as follows:

Fee for the application	£200
Filing the application and considering the counterstatement	£200
Considering the proprietor's evidence	£500
Preparing for and attending the hearing	£600
Less costs in relation to the pre-hearing review	-£150
<b>Total</b>	<b>£1350</b>

38. I order UP Global Sourcing UK Limited to pay Courtney Investments Ltd the sum of £1350 which, in the absence of an appeal, should be paid within fourteen days of the expiry of the appeal period.

**Dated this 1<sup>st</sup> day of March 2017**



**Judi Pike**

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