

O-460-17

**TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No. 3161173
BY MONIKA ANNUSOVA
TO REGISTER THE TRADE MARK
NOUVEAU BROWS
IN CLASSES 41 & 44**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER No. 407351 BY
NOUVEAU LASHES LIMITED**

BACKGROUND

1) On 25 April 2016, Monika Annusova (hereinafter the applicant) applied to register the trade mark "NOUVEAU BROWS" in respect of the following services:

Class 41: "Arranging training courses and training services in the field of eyebrow treatment and cosmetic treatments."

Class 44: Hygienic and beauty care for human beings; beauty salon services; beauty salons.

2) The application was examined and accepted, and subsequently published for opposition purposes on 20 May 2016 in Trade Marks Journal No.2016/021.

3) On 22 August 2016 Nouveau Lashes Limited (hereinafter the opponent) filed a notice of opposition, subsequently amended. The opponent is the proprietor of the following trade mark:

Mark	Number	Dates of filing & registration	Class	Specification relied upon
NOUVEAU LASHES	2541653	12.03.10	3	Artificial eyelashes, eyelash extensions.
		29.10.10	41	Arranging training courses and training services in the field of eyelash extensions and artificial eyelashes.

- a) The opponent contends that its mark and the mark applied for are very similar and that the services applied for are identical and/or similar to the goods and services for which the earlier mark is registered. As such the mark in suit offends against Section 5(2)(b) of the Act.
- b) The opponent contends that it enjoys considerable reputation in its mark and that use of the mark in suit would be without due cause and would take unfair advantage of the distinctive character and repute of the opponent's mark. The applicant has had a business relationship with the opponent and so consumers will assume a link which will provide an advantage to the applicant and could be detrimental to the opponent. Use of the mark in suit would offend against Section 5(3) of the Act.
- c) Because of the business relationship the application has been made in bad faith and so offends against Section 3(6) of the Act.

4) On 28 November 2016 the applicant filed a counterstatement basically denying that the marks are similar and stating that the goods and services of the two parties are not identical or similar.

5) Only the opponent filed evidence. Both parties seek an award of costs in their favour. Neither side wished to be heard. Only the opponent provided written submissions which I shall refer to as and when necessary in my decision.

OPPONENT'S EVIDENCE

6) The opponent filed two witness statements, both received on 24 April 2017, by David Hemingway the Company Secretary of the opponent, a position he has held for eleven years. He states that his company was established in 2005 and specialises in the sale of eyelash extensions, and the provision of eyelash treatments as well as offering training services in relation to these items. In addition to the UK the company has representatives in a number of countries world-wide. He states that the opponent has gained a reputation for its services and products, in particular the LVL Eye Lash Treatment (LVL) which is recommended by industry peers, celebrities and magazines and newspapers. The company has won awards for Best Lash Supplier in 2014-16 inclusive, by the Guild of Beauty Therapists which has over 8000 qualified beauty therapists as members. In the UK the company works with partners and distributors throughout the country. He provides the following revenue figures for the UK:

Year	Opponent's turnover £
2015	2.9m
2014	2.3m
2013	1.6m
2012	1.6m

7) Mr Hemingway states that his company spends approximately £725,000 per annum on advertising and promotions, including its website, brochures, leaflets and newsletters informing customers and distributors about its products and treatments, as well as competitions for customers where they can win trips abroad. He provides the following exhibits:

- NL1: Pages from the opponent's website showing various countries in which the opponent's products and services are provided. These include, *inter alia*, Australia, Belgium, Brazil,

Germany, France, Finland, Italy, Mexico, Norway, Poland, Eire, Russia, Spain, Sweden, USA and the UK. These are dated March 2017.

- NL2: Copies of website pages providing recommendations regarding LVL treatments from industry peers such as Bannatyne Health Club and Spa; Secret Spa; Malmaison Spa and Benefit Cosmetics. These are either undated or dated March 2017.
- NL3: Recommendations regarding LVL treatments from so-called celebrities as shown in newspapers and magazines. These are either undated or the date is illegible.
- NL4: Recommendations regarding LVL treatments from magazines and Newspapers such as *Look*, *Daily Mail*, *Vogue (Spain)*, *Cosmopolitan*, *Glamour* and *Heat*. In the majority of the articles the mark NOUVEAU LASHES also features. These are dated between August 2014 and July 2016.
- NL5 / NL1: Copies of invoices and purchase orders during the period 2010-2017. It shows two invoices per annum as a representation of sales. All invoices are to addresses throughout the UK with the exception of two, one to Spain the other to Greece. All invoices show use of the term NOUVEAU LASHES and refer to the provision of eyelashes, LVL treatments and training as well as products surrounding such items and services.
- NL6: An undated list of distributors and partners across the UK.
- NL7: Copies of pages from the opponent's website dated May 2007 to July 2016. These show the opponent offering eyelashes, treatments on eyelashes and training on providing eyelash treatments.
- NL8: Copies of pages from the opponent's website showing competitions for holidays in 2011, 2013 and 2015. Other pages show the company sponsoring The Eyelash Games in 2016 and 2017 as well as other undated pages. The majority of pages also feature the mark NOUVEAU LASHES.

8) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

9) The first ground of opposition is under section 5(2)(b) which reads:

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

(a)

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

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

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

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

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

11) The opponent is relying upon its trade mark listed in paragraph 3 above which is clearly an earlier trade mark. The applicant did not put the opponent to proof of use.

12) When considering the issue under section 5(2)(b) I take into account the following principles which 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.

- (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.

The average consumer and the nature of the purchasing decision

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

14) Both parties' specifications have, broadly speaking as their core, the provision of beauty products, beauty treatments or training in the provision of beauty treatments. Beauty products will be sold in, inter alia, traditional retail outlets on the high street, through catalogues and on the Internet, whereas beauty treatments and the training to provide such treatments will be advertised on shop fronts on the high street, through advertisements in magazines and newspapers and on the Internet. The average consumer of the goods and services at issue is a member of the general public (including businesses) who is likely, in my opinion, to select the goods and services mainly by visual means. I accept that more expensive items and services may be researched or discussed with a member of staff.

15) Clearly, the average consumer's level of attention will vary considerably depending on the cost and nature of the item and/ or service at issue. However, to my mind even when selecting routine

inexpensive beauty products such as the cheaper forms of eyelashes or beauty treatments **the average consumer will pay at least a medium degree of attention to precisely what they are getting or having done to them as in many instances the results will be open to view to the public at large.**

Comparison of goods and services

16) In the judgment of the Court of Justice of the European Union (CJEU) in *Canon*, Case C-39/97, 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”.

17) In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the GC stated that:

“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 fur 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”.

18) I also take into account the comments of Jacob J. in *Avnet Incorporated v. Isoact Ltd* [1998] FSR 16 where he said:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

19) The goods and services to be compared are as follows:

Applicant's services	Opponent's goods and services
<p data-bbox="175 155 862 296">Class 41: Arranging training courses and training services in the field of eyebrow treatment and cosmetic treatments.</p> <p data-bbox="175 373 829 464">Class 44: Hygienic and beauty care for human beings; beauty salon services; beauty salons.</p>	<p data-bbox="933 155 1453 245">Class 3: Artificial eyelashes, eyelash extensions.</p> <p data-bbox="933 323 1511 464">Class 41: Arranging training courses and training services in the field of eyelash extensions and artificial eyelashes.</p>

20) The applicant points to the difference between eyelashes and eyebrows, and the fact that the opponent does not have any services registered in class 44. I will first consider the services of each party in Class 41. Both have identical wording which shows that the parties are engaged in “Arranging training courses and training services in the field of...”. The only point of difference is the exact subject matter of these training courses/services. The applicant offers such services in relation to “eyebrow treatment and cosmetic treatments” whilst the opponent’s specification refers to “eyelash extensions and artificial eyelashes”. To my mind, the opponent’s specification is encompassed within the term “cosmetic treatments” which is part of the applicant’s specification. Further, eyelashes and eyebrows are in close physical proximity, relate to hair and would be targeted at the same end user who would, in all probability, seek/expect to have both eyelashes and eyebrows treated at the same establishment. **I regard the services in Class 41 to be identical / highly similar.**

21) I next turn to the services applied for in Class 44 (Hygienic and beauty care for human beings; beauty salon services; beauty salons). The opponent does not have any services registered in this class. However, I would expect beauty salons, or anyone offering beauty care to also offer treatments for eyelashes and eyelash extensions, which are by their very nature beauty treatments and/or products. By extension the services of the opponent in class 41 and its goods in class 3 would be relevant to beauty salons and those offering beauty care. To my mind the channels of trade, purpose and users coincide. I also have to consider complementarity. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criteria capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the General Court stated that “complementary” means:

“...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”.

22) Further in *Sanco SA v OHIM*, Case T-249/11, the General Court indicated that goods and services may be regarded as ‘complementary’ and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different, i.e. *chicken* against *transport services for chickens*. The purpose of examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander Q.C. noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL-0-255-13:

“It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes.”

Whilst on the other hand:

“.....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.

23) I therefore regard the applicant’s Class 44 services of “beauty care for human beings; beauty salon services; beauty salons” as being similar to medium degree to the opponent’s goods and services.

24) Lastly I turn to consider the applicant’s Class 44 services of “Hygienic care for human beings”. Whilst this could refer to the removal of hair from various regions of the body, or things such as facial cleansing it could refer to colonic irrigation which would not be regarded as similar to the opponent’s registered goods or services. Whilst one would hope that the opponent’s goods and services would be hygienic, that is not the same as providing actual hygienic services to humans. The fact that the applicant’s services is somewhat wide reaching means that they cannot all be regarded as similar to those of the opponent. **I therefore find that the applicant’s services of “Hygienic care for human beings” in Class 44 to be not similar to the goods and services of the opponent.**

Comparison of trade marks

25) 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 them, 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.”

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

Opponent's trade mark	Applicant's trade mark
NOUVEAU LASHES	NOUVEAU BROWS

27) The applicant refers to the word “Nouveau” as being a “foreign generic word” and also states that a number of “French competitors” use the word and cites two examples “Un Nouveau Souffle” and “Dr Pierre Ricaud Jour Nouveau”. The applicant did not provide any evidence to corroborate these claims and certainly nothing relating to the UK market. It is clear that the marks of both parties consist of two words, the first of which is identical, the word “nouveau”. It is not a word which is commonly used in the UK on its own. Whilst a number will know that it means new/modern its use is primarily as a term of abuse/derision such as “nouveau riche” where an individual has made money recently rather than inheriting it, and is somewhat ostentatious or lacking in good taste. It is also used to describe the design movement during the period from 1890 -1920, commonly referred to as “Art nouveau”. Given that the applicant's services will be aimed at the general public, many of whom struggle with English. I conclude that the vast majority will have no idea what this foreign word means. They will be able to understand that the second words in each mark is a reference to the actual treatments/services/goods

being offered brows/lashes. Thus the second part of each mark is actually a descriptor of the product/service. I accept that there are visual and aural differences in the marks as the second words are different. But the initial part of each mark is identical. In *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02, the General Court (GC) noted that the beginnings of word tend to have more visual and aural impact than the ends. The court stated:

“81. It is clear that visually the similarities between the word marks MUNDICOLOR and the mark applied for, MUNDICOR, are very pronounced. As was pointed out by the Board of Appeal, the only visual difference between the signs is in the additional letters ‘lo’ which characterise the earlier marks and which are, however, preceded in those marks by six letters placed in the same position as in the mark MUNDICOR and followed by the letter ‘r’, which is also the final letter of the mark applied for. Given that, as the Opposition Division and the Board of Appeal rightly held, the consumer normally attaches more importance to the first part of words, the presence of the same root ‘mundico’ in the opposing signs gives rise to a strong visual similarity, which is, moreover, reinforced by the presence of the letter ‘r’ at the end of the two signs. Given those similarities, the applicant’s argument based on the difference in length of the opposing signs is insufficient to dispel the existence of a strong visual similarity.

82. As regards aural characteristics, it should be noted first that all eight letters of the mark MUNDICOR are included in the MUNDICOLOR marks.

83. Second, the first two syllables of the opposing signs forming the prefix ‘mundi’ are the same. In that respect, it should again be emphasised that the attention of the consumer is usually directed to the beginning of the word. Those features make the sound very similar.

28) These views have been adopted in subsequent cases before the GC such as *Castellani SpA v OHIM*, T-149/06, *Spa Monopole, compagnie fermière de Spa SA/NV v OHIM*, T-438/07; *CureVac GmbH v OHIM*, T-80/08 and *Enercon GmbH v OHIM*, T-472/07. I next turn to the conceptual considerations. If the consumer is aware of the meaning of the word NOUVEAU then they will view the marks as “modern or new”, “brows or lashes”. If the consumer is unaware of the meaning of the word then it will be seen as an unknown foreign word followed by brows or lashes. In either instance the conceptual similarity is very high as brows and lashes are found in close physical proximity and are highly visible to anyone seeing a face. They are also subject to various treatments to improve their look. **Overall the marks are similar to at least a medium degree.**

Distinctive character of the earlier trade mark

29) 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).”

30) The opponent's mark is **inherently distinctive to a medium degree**. The opponent has, just about, shown use of its mark but given the specification for which it is registered, the absence of information regarding market share and the enormity of the market in the UK for beauty products, treatments and training in the provision of the same, **the level of sales shown is not sufficient to warrant enhanced distinctiveness**.

Likelihood of confusion

31) In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive

character of the opponent's trade mark as the more distinctive the trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind. Earlier in this decision, I concluded that:

- the average consumer for the goods is a member of the general public including businesses who will select the goods and services by predominantly visual means, although I do not discount aural considerations and that they are likely to pay a medium degree of attention to the selection of said goods and services.
- the marks of the two parties are similar to a medium degree.
- The opponent's mark has a medium level of inherent distinctiveness but cannot benefit from an enhanced distinctiveness through use.
- the Class 41 specifications of the two parties are identical /highly similar. The applicant's Class 44 services of "beauty care for human beings; beauty salon services; beauty salons" are similar to a medium degree to the opponent's goods and services. **But**, the applicant's services of "Hygienic care for human beings" in Class 44 are not similar to the goods and services of the opponent.

32) In *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA, Lady Justice Arden stated that:

"49..... I do not find any threshold condition in the jurisprudence of the Court of Justice cited to us. Moreover I consider that no useful purpose is served by holding that there is some minimum threshold level of similarity that has to be shown. If there is no similarity at all, there is no likelihood of confusion to be considered. If there is some similarity, then the likelihood of confusion has to be considered but it is unnecessary to interpose a need to find a minimum level of similarity.

33) In view of all of the above, and allowing for the concept of imperfect recollection there is a likelihood of consumers being confused into believing that some of the services applied for under the

mark in suit and provided by the applicant are those of the opponent or provided by an undertaking linked to it. **The opposition under Section 5(2) (b) therefore succeeds in respect of:**

Class 41: "Arranging training courses and training services in the field of eyebrow treatment and cosmetic treatments".

Class 44: "Beauty care for human beings; beauty salon services; beauty salons".

34) Having found that there is no similarity in some of the services applied for, the views expressed by the Court of Appeal (see paragraph 30 above) mean that the services which fall into this category cannot be regarded as likely to confuse consumers. I therefore do not need to consider the issue of indirect confusion as set out in the alternative by the opponent. **The opposition under Section 5(2) (b) therefore fails in respect of:**

Class 44: "Hygienic care for human beings".

35) I next turn to the ground of opposition under Section 5(3) which 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 a European Union trade mark or international trade mark (EC), in the European Union) 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."

36) When considering the issues under this section I take into account the relevant case law found in the following judgments of the CJEU: 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 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 public calls the earlier mark to mind; *Adidas 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 risk 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*).

37) I must first determine, if at the relevant date for the application (25 April 2016) the opponent had a reputation in relation to, broadly speaking, eyelashes and training courses and services relating to the same, under its NOUVEAU LASHES marks. The test for 'reputation' was set out by the CJEU in *General Motors*. The earlier mark must be known by 'a significant part' of the relevant public. Some commentators have regarded this as setting a low threshold.

38) I must next determine whether a significant proportion of the relevant public, made up of average consumers would call to mind the earlier mark "NOUVEAU LASHES" if confronted with the mark in suit on the services in classes 41 & 44 for which the mark is sought to be registered on 25 April 2016. The evidence provided by the opponent was somewhat sketchy to put it mildly. However, I take into account the comments of Mr Arnold Q.C (as he was) when acting as the Appointed Person in *Extreme* BL/161/07 where he commented on the issue of unchallenged evidence and cross examination:

"Unchallenged evidence

33. *Phipson on Evidence* (16th ed) states at paragraph 12-12:

In general a party is required to challenge in cross-examination the evidence of any witness of the opposing party if he wishes to submit to the court that the evidence should not be

accepted on that point. The rule applies in civil cases as it does in criminal. In general the CPR does not alter that position.

This rule [sic] serves the important function of giving the witness the opportunity of explaining any contradiction or alleged problem with his evidence. If a party has decided not to cross-examine on a particular important point, he will be in difficulty in submitting that the evidence should be rejected.

However the rule is not an inflexible one...

34. The authority cited in support of this statement of the law is the decision of the House of Lords in *Browne v Dunn* (1894) 6 R 67. The relevant passages from the speeches are set out in the judgment of Hunt J in *Allied Pastoral Holdings v Federal Commissioner of Taxation* (1983) 44 ALR 607, the material parts of which are quoted in the judgment of the Court of Appeal in *Markem Corp v Zipher Ltd* [2005] EWCA Civ 267, [2005] RPC 31 at [59]-[60].

35. In my judgment the learned editors of *Phipson* are correct to say that the rule is not an inflexible one. There are at least two well-established exceptions to it. The first is that, as the speech of Lord Herschell LC in *Browne v Dunn* makes clear, it may not be necessary to cross-examine on a point if the witness has been given full notice of it before making his statement. As I pointed out in *BRUTT Trade Marks* [2007] RPC 19 at [23], this may be significant in registry proceedings where evidence is given sequentially. The second is that a court is not obliged to accept a witness's evidence in the absence of cross-examination if it is obviously incredible: see *National Westminster Bank plc v Daniel* [1993] 1 WLR 1453.

36. Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness's evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness's evidence.

37. Despite this, it is not an uncommon experience to find parties in registry hearings making submissions about such unchallenged evidence which amount to cross-examination of the witness in his absence and an invitation to the hearing officer to disbelieve or discount his

evidence. There have been a number of cases in which appeals have been allowed against the decisions of hearing officers who have accepted such submissions. Two recent examples where this appears to have happened which were cited by counsel for the proprietor are *Score Draw Ltd v Finch* [2007] EWHC 462 (Ch), [2007] *BusLR* 864 and *EINSTEIN Trade Mark* (O/068/07). Another recent example is *Scholl Ltd's Application* (O/199/06). I consider that hearing officers should guard themselves against being beguiled by such submissions (which is not, of course, to say that they should assess evidence uncritically)."

39) There are mentions in newspapers and magazine regarding the opponent's mark in respect of false eyelashes and eyelash treatments and training regarding the same, which are dated between August 2014 and July 2016 (only one of which is after the relevant date) at exhibit NL4. Similarly, the majority of the pages from the opponent's own website (NL7 & 8) are prior to the relevant date and show use of the mark in suit in respect of false eyelashes and eyelash treatments and training regarding the same. Lastly exhibit NL5 (ultimately filed as NL1 with the second statement) showed a number of invoices regarding the goods and services relied upon and use of the mark NOUVEAU LASHES. These items corroborate the claims made by the opponent regarding turnover and promotion expenditure. Although the figures have not been put into context in terms of market share.

40) I am willing to accept that the opponent has a successful business operating throughout the UK and in numerous other countries, which has a turnover measurable in £millions. The statements regarding turnover under the mark NOUVEAU LASHES in the UK have not been challenged and fit in with the overall narrative. Whilst the evidence could have been clearer it is enough to get the opponent over the first hurdle.

41) Earlier in this decision I found that the marks of the two parties are similar to a medium degree. I also found that the Class 41 specifications of the two parties are identical /highly similar. The applicant's Class 44 services of "beauty care for human beings; beauty salon services; beauty salons" are similar to the opponent's goods and services. **But**, the applicant's services of "Hygienic care for human beings" in Class 44 are not similar to the goods and services of the opponent. The last finding is not fatal to an opposition under section 5(3), but it is relevant to the likelihood of the relevant public making a link between the marks. I also accept that the opponent has shown that it has a reputation for artificial eyelashes; eyelash extensions; training courses and services in the field of eyelash extensions and artificial eyelashes amongst a significant proportion of the UK public who would also be the relevant consumers for the applicant's services in classes 41 & 44. In deciding this issue I take

into account the comments of Mr Geoffrey Hobbs Q.C. (sitting as a Deputy Judge) in *Electrocoin Automatics Limited and Coinworld Limited and Others* [2005] FSR 7:

“102. I think it is clear that in order to be productive of advantage or detriment of the kind prescribed, ‘the link’ established in the minds of people in the market place needs to have an effect on their economic behaviour. The presence in the market place of marks and signs which call each other to mind is not, of itself, sufficient for that purpose.”

42) I also look to the case of *Intel Corporation Inc v CPM United Kingdom Ltd* [2006] EWCH 1878 where Patten J said at para 28:

“But the first step to the exploitation of the distinctive character of the earlier mark is necessarily the making of the association or link between the two marks and all that Neuberger J is, I think, saying in this passage [Premier Brands at p. 789] is that the existence of a later mark which calls to mind the earlier established mark is not sufficient to ground an objection under s.5(3) or s.10(3) unless it has one or other of the consequences specified by those provisions. It must be right that the making of the association is not necessarily to be treated as a detriment or the taking of an unfair advantage in itself and in cases of unfair advantage it is likely to be necessary to show that the making of the link between the marks had economic consequences beneficial to the user of the later mark. But in relation to detriment the position is more complicated. The association between two marks and therefore potentially between the products or services to which they relate may be detrimental to the strength and reputation of the earlier mark if it tarnishes it by association or makes it less distinctive. This is likely to take place as a consequence of the same mental process which links the two marks in the minds of consumers and is essentially a negative reaction and effect.”

43) The opponent has a reputation for its goods and services. Consumers who know of and purchase from the opponent may bring the opponent to mind if they see the applicant’s beauty services advertised. However, I do not believe that they would call the opponent to mind if they saw the applicant advertising its “Hygienic services” as these are not clearly a natural extension from beauty related goods and services.

UNFAIR ADVANTAGE AND DUE CAUSE

44) I now have to consider whether such a link gives an unfair advantage to the mark in suit or whether it is detrimental to the reputation of the opponent's mark, and whether the applicant had due cause to use its mark. In considering these issues I take into account the comments of Arnold J. in *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) where he considered the earlier case law and concluded that:

“80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill.

81. The second question is whether there is a requirement for evidence of a change in the economic behaviour of consumers or a serious likelihood of such a change. As counsel for House of Fraser pointed out, the CJEU has held that proof that the use of the sign is or would be detrimental to the distinctive character of the trade mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the trade mark is registered or a serious likelihood that such change will occur in the future: see *Intel* at [77], [81] and Case C-383/12 *Environmental Manufacturing LLP v Office for Harmonisation in the Internal Market* (unreported, 14 November 2013) at [34]-[43]. As counsel for House of Fraser accepted, there is no requirement for evidence of a change in the economic behaviour of consumers of the *trade mark proprietor's* goods or services in order to establish the taking of unfair advantage of the distinctive character or repute of the trade mark. He submitted, however, that it was necessary that there should be evidence of a change in the economic behaviour of the consumers of the *defendant's* goods or services.

82. Counsel for Jack Wills did not dispute that, in order for advantage to be taken of the trade mark's distinctive character or repute, it was necessary for there to be some change in the behaviour of the defendant's consumers as a result of the use of the allegedly infringing sign, or

a serious likelihood of such a change. Nor did he dispute that what was required was a change in the behaviour of the consumers as consumers of the relevant goods and services, and in that sense in their economic behaviour. He submitted, however, that the trade mark proprietor could not be expected to adduce positive evidence that consumers had changed their behaviour as a result of the use of the sign.

83. In my judgment the correct way to approach this question is to proceed by analogy with the approach laid down by the Court of Justice in *Environmental Manufacturing* in the following passage:

“42. Admittedly, Regulation No 207/2009 and the Court's case-law do not require evidence to be adduced of actual detriment, but also admit the serious risk of such detriment, allowing the use of logical deductions.

43. None the less, such deductions must not be the result of mere suppositions but, as the General Court itself noted at paragraph 52 of the judgment under appeal, in citing an earlier judgment of the General Court, must be founded on ‘an analysis of the probabilities and by taking account of the normal practice in the relevant commercial sector as well as all the other circumstances of the case’.”

45) I also take into account the case of *Mäurer + Wirtz GmbH & Co KG v OHIM*, Case T-63/07, where the General Court held that:

“40. It is possible, particularly in the case of an opposition based on a mark with an exceptionally high reputation, that the probability of a future, non-hypothetical risk of detriment to the earlier mark or of unfair advantage being taken of it by the mark applied for is so obvious that the opposing party does not need to put forward and prove any other fact to that end. However, it is also possible that the mark applied for does not, at first sight, appear capable of giving rise to one of the risks covered by Article 8(5) of Regulation No 40/94 with respect to the earlier mark with a reputation, even though it is identical with or similar to the earlier mark, in which case the non-hypothetical, future risk of detriment or unfair advantage must be established by other evidence, which it is for the opposing party to put forward and prove (Case T-215/03 *Sigla v OHIM –Elleni Holding (VIPS)* [2007] ECR II-711, paragraph 48).”

46) In *Leidseplein Beheer BV v Red Bull*, Case C-65/12, the CJEU held that:

“43. In a system for the protection of marks such as that adopted, on the basis of Directive 89/104, by the Benelux Convention, however, the interests of a third party in using, in the course of trade, a sign similar to a mark with a reputation must be considered, in the context of Article 5(2) of that directive, in the light of the possibility for the user of that sign to claim ‘due cause’.

44. Where the proprietor of the mark with a reputation has demonstrated the existence of one of the forms of injury referred to in Article 5(2) of Directive 89/104 and, in particular, has shown that unfair advantage has been taken of the distinctive character or the repute of that mark, the onus is on the third party using a sign similar to the mark with a reputation to establish that he has due cause for using such a sign (see, by analogy, Case C-252/07 *Intel Corporation* [2008] ECR I-8823, paragraph 39).

45. It follows that the concept of ‘due cause’ may not only include objectively overriding reasons but may also relate to the subjective interests of a third party using a sign which is identical or similar to the mark with a reputation.

46. Thus, the concept of ‘due cause’ is intended, not to resolve a conflict between a mark with a reputation and a similar sign which was being used before that trade mark was filed or to restrict the rights which the proprietor of that mark is recognised as having, but to strike a balance between the interests in question by taking account, in the specific context of Article 5(2) of Directive 89/104 and in the light of the enhanced protection enjoyed by that mark, of the interests of the third party using that sign. In so doing, the claim by a third party that there is due cause for using a sign which is similar to a mark with a reputation cannot lead to the recognition, for the benefit of that third party, of the rights connected with a registered mark, but rather obliges the proprietor of the mark with a reputation to tolerate the use of the similar sign.

47. The Court thus held in paragraph 91 of the judgment in *Interflora and Interflora British Unit* (a case concerning the use of keywords for internet referencing) that where the advertisement displayed on the internet on the basis of a keyword corresponding to a trade mark with a reputation puts forward – without offering a mere imitation of the goods or services of the proprietor of that trade mark, without being detrimental to the repute or the distinctive character of that mark and without, moreover, adversely affecting the functions of the trade mark concerned – an alternative to the goods or services of the proprietor of the trade mark with a reputation, it must be concluded that such a use falls, as a rule, within the ambit of fair competition in the sector for the goods or services concerned and is thus not without ‘due cause’.

48. Consequently, the concept of 'due cause' cannot be interpreted as being restricted to objectively overriding reasons.

47) I must therefore consider whether, when the link is made, would it be likely to affect the economic behaviour of the applicant's customers or potential customers and as a result of the link the applicant will sell more of its services as a result. It is clear that, prior to the relevant date (25 April 2016) the opponent had a substantial reputation in, broadly speaking, artificial eyelashes and training courses and services related to the same. It is also clear from the unchallenged evidence that the applicant was aware of the opponent's use of its mark. Use of the mark in suit by the applicant in respect of any of its class 41 services and on the following class 44 services (Beauty care for human beings; beauty salon services; beauty salons) will take unfair advantage of the repute of the opponent's mark. **The ground of opposition under section 5(3) succeeds in respect of the services outlined earlier in this paragraph.**

48) However, I do not believe that use of the mark on the following services in class 44 (Hygienic care for human beings) will take unfair advantage of the repute of the opponent's mark, as the average consumer will not form the necessary link. **The ground of opposition under section 5(3) fails in respect of these services.**

49) Lastly I turn to the ground of opposition under Section 3(6) which reads:

"3. (6) A trade mark shall not be registered if or to the extent that the application is made in bad faith."

50) The law in relation to section 3(6) of the Act ("bad faith") was summarised by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch):

"130. A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/Article 3(2)(d) of the Directive/Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, "Bad faith in European trade mark law" [2011] IPQ 229.)

131. First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see Case C- 529/07 *Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132. Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. Case C-259/02 *La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and Case C-192/03 *Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133. Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207-2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134. Fourthly, bad faith includes not only dishonesty, but also "some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined": see *Gromax Plastics Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

135. Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].

136. Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

137. Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

138. Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth*:

"41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48)."

51) The opponent contends, and it is not disputed, that the applicant sold the opponent's products and was therefore aware of the opponent's use of its mark and its products and services. Despite this

knowledge the applicant sought registration of its mark and therefore, the opponent contends, acted in bad faith.

52) In *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others* [2009] RPC 9 (approved by the COA in [2010] RPC 16), Arnold J. stated that:

“189. In my judgment it follows from the foregoing considerations that it does not constitute bad faith for a party to apply to register a Community trade mark merely because he knows that third parties are using the same mark in relation to identical goods or services, let alone where the third parties are using similar marks and/or are using them in relation to similar goods or services. The applicant may believe that he has a superior right to registration and use of the mark. For example, it is not uncommon for prospective claimants who intend to sue a prospective defendant for passing off first to file an application for registration to strengthen their position. Even if the applicant does not believe that he has a superior right to registration and use of the mark, he may still believe that he is entitled to registration. The applicant may not intend to seek to enforce the trade mark against the third parties and/or may know or believe that the third parties would have a defence to a claim for infringement on one of the bases discussed above. In particular, the applicant may wish to secure exclusivity in the bulk of the Community while knowing that third parties have local rights in certain areas. An applicant who proceeds on the basis explicitly provided for in Article 107 can hardly be said to be abusing the Community trade mark system.”

53) In asserting that the application was made in bad faith, the onus rests with the opponent to make a prima facie case. A claim that an application was made in bad faith implies some deliberate action by the applicant which a reasonable person would consider to unacceptable behaviour, or as put by Lindsay in the *Gromax* trade mark case [1999] RPC 10:

“includes some dealings which fall short of the standards of acceptable commercial behaviour”.

54) To my mind, in the light of paragraph 50 above, the opponent has filed no evidence to support this claim and as such this ground of opposition is dismissed. **The opposition based upon Section 3(6) fails.**

CONCLUSION

55) The opposition in relation to the services applied for succeeded under Sections 5(2)(b) and 5(3) in relation to:

Class 41: "Arranging training courses and training services in the field of eyebrow treatment and cosmetic treatments".

And

Class 44: "Beauty care for human beings; beauty salon services; beauty salons".

56) But **failed** under Sections 5(2) (b) and 5(3) in respect of:

Class 44: "Hygienic care for human beings".

COSTS

57) As the opponent has been mostly successful it is entitled to a contribution towards its costs.

Preparing a statement and considering the other side's statement	£300
Expenses	£200
Provision of evidence & submissions	600
TOTAL	£1100

58) I order Monika Annusova to pay Nouveau Lashes Limited the sum of £1100. This sum to be paid 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 26th day of September 2017

George W Salthouse
For the Registrar,
the Comptroller-General