

O-609-17

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS IN THE MATTER OF

TRADE MARK APPLICATION NOS 3037820 & 3037817

IN THE NAME OF AROSA LIMITED

FOR

THE TRADE MARKS

RAFFLES CLUB CHELSEA

&

RAFFLES CLUB

IN CLASS 41

AND

OPPOSITION THERETO (UNDER NOS. 402523 & 402524)

BY

RAFFLES INTERNATIONAL LIMITED

BACKGROUND

1) On 14 January 2014, Arosa Limited ('the applicant') applied to register **RAFFLES CLUB CHELSEA** and **RAFFLES CLUB** as trade marks in respect of the following services:

Class 41: Dance club services and events; nightclub services and events; private members club services and events.

2) Both applications were published in the Trade Marks Journal on 11 April 2014 and notice of opposition was later filed by Raffles International Limited ('the opponent'). The opponent claims that the trade mark applications offend under a number of grounds, including section 5(2)(b) of the Trade Marks Act 1994. Details of one of the marks relied upon under that ground are:

- UK registration 2449103 ('103) for the mark **RAFFLES** which has a filing date of 12 March 2007 and was entered in the register on 04 September 2009. The opponent relies on the following services covered by that registration:

Class 41: Provision of health club, fitness club, gymnasium, and recreational facilities.

3) The applicant filed counterstatements in defence of both of the contested marks, in which it denies the grounds of opposition. The cases were consolidated.

4) It is noted that the case was then suspended to await the outcome of revocation proceedings against a number of the marks relied upon by the opponent. The suspension was subsequently lifted and the opponent filed evidence. Further to this, the case was suspended again in order to allow the parties to negotiate a settlement. The applicant was informed that, if no settlement was reached, its evidence was due on 2 May 2017. No evidence was received. Accordingly, the parties were advised that the evidence rounds had concluded. A period was subsequently allowed to request a hearing or file written submissions in lieu on the substantive matters. No request for a hearing was made in the time allowed. Shortly before the deadline for

written submissions, the opponent, on 05 September 2017, made a further request for the instant proceedings to be suspended pending the outcome of an appeal to the Appointed Person, in the revocation proceedings against its earlier marks. That request was refused for the reasons given in the official letter of 10 October 2017, which stated, inter alia, the following:

“Your request to suspend the proceedings pending a decision in the appeal proceedings in CA500259 - 500266 is refused.

It is noted that one of the marks relied upon in OPPS 402523 & 402524 is UK registration 2449103 for the mark 'RAFFLES'. That mark is not subject to proof of use and is not subject to any cancellation proceedings (and is therefore not affected by the appeal against the decision of Mr James in CA500259-266). It is further noted that the opponent relies upon services in class 41 of that registration.”

5) The parties were provided with a period in which to file a request to be heard if they disagreed with the view given in the above letter; no such request was made. A final period was then allowed for the parties to file written submissions in lieu of a hearing before the case was passed to me for a substantive decision. Only the opponent filed submissions in lieu. I now make this decision on the basis of the papers before me.

Evidence

Opponent's evidence

6) This comes from Camilla Sexton of Wildbore and Gibbons LLP, the opponent's representative. Ms Sexton's evidence consists of prints from the internet which are said to show that the parties' respective services are similar. There is also evidence from Yeo Hui Leng, a Director and Company Secretary of Raffles International Limited. Mr Leng's evidence goes to the issue of showing use of the opponent's 'Raffles' mark in relation to hotel services. In the circumstances, there is no need to give any further information about this evidence.

DECISION

Section 5(2)(b)

7) Section 5(2)(b) of the Act provides that:

“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.”

8) The leading authorities which guide me are from the Court of Justice of the European Union (‘CJEU’): *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles

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

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely

upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

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

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

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

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

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

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

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

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

(k) if the association between the marks creates a risk that the public 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 services

9) In the judgment of the 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”.

10) The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

- a) The respective users of the respective goods or services;
- b) The physical nature of the goods or acts of services;
- c) The respective trade channels through which the goods or services reach the market;
- d) 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;
- e) 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.

11) In *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

"... 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) (IP TRANSLATOR)* [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."

12) In *Avnet Incorporated v Isoact Limited*, [1998] F.S.R. 16, Jacob J. (as he then was) stated that:

"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."

13) 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".

14) In *Sanco SA v OHIM*, Case T-249/11, the General Court ('GC') 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."

15) The contested services are;

Class 41: Dance club services and events; nightclub services and events; private members club services and events.

The services covered by mark '103 are:

Class 41: Provision of health club, fitness club, gymnasium, and recreational facilities. (my emphasis)

16) The opponent submits:

"...as the Opponent's services cover the provision of recreational facilities, the nature and purpose of those services is to accommodate and facilitate

recreational or leisure activity. Dance clubs, dance events, nightclub services, nightclub events, private members' club services and private members' club events are manifestly recreational or leisure activities. The users of these services will be members of the public with discretionary time. It follows that the Applicant's services are either identical to or highly similar to the services covered by the opponent's earlier mark."

17) There is a complementary relationship between the opponent's 'provision of recreational facilities' and the applicant's services. Trade channels will be the same, users will be the same and the purpose is the same or, at least, similar. I agree with the opponent that its 'provision of recreational facilities' is, at least, highly similar to all of the applicant's services.

Average consumer and the purchasing process

18) It is necessary to determine who the average consumer is for the respective services and the manner in which they are likely to be selected. 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."

19) The average consumer of both parties' services is the general public. I would expect the purchase to be primarily visual but the aural aspect is also borne in mind. The cost of the services may vary. Generally speaking, I would expect a normal level of attention to be paid by the average consumer when making the selection.

Comparison of marks

20) 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.”

It would therefore be wrong, artificially, to dissect the 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 the marks. The marks to be compared are:

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RAFFLES CLUB**

21) The overall impression of the opponent's mark lies in the single word of which it consists. As for the applicant's marks, the most distinctive word in these marks is clearly the word 'RAFFLES'. This is because the word(s) 'CLUB CHELSEA'/'CLUB' are descriptive in the context of the applicant's services. I find that 'RAFFLES' carries the greatest weight in the overall impression of both of the applicant's marks (although the other words are not negligible).

22) Visually and aurally, the respective marks coincide in respect of the word RAFFLES. The words 'CLUB CHELSEA'/'CLUB' create points of visual and aural contrast. Bearing in mind the general rule of thumb that it is the beginnings of marks that will tend to have the greatest impact on the perception, I consider there to be a good degree of visual and aural similarity between the opponent's mark and RAFFLES CLUB. There is slightly less visual and aural similarity between the opponent's mark and RAFFLES CLUB CHELSEA but I still consider the degree of visual and aural similarity to be of a medium level. As to concept, in terms of the applicant's marks, the main conceptual hook for the consumer (bearing in mind that it is distinctive concepts which are of primary importance) is likely to come from the distinctive word RAFFLES. That is a well-known English word with which the average consumer will be very familiar; it is likely to be recognised as meaning competitions/lotteries. That is the sole concept portrayed by the opponent's mark. I find both of the applicant's marks to be conceptually highly similar to the opponent's mark.

Distinctive character of the earlier mark

23) The distinctive character of the earlier mark must be considered. The more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion (*Sabel BV v Puma AG*). 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).”

24) From an inherent perspective, the earlier mark is neither descriptive nor allusive in relation to the relevant services. I agree with the opponent that it has a normal level of distinctiveness. There is no evidence of enhanced distinctiveness before me in respect of the opponent’s class 41 services.

Likelihood of confusion

25) I must now feed all of my earlier findings into the global assessment of the likelihood of confusion, keeping in mind the following factors: i) the interdependency principle, whereby a lesser degree of similarity between the services may be offset by a greater similarity between the marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*); ii) the more distinctive the earlier mark is, the greater the likelihood of confusion (*Sabel BV v Puma AG*), and; iii) imperfect recollection i.e. that consumers rarely have the opportunity to compare marks side by side but must rather rely on the imperfect picture that they have kept in their mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.*).

26) I have found that the earlier mark has a normal level of inherent distinctiveness. The respective services are highly similar (at least). The opponent’s mark is visually and aurally similar to a good degree to RAFFLES CLUB and conceptually highly similar to that mark. I also found that the opponent’s mark is visually and aurally similar to a medium degree to RAFFLES CLUB CHELSEA and conceptually highly similar to that mark. Weighing all of these factors, I have no hesitation in finding that

there is a likelihood of confusion in respect of both of the applicant's marks on the part of the relevant average consumer paying a normal level of attention during a mainly visual purchase.

27) The opposition succeeds.

COSTS

28) As the opponent has been successful, it is entitled to a contribution towards its costs. Using the guidance in Tribunal Practice Notice 4/2007 (which was in force at the time of commencement of these proceedings), and taking into account the consolidation of the two cases, I award costs to the opponent on the following basis:

Preparing a statement and considering the counterstatements (x2)	£300
Official fee (x2)	£400
Preparing evidence	£500
Written submissions	£300
Total:	£1500

29) I order Arosa Limited to pay Raffles International Limited the sum of **£1500**. This sum is 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 30th day of November 2017

Beverley Hedley
For the Registrar, the Comptroller-General