

**TRADE MARKS ACT 1994**

**IN THE MATTER OF REGISTRATION NO. 3182381  
IN THE NAME OF PURPLE POOCH LIMITED  
FOR THE FOLLOWING TRADE MARK:**

**Dolls Club**

**IN CLASS 28**

**AND**

**AN APPLICATION FOR A DECLARATION OF INVALIDITY  
UNDER NO. 501519 BY PETERKIN UK LTD**

## **Background and pleadings**

1. Purple Pooch Limited (“the proprietor”) applied for the trade mark **Dolls Club** (number 3182381) (“the contested trade mark”) on 25 August 2016. It was registered on 25 November 2016 for “toys” in class 28.

2. On 13 January 2017, Peterkin UK Ltd (“the applicant”) applied to have the contested trade mark declared invalid under s. 47 of the Trade Marks Act 1994 (“the Act”). The grounds are based on ss. 5(2)(b), 5(3) and 5(4)(a) of the Act. Under each of these grounds, the invalidity is directed against all of the goods in the contested trade mark’s specification.

3. Under ss. 5(2)(b) and 5(3), the applicant relies upon the trade marks shown below and relies upon all of the goods for which the marks are registered:

(i) UK trade mark 2336488: **DOLLS WORLD**

Filing date 2 July 2003; date of entry in the register 30 April 2004

Class 28: Toys, games and playthings; gymnastic and sporting articles; parts and fittings for all the aforesaid goods;

(ii) European Union trade mark (“EUTM”) 6390975: **DOLLS WORLD**

Filing date 24 October 2007; date of entry in the register 24 October 2008

Class 28: Toys, games and playthings; gymnastic and sporting articles; parts and fittings for all the aforesaid goods.

4. Given their dates of filing, the above marks qualify as earlier marks in accordance with s. 6 of the Act. In its application for invalidation, the applicant states that it has used its trade marks in relation to all of the goods relied upon. This statement is made because the earlier marks are, in theory, subject to the proof of use provisions contained in ss. 47(2A)-(2E) of the Act.

5. The claims are identical for both marks. Under s. 5(2)(b), the applicant claims that the contested trade mark “is a mark confusingly similar to the Applicant’s earlier trade mark and is registered for identical or similar goods and there risks the likelihood of confusion with the earlier trade mark [...] which includes the likelihood of association with the Applicant’s earlier trade mark”.

6. Under s. 5(3), the opponent claims that its marks have a reputation in the UK such that use of the mark applied for would cause the relevant public to believe that there is an economic connection between the applicant and the proprietor, where no such connection exists. It claims that the contested trade mark is similar to the earlier marks and would take unfair advantage of the earlier marks, or be detrimental to their repute or distinctive character. It is said that there would be a loss of direct sales and that the applicant’s “brand value” risks being damaged.

7. The applicant further claims under s. 5(4)(a) of the Act that the sign **DOLLS WORLD** has been used throughout the UK since 2003 in respect of “toys, games and playthings”. The applicant claims that it has acquired goodwill under the sign and that use of the contested trade mark would constitute a misrepresentation to the public, deflecting trade and resulting in damage to the applicant’s goodwill.

8. The proprietor filed a counterstatement in which it denies the grounds of invalidity. I note that the proprietor attached to its counterstatement additional documents, which I do not take into account because they were not filed in evidential format. However, even if I were to consider these documents, they would have no impact on my decision, as they show, first, third-party trade marks from the USA and Hong Kong (i.e. outside the relevant territories) and, second, two undated images of product packaging on which the contested trade mark is barely legible and the earlier mark is not visible at all.

9. I also note that the proprietor did not indicate, in the relevant part of the notice of defence, whether it wished the applicant to provide evidence of use for the purposes of ss. 5(2)(b) and 5(3). When acknowledging receipt of the defence, the tribunal advised

the parties that it would be assumed that evidence of use was not required. As the proprietor raised no objection to this proposed course, I, too, proceed on the basis that evidence of use was not required. The consequence of this is that the applicant may, without demonstrating in evidence that it has used the marks, rely on both earlier marks for all of the goods it has identified.

10. Only the applicant field evidence. Neither party requested a hearing and neither filed written submissions in lieu. The applicant has been represented throughout by Urquhart-Dykes & Lord LLP. The proprietor is not professionally represented.

11. The proprietor in this case was dissolved on 12 September 2017 following a voluntary application for striking off. The Treasury Solicitor disclaimed any interest in the trade mark or in these cancellation proceedings on 16 November 2017. As a consequence, the trade mark is, under s. 1014(1) of the Companies Act 2006, deemed not to have vested in the Crown. The applicant requested no specific action, save that a decision be issued. I proceed accordingly.

12. This decision is taken following a careful reading of all of the papers.

### **Evidence**

13. The applicant's evidence consists of the witness statement of Simon Blacker, the Group Managing Director for the applicant.

14. Mr Blacker states that the applicant began use of the mark "DOLLS WORLD" in the 1990s and that it has used the mark at least since 2001 when the applicant first registered "DOLLS WORLD" as a trade mark in the UK. He asserts that the applicant has made continuous use of the mark "DOLLS WORLD" in the UK in relation to toys and playthings, particularly dolls and accessories for dolls.

15. Mr Blacker provides sales figures for products sold to retailers and wholesalers outside the UK under “the DOLLS WORLD” brand from 2006 to 2016 (partial figures are given for 2017). The lowest figure is in 2006, when sales were just over US\$1 million, with a high point in 2013, when sales were US\$4.2 million. However, annual sales since 2010 have all been in excess of US\$3 million. There is no indication of the countries to which the sales figures relate, in particular whether they are countries within the EU.

16. UK sales figures are provided as follows:

Year	£
2010	576,166
2011	578,496
2012	599,967
2013	596,964
2014	657,454
2015	539,006
2016	649,175

17. Exhibits 1 and 2 (A-F) consist of images of the applicant's products in their packaging. The first image is said to show packaging from the 1980s but the marks relied upon are not visible on the packaging itself.<sup>1</sup> It is not clear whether the packaging in the background (which shows the composite mark (2) reproduced at paragraph 19, below) was in use in the 1980s or whether it is current packaging which just happens to be in the photograph; given the evolution of the marks apparent in the evidence, the latter is more likely. Two images from 2001 feature the mark as follows:<sup>2</sup>




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<sup>1</sup> p. 2

<sup>2</sup> pp.3-4

18. There are also images of packaging said to be dated 2003 (p. 5) and 2005 (pp. 7-8), which feature the following mark:



19. The packaging said to date between 2007 and 2016 bears the marks shown below, in colour and black and white, as well as in white on a black/coloured background:



For convenience, I will refer to these marks as “the composite marks”, specifying (1), (2) and (3) where necessary. A range of goods, such as dolls and accessories for dolls, for example bottles, clothing and a pushchair, are visible throughout.

20. Exhibit 3 consists of extracts from five product catalogues. They are said to be dated 2003/2004, 2009, 2014 and 2017, though only the catalogue from 2009 shows a date. The mark shown at paragraph 18, above, is visible in the 2003/2004 catalogue;

the remaining brochures show the composite marks. All show dolls and accessories for dolls (including goods such as high chairs) for sale. I note, however, that it is not stated whether these catalogues were made available in the UK. The contact information in the catalogues from 2014 and 2017 gives a Hong Kong address and the website is [www.peterkin.asia](http://www.peterkin.asia). There is, additionally, a trade price list dated 15 July 2016, which shows composite marks (2) and (3) in use in relation to dolls. The prices are in sterling and a UK address is provided.

21. Exhibit 4 consists of images of point of sale material, the majority of which features composite marks (2) and (3), with one image showing composite mark (1) (p. 50). However, none of the images is dated and, where there are reference details, they give a Hong Kong postal address and web details with a “.asia” domain.

22. At exhibit 5 is an article from *Toys ‘n’ Playthings* dated June 2000, which refers to “Peterkin Dolls World” and the new dolls available in 2000. The magazine describes itself as the “U.K. toy trade’s no. 1 journal”.<sup>3</sup> The marks are not visible.

23. Exhibit 6 is a letter from a Malcolm Naish, the managing director of a publishing company, to Mr Blacker, in which he details the applicant’s advertising spend between 2010 and 2017 (between £565 and £850, up to three times a year). Mr Naish also gives his opinion as to the reputation of the applicant, which is not relevant. The letter is hearsay, a point to which I will return shortly.

24. Exhibit 7 contains images which appear to show the opponent’s goods on sale, bearing the composite marks, in the UK. The images are not dated. There are also four letters from companies at UK addresses, which appear to have been solicited for these proceedings and are hearsay evidence. They are:

- a letter dated March 2017, from Ian Edmunds, the managing director of Toymaster Ltd. Mr Edmunds explains that his company has purchased products including dolls and accessories from the applicant, both from overseas and from

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<sup>3</sup> p. 55.

the UK. There is also an image of a shop front which features the applicant's goods, said to be dated 2016, as well as images from the 2017 catalogue, all of which show composite mark (2) or (3);

- a letter dated March 2017 from John Baulch, the managing director of Alakat Publishing Ltd. He states that the applicant has advertised in *Toy World* magazine for the past three years. Images of the advertisements, which feature composite mark (3) are included;
- an undated letter from the Head of Toys and Children's Gifts at AIS Ltd. The author states that they stocked DOLLS WORLD goods as a retailer in the 1990s and that more recently they have imported the range. Photographs said to be dated March 2017 are attached, which show composite marks (2) and (3);
- a letter dated March 2017 from the Director General of the British Toy and Hobby Association, who states that the applicant has been a member since 1998 and has exhibited at the Toy Fair in London over that period until 2017.

25. Exhibit 8 is a list of the applicant's global trade mark registrations. It does not assist.

26. Exhibit 9 consists of a number of catalogues offering the applicant's goods for sale under composite marks (2) and (3). Several concern EU countries but only five of these show dates (these being 2015 or 2015/2016).<sup>4</sup>

27. The filing of evidence in trade mark proceedings is governed by rule 64 of the Trade Marks Rules 2008, which indicates that evidence should be in the form of a witness statement (accompanied by a statement of truth), affidavit or statutory declaration or in any other form which would be admissible as evidence in proceedings before the court. Although the letters at exhibits 6 and 7 are introduced into evidence under the witness statement of Mr Blacker, the authors of the letters have not produced their own statements attesting to the truth of what they say. These letters are, as a consequence, hearsay. The Civil Evidence Act 1995 provides for the admission of hearsay evidence, as follows:

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<sup>4</sup> pp. 84-85, 90-91, 94-96, 99-101 and 105-106.



“1. – Admissibility of hearsay evidence.

(1) In civil proceedings evidence shall not be excluded on the ground that it is hearsay.

(2) In this Act–

(a) “*hearsay*” means a statement made otherwise than by a person while giving oral evidence in the proceedings which is tendered as evidence of the matters states; and

(b) reference to hearsay include hearsay of whatever degree.

(3) Nothing in this Act affects the admissibility of evidence admissible apart from this section.

(4) The provisions of sections 2 to 6 (safeguards and supplementary provisions relating to hearsay evidence) do not apply in relation to hearsay evidence admissible apart from this section, notwithstanding that it may also be admissible by virtue of this section.

[...]

4. Considerations relevant to weighing of hearsay evidence.

(1) In estimating the weight (if any) to be given to hearsay evidence in civil proceedings the court shall have regard to any circumstances from which any inference can reasonably be drawn as to the reliability or otherwise of the evidence.

(2) Regard may be had, in particular, to the following–

- (a) whether it would have been reasonable and practicable for the party by whom the evidence was adduced to have produced the maker of the original statement as a witness;
- (b) whether the original statement was made contemporaneously with the occurrence or existence of the matters stated;
- (c) whether the evidence involves multiple hearsay;
- (d) whether any person involved had any motive to conceal or misrepresent matters;
- (e) whether the original statement was an edited account, or was made in collaboration with another or for a particular purpose;
- (f) whether the circumstances in which the evidence is adduced as hearsay are such as to suggest an attempt to prevent proper evaluation of its weight”.

28. Tribunal Practice Notice (“TPN”) 5 of 2009 outlined the approach to be adopted in relation to hearsay evidence as follows:

“Hearing Officers will give hearsay evidence of this kind such weight as it deserves (as per section 4 of the Civil Evidence Act 1995), assessing each case on its own merits. Accordingly, hearsay evidence will not be discounted simply because it is hearsay. So, for example, substantial weight may be given to a hearsay statement made in letters or documents created around the time of the issue or event to which it relates. On the other hand, a Hearing Officer may decide to afford less weight to a hearsay statement made in a letter solicited by a party some time after an event, for the purpose of the proceedings, than he or she would have given to the same statement if [it] had been made in a witness statement and accompanied by a statement of truth. Further, if the person making such a hearsay statement had any motive to conceal or misrepresent matters, and the Hearing Officer decides that the circumstances in which the evidence is adduced as hearsay are such

as to suggest an attempt to prevent proper evaluation of its weight, he or she may give the statement no weight at all.

7. A party filing a hearsay statement therefore runs the risk that the tribunal may assess its weight at a lower level than that which the party considers it should carry. Accordingly, unless it is impractical to do so, the best course of action is to file statements made specifically for the purposes of the proceedings in the form of a witness statement”.

29. I have little doubt that the authors of the letters at exhibits 6 and 7 could, if called upon, have filed their own witness statements containing the evidence they have given. However, there is nothing to suggest that the form in which the evidence was given represented an attempt to conceal or misrepresent matters, or that it is an attempt to prevent proper evaluation of the evidence. I also bear in mind that the letters are not multiple hearsay. Although the letters feature similar wording, those passages concern the authors’ opinions of how the marks at issue would be perceived, which are not relevant and will be disregarded. As the evidence stands unchallenged, and for the reasons given above, I intend to take the evidence relating to the applicant’s advertising efforts into account, to which evidence I will afford reasonable weight.

### **Decision**

30. Section 5 of the Act has application in invalidation proceedings because of the provisions set out in section 47. The relevant legislation is set out below:

“47. - [...]

(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.

(2A) But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if –

(a) within the period of five years ending with the date of the application for the declaration the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) it has not been so used, but there are proper reasons for non-use.

[...]

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made.

Provided that this shall not affect transactions past and closed”.

### **Section 5(2)(b)**

31. The invalidation is based upon section 5(2)(b) of the Act, which reads as follows:

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

[...]

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

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

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

(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

33. The proprietor's specification is for "toys". The applicant's specifications contain the same term. The goods are, self-evidently, identical.

### The average consumer and the nature of the purchasing act

34. It is necessary for me to determine who the average consumer is for the respective parties' goods. I must then decide the manner in which these goods are likely to be selected by the average consumer in the course of trade. 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 in question: *Lloyd Schuhfabrik*.

35. 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”.

36. Given my findings, above, the relevant average consumer is the consumer of the identical goods at issue in class 28. There is no need for me to consider the average consumer of the applicant’s remaining goods.

37. I have no submissions from the parties on this point. The average consumer is likely to be a member of the general public. Whilst the goods are not likely to be very expensive, they do not strike me as everyday or the most casual of purchases. I consider that an average level of attention will be paid when selecting the goods. The goods are likely to be selected by the average consumer from shelves in retail shops, or viewed and selected from websites and brochures. This suggests that the purchase is likely to be primarily visual, though I do not discount that there may be an aural component to the purchase.

#### Distinctive character of the earlier trade marks

38. The distinctive character of the earlier marks must be assessed, as the more distinctive the earlier marks, either inherently or through use, the greater the likelihood of confusion (*Sabel* at [24]). In *Lloyd Schuhfabrik*, the Court of Justice of the European Union (“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-2779, 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)".

39. The level of distinctive character of a trade mark can vary, depending on the particular goods at issue: a mark may be more distinctive for some goods than it is for others. Distinctiveness can also be enhanced through use of the mark. There has been no explicit claim of enhanced distinctiveness but evidence of use has been filed. In terms of the use in the UK (the relevant market for this assessment),<sup>5</sup> the turnover figures are not insignificant. There is, however, no indication of the market share enjoyed by the marks, whilst the sums spent on advertising are modest. Even taking into account the hearsay evidence at exhibits 6 and 7, neither the geographical scope nor the distribution figures of the publications in which advertisements appeared is clear. Bearing all of that in mind, I do not consider that the evidence establishes that the earlier marks had an enhanced distinctive character in the UK.

40. Turning to the inherent position, I keep in mind that the combination of the word "world" with a descriptive word is a common way for traders to identify a particular business. When used on or in relation to dolls and related goods, "DOLLS WORLD" is also highly allusive, as a result of which the mark has a low level of inherent distinctive character. For toys where the word "dolls" is neither descriptive nor allusive, the mark has greater distinctive character, which I would assess as being of an average degree.

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<sup>5</sup> On the irrelevance of a reputation in continental Europe when assessing enhanced distinctiveness for the purposes of section 5(2), see the comments of Iain Purvis, QC, sitting as the Appointed Person, in *China Construction Bank Corporation v Groupement des cartes bancaires* (BL O/281/14) at [30]-[34].

Comparison of trade marks

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

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

<b>Earlier marks</b>	<b>Contested mark</b>
DOLLS WORLD	Dolls Club

43. The applicant has not made any specific submissions regarding the similarity between the marks. In its counterstatement, the proprietor states:

“The word ‘DOLLS’ is a generic term used by 100’s of companies that produce and sell dolls. The words ‘WORLD’ and ‘CLUB’ are not even close in their spelling or sound and have vastly different meanings”.

44. The earlier marks consist of the dictionary words “DOLLS WORLD”, presented in capital letters. Both words will be given their ordinary meaning and form a unit, meaning a world of dolls, which is suggestive of a business/establishment dedicated to dolls. Each word plays a roughly equal role in the overall impression.

45. The later mark comprises the words “Dolls Club”, in title case. The words will be given their usual meaning, and form a unit meaning an organisation concerned with dolls. As with the earlier marks, neither word dominates the other and each plays a roughly equal role in the overall impression.

46. In terms of the visual and aural comparisons, there is an obvious point of similarity due to the presence in the application and earlier marks of “Dolls”/“DOLLS” at the start of the marks. There is also some dissimilarity, as the second word is different, although I acknowledge that both “Club” and “WORLD” are each only one syllable in length. The marks are visually and aurally similar to a medium degree.

47. From the conceptual perspective, the earlier marks and the application both refer to dolls. However, coupled with the concept of dolls is the idea of a “WORLD” of dolls in the earlier marks, which suggests a sphere of activity concerned with dolls. That contrasts to the “Club” in the contested mark, which suggests an organization interested in dolls. There is a medium degree of conceptual similarity.

#### Likelihood of confusion

48. The factors considered above have a degree of interdependency (*Canon* at [17]), i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective services and vice versa. A global

assessment of the competing factors must be made when determining whether there is a likelihood of confusion (*Sabel* at [22]). It is a matter of considering the various factors from the perspective of the average consumer and deciding whether they are likely to be confused. In making my assessment, I must keep in mind 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 (*Lloyd Schuhfabrik* at [26]). Confusion can be direct (where the average consumer mistakes one mark for the other) or indirect (where the average consumer realises the marks are not the same but puts the similarity that exists between the marks/goods down to the responsible undertakings being the same or related). Indirect confusion was explained by Iain Purvis, Q.C., sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc.*, Case BL O/375/10, where he stated that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but

the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example”).

49. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor Q.C., sitting as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

50. The marks are visually, aurally and conceptually similar to a medium degree. I indicated, at paragraph 40, that the earlier marks have a low level of inherent distinctiveness in relation to dolls or connected goods but an average level of distinctive character when used on goods which are not related to dolls. I also bear in mind that the goods are identical, which increases the likelihood of confusion. The level of attention paid to the purchase will be medium and the purchase will be dominated by visual considerations, which makes the visual similarity between the marks a factor of particular importance. However, although both marks begin with the word “DOLLS”/“Dolls”, I consider that the differences created in the marks as wholes by the different second elements “WORLD” and “Club”, are sufficient that there is no likelihood of confusion, direct or indirect, even when the effects of imperfect recollection are taken into account. That is particularly the case where the marks are used in relation to goods for which the word “DOLLS”/“Dolls” is non-distinctive and where the differences

between the marks due to the differing second words are most memorable. However, even where the marks are used on goods for which “DOLLS”/“Dolls” has a degree of distinctive character, the most important point of similarity (the word “DOLLS”/“Dolls”) is not sufficiently powerful, when weighed against the differences which would be perceived by the average consumer with his/her imperfect recollection of the marks, to give rise to a likelihood of indirect confusion. It would not be seen as a logical brand extension and the similarities would, in my view, be attributed to coincidence rather than economic connection. The application for invalidation under s. 5(2)(b) is dismissed.

### **Section 5(4)(a)**

51. Section 5(4)(a) states:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b) [.....]

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark”.

52. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court stated that:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or

a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56 In relation to deception, the court must assess whether "*a substantial number*" of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21)".

53. The applicant claims that the sign "DOLLS WORLD" has been used since 2003 in relation to "toys, games and playthings" and that the applicant has acquired goodwill in the UK as a result. For reasons of procedural economy, I will assume, without deciding, that the applicant has acquired goodwill in the UK and that, at the relevant date, the sign "DOLLS WORLD" was distinctive of the applicant's UK trade in the goods relied upon.

54. However, in my view, the applicant's case falls down at this point. That is because, for the reasons given in my finding under s. 5(2)(b), the contested mark is unlikely to be mistaken for the applicant's mark and there is no likelihood that "a substantial number" of the applicant's customers or potential customers will be deceived. Consequently, use of the contested mark would not constitute a misrepresentation to the public. The s. 5(4)(a) ground of invalidity is, therefore, also dismissed.

### **Section 5(3)**

55. Section 5(3) states:

"(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”.

56. The relevant case law can be 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*).

### Reputation

57. As is clear from the case law cited above, the earlier mark must be known by “a significant part” of the relevant public in the UK for the services relied upon in order to qualify for protection under this ground. Although I note that there is some evidence of promotion, both in the form of advertising spend and catalogues, the evidence does not clearly show a concerted, geographically widespread campaign, whether in the UK or in the EU. Whilst the UK sales figures provided by the opponents are not insignificant, there is no evidence as to the size of the market as a whole or of the applicant's share in the market. The applicant is in no better a position regarding its EUTM than the UK mark: whilst the international figures show sales on a larger scale than in the UK, they do not make it clear what, if any, proportion of the international turnover is attributable to the market within the EU. I do not consider that the applicant has shown that their earlier mark benefits from a reputation among a significant part of the relevant public. The invalidation under section 5(3) falls at the first hurdle and is dismissed accordingly.

### **Conclusion**

58. The application for invalidation has failed. Subject to a successful appeal, the contested mark will remain registered for “toys” in class 28.

### **Costs**

59. The applicant has been successful and would ordinarily be entitled to an award of costs. However, as the applicant is an unrepresented party, the tribunal wrote to the applicant and asked it complete and return a costs pro-forma if it intended to seek an award of costs. It was advised that, if the pro-forma was not returned, no award of costs

would be made. The pro-forma has not been received by the tribunal and I therefore direct that the parties bear their own costs.

**Dated this 15<sup>th</sup> day of March 2018**

**Heather Harrison  
For the Registrar  
The Comptroller-General**