

O-449-19

TRADE MARKS ACT 1994

IN THE MATTER OF:

**APPLICATION Nos. 3248281 & 3250066
BY TREK BICYCLE CORPORATION
TO REGISTER:**



&

TREK

AS TRADE MARKS IN CLASS 35

AND

**OPPOSITIONS THERETO (UNDER Nos. 412715/6)
BY NATURAL BALANCE FOODS LIMITED**

Background and pleadings

1. The relevant details of the applications the subject of these proceedings are as follows:

Application 3248281	TREK
Filing date:	4 August 2017
Publication date:	9 March 2018
Applicant:	Trek Bicycle Corporation

Class 35 - Retail services connected with the sale of nutritional supplements for human consumption, proteinaceous foodstuffs, sports drinks, energy drinks¹

Application 3250066	
Filing date:	14 August 2017
Publication date:	9 March 2018
Applicant:	Trek Bicycle Corporation
Class 35	As above

2. Registration of the marks is opposed by Natural Balance Foods Limited (“the opponent”). Its grounds of opposition are based on sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). In relation to the first two grounds, the opponent relies on an earlier European Union trade mark (“EUTM”), number

¹ When the trade mark was filed, its specification was far broader, however, the other goods and services were divided out, leaving only these services in the application, services which are the subject of this opposition.

15273949, which was filed on 24 August 2016. The earlier mark, and the goods for which it is registered, are set out below:



Class 29: Prepared meals and snack foods consisting primarily of fruit, nuts and vegetables; fruit and nut based snack bars; snack foods and snack bars containing fruits, nuts, seeds, vegetables, herbs and spices; high-protein snack bars containing fruits, nuts, vegetables, seeds, herbs and spices; low carbohydrate snack foods (fruit, nut and vegetable based); prepared dried fruit mixes; infused raisins.

Class 30: Confectionery; nutritional confectionery; low carbohydrate confectionery; chocolates; sweets; biscuits; cookies; flapjacks; cereals; flour and preparations made from flour; cereal-based snack foods and snack bars; snack bars containing a mixture of grains, nuts and dried fruit (confectionery); high-protein cereal bars; low carbohydrate cereals.

3. Under section 5(2)(b), the opponent claims that the marks are similar given the prominence of the word TREK in all of them, that the goods and services are similar because the latter are retail services connected with the former, which, combined, means that there is a likelihood of confusion. Under section 5(3), the opponent claims that there will be an assumption of an economic connection between the undertakings responsible for the marks. It further argues that an unfair advantage will be taken of the reputation the opponent has established. Under section 5(4)(a), the opponent relies on the use of a sign (since 2006) corresponding to the earlier mark, which it says will give rise to a passing-off claim should the applied for marks be used in relation to the opposed services.

4. The opponent's mark was filed before the applicant's marks, so meaning that it qualifies as an earlier mark in accordance with section 6 of the Act. The earlier mark

was registered within the period of 5 years ending on the date the applicant's marks were published for opposition purposes, so meaning that the use conditions set out in section 6A of the Act do not apply.

5. The applicant filed a counterstatement denying the grounds of opposition. I set out below what it says in full:

“It is denied that there is any likelihood of confusion by the public between the services of the application under opposition, namely “retail services connected with the sale of nutritional supplements for human consumption, proteinaceous foodstuffs, sports drinks, energy drinks” and the goods of the earlier trade mark. Evidence will show that the Applicant has sold products of this nature, primarily but not exclusively to cyclists, for a number of years without confusion or complaint through its dealer network”

6. Both sides filed evidence. The opponent filed written submissions. Neither side requested a hearing. The opponent filed written submissions in lieu of a hearing, the applicant did not. The applicant has been represented by Oakleigh IP Services Limited, the opponent by Novagraaf UK.

The evidence

7. The opponent's evidence comes from Ms Isabelle Maes, its Director, who gives evidence about the use and reputation of the opponent's mark. I particularly note the following:

- The opponent was founded in 2004 by two brothers, Jamie and Gregg Combs, who produce what are described as two of the UK's most popular healthy snacks, one of which is TREK.
- The TREK product is a protein energy bar, and also a protein flapjack.

- The goods are sold through a number of outlets including well known supermarkets and, also, other retailers such as Amazon and Holland & Barrett. Exhibit IM01 shows some screen prints from the websites of some of these companies, showing TREK products (stylised as per the earlier mark), although they are undated.
- Exhibit IM02 contains annual reports for the opponent showing significant sales and profit (ranging from over £7.5 million in sales and £2.5 million profit in 2013, to over £38 million in sales and over £11 million in profit in 2017). The sales are for the opponent as a whole, not just for TREK products.
- The goods are promoted via social media channels (social media followers are evidenced) and via its website. It is stated that around 3% of its sales revenue is spent on promoting TREK products. Examples of the mark in use on its website are provided from various dates between 2012 and 2018. Between November 2017 and October 2018, its website received around 55k visits per months. In store promotions also take place.
- The opponent used Kantar, a leading research brand, to produce a report which shows (in 2018) that 2.0% of UK households purchased TREK products. From the report (the methodology of which is not provided) this figure is a highpoint measured in June 2018, the rolling 52 weeks prior to this were lower.
- Further research (for the financial year 2017) shows sales of TREK bars of £16 million and that it is one of the top 15 cereal bars sold in the UK.
- Exhibit IM09 contains a variety of third party press articles from a number of years, which comment upon, or review, TREK products.
- In 2017 TREK became a sponsor of the Tough Mudder events.
- TREK has won two awards, the Grocer New Products Award in 2014 and the Men's Health Sports Nutrition Awards 2018.

8. The applicant's evidence is given by Mr Chad Brown, its Chief Financial Officer. I particularly note the following:

- The applicant is a leading bicycle and cycling product manufacturer. The TREK trade mark, first adopted in 1976, is used in association with this.
- The applicant has over 500 dealers worldwide.
- The applicant also distributes nutritional products such as energy bars. Global sales of its food products (including energy bars) have ranged between \$122k in 2011 to \$861k in 2018.
- The applicant has a UK subsidiary which sells to 483 dealers/retailers. One of those dealers, Stan's cycles in Shrewsbury, has been selling nutritional products (including energy bars) since 2010. Sales have ranged between £153 in 2010 to £175 in 2018 (the highest volume of sales came in 2016, with sales of £683, the lowest in 2015, with sales of £9).
- Other TREK dealers have websites selling and promoting TREK (bicycle related) products, as well as energy bars. The material provided in support shows that these dealers/retailers sell third party branded nutritional products.

Section 5(2)(b)

9. I begin this decision with the grounds of opposition under section 5(2)(b) of the Act, which states:

“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.”

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

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

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

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

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

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

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

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

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

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

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

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

Comparison of goods/services

11. All relevant factors relating to the goods/services should be taken into account when making the comparison. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the Court of Justice of the European Union (“the CJEU”), Case C-39/97, stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all

the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

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

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

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

“It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other

in such a way that customers may think that the responsibility for those goods lies with the same undertaking..”

14. The assessment involves a clash between goods on the one hand, and retailing on the other. In *Oakley, Inc v OHIM*, Case T116, at paragraphs 46-57, the General Court held that although retail services are different in nature, purpose and methods of use to goods, retail services for particular goods may be complementary to those goods, and distributed through the same trade channels, and therefore similar to a degree.

15. In *Tony Van Gulck v Wasabi Frog Ltd*, Case BL O/391/14, Mr Geoffrey Hobbs QC, sitting as the Appointed Person, reviewed the law concerning retail services v goods. He said that:

“9. The position with regard to the question of conflict between use of BOO! for handbags in Class 18 and shoes for women in Class 25 and use of MissBoo for the Listed Services is considerably more complex. There are four main reasons for that: (i) selling and offering to sell goods does not, in itself, amount to providing retail services in Class 35; (ii) an application for registration of a trade mark for retail services in Class 35 can validly describe the retail services for which protection is requested in general terms; (iii) for the purpose of determining whether such an application is objectionable under Section 5(2)(b), it is necessary to ascertain whether there is a likelihood of confusion with the opponent’s earlier trade mark in all the circumstances in which the trade mark applied for might be used if it were to be registered; (iv) the criteria for determining whether, when and to what degree services are ‘similar’ to goods are not clear cut.”

16. However, on the basis of the European courts’ judgments in *Sanco SA v OHIM*², and *Assembled Investments (Proprietary) Ltd v. OHIM*³, upheld on appeal in

² Case C-411/13P

³ Case T-105/05, at paragraphs [30] to [35] of the judgment

*Waterford Wedgwood Plc v. Assembled Investments (Proprietary) Ltd*⁴, Mr Hobbs concluded that:

i) Goods and services are not similar on the basis that they are complementary if the complementarity between them is insufficiently pronounced that, from the consumer's point of view, they are unlikely to be offered by one and the same undertaking;

ii) In making a comparison involving a mark registered for goods and a mark proposed to be registered for retail services (or vice versa), it is necessary to envisage the retail services normally associated with the opponent's goods and then to compare the opponent's goods with the retail services covered by the applicant's trade mark;

iii) It is not permissible to treat a mark registered for 'retail services for goods X' as though the mark was registered for goods X;

iv) The General Court's findings in *Oakley* did not mean that goods could only be regarded as similar to retail services where the retail services related to exactly the same goods as those for which the other party's trade mark was registered (or proposed to be registered)

17. I begin by considering the applied for "retail services connected with the sale of proteinaceous foodstuffs". I note in this regard that the goods of the earlier mark include proteinaceous foodstuffs such as "high-protein snack bars containing fruits, nuts, vegetables, seeds, herbs and spices" and "high-protein cereal bars". However, given the above guidance, it does not follow that the goods must be held to be similar to a retail service connected with the sale of the same. The goods would routinely be sold through shops such as supermarkets, health food stores and stores that focus on sport and healthy lifestyles; online equivalents also apply. In view my, the relationship between the goods and the retail service is sufficiently pronounced that the consumer would believe that the goods and the retail service are offered by the same

⁴ Case C-398/07P

undertaking, with, for example, the retail service provider selling their own brand products. There is in my view a medium degree of similarity.

18. In relation to “retail services connected with the sale of, nutritional supplements for human consumption” and “retail services connected with the sale of sports drinks, energy drinks”, the goods connected with the retail services are not those covered by the earlier mark. This, though, is not a reason to find that there is no similarity. In my view, the similarity in the field of the retailed goods to the goods of the earlier mark (aimed at providing health and/or sports benefits) together with the nature of the retail services which may specialise in such a field, means that it is still likely to be regarded by the consumer as complementary. I consider there to be a low degree of similarity.

Average consumer and the purchasing act

19. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

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

20. The average consumer of the goods is a member of the general public, whether they are selecting standard food items, or those which are proteinaceous in nature. The goods are to eaten, so consideration of flavour, nature and health benefits will come into the selection to some extent. The goods are not overly expensive and

purchased reasonably frequently. I consider this equates to a normal type of purchase with an average level of care and consideration applied. I have touched already on the type of establishments through which the goods are sold. This suggests that visual aspects play more of a role in the selection process.

21. Much of what I have said applies to the retail services, at least in terms of the cost of the items being retailed and their characteristics. Of course, what I am considering is the selection of the service provider, but nevertheless I still consider that the level of care is likely to be average. Again, visual impressions are likely to dominate, with the marks being encountered on signage and advertising etc.

Comparison of marks

22. 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.”

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

TREK

v

TREK and  **TREK**

24. The applicant's first mark consists of the plain word TREK. That word, therefore, is the only thing that contributes to its overall impression. The second mark is a stylised version of that word together with a shield like device to its left. Whilst the word may have slightly more significance in the overall impression, the device element is still reasonably prominent and plays an almost equal role in the overall impression. The earlier mark consists of the stylised word TREK, as set out above. It is in my view the word itself that contributes most strongly to the overall impression of the mark. The stylisation is not negligible, so it still plays a role, albeit a lesser one than the word itself. Part of the earlier mark's stylisation comprises what appears to be the letters "JC's" to the lower left of the T in TREK. However, this is very small and barely discernible, so any role it plays in the overall impression is extremely limited.

25. Aurally, it is highly unlikely that the element JC's in the earlier mark will be articulated. The earlier mark will instead be articulated simply as TREK. Consequently, it is aurally identical to the applied for word mark, which will also be articulated as TREK. This applies even in the case of the applied for mark with the shield because the shield is unlikely to be articulated at all.

26. Conceptually, the marks will all be conceptualised on the basis of the known English word TREK, meaning a long arduous journey, typically on foot. The marks are conceptually identical from this perspective. I doubt whether the shield in the second applied for mark will form part of the conceptual hook of that mark, however, even if it did, there is still a high degree of conceptual similarity on account of the shared TREK concept.

27. Visually, and comparing the applied for word mark, both clearly comprise the same four letters, in the same order. The stylisation of the earlier mark does create something of a difference, but I nevertheless hold that there is still a high degree of visual similarity. In terms of the second applied for mark, the shield device creates a further visual difference (as does the different forms of stylisation), however, there is still in my view at least a medium level of visual similarity.

Distinctive character of the earlier trade mark

28. Having compared the marks, it is necessary to determine the distinctive character of the earlier mark, in order to make an assessment of the likelihood of confusion. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, the CJEU stated that:

“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).

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).”⁵

⁵ C-342/97, paras. 22-23

29. Inherently, and particularly in the field of energy and nutritional products which would cover various goods in both classes of the earlier mark, the mark is not the strongest given that it makes a mild allusion to goods which might be useful on a trek. However, such allusion is mild and it is still inherently distinctive to a medium degree. However, the mark has also been used. From the evidence provided I am satisfied that the TREK product, particularly for its protein bars, is a leading product and its use as such will have enhanced the level of distinctive character to a level of being reasonably high in distinctive character.

Likelihood of confusion

30. The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused. Confusion can be direct (which effectively occurs when the average consumer mistakes one mark for the other) or indirect (where the average consumer realises the marks are not the same, but puts the similarity that exists between the marks/services down to the responsible undertakings being the same or related). In terms of indirect confusion, this was dealt with by Mr Iain Purvis QC, sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10 where he noted that:

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

common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark”.

31. Before coming to my conclusions in detail, I comment first upon the applicant’s reference to it having used the applied for mark without confusion. There is a fundamental problem with the submission. As the opponent notes, there is no evidence of parallel trade. The applicant is a bicycle manufacturer. It says it also distributes goods, but the only potentially relevant evidence is that some of its dealers (who largely operate under their own names) in the UK may have sold nutritional products in the UK. This is far removed from evidence of any use of a retail service (connected with the specified goods) being offered under the TREK name. The dealers may sell TREK bikes, as well as third party food products, but that is all.

32. I turn first to the applied for word mark, particularly in relation to retail services connected with the sale of proteinaceous foodstuffs (for which I found there to be a medium degree of similarity with the opponent’s goods). Here I have found there to be a high degree of visual similarity and the marks are conceptually and aurally identical. I have found the earlier mark to be reasonably high in distinctive character on account of the use made of it in relation to protein bars. In my view, the average consumer will assume that the undertakings responsible for the respective goods/services used in relation to the respective marks are the same or are related. They will assume that the product is the own brand of the service provider in that specialist health/sporting environment. They may well in fact directly mistake one mark for the other, but even if they did not they would assume that the stylisation/absence of stylisation is a simple brand variant.

33. I extend this finding to the other services. Although the degree of similarity between the goods/services is less than above, the nature of that relationship is still one where the average consumer would assume that the products (particularly those in the field of nutrient bars) are the responsibility of the service provider.

34. That leaves the second applied for mark, which additionally incorporates a shield and in which the word TREK is slightly stylised. Whilst, as observed earlier, the additional differences reduces the degree of visual similarity (albeit they still have a

medium degree), I still consider that there is a likelihood of confusion on the part of the average consumer for all the applied for services. The differences between the marks may well be put down to just an updating of the TREK brand or a brand variant, or simply an alternate brand for the services as opposed to the goods. There is a likelihood of confusion.

Section 5(4)(a)

35. Section 5(4)(a) of the Act reads:

“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.”

36. It is settled law that for a successful finding under the law of passing-off, three factors must be present: i) goodwill, ii) misrepresentation and iii) damage.

37. Given that the opponent has already succeeded, I will deal with this ground more briefly. It is clear that the sign relied upon has been used in the field of protein bars and flapjacks. The opponent easily establishes that it has the requisite goodwill. It is also clear, in terms of misrepresentation, that this will apply as per my findings on whether there exists a likelihood of confusion. Whilst the legal tests differ, and whilst there may be some circumstances where the findings could differ, in this case I struggle to see any reason why there would be no misrepresentation if there was a likelihood of confusion. In terms of damage, the placing of a business’ goodwill in the

hands of another can potentially cause damage and so I find that this is also made out.

Section 5(3)

38. Section 5(3) states:

“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.”

39. 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, *Adidas-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*.

40. 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).

41. Again, I deal with ground briefly. On the basis of evidence filed, it is clear to me that the opponent's mark has the requisite reputation. I am also satisfied that a link will be made between the marks. In terms of the forms of damage, if confusion did arise (as I have found), it is clear that such confusion would lead to the applicant gaining an unfair advantage benefitting from what I consider to be the opponent's strong reputation. Such a link would also dilute the distinctiveness of the opponent's mark. The ground under section 5(3) succeeds.

Conclusion

42. The opposition succeeds. As such, and subject to appeal, the applied-for marks are refused registration.

Costs

43. I have determined these proceedings in favour of the opponent. It is, therefore, entitled to an award of costs. I award the opponent the sum of £2200 as a contribution towards the costs of the proceedings. The sum is calculated as follows:

Official fee: £200 x 2

Considering the statements of case and filing counterstatements: £300

Considering and filing evidence: £1000

Preparing written submissions: £500

44. I therefore order Trek Bicycle Corporation to pay Natural Balance Foods Limited the sum of £2200. The above sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated 2 August 2019

Oliver Morris

For the Registrar

the Comptroller-General