

**O/570/19**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. UK00003315599 BY  
YOLO PRODUCTS LIMITED  
TO REGISTER THE FOLLOWING TRADE MARK:**



**AS A TRADE MARK IN CLASSES 16, 18 AND 25**

**AND**

**IN THE MATTER OF OPPOSITION THERETO  
UNDER NO. 413935 BY  
CBM CREATIVE BRANDS MARKEN GMBH**

## BACKGROUND AND PLEADINGS

1. On 5 June 2018, Yolo Products Limited (“the applicant”) applied to register the trade mark shown on the cover page of this decision in the UK. The application was published for opposition purposes on 3 August 2018. The applicant seeks registration for the following goods:

Class 16 Paper; personal organisers; diaries; pads [stationery]; journals; blank writing journals; agendas; blank cards; calendars; memo paper; greeting cards; stationery; paper stationery; envelopes; stationery boxes; binders; folders; photo albums; passport covers; pencil cases; writing instruments.

Class 18 Luggage, bags and other carriers; purses and wallets.

Class 25 Clothing, footwear & headgear.

2. The application was opposed by CBM Creative Brands Marken GmbH (“the opponent”) based upon sections 3(1)(b) and 5(2)(b) of the Trade Marks Act 1994 (“the Act”). In respect of its opposition under section 5(2)(b) of the Act, the opponent relies on EUTM no. 14583454 for the mark **yobo** which was filed on 23 September 2015 and registered on 20 January 2016. The opponent relies on all goods and services for which its mark is registered, namely:

Class 18 Luggage, trunks and travelling bags, bags, handbags, pocket wallets, purses, key cases, backpacks, pouches, shoulder belts and bandoliers, leather and imitations of leather, animal skins, hides and goods made of these materials, namely luggage, trunks and travelling bags, bags, handbags, pocket wallets, purses, key cases, backpacks, pouches, shoulder belts and bandoliers, leather straps, leather laces, bandoliers, sheets of imitation leather for further processing.

Class 25 Clothing, footwear, headgear.

Class 35 Advertising; Business management; Business administration; Office functions; Retailing, including via websites and teleshopping, in relation to clothing, footwear, headgear, bleaching preparations and other substances for laundry use, cleaning, polishing, scouring and abrasive preparations, soaps, perfumery, essential oils, cosmetics, hair lotions, dentifrices, sunglasses, precious metals and their alloys, jewellery, precious stones, horological and chronometric instruments, luggage, trunks and travelling bags, bags, handbags, pocket wallets, purses, key cases, backpacks, pouches, shoulder belts and bandoliers, leather and imitations of leather, fur and pelts, and goods made therefrom, namely luggage, trunks and travelling bags, bags, handbags, pocket wallets, purses, key cases, backpacks, pouches, shoulder belts and bandoliers, leather thongs, leather laces, bandoliers, sheets of imitation leather for further processing; Arranging and conducting of advertising events and customer loyalty programmes.

3. The opponent argues that the respective goods and services are identical or similar and that the marks are similar.

4. In respect of its opposition based upon section 3(1)(b) of the Act, the opponent states as follows:

“In the alternative, it is also submitted that there is nothing distinctive about the trade mark as applied for. It is essentially the acronym YOLO. The average consumer of the contested goods and services would be familiar with the acronym YOLO and aware of its meaning and widespread prevalent use in the UK. It is a well-used, popular and fashionable acronym for the phrase “you only live once”. YOLO is a banal advertising slogan which cannot function to guarantee commercial origin or distinguish the goods and services of one trader from another.”

5. The applicant filed a counterstatement denying the claims made.

6. The opponent is represented by Bird & Bird LLP and the applicant is represented by Birketts LLP. The opponent filed evidence in the form of the witness statement of Julian Rayner dated 15 March 2019. No evidence was filed by the applicant. No hearing was requested and neither party filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

## **EVIDENCE**

7. As noted above, the opponent's evidence consists of the witness statement of Julian Rayner dated 15 March 2019, which is accompanied by 1 exhibit. Mr Rayner is the Chartered Trade Mark Attorney acting on behalf of the opponent in these proceedings.

8. Mr Rayner states that the word YOLO is an acronym for the phrase 'you only live once'. This, he states, is a reference to the general philosophy that "opportunities for enjoyment in life should not be allowed to pass"<sup>1</sup>.

9. A print out from the Collins English Dictionary defines YOLO as "the written and sometimes spoken abbreviation for 'you only live once', used to say that people should do exciting things and enjoy life"<sup>2</sup>. A print out from the Oxford English Dictionary defines YOLO as "you only live once (expressing the view that one should make the most of the present moment without worrying about the future, and often used as a rationale for impulsive or reckless behaviour)"<sup>3</sup>.

10. The opponent's evidence was accompanied by written submissions. Whilst I do not propose to summarise those here, I have taken them into consideration and will refer to them below where necessary.

## **PRELIMINARY ISSUE**

11. In its counterstatement, the applicant made reference to various other marks currently on the register which consist of or contain the word YOLO. I refer the

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<sup>1</sup> Witness statement of Julian Rayner, para. 3

<sup>2</sup> Exhibit JR1

<sup>3</sup> Exhibit JR1

applicant to the decision of the General Court (“GC”) in *Zero Industry Srl v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-400/06, when it was stated that:

“73. As regards the results of the research submitted by the applicant, according to which 93 Community trade marks are made up of or include the word ‘zero’, it should be pointed out that the Opposition Division found, in that regard, that ‘... there are no indications as to how many of such trade marks are effectively used in the market’. The applicant did not dispute that finding before the Board of Appeal but none the less reverted to the issue of that evidence in its application lodged at the Court. It must be found that the mere fact that a number of trade marks relating to the goods at issue contain the word ‘zero’ is not enough to establish that the distinctive character of that element has been weakened because of its frequent use in the field concerned (see, by analogy, Case T 135/04 GfK v OHIM – BUS(Online Bus) [2005] ECR II 4865, paragraph 68, and Case T 29/04 Castellblanch v OHIM – Champagne Roederer (CRISTAL CASTELLBLANCH) [2005] ECR II 5309, paragraph 71).”

12. It is clear from the case law, that when assessing the likelihood of confusion under section 5(2), it is necessary to consider the potential for conflict between the applied for mark and the earlier mark in light of all the relevant circumstances. The existence of other trade marks on the Register is not pertinent to the matter before me.

## **DECISION**

13. The opponent has pleaded its case with section 5(2)(b) as its primary ground of opposition and section 3(1)(b) pleaded in the alternative. I will, therefore, address the opposition based upon section 5(2)(b) of the Act first, returning to section 3(1)(b) if necessary.

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

14. Section 5(2)(b) reads as follows:

“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.”

15. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“6(1) In this Act an “earlier trade mark” means –

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

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b) subject to its being so registered.”

16. The trade mark upon which the opponent relies qualifies as an earlier trade mark under the above provisions. As the earlier trade mark had not completed its registration process more than 5 years before the publication date of the application in issue in these proceedings, it is not subject to proof of use pursuant to section 6A of the Act. The opponent can, therefore, rely upon all of the goods and services it has identified.

## Section 5(2)(b) – case law

17. 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:

(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 to mind the earlier mark, 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 and services**

18. The competing goods and services are as follows:

<b>Opponent's goods and services</b>	<b>Applicant's goods</b>
<u>Class 18</u> Luggage, trunks and travelling bags, bags, handbags, pocket wallets, purses, key cases, backpacks, pouches, shoulder belts and bandoliers, leather and imitations of leather, animal skins,	<u>Class 16</u> Paper; personal organisers; diaries; pads [stationery]; journals; blank writing journals; agendas; blank cards; calendars; memo paper; greeting cards; stationery; paper stationery; envelopes;



hides and goods made of these materials, namely luggage, trunks and travelling bags, bags, handbags, pocket wallets, purses, key cases, backpacks, pouches, shoulder belts and bandoliers, leather straps, leather laces, bandoliers, sheets of imitation leather for further processing.

Class 25

Clothing, footwear, headgear.

Class 35

Advertising; Business management; Business administration; Office functions; Retailing, including via websites and teleshopping, in relation to clothing, footwear, headgear, bleaching preparations and other substances for laundry use, cleaning, polishing, scouring and abrasive preparations, soaps, perfumery, essential oils, cosmetics, hair lotions, dentifrices, sunglasses, precious metals and their alloys, jewellery, precious stones, horological and chronometric instruments, luggage, trunks and travelling bags, bags, handbags, pocket wallets, purses, key cases, backpacks, pouches, shoulder belts and bandoliers, leather and imitations of leather, fur and pelts, and goods made therefrom, namely luggage, trunks and travelling

stationery boxes; binders; folders; photo albums; passport covers; pencil cases; writing instruments.

Class 18

Luggage, bags and other carriers; purses and wallets.

Class 25

Clothing, footwear & headgear.

bags, bags, handbags, pocket wallets, purses, key cases, backpacks, pouches, shoulder belts and bandoliers, leather thongs, leather laces, bandoliers, sheets of imitation leather for further processing; Arranging and conducting of advertising events and customer loyalty programmes.	
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19. When making the comparison, all relevant factors relating to the goods and services in the specifications should be taken into account. In the judgment of the Court of Justice of the European Union (“CJEU”) in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

20. Guidance on this issue has also come from Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

- (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.

21. 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.”

22. In *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another*, [2000] F.S.R. 267 (HC), Neuberger J. (as he then was) stated that:

“I should add that I see no reason to give the word “cosmetics” and “toilet preparations”... anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context.”

23. In *Avnet Incorporated v Isoact Limited*, [1998] F.S.R. 16, Jacob J. (as the 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.”

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

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut for Lernsysteme v OHIM – Educational Services* (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”

25. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion 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 GC 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 the responsibility for those goods lies with the same undertaking.”

26. In *Sanco SA v OHIM*, Case T-249/11, the 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.”

### Class 16

27. The applicant’s class 16 goods are, in my view, most likely to be purchased through stationery or home accessory retailers. By contrast, the opponent’s goods and services are most likely to be purchased from retailers specialising in fashion, bags and accessories or specific business services providers. They do not, therefore, overlap in trade channels. Clearly, they also differ in nature, use and intended purpose. Whilst I accept that both the opponent’s and the applicant’s goods will be used by members of the general public, this is not sufficient for a finding of similarity. The opponent’s retail services do not relate to those goods identified in the applicant’s specification. I can see no competition or complementarity between the goods and services. Consequently, I consider them to be dissimilar.

28. As some degree of similarity is required for there to be a likelihood of confusion under section 5(2)(b)<sup>4</sup>, the opposition must fail in respect of these goods.

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<sup>4</sup> *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA

## Class 18

29. “Luggage” and “purses” appear identically in both the opponent’s and the applicant’s specifications.

30. “Trunks and travelling bags”, “bags”, “handbags” and “backpacks” in the opponent’s specification, to name just a few, will all fall within the broader category of “bags and other carriers” in the applicant’s specification. These goods can, therefore, be considered identical on the principle outlined in *Meric*.

## Class 25

31. “Clothing, footwear & headgear” in the applicant’s specification is self-evidently identical to “Clothing, footwear, headgear” in the opponent’s specification.

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

32. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties’ goods. I must then determine the manner in which the goods are likely to be selected by the average consumer. 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.”

33. The opponent states that the average consumer for the goods will be a member of the general public. I agree. Although the price and frequency of purchase of the

goods may vary, even where they are of low cost and purchased relatively frequently, a number of factors will still be considered by the average consumer during the purchasing process. For example, the consumer may consider the materials used, the aesthetic appearance of the product and its functionality (in the case of luggage and bags). Consequently, I consider that a medium degree of attention will be paid during the purchasing process.

34. The goods are most likely to be obtained by self-selection from the shelves of a retail outlet or from an online or catalogue equivalent. Visual considerations are, therefore, likely to dominate the purchasing process. However, I do not discount that there may also be an aural component to the purchase of the goods given that advice may be sought from a sales or retail assistant.


### **Comparison of the trade marks**

35. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade 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 trade marks must be assessed by reference to the overall impressions created by the trade 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.”

36. 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.

37. The respective trade marks are shown below:

Opponent's trade mark	Applicant's trade mark
yobo	 The logo consists of the letters 'YO' stacked above 'LO'. The letters are bold and stylized, with the 'O's being circular. The entire text is enclosed within a thin rectangular border.

38. The opponent's mark consists of the letters "yobo". There are no other elements to contribute to the overall impression which lies in the combination of these letters. The applicant's mark consists of the letters YOLO presented in a stylised font, with the letters YO above the letters LO, dissected by a rectangular background. It is the letters themselves that play the greater role in the overall impression, with the stylisation and background playing a lesser role.

39. I note that the applicant submits that its mark could be viewed in any number of ways i.e. YOLO, YLOO or YOOL. For the avoidance of doubt, I consider this to be unlikely. Given that the UK average consumer will be used to reading words from left to right and one line at a time, they are unlikely to rearrange the letters or read from right to left when viewing the applicant's mark.

40. Visually, the marks share the same three letters YO-O. They differ in the third letter in each mark, being "b" in the opponent's mark and "L" in the applicant's mark. They also differ in that the opponent's mark displays the letters alongside each other, whereas in the applicant's mark they are presented on two separate lines. The applicant's mark is also stylised, although the letters are still recognisable, and has a rectangular background. I consider the marks to be visually similar to a medium degree.



41. Aurally, both marks could be pronounced as acronyms i.e. with each individual letter being pronounced, or as words. The applicant's mark will either, therefore, be pronounced Y-O-B-O or YOB-OHH. The opponent's mark will either be pronounced Y-O-L-O or YOLL-OHH. In both cases, the marks are aurally highly similar.

42. The applicant submits that its mark will be viewed as an acronym for the words YOUR OWN LIFE ORGANISED. This is the expression with which the applicant uses the mark. However, the applicant has filed no evidence to support a finding that this is the meaning that will be identified by the average consumer and I can see no reason why this meaning would be apparent. The opponent has filed evidence to show that YOLO is an acronym used to refer to the phrase YOU ONLY LIVE ONCE. In my view, if any meaning is to be taken from the applicant's mark then it will be this one. I accept that a significant proportion of average consumers may identify this meaning. However, I consider that a significant proportion of average consumers will simply view the applicant's mark as a made-up word or words or, given the arrangement of the letters, more likely an acronym. This will be attributed no particular meaning. The opponent's mark consists of the letters "yobo". I have seen no evidence to suggest that there is any particular meaning attributable to this word. It may be viewed, by some average consumers, as slang for someone who is a hooligan or bully. However, there will be a significant proportion of average consumers who either view this as an acronym or a made-up word with no particular meaning.

43. Conceptually, for consumers who identify the applicant's mark as an acronym for "you only live once" and the opponent's mark as a slang term for a hooligan or bully, the marks will be conceptually dissimilar. However, for consumers who view both marks as acronyms or made-up words with no particular meaning, the marks will be conceptually neutral.

### **Distinctive character of the earlier trade mark**

44. 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-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).”

45. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities.

46. The opponent has not pleaded that the distinctiveness of its mark has been enhanced through use and has not filed any evidence to support such a finding. Consequently, I have only the inherent position to consider. The opponent’s mark consists of the letters “yobo”. As noted above, some consumers may see this as a reference to the slang term for a hooligan or bully; others will view it as an acronym or invented word with no particular meaning. For those consumers who identify a meaning, the meaning will be neither allusive nor descriptive and will, therefore, be inherently distinctive to a medium degree. For those consumers who view the

opponent's mark as an acronym or invented word with no particular meaning, the mark will be inherently distinctive to a high degree.

### **Likelihood of confusion**

47. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods and services down to the responsible undertakings being the same or related. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the opponent's trade mark, the average consumer for the goods and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

48. Direct and indirect confusion were described in the following terms 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:

“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.”

49. I have found there to be a medium degree of visual similarity and a high degree of aural similarity between the marks. I have found the marks to be conceptually dissimilar (if the average consumer attributes meaning to them) or conceptually neutral (if they are viewed as acronyms or made-up words with no particular meaning). I have found the earlier mark to have either a medium or high degree of inherent distinctive character, depending on whether a meaning is attributed to it. I have identified the average consumer for the goods to be a member of the general public who will select the goods primarily by visual means (although I do not discount an aural component). I have concluded that a medium degree of attention will be paid during the purchasing process. I have found the parties’ goods to be identical (except where I have found them to be dissimilar).

50. In *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41, Kitchin L.J. stated that:

“if, having regard to the perceptions and expectations of the average consumer, the court concludes that a significant proportion of the relevant public is likely to be confused such as to warrant the intervention of the court then it may properly find infringement.”

51. This was, of course, in the context of infringement. However, the same approach is appropriate under section 5(2)<sup>5</sup>. It is not, therefore, necessary for me to find that the majority of consumers will be confused. The question is whether there is a likelihood of confusion amongst a significant proportion of the public displaying the characteristics attributed to an average consumer.

52. I have already found that a significant proportion of average consumers will view both marks as either an acronym or an invented word or words with no particular

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<sup>5</sup> *Soulcycle Inc v Matalan Ltd* [2017] EWHC 496 (Ch), Mann J.

meaning. For these consumers, there will be no conceptual distinction to assist in differentiating between the marks and the opponent's mark will be highly distinctive. In my view, bearing in mind the principle of imperfect recollection, consumers are likely to mistake one mark for the other. This is particularly the case given that they will be used on identical goods. The fact that a significant proportion of average consumers would identify conceptual meanings to assist in differentiating between the marks does not affect this finding. I therefore consider there to be a likelihood of direct confusion.

53. Even if I am wrong in this finding, and the presentational differences in the applicant's mark allow the average consumer to differentiate between them, the average consumer is still unlikely to recall the exact letters which form the acronym or invented word, without a conceptual hook to assist them. Consequently, I consider that a significant proportion of average consumers will imperfectly recall the word or acronym itself but will view the presentational differences as alternative marks used by the same or economically linked undertakings. This is particularly the case given that, for these consumers, the opponent's mark will be highly distinctive and the marks will be used on identical goods. I therefore consider there to be a likelihood of indirect confusion.

### **Section 3(1)(b)**

54. I now turn to the opposition based upon section 3(1)(b).

55. Section 3(1)(b) of the Act states as follows:

“3(1) The following shall not be registered –

(a) [...]

(b) trade marks which are devoid of any distinctive character,

[...]

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

56. The relevant date for determining whether the mark is objectionable under section 3(1)(b) is the date of the application in issue – 5 June 2018.

57. Section 3(1)(b) prevents registration of marks which are devoid of distinctive character. The principles to be applied under article 7(1)(b) of the CTM Regulation (which is now article 7(1)(b) of the EUTM Regulation, and is identical to article 3(1)(b) of the Trade Marks Directive and s.3(1)(b) of the Act) were conveniently summarised by the CJEU in *OHIM v BORCO-Marken-Import Matthiesen GmbH & Co KG* (C-265/09 P) as follows:

“29..... the fact that a sign is, in general, capable of constituting a trade mark does not mean that the sign necessarily has distinctive character for the purposes of Article 7(1)(b) of the regulation in relation to a specific product or service (Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 32).

30. Under that provision, marks which are devoid of any distinctive character are not to be registered.

31. According to settled case-law, for a trade mark to possess distinctive character for the purposes of that provision, it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings (*Henkel v OHIM*, paragraph 34; Case C-304/06 P *Eurohypo v OHIM* [2008] ECR I-3297, paragraph 66; and Case C-398/08 P *Audi v OHIM* [2010] ECR I-0000, paragraph 33).

32. It is settled case-law that that distinctive character must be assessed, first, by reference to the goods or services in respect of which registration has been applied for and, second, by reference to the perception of them by the relevant

public (*Storck v OHIM*, paragraph 25; *Henkel v OHIM*, paragraph 35; and *Eurohypo v OHIM*, paragraph 67). Furthermore, the Court has held, as OHIM points out in its appeal, that that method of assessment is also applicable to an analysis of the distinctive character of signs consisting solely of a colour per se, three-dimensional marks and slogans (see, to that effect, respectively, Case C-447/02 P *KWS Saat v OHIM* [2004] ECR I-10107, paragraph 78; *Storck v OHIM*, paragraph 26; and *Audi v OHIM*, paragraphs 35 and 36).

33. However, while the criteria for the assessment of distinctive character are the same for different categories of marks, it may be that, for the purposes of applying those criteria, the relevant public's perception is not necessarily the same in relation to each of those categories and it could therefore prove more difficult to establish distinctiveness in relation to marks of certain categories as compared with marks of other categories (see Joined Cases C-473/01 P and C-474/01 P *Proctor & Gamble v OHIM* [2004] ECR I-5173, paragraph 36; Case C-64/02 P *OHIM v Erpo Möbelwerk* [2004] ECR I-10031, paragraph 34; *Henkel v OHIM*, paragraphs 36 and 38; and *Audi v OHIM*, paragraph 37)."

58. The basis of the opponent's objection under this ground is that, in its view, YOLO is a well-known acronym for the phrase "you only live once" and would be viewed, by the average consumer, as an advertising slogan rather than an indicator of trade origin.

59. I have already found that for a significant proportion of average consumers, the mark YOLO will be viewed as an acronym for the phrase "you only live once". For a significant proportion of average consumers, this phrase will not be known and the mark will be viewed as an acronym or invented word with no particular meaning. For the first group of consumers, the applicant's mark, when used on goods that often carry slogans, will not be viewed as indicative of trade origin and will, therefore, be non-distinctive. The fact that a significant proportion of average consumers will view the mark this way is sufficient to find that it is objectionable under section 3(1)(b). The fact that there is another group of average consumers who would view the mark as an invented word or acronym does not prevent this finding. I consider that the objection

under section 3(1)(b) succeeds in relation to the following goods that are apt to carry slogans:

Class 16 Personal organisers; diaries; pads [stationery]; journals; blank writing journals; agendas; calendars; greeting cards; stationery; paper stationery; stationery boxes; binders; folders; photo albums; passport covers; pencil cases.

Class 18 Bags; purses and wallets.

Class 25 Clothing, footwear & headgear.

60. In my view, and in the absence of any submissions to assist me, I do not consider the following goods to be such that would be likely to carry slogans and the opposition, therefore, fails in respect of the following goods:

Class 16 Paper; blank cards; memo paper; envelopes; writing instruments.

Class 18 Luggage and other carriers.

## **CONCLUSION**

61. The opposition succeeds in relation to the following goods, for which registration is refused:

Class 16 Personal organisers; diaries; pads [stationery]; journals; blank writing journals; agendas; calendars; greeting cards; stationery; paper stationery; stationery boxes; binders; folders; photo albums; passport covers; pencil cases.

Class 18 Luggage, bags and other carriers; purses and wallets.

Class 25 Clothing, footwear & headgear.



62. The opposition fails in respect of the following goods, for which the application will proceed to registration:

Class 16 Paper; blank cards; memo paper; envelopes; writing instruments.

### **COSTS**

63. As the opponent has enjoyed the greater degree of success, it is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award the opponent the sum of £950, calculated as follows:

Preparing a statement and considering the applicant's statement	£200
Preparing evidence and written submissions	£550
Official fee	£200
<b>Total</b>	<b>£950</b>

64. I therefore order Yolo Products Limited to pay CBM Creative Brands Marken GmbH the sum of £950. This 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.

**26 September 2019**

**S WILSON**

**For the Registrar**