

O/602/19

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 3319963
BY CANADIAN HALAL HEALTH AND BEAUTY INC.
TO REGISTER AS A TRADE MARK:**

CELLOXI

IN CLASS 3

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 413970
BY CELLEX-C INTERNATIONAL, INC.**

Background and pleadings

1. On 22 June 2018, Canadian Halal Health & Beauty Inc. (“the applicant”) applied to register the trade mark **CELLOXI**, under number 3319963 (“the contested mark”). The application was published for opposition purposes on 6 July 2018 in respect of the following goods:

Class 3: Body wash; hair and body wash; hair conditioner; hair shampoo; hand cream; hand lotion (non-medicated-); lip balm; scented body lotions; scented body spray; toning lotion, for the face, body and hands.

2. The application is opposed by Cellex-C International, Inc. (“the opponent”). The opposition is brought under ss. 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”) and is, under each of these grounds, directed against all of the goods in the application.

3. Under both ss. 5(2)(b) and 5(3), the opponent relies upon its UK trade mark number 2004282 **CELLEX-C**. The mark was filed on 1 December 1994 and was entered in the register on 11 June 1999. It is registered for the following goods, all of which are relied upon under both grounds:

Class 3: Preparations for application to the skin for the cosmetic care thereof.

4. The opponent claims under s. 5(2)(b) that the mark applied for is highly similar to the opponent’s mark and that the goods at issue are identical or highly similar. It claims that there would be a likelihood of confusion, including the likelihood of association.

5. Under s. 5(3), the opponent claims that its mark has a reputation in the UK such that use of the contested mark would cause the relevant public to believe that there is an economic connection between the applicant and the opponent, where no such connection exists. It claims that the applicant would gain an unfair advantage, riding on

the coat-tails of the marketing efforts of the opponent and the earlier mark's reputation, resulting in an economic benefit in the shape of sales which it would not ordinarily have made.

6. The opponent also claims that the reputation of its mark is liable to be tarnished, as its goods are regarded as high quality. Should the applicant's mark be used on goods of inferior quality, it says, the opponent's reputation would be damaged and its power of attraction reduced.

7. The opponent claims that use of the mark applied for would lead to a dilution of the earlier mark, undermining the earlier mark's ability to identify the goods for which it is registered as coming from the opponent.

8. The opponent further claims under s. 5(4)(a) of the Act that the sign **CELLEX-C** has been used throughout the UK since at least 1994 in respect of "skincare products". The opponent claims that use of the contested mark on any of the goods applied for would amount to a misrepresentation to the relevant public and result in dilution of the opponent's CELLEX-C name or damage to the opponent's goodwill.

9. The applicant filed a counterstatement denying the grounds of opposition and putting the opponent to proof of its claims.

10. Given its date of filing, the opponent's trade mark qualifies as an earlier mark in accordance with s. 6 of the Act. In its notice of opposition, the opponent indicated that the mark has been used for all of the goods upon which it relies. This statement is made because, as the mark had completed its registration process more than 5 years before the publication date of the application in suit, it is subject to the proof of use provisions contained in s. 6A of the Act. The applicant in its counterstatement indicated that it would require the opponent to provide evidence of use of its mark. The relevant period for genuine use under ss. 5(2)(b) and 5(3) is 7 July 2013 to 6 July 2018.

11. Both parties filed evidence. The opponent also filed written submissions during the evidence rounds. Neither party requested a hearing but both filed written submissions in lieu. The opponent is represented by Haseltine Lake Kempner LLP. The applicant was not professionally represented for the majority of the proceedings but is now represented by Indelible IP Ltd. This decision is taken following a careful reading of all of the papers.

Case Management

12. During proceedings, the applicant encountered difficulties with its address for service, which resulted in a delay in it seeing the opponent's evidence. A Case Management Conference was held before me on 10 May 2019, at which I allowed the applicant some additional time to file its evidence, for the reasons contained in my letter of the same date. I also issued directions regarding the address for service which were not initially complied with but as a UK representative has now been appointed I need say no more about this.

Evidence

Opponent's evidence

13. The opponent's evidence is provided by Sanjeev Narayan, Chief Financial Officer of the opponent. The key points are recorded below.

14. Mr Narayan explains that the opponent was formed in Canada in the 1990s and that it manufactures skincare products and preparations to customers globally. He states that the opponent has sold "CELLEX-C products" in the UK since 1997, continuing the trade begun in the UK in 1994 by the previous owner of the mark. He lists six retailers through which the opponent's products were available in the UK as at the filing date, which include Beautybay.com, Amazon.co.uk and Harvey Nichols.

15. Sales in the UK of products branded CELLEX-C are said to have amounted to over £5,000,000 between 1997 and 2018.¹ There are in excess of forty invoices to Beautybay.com Ltd, Harvey Nichols Group, Beauty Bay Ltd and Selfridges, all at addresses in the UK and all dated throughout the relevant period.² The totals vary, the lowest sum being for \$1,829 and the highest for over \$9,500 (given the opponent's location, it seems likely that this is Canadian dollars). Some of the goods are identified as "Cellex-C" products on the invoices and include serums, creams and gels for skin and eyes.

16. Prints from the opponent's website, www.cellex-c.com, are provided, which show the mark on the packaging of various skin care products, including creams, gels, serums, cleansers and a spot solution.³ The prints are dated January and February 2018. Further archive prints of the opponent's website dated December 2017 list UK outlets which retail "Cellex-C" goods or which use them as part of skincare services.⁴

17. Mr Narayan lists the "CELLEX-C branded products" which were on sale in the UK at the filing date of the contested mark.⁵ I note that many of these goods appear on the archive prints of the opponent's website (SN1) bearing the earlier mark. Further prints showing some of the products on sale, in sterling, on www.amazon.co.uk and www.beautybay.com are provided, though these show only a printing date of February 2019.⁶

18. Mr Narayan states that the opponent has spent approximately £20,000 per annum since 1997 in relation to advertising and marketing its CELLEX-C products in the UK.⁷

19. There are provided a number of articles dated between September 1994 and October 2010 which reference CELLEX-C products.⁸ All appear to be UK publications

¹ Narayan, §9.

² SN5.

³ SN1.

⁴ SN2

⁵ Narayan, §7.

⁶ SN3.

⁷ Narayan, §10.

and several are from national newspapers and magazines such as *Cosmopolitan* and *Marie Claire*. One article dated January 1999 refers to “Cellex C, the cult vitamin C-based skincare range”, whilst another from August 2000 refers to it being used by Hollywood stars.⁹ I note that, where the goods are shown, the packaging is consistent with that elsewhere in the evidence.

20. Evidence is provided from youtube.com and the opponent’s website regarding a charity bike ride in 2016.¹⁰ It is not clear whether this ride was publicised to any significant extent in the UK; the amounts raised are in \$ (presumably Canadian).

21. In addition, there is evidence relating to the launch in 2007 of a new anti-ageing serum, including a contemporaneous article from the *Telegraph*.¹¹ The worldwide launch was in London and was attended by Joan Collins, who was also the ‘face’ of the product.

22. There are exhibited a number of reviews of various of the opponent’s products from amazon.co.uk and beautybay.com.¹² I note that all of the Amazon reviews, bar one, indicate that they were published on amazon.com. They are dated between January 2012 and April 2018, with the majority falling within the relevant period. Many reference the “Cellex-C” brand. Three screenshots of youtube.com videos regarding the opponent’s products are also in evidence.¹³ They were published in August 2010 (1,640 views), December 2017 (47,864 views) and May 2018 (19,315 views). They all reference skincare or serums; “CELLEX-C”/“Cellex-C” are visible in two.

⁸ SN6.

⁹ pp. 18, 26

¹⁰ SN7.

¹¹ SN8.

¹² SN9.

¹³ SN10.

Applicant's evidence

23. This consists of the witness statement of David Michaels, a “brand consultant” for the applicant. Mr Michaels makes a number of submissions in his statement, which I will not repeat here but will bear in mind.

24. Mr Michaels provides dictionary definitions of “cell” and “oxide”.¹⁴ He also provides evidence regarding the “Cellex-C Sensitive Skin Serum” and its composition, which includes vitamin C.¹⁵

25. The results of Google Keyword Planner searches are exhibited, including information relating to the frequency of searches for “Cellex-C”.¹⁶ Mr Michaels also provides information regarding the opponent’s social media channels and sites. Its YouTube channel is said to have only 18 subscribers and 1,073 views since June 2016, whilst its Twitter and Instagram sites have, respectively, only 234 and 2,664 followers worldwide.¹⁷ This is contrasted unfavourably with search results and follower numbers for what Mr Michaels refers to as “an upstart brand”.¹⁸

26. There is, in addition, evidence of trade mark searches for marks which Mr Michaels considers to be similar to the earlier mark and a report of marks which contain the word “CELL” in classes 3 and 5.¹⁹

27. That concludes my summary of the evidence, to the extent I consider necessary.

Proof of use

28. The relevant statutory provisions are as follows:

¹⁴ Michaels, §§8-9.

¹⁵ Michaels, §§14-17.

¹⁶ DM1.

¹⁷ Michaels, §§28-30.

¹⁸ Michaels, §31.

¹⁹ DM2, DM3.

“Raising of relative grounds in opposition proceedings in case of non-use

6A- (1) This section applies where -

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the period of five years ending with the date of publication of the application 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) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a Community trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services”.

29. Section 100 of the Act is also relevant, which reads:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it”.

30. When considering whether genuine use has been shown, I must apply the same factors as if I were determining an application for revocation based on grounds of non-use. What constitutes genuine use has been subject to a number of judgments. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J summarised the law relating to genuine use as follows:

“114. [...] The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market*

(Trade Marks and Designs) [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundervsvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Marken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the

goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32]”.

31. The correct approach to assessing the opponent’s evidence is to view the picture as a whole, including whether individual exhibits corroborate each other: *New Yorker SHK Jeans GmbH & Co. KG v Office for Harmonisation of the Internal Market (OHIM)*, Case T-415/09, EU:T:2011:550.

32. Mr Michaels points to the use of other trade marks on the products to call into question whether the use shown is use of the earlier mark. It is no barrier to genuine use that the earlier mark has been used with or as part of another mark: *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, EU:C:2013:253, at [32]-[35]. The evidence shows the earlier mark present on the packaging of various goods both before and during the relevant period, albeit with varying degrees of prominence. Not all of the goods in the invoice evidence are identified as “CELLEX-C” products on the invoices themselves. However, the vast majority of them are specified in Mr Narayan’s statement as goods sold under the mark at the filing date. His statement to that effect is consistent with the products shown elsewhere in the evidence, on which the earlier mark is visible. I have no doubt that the use shown is use of the mark as registered.

33. The opponent's evidence is that its sales under the earlier mark totalled £5,000,000 between 1997 and 2018. It has also provided documentary evidence that sales occurred throughout the relevant period, for varying amounts. I note the applicant's submissions that there is no evidence that the sales to third parties in the UK resulted in those third parties offering the goods to consumers. However, even were that the case, it is settled law that genuine use may be made of a mark by sales to the trade: *Laboratoire de la Mer Trade Mark* [2006] FSR 5 at [48]-[49]. Although the sales figures are relatively modest in what is a large market, and I am conscious that the global sales figure quoted may include "sales" within the company (there are invoices to the UK arm), the level and consistency of demonstrated sales to third parties, including well known retailers in the UK, are sufficient to qualify as genuine use.

34. As regards a fair specification, in *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Carr J summed up the law relating to partial revocation as follows.

"iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) ("Thomas Pink") at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme

Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 ("Asos") at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46".

35. The applicant submits that the specification should be limited to "preparations for application to the skin for the cosmetic care thereof, namely skin anti-ageing preparations".²⁰ I do not agree. Even were such a specification acceptable, the opponent's goods include spot correcting pens and cleansers, as well as moisturisers, masks and mists. They are all different types of cosmetic preparation, not limited to anti-ageing goods. The opponent's goods also include a firming cream which is for use on the face, neck and chest. The products on which use has been demonstrated do not fall within one independent category to which it would be appropriate to limit the opponent's specification. The specification as it stands on the register ("preparations for application

²⁰ Submissions, §20.

to the skin for the cosmetic care thereof”) is a fair specification for the use shown and the opponent may rely upon it.

Section 5(2)(b)

36. Section 5(2)(b) of the Act 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”.

37. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, EU:C:1997:528, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, EU:C:1998:442, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, EU:C:1999:323, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, EU:C:2000:339, *Matratzen Concord GmbH v OHIM*, Case C-3/03, EU:C:2004:233, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, EU:C:2005:594, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P, EU:C:2007:333, and *Bimbo SA v OHIM*, Case C-591/12P, EU:C:2016:591:

(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

38. Both parties have made submissions regarding the similarity between the goods. I note first of all that the correct comparison is between the goods listed in the respective specifications. It is therefore irrelevant what type of goods the opponent has sold (the applicant submits that they are high end products) unless such a fact is apparent from the registered specification. I also note that the opponent has provided various comparisons, including the results of an EUIPO search on similarity.²¹ The practice of other IP offices is not binding upon me. I also note that the goods identified in the search are “cosmetics” rather than the term in its specification and, therefore, the comparisons are of little assistance.

39. When making the comparison, all relevant factors relating to the goods in the specification should be taken into account. In *Canon*, the Court of Justice of the European Union (“CJEU”) 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

²¹ Annex 3 to its submissions of 25 February 2019.

intended purpose and their method of use and whether they are in competition with each other or are complementary”.

40. Guidance on this issue has also come from Jacob J. (as he then was) *British Sugar Plc v James Robertson & Sons Ltd* (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.

41. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, EU:T:2006:247, the General Court (“GC”) stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut fur Lernsysteme*

v OHIM- Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

42. In *Kurt Hesse v OHIM*, Case C-50/15 P, EU:C:2016:34, 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, EU:T:2009:428, 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 that the responsibility for those goods lies with the same undertaking”.

43. I also bear in mind the comments of Daniel Alexander Q.C., sitting as the Appointed Person, in *Sandra Amelia Mary Elliot v LRC Holdings Limited*, BL O/255/13, where he warned against applying too rigid a test when considering complementarity:

“20. In my judgment, the reference to “legal definition” suggests almost that the guidance in Boston is providing an alternative quasi-statutory approach to evaluating similarity, which I do not consider to be warranted. It is undoubtedly right to stress the importance of the fact that customers may think that responsibility for the goods lies with the same undertaking. However, 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. I therefore think that in this respect, the Hearing Officer was taking too rigid an approach to Boston”.

Body wash; Hair and body wash; Hand cream; Hand lotion (Non-medicated -); Lip balm; Scented body lotions; Toning lotion, for the face, body and hands.

44. The earlier “preparations for application to the skin for the cosmetic care thereof” is a very wide term which encompasses all kinds of preparation for application to the skin. The above goods all fall within the broader category and are identical on the basis outlined in *Meric*.

Hair conditioner; Hair shampoo

45. These goods differ in purpose from those of the earlier specification because they are for application to the hair rather than the skin, though they will overlap in, for example, their purpose of smoothing or improving the texture of the skin/hair. There may be some overlap in nature, as they may be slightly viscous liquids or creams. The goods will reach the market through the same channels of trade, though they are likely to be on adjacent rather than the same shelves in retail premises. The users will be identical but there is no competition. The way in which the goods are used strikes me as too distant to give rise to complementarity as defined in the case law. Overall, these goods are similar to a medium degree.

Scented body spray

46. The purpose of a scented body spray is to perfume rather than improve/alter the skin’s condition. However, whilst their primary purpose differs, goods such as body lotions (which are covered by the earlier specification) may be scented. The nature of the goods is unlikely to coincide. The goods will all be available from the same retailers, though they are unlikely to be in very close proximity. There may be a degree of competition (a scented lotion being chosen in preference to a separate scented spray). Further, the goods may be complementary, as a lotion may provide an additional layer of scent to match a spray’s fragrance, such goods being produced by the same enterprise. These goods have a medium degree of similarity.

The average consumer and the nature of the purchasing act

47. 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 purposes 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 services in question: *Lloyd Schuhfabrik*.

48. 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”.

49. The average consumer of the parties' goods is a member of the general public. Whilst I acknowledge that there will be variation across the category, the goods are all bought reasonably frequently and are likely to be subject to considerations such as preferred fragrance or suitability for a particular skin type or skin complaint. The goods will be purchased with a medium level of attention.

50. The goods are likely to be selected through primarily visual means, from the shelves of retail premises or their online equivalents. There is some scope for an aural element

to the selection, primarily through interactions with sales assistants in a retail context, though the consumer is still likely to have sight of the mark prior to purchase.

Distinctive character of the earlier trade mark

51. The distinctive character of a trade mark can be appraised only, first, by reference to the goods in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public: *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In *Lloyd Schuhfabrik*, 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)”.

52. The applicant argues that “cell” is a commonplace prefix in relation to goods in class 3, not least because of claims to “cell renewal” and “cell rejuvenation” in the sector.²² The opponent appears to accept that the average consumer will recognise “CELL” within its mark.²³

53. I accept that the word “cell” in the cosmetics sector has little distinctiveness and is likely to be a word that the consumer is accustomed to seeing on the relevant goods. I also accept that, in certain circumstances, the letter “C” may indicate that a product contains vitamin C. However, the mark at issue is “CELLEX-C”. The average consumer will see the mark as a whole and, notwithstanding any recognition of the word “cell” as the base of the word “CELLEX”, will perceive that word as invented. Even if the addition of “-C” is perceived as indicating a vitamin C ingredient, that does not detract from the distinctiveness of the invented word. The mark is inherently highly distinctive.

54. The opponent has filed evidence of its use of the mark. The sales figures are modest. Further, the absence of any indication of the level of sales by year does not assist me in determining the strength of the opponent’s business or its market position at the date of application: it is impossible to say how much of the total sales figures were generated close to this date. I note that there is a not inconsequential sum provided for advertising spend. There is, however, no evidence after 2010 of the nature of any such advertising. The evidence is insufficient to establish that the mark enjoys enhanced distinctive character.

Comparison of trade marks

55. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details: *Sabel* (particularly paragraph 23). *Sabel* also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference

²² Submissions, §23.

²³ Submissions dated 25 February 2019, §5.5.

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”.

56. It would be wrong, therefore, to dissect the trade marks artificially, although it is necessary to take into account the distinctive and dominant components of the marks. Due weight must be given 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:

Earlier mark	Contested mark
CELLEX-C	CELLOXI

57. The earlier mark will be seen as a combination of the invented word “CELLEX” and the letter “C”, both of which are presented in capital letters and which are separated by a hyphen. “CELLEX” is likely to have more impact in the overall impression both because of its position and length and because single letters have, even in the most favourable circumstances, a low degree of inherent distinctiveness, though all of the elements make a contribution.

58. The contested mark has only one element, the word “CELLOXI”, in which the overall impression resides.

59. There is an obvious point of visual similarity between the marks, both of which begin with the letters “C-E-L-L” and which share the same sixth letter, “X”. There are differences because of the different fifth and seventh letters which bear no resemblance to one another. Although both marks have seven letters, the separation of the final letter “C” by a hyphen in the earlier mark adds an additional point of difference. There is a reasonably high degree of visual similarity overall.

60. The aural similarity between the marks has exercised the parties. The opponent claims that the earlier mark will be articulated as “SELL-EC-SEE” and the contested marks as “SELL-OC-SEE”.²⁴ The applicant claims that the respective pronunciations will be “SELL-EX-SEE” and “SELL-OX-EE”.²⁵ I prefer the applicant’s submission. In the earlier mark, the distinction between the consonant “X” and the following “C” is likely to be reflected in the pronunciation. This is, however, a small point of difference because of the similarities between the pronunciation of “X” and “C”, and the resulting tendency for the two consonant sounds to run together. The marks both have three syllables, the first of which is identical. The second syllables share the same “X” consonant sound but a different vowel sound, while the final syllables have the same vowel sound. The marks have a high degree of aural similarity.

61. Turning to the conceptual position, in *Usinor SA v OHIM*, Case T-189/05, EU:T:2008:39, the GC found that:

“62. In the third place, as regards the conceptual comparison, it must be noted that while the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Lloyd Schuhfabrik Meyer*, paragraph 25), he will nevertheless, perceiving a verbal sign, break it down into verbal elements which, for him, suggest a concrete meaning or which resemble words known to him (Case T-356/02 *Vitakraft-Werke Wührmann v OHIM – Krafft (VITAKRAFT)* [2004] ECR II-3445, paragraph 51,

²⁴ Submissions dated 25 February 2019, §5.6.

²⁵ Submissions in lieu, §25.

and Case T-256/04 *Mundipharma v OHIM – Altana Pharma (RESPICUR)* [2007] ECR II-0000, paragraph 57”).

62. The applicant submits not only that the word “cell” will be recognised in the earlier mark but that the string “EX-C” will lead the consumer to understand that the mark means “excluding C”. It claims that the contested mark, in contrast, “is giving a clear conceptual link to “oxygen” or “oxygenation”, or [...] “oxide””. Whilst I have already indicated that the consumer is likely to perceive “cell” within the earlier mark—and I consider the same to apply to the contested mark—I am unable to accept either that the marks will be broken down from their invented wholes or that the specific meanings suggested by the applicant will be perceived by the average consumer. It is not a common practice to add the letters “EX” to the end of a word to indicate the meaning posited by the applicant, nor is “cell excluding C” a clear and rational meaning which the consumer would readily perceive from the constituent parts of the mark. That makes it less likely that the mark would be broken down. Indeed, I see no reason why the consumer would perceive the mark in that way. Nor do I have any evidence which indicates either that “OXI” is a commonly used abbreviation for any of the terms suggested by the applicant or that the average consumer would be aware of any such fact. In short, neither mark, in my view, lends itself to being broken down into its constituent parts.

63. I therefore consider that “CELLEX” will be perceived as an invented word with the single letter “C” appended. That letter will either be perceived as the letter from the alphabet with no additional meaning attached, or it will be perceived as a non-distinctive indication of the vitamin C contained in the goods. As no meaning will be attributed to “CELLOXI” as a whole but the word “CELL” will also be perceived within the contested mark, there is conceptual similarity to that limited extent.

Likelihood of confusion

64. There is no simple formula for determining whether there is a likelihood of confusion. The factors considered above have a degree of interdependency (*Canon* at [17]). I must make a global assessment of the competing factors (*Sabel* at [22]), considering the various factors from the perspective of the average consumer and deciding whether the average consumer is 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 or indirect. Direct confusion involves the average consumer mistaking one mark for the other and is in the instant case the most relevant type of confusion.

65. The earlier mark is highly distinctive. The applicant's best position is where the goods have only a medium degree of similarity, which is where I will start. There is a reasonably high level of visual similarity and a high degree of aural similarity between the marks. Any conceptual similarity is limited to the recognisable word "CELL" being within both marks, with neither mark as a whole having a clear conceptual meaning.

66. In determining whether there is a likelihood of confusion, I am mindful that it is not always the case that similarity at the beginning of marks will result in confusion. That is a particular issue where the shared similar element is one which consumers are accustomed to seeing on goods in the sector concerned and, therefore, where differences in the later parts of the trade marks might be relied upon to distinguish between the marks. An example of such a case is *Castellani SpA v OHIM*, T-149/06, *Spa Monopole, compagnie fermière de Spa SA/NV v OHIM*, T-438/07, EU:T:2009:434, where it was held that there was no confusion between a figurative mark featuring the

word “CASTELLANI” and an earlier mark “CASTELLUCA”. That was in part due to the common usage on wines of the word “castle”.²⁶

67. However, unlike *Castellani*, the marks at issue in the instant case have a high degree of aural similarity. Further, there is no conceptual difference between the marks under consideration. I acknowledge that the structure of “CELLEX-C” is somewhat different from the contested mark. That is not an insignificant factor, given that the purchase of the goods will be predominantly visual, though its significance is tempered by the fact that the correct approach is not a side-by-side comparison but one which allows for imperfect recollection. Notwithstanding the lower distinctiveness of the prefix “CELL”, the remaining differences are, in my view, too slight for confusion to be avoided. Even bearing in mind the medium level of attention which will be afforded to the purchase, the visual and aural similarities, coupled with no clear conceptual distinction and the high level of distinctiveness of the earlier mark are, when imperfect recollection is taken into account, likely to lead the consumer to mistake one mark for another. Where there is identity between the goods, confusion is only more likely than where they are merely similar. There is a likelihood of confusion for all of the contested goods.

68. The applicant has proposed a fall-back specification of “Body wash; Hair and body wash; Hair conditioner; Hair shampoo; Hand cream; Hand lotion (Non-medicated -); Lip balm; Scented body lotions; Scented body spray; Toning lotion, for the face, body and hands; all being animal free products aimed at the Halal market”. The proposed restriction is problematic. In *Koninklijke KPN Nederland NV v Benelux-Merkenbureau (“POSTKANTOOR”)*, case C-363/99, ECLI:EU:C:2004:86, the CJEU was asked:

“Is it consistent with the scheme of the Directive and the Paris Convention for a sign to be registered for specific goods or services subject to the limitation that the registration applies only to those goods and services in so far as they

²⁶ See also *CureVac GmbH v OHIM*, T-80/08, EU:T:2009:416, where RNaive and RNAiFect were held not to be confusingly similar despite the relevant goods being identical or highly similar.

do not possess a specific quality or specific qualities (for example, registration of the sign “Postkantoor” for the services of direct-mail campaigns and the issue of postage stamps “provided they are not connected with a post office”)?”

69. Its response was as follows:

“113. Likewise, when registration of a mark is sought in respect of an entire class within the Nice Agreement, the competent authority may, pursuant to Article 13 of the Directive, register the mark only in respect of some of the goods or services belonging to that class, if, for example, the mark is devoid of any distinctive character in relation to other goods or services mentioned in the application.

114. By contrast, where registration is applied for in respect of particular goods or services, it cannot be permitted that the competent authority registers the mark only in so far as the goods or services concerned do not possess a particular characteristic.

115. Such a practice would lead to legal uncertainty as to the extent of the protection afforded by the mark. Third parties - particularly competitors - would not, as a general rule, be aware that for given goods or services the protection conferred by the mark did not extend to those products or services having a particular characteristic, and they might thus be led to refrain from using the signs or indications of which the mark consists and which are descriptive of that characteristic for the purpose of describing their own goods”.

70. In *Oska’s Trade Mark Application* [2005] RPC 20 at [56], Arnold J, sitting as the Appointed Person, observed that it would not be permissible to limit the specification by reference to the applicant’s intended market.

71. The specification proposed by the applicant, in my judgement, falls on the wrong side of the line. It does not limit the goods by their function or to a particular category of goods but seeks to restrict the specification by reference to the characteristics of the goods and the target market. Even were the specification compliant with the guidance in *POSTKANTOOR* it would not affect the comparison between the goods nor the likelihood of confusion: a body spray without animal ingredients or intended for a halal market, for example, would still be similar to the earlier goods for the same reasons. The fall-back specification is unacceptable and the finding of confusion, above, is undisturbed.

Section 5(3)

72. 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”.

73. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, EU:C:1999:408, *General Motors* [1999] ETMR 950; Case 252/07, EU:C:2008:655 *Intel*, [2009] ETMR 13; Case C-408/01, EU:C:2003:582, *Adidas-Salomon*, [2004] ETMR 10; and C-487/07, EU:C:2009:378, *L’Oreal v Bellure* [2009] ETMR 55; and Case C-323/09, EU:C:2011:604, *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

74. In *General Motors*, the CJEU held that:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it".

75. Although the opponent has provided total sales figures which are not insignificant, the period covered is 21 years and the opponent has not explained in any detail when during that period those sales were generated. Whilst the examples of actual sales in the relevant period are sufficient to qualify for genuine use, reputation is a higher bar which I do not consider that the opponent has cleared. I have not overlooked the evidence of advertising or press coverage. However, there is no evidence of the nature of any advertising or press coverage after 2010. There are some references to the opponent's goods as, for example, "cult" products, which might suggest a reputation but the evidence does not establish, even if the opponent had a reputation in 2010, that it retained any such reputation at the relevant date. The claim under s. 5(3) falls at the first fence and is dismissed accordingly.

Section 5(4)(a)

76. 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”.

77. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, HHJ 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)”.

78. There is no claim and no evidence that the contested mark was in use prior to the date of application. That being the case, the relevant date is the date of application, namely 22 June 2018.²⁷

²⁷ *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O/410/11 at [43].

Goodwill

79. The House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL) provided the following guidance regarding goodwill:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start”.

80. For the reasons I gave at paragraphs 32 to 33 above, I am satisfied that the opponent operated a business in skincare products at the relevant date of which the sign “CELLEX-C” was distinctive. The sales figures are, however, modest and would have resulted in a correspondingly modest goodwill.

Misrepresentation

81. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by *Lord Oliver of Aylmerton in Reckitt & Colman Products Ltd. v. Borden Inc. [1990] R.P.C. 341 at page 407* the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148 . The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101”.

82. And later in the same judgment:

“[...] for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion”.

83. I recognise that the test for misrepresentation is different from that for the likelihood of confusion, namely that misrepresentation requires that “a substantial number of members of the public are deceived” rather than whether the “average consumer are confused”. However, as recognised by Lewison LJ in *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, it is doubtful whether the difference between the legal tests will produce different outcomes. Certainly, I believe that this is the case here. I consider that there would be a misrepresentation in respect of all of the goods, for the same reasons as expressed at paragraphs 65 to 67.

Damage

84. In *Harrods Limited v Harrodian School Limited* [1996] RPC 697, Millett L.J. described the requirements for damage in passing off cases like this:

“In the classic case of passing off, where the defendant represents his goods or business as the goods or business of the plaintiff, there is an obvious risk of damage to the plaintiff's business by substitution. Customers and potential customers will be lost to the plaintiff if they transfer their custom to the defendant in the belief that they are dealing with the plaintiff. But this is not the only kind of damage which may be caused to the plaintiff's goodwill by the deception of the public. Where the parties are not in competition with each other, the plaintiff's reputation and goodwill may be damaged without any corresponding gain to the defendant. In the *Lego* case, for example, a customer who was dissatisfied with the defendant's plastic irrigation equipment might be dissuaded from buying one of the plaintiff's plastic toy construction kits for his children if he believed that it was made by the defendant. The danger in such a case is that the plaintiff loses control over his own reputation”.

85. This is a case in which the most obvious type of damage, namely transfer of sales occasioned by the relevant public's belief that they are dealing with the applicant, is easily foreseeable. Damage is made out. The ground under s.5(4)(a) succeeds.

Conclusion

86. The opposition has been successful. The application will be refused.

Costs

87. The opponent has been successful and is entitled to an award of costs. The relevant scale is contained in Tribunal Practice Notice (2/2016). With that TPN in mind, and taking into account the light evidence filed by the applicant, I award costs to the opponent as follows:

Official fee:	£200
Preparing the notice of opposition and considering the counterstatement:	£300
Filing evidence and considering the other party's evidence	£600
Written submissions:	£300
Total:	£1,400

88. I order Canadian Halal Health and Beauty, Inc. to pay Cellex-C International, Inc. the sum of **£1,400**. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 8th day of October 2019

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