

O/613/19

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO. 3282628

BY ON STEEL LLC

TO REGISTER

DAILY RITUAL

AS A TRADE MARK IN CLASSES 18 AND 25

AND

IN THE MATTER OF OPPOSITION THERETO

UNDER NO. 412208

BY RITUALS INTERNATIONAL TRADEMARKS B.V.

BACKGROUND AND PLEADINGS

1. On Steel LLC (“the applicant”) applied to register DAILY RITUAL as a trade mark in the United Kingdom on 15 January 2018. It was accepted and published in the Trade Marks Journal on 16 February 2018 in respect of the following goods:

Class 18: *Purses, and handbags, all-purpose carrying bags, tote bags, traveling bags, shoulder bags, clutch purses, backpacks, athletic bags, wallets, coin purses and cosmetic bags sold empty.*

Class 25: *Clothing, footwear, and headgear, namely, blouses, shirts, t-shirts, sweatshirts, pants, denim jeans, slacks, shorts, skirts, tunics, tank tops, dresses, jumpsuits, leggings, sweaters, scarves, jackets and coats, raincoats, fashion headbands and hats, belts, sleepwear, lingerie, socks, gloves, and hosiery.*

2. The application is opposed by Rituals International Trademarks B.V. (“the opponent”). The opposition is based upon Sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 (“the Act”) and concerns all the goods listed in the application.

3. Initially, six earlier marks were relied upon within the original pleadings. However, in its subsequent evidence¹ and submissions, the opponent only relies on the following three earlier marks:

Mark	Goods and Services
UK 2196518B (“The First Earlier Mark”) RITUALS Filing date: 6 May 1999 Registration date: 28 April 2000	Classes 3, 4 and 30

¹ See Exhibit RC-1 to the witness statement of Raymond Cloosterman

<p>EUTM 1857465 ("The Second Earlier Mark")</p> <p style="text-align: center;">RITUALS</p> <p>Filing date: 18 September 2000 Registration date: 24 January 2002</p>	<p>Class 25</p>
<p>IR 1195700 ("The Third Earlier Mark")</p> <p style="text-align: center;">RITUALS...</p> <p>International registration date: 4 September 2013 Date of Designation of the EU: 04 September 2013 Date protection granted in EU: 9 April 2015</p>	<p>Classes 3, 4, 25, 30 and 35 and 44²</p>

4. Reliance on the earlier marks under Section 5(2)(b) is limited solely to the registered goods falling within class 3 and class 25, as listed in the Annex to this decision. The objection under Section 5(3) is more broadly cast with the opponent relying on the same goods in classes 3 and 25 as under Section 5(2)(b) and additional classes, namely class 4 and 30 (in relation to the First and Third Earlier Mark) and class 35 and 44 (in relation to the Third Earlier Mark).

5. The opponent's marks have filing dates that are earlier than the filing date of the application and, therefore, they are earlier marks in accordance with Section 6 of the Act. The First and Second Earlier Marks had completed their registration process more than 5 years before the publication date of the contested application and are subject

² The opponent indicated in the original Form TM7 that it relies, for the purpose of Section 5(3), on all the goods and services for which the marks are registered. However, in its subsequent evidence and submissions, it appears to withdraw reliance on class 30 and class 44 (in relation to the Third Earlier Mark) as it makes no further mention of these classes.

to proof of use as per Section 6A of the Act. As regards the Third Earlier Mark, the conferring of protection had not been completed more than 5 years before the publication of the contested application. The use conditions do not, therefore, apply to this mark and the opponent can rely upon all of the goods and services identified in its notice of opposition.

6. The opponent claims that there is a likelihood of confusion under Section 5(2)(b) because the respective goods are identical or similar and the marks are similar.

7. In respect of the grounds based upon Section 5(3) of the Act, the opponent claims that it has acquired a reputation in the earlier marks in respect of the goods and services for which they stand registered. It asserts that the similarity between the parties' marks would cause the relevant public to believe that the goods of the applicant are those of the opponent or that there is an economic connection between the parties and that use of the applicant's mark in respect of similar goods would, without due cause:

- take unfair advantage of the distinctive character and reputation of the earlier marks because consumers will assume that the parties' respective goods and services have the same commercial origin and the applicant would benefit from the opponent's reputation and would be allowed to ride on the coat-tails of the opponent's marks. This may result in increased sales for the applicant without the applicant having to pay for the marketing efforts expended by the opponent;
- be detrimental to the distinctive character and reputation of the opponent's marks because confusion as to the origin of the goods could lead to (1) the opponent suffering loss of sales in terms of both (i) consumers mistakenly buying the applicant's products believing that they are the opponent's products and (ii) variations in the quality of the goods provided by the applicant causing detriment to the reputation of the opponent's marks and resulting in loss of sale and (2) dilution of the distinctive character of the earlier marks.

8. The applicant filed a defence and counterstatement, denying all the grounds, though it subsequently admitted³ that the opponent has acquired a reputation for cosmetic products. It also requested that the opponent provide evidence of proof of use in respect of all the goods and services identified by the opponent under the grounds of opposition. However, since the Third Earlier Mark is not subject to proof of use, the request for proof of use in respect of this mark will play no further part in my assessment.

9. The opponent filed evidence in these proceedings. This will be summarised to the extent that is considered necessary. The opponent and the applicant also filed written submissions dated 28 September 2018 and 28 June 2019, respectively. These will not be summarised but will be referred to as and where appropriate during this decision. Neither party requested a hearing, but they both filed written submissions in lieu of a hearing.

10. The opponent is represented by Osborne Clarke LLP; the applicant by Cooley (UK) LLP. I now make this decision after a careful consideration of the papers before me.

The opponent's evidence

11. The opponent's evidence consists of a witness statement from Mr Raymond Cloosterman dated 27 September 2018. Mr Cloosterman is the founder and CEO of the opponent, a position he has held since 2000. I have read Mr Cloosterman's evidence in its entirety and, in particular, I note as follows:

- the brand RITUALS was launched on 1 January 2000 with the opening of the first shop in Amsterdam and an online store. The opponent currently operates more than 600 stores worldwide, over 500 of which are situated in Europe (Exhibit RC-6). Mr Cloosterman describes RITUALS as a *“premium lifestyle brand that focuses on holistic beauty within the wellness industry, with the aim of transform[ing] customers' everyday routine into more meaningful experience”*;

³ § 28 the applicant's submissions in lieu

- The earlier marks have been used for a range of goods including cosmetics, skincare products, oils, fragrances, candles, tea and, more recently, clothing. The opponent’s clothing range comprises yogawear, loungewear and sleepwear, including pyjamas, underwear and dressing gowns (collectively referred as “soul wear”). The Third Earlier Mark is used on all of the opponent’s shop signs and on the homepage of its website at www.rituals.com;
- The opponent’s website has been accessible from the UK since 2000. The opponent opened its first UK store in Cheshire in 2016 and it now has 21 stores in the UK, more than half of which are based in London. In addition, Rituals products (1) are available at RITUALS concessions in 5 UK department stores and are used to stock rooms in a number of UK-based hotels; (2) can be purchased directly online and can be delivered in numerous EU countries, including the UK and (3) are sold in many European airports, including 8 UK airports. There is evidence in the materials provided by Mr Cloosterman to support these claims (Exhibits RC-3 - RC-8);
- Mr Cloosterman explains that whilst the opponent’s main source of income is beauty products, the opponent does place a focus on its clothing range because by offering “soulwear” to consumers they offer a holistic wellness brand and the clothing range is strategically important to the RITUALS brand. He provides three sets of figures relating to the sale and marketing of RITUALS products in the UK for the period 2013 and 2017.
- The UK sales figures are:

Year	Total (Euro)
2013	6,981,600
2014	8,889,600
2015	9,897,000
2016	10,549,400
2017	11,887,800

- Separate figures are provided for the sales of “soulwear” in the UK:

Year	Total (Euro)
2013	171,738
2014	140,381
2015	135,283
2016	76,107
2017	101,502

- Approximate UK marketing spend is:

Year	Total (Euro)
2013	347,200
2014	659,600
2015	1,601,560
2016	1,568,600
2017	2,161,100

- EU sales of articles of “soulwear” in 2016 and 2017 amount to approximately €5 million in 2016 and €8 million in 2017, with the highest level of sales recorded in Germany, Belgium and Netherlands.
- Mr Cloosterman exhibits print-outs from the opponent’s website that, he says, are representative of products that would have been available during the period 2013-2017. The print-outs show use of both the Third Earlier Mark and the words RITUALS/RITUAL in relation to a variety of goods, including skincare, body care, scrubs, creams, candles, oils, perfumes, travel and make-up bags (RC-9). Exhibited at RC-10 and RC-11 are also print-outs from the opponent’s website featuring the opponent’s RITUALS clothing range under a section headed “soulwear”. These includes items of sleepwear, yogawear and loungewear, such as sweat jackets, tops, t-shirts, cardigans, trousers, leggings, shorts, jumpsuits, kimonos, as well as bathrobes and scarfs;

- Mr Cloosterman states that it is common practice in the beauty industry to offer cosmetic products alongside clothing ranges and vice versa. He provides, in support, two examples showing that a producer of bath and skincare products offers a number of t-shirts and jumpers and a high street retailer of clothing offers its own range of cosmetics and perfumes (RC12-13);
- Mr Cloosterman provides copies of extracts from UK magazines published on various dates in 2013, 2015 and 2016 which reference RITUALS products and gives circulation figures specific to each magazine at the relevant time (RC-15 -RC-26). The publications in question include Star, Elle, Glamour, Cosmopolitan, OK!, NOW, the Daily Express, Notebook and Easy Jet Traveller with circulation figures ranging from hundreds of thousands to 5 million. The products concerned are articles of cosmetics and perfumery, including skincare, scrubs, foot balms, shower foams, perfumes and deodorants. Although a number of copies are of poor quality, it is possible to see from most of the extracts that the product identifier is the brand RITUALS;
- Mr Coolsterman states that the Second Earlier Mark is also used by third parties in the UK to refer to the opponent's "soulwear" and provides a print-out from what he describes as The British Beauty Blogger website dated 8 June 2016 (RC-28). It states: "But, who knew that Rituals, better known for bath and body, did such cool loungewear?". In addition, he exhibits examples of EU media coverage promoting RITUALS "soulwear" in 2014, 2016 and 2018 (RC-29 – RC-32);
- Exhibit RC-33 is an extract from a market report commissioned by the opponent for the RITUALS brand. The report, dated 2017, relates to the following products: "luxurious body, bath and skincare and home fragrances". It measures the brand awareness in the group "Female 18-40" which ranges from 90% in the Netherlands, to 72% in Lisbon, 60% in Sweden, 40% in Germany, 37% in Spain, 18% in the UK and 14% in France. It also measures the brand awareness amongst the total population, which is shown as 65% in the Netherlands, 49% in Lisbon, 30% in Sweden, 26% in Spain, 19% in Germany,

15% in Norway 13% in Austria, 12% in the UK and 7% in France. Mr Coolsterman states that whilst the brand awareness is lower in the UK than in the opponent's home market in the Netherlands, it remains a key market for the opponent where the brand awareness is growing, particularly in locations such as in London, where the majority of RITUALS stores are located;

- Exhibit RC-34 consists of examples of awards won by the opponent in the Netherlands, Germany, France, Belgium and Spain for its cosmetic products and retail services;
- Exhibit RC-35 are print-outs from the opponent's social media pages (UK specific).

The earlier marks and proof of use requirements

12. As I have already pointed out, the opponent's First and Second Earlier Marks have been registered since 28 April 2000 and 24 January 2002, respectively. Consequently, Section 6A of the Act applies. The relevant parts are as follows:

"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 European Union 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 Union.

(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.”

Relevant period

13. According to Section 6A(3)(a) of the Act, the relevant period in which genuine use must be established is the five-year period ending on the date of publication of the applied for mark, i.e. 15 February 2013 to 16 February 2018. Under Section 100 of the Act, the onus is on the opponent to show what use it has made of the First and Second Earlier Marks during the relevant period.

Proof of use case-law

14. What constitutes genuine use has been subject to a number of judgements. 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 Bunderversammlung Kameradschaft ‘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].”

15. As the Second Earlier Mark is an EUTM, the comments of the Court of Justice of the European Union (“CJEU”) in *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, are relevant. The court noted that:

“36. It should, however, be observed that..... the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase ‘in the Community’ is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use.”

And

“50. Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as ‘genuine use’, it cannot be ruled out that, in certain circumstances, the market for the goods or services for which a Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark.”

And

“55. Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77).”

16. The court held that:

“Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to ‘genuine use in the Community’ within the meaning of that provision.

A Community trade mark is put to ‘genuine use’ within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the

European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity.”

17. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. reviewed the case law since the *Leno* case and concluded as follows:

“228. Since the decision of the Court of Justice in *Leno* there have been a number of decisions of OHIM Boards of Appeal, the General Court and national courts with respect to the question of the geographical extent of the use required for genuine use in the Community. It does not seem to me that a clear picture has yet emerged as to how the broad principles laid down in *Leno* are to be applied. It is sufficient for present purposes to refer by way of illustration to two cases which I am aware have attracted comment.

229. In Case T-278/13 *Now Wireless Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* the General Court upheld at [47] the finding of the Board of Appeal that there had been genuine use of the contested mark in relation to the services in issues in London and the Thames Valley. On that basis, the General Court dismissed the applicant's challenge to the Board of Appeal's conclusion that there had been genuine use of the mark in the Community. At first blush, this appears to be a decision to the effect that use in rather less than the whole of one Member State is sufficient to constitute genuine use in the Community. On closer examination, however, it appears that the applicant's argument was not that use within London and the Thames Valley was not sufficient to constitute genuine use in the Community, but rather that the Board of Appeal was wrong to find that the mark had been used in those areas, and that it should have found that the mark had only been used in parts of London: see [42] and [54]-[58]. This stance may have been due to the fact that the applicant was based in Guildford, and thus a finding which still left open

the possibility of conversion of the Community trade mark to a national trade mark may not have sufficed for its purposes.

230. In *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC), [2015] ETMR 37 at [25] His Honour Judge Hacon interpreted *Leno* as establishing that "genuine use in the Community will in general require use in more than one Member State" but "an exception to that general requirement arises where the market for the relevant goods or services is restricted to the territory of a single Member State". On this basis, he went on to hold at [33]-[40] that extensive use of the trade mark in the UK, and one sale in Denmark, was not sufficient to amount to genuine use in the Community. As I understand it, this decision is presently under appeal and it would therefore be inappropriate for me to comment on the merits of the decision. All I will say is that, while I find the thrust of Judge Hacon's analysis of *Leno* persuasive, I would not myself express the applicable principles in terms of a general rule and an exception to that general rule. Rather, I would prefer to say that the assessment is a multi-factorial one which includes the geographical extent of the use."

18. The General Court (GC) restated its interpretation of *Leno Marken* in Case T-398/13, *TVR Automotive Ltd v OHIM* (see paragraph 57 of the judgment). This case concerned national (rather than local) use of what was then known as a Community trade mark (now a European Union trade mark). Consequently, in trade mark opposition and cancellation proceedings the registrar continues to entertain the possibility that use of an EUTM in an area of the Union corresponding to the territory of one Member State may be sufficient to constitute genuine use of an EUTM. This applies even where there are no special factors, such as the market for the goods/services being limited to that area of the Union.

19. Whether the use shown is sufficient for this purpose will depend on whether there has been real commercial exploitation of the EUTM, in the course of trade, sufficient to create or maintain a market for the goods/services at issue in the Union during the relevant 5-year period. In making the required assessment I am required to consider all relevant factors, including:

- i) The scale and frequency of the use shown
- ii) The nature of the use shown
- iii) The goods and services for which use has been shown
- iv) The nature of those goods/services and the market(s) for them
- iv) The geographical extent of the use shown

Genuine use (finding of facts)

20. Both the First and the Second Earlier Marks consists of the word RITUALS. The opponent relies on the following parts of its registrations:

- The First Earlier Mark, which is a UK mark, is relied upon in relation to:

Class 3: (for both Section 5(2)(b) and Section 5(3))

Bleaching preparations and other substances for laundry use; fabric conditioning preparations; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics; colognes, eau de toilette, perfume body sprays; oils, creams and lotions for the skin; shaving foam, shaving gel, pre-shaving and after shaving lotions; talcum powder; preparations for the bath and shower; hair lotions; dentifrices; non-medicated mouthwashes; deodorants; anti-perspirants for personal use; non-medicated toilet preparations; depilatory preparations; non-medicated massage preparations.

Class 4: (for Section 5(3) only)

Candels; wicks for candels and lamps; tallow; fuel for lighting; paper spills for lighting; beeswax; oils and waxes, all for preservation purposes.

Class 30: (for Section 5(3) only)

Coffee, tea, cocoa, sugar, rice tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices.

- The Second Earlier Mark, which is a EU mark, is relied upon in relation to:

Class 25: (for both Section 5(2)(b) and Section 5(3))

Clothing, footwear, headgear

Sufficient use

21. The assessment of whether the use of a trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain a market share for the goods or services for which it is registered. That assessment is a global assessment, which involves looking at the evidential picture as a whole, not whether each individual piece of evidence shows use by itself.

22. Far and away the most important of the classes relied upon by the opponent for the purpose of this opposition are the class 3 registration for, inter alia, a range of cosmetic products and the class 25 registration for, inter alia, clothing. The evidence shows that the opponent's main business is in beauty products and that the opponent also sells a clothing range which complements their cosmetic assortment.

23. The opponent's evidence was disputed by the applicant who accepted that the opponent had a reputation for cosmetic products but argued that the opponent's evidence was not sufficient to show that the earlier marks have been put to genuine use in respect of the relevant goods and services, in particular clothing, because (1) some of the evidence is undated or outside the relevant period; (2) much of the evidence does not provide reliable or verifiable information; (3) the evidence does not demonstrate a link between the use of the opponent's mark and the particular goods/services concerned and (4) part of the exhibits provide evidence of use in a territory which is irrelevant for the purpose of this opposition. This was responded to by the opponent in its submissions rather than by filing additional evidence. In assessing the opponent's evidence against the applicant's criticisms, I bear in mind the comments of Mr Arnold Q.C (as he was) when acting as the Appointed Person in *Extreme* BL/161/07 where he commented on the issue of unchallenged evidence and cross-examination:

“...36. Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness’s evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness’s evidence.

37. Despite this, it is not an uncommon experience to find parties in registry hearings making submissions about such unchallenged evidence which amount to cross-examination of the witness in his absence and an invitation to the hearing officer to disbelieve or discount his evidence. There have been a number of cases in which appeals have been allowed against the decisions of hearing officers who have accepted such submissions. Two recent examples where this appears to have happened which were cited by counsel for the proprietor are *Score Draw Ltd v Finch* [2007] EWHC 462 (Ch), [2007] BusLR 864 and *EINSTEIN Trade Mark* (O/068/07). Another recent example is *Scholl Ltd’s Application* (O/199/06). I consider that hearing officers should guard themselves against being beguiled by such submissions (which is not, of course, to say that they should assess evidence uncritically).”

24. Whilst I accept that some of the exhibits are undated and were printed after the relevant period, I have to consider the evidence in the round against the balance of probabilities⁴⁴. To my mind, the witness statement, which is unchallenged, sets out the narrative of a company which has been making and selling cosmetic products since 2000 and has, more recently, added a clothing range. There is enough supporting documentary evidence in relation to the claims made. Mr Cloosterman's witness statement covers such matters as:

- the opponent's sales figures (between 6 and 11 million Euros or more annually in the UK in the period 2013 and 2017), including figures specifically relating to

⁴⁴ See *Dosenbach-Ochsner Ag Schuhe Und Sport v Continental Shelf 128 Ltd*, Case BL 0/404/13 and *Awareness Limited v Plymouth City Council*, Case BL O/236/13

“soulwear” (between 76,000 and 171,000 Euros annually in the UK in the period 2013 and 2017 and 13 million Euros in Europe in the two-year period 2016-2017);

- the opponent’s marketing spend (between approximately 300,000 and 2.1 million Euros in the period 2013 and 2017 in the UK);
- the earlier marks’ coverage in the UK press (within the relevant period);
- the opponent’s channels of trade, namely that the goods can be purchased from the opponent’s website, its 21 UK stores, its concessions in 5 UK department stores and 8 UK airports;
- examples of the mark RITUALS being used in the top-level domain of the opponent’s website and on website pages, as well as examples of goods being referred to by reference to the RITUALS mark.

25. Taking the evidence as a whole into account, I am satisfied that the opponent has demonstrated genuine use of its earlier marks (in the UK and in the EU) during the relevant period in relation to goods in class 3 and 25.

26. There is no evidence of use in relation to any of the foodstuffs listed in the class 30 specification and although there are examples of the mark RITUALS being used in relation to goods in class 4, i.e. candles, there is no indication of what proportion of the figures supplied relates to the sale of candles.

Fair specification

27. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose, the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

28. In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Mr Justice Carr 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 the average consumer would 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.”

29. I must now consider whether, or the extent to which, the evidence shows use for all or only some of the relied-upon goods.

30. The First Earlier Mark covers goods in class 3, 4 and 30. The class 3 specification of this mark includes, inter alia, *perfumery, essential oils, cosmetics* at large. The print-outs from the opponent’s websites and the press articles amply demonstrate use in relation to a wide range of *perfumery, essential oils* and *cosmetics* and it would be pernicky of me to limit these goods to any extent.

31. The Second Earlier Mark covers *clothing, footwear, headgear* in class 25. The opponent says that it has genuinely used the mark RITUALS in connection with “soulwear”. Within that term the opponent has used the mark for a range of items of yogawear, loungewear, sleepwear and bathrobes. Taking the above in the round, it appears to me that the breadth of clothing articles that have been demonstrated in evidence is enough to conclude that opponent should be able to rely on the specification for clothing.

32. Accordingly, I consider the following to be a fair specification:

First mark

Class 3: *Perfumery, essential oils, cosmetics*

Second Mark

Class 25: *Clothing*

SECTION 5(2)(b)

33. Section 5(2)(b) of the Act reads:

“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.”

34. 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 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 might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods

35. In comparing the respective specifications, all the relevant factors should be taken into account. In the judgment of the CJEU in *Canon*, (Case C-39/97), the Court stated at paragraph 23:

“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”.

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

- (a) The respective 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.

37. 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 OHIM*, (Case T-325/06), the General Court (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”.

38. Further, the law requires that goods be considered identical where one party’s description of its goods encompasses the specific goods covered by the other party’s description (and vice versa): see *Gérard Meric v OHIM*, Case T-33/05, GC.

39. The goods to be compared are:

Applicant’s goods	Opponent’s goods
<p><u>Class 18:</u> <i>Purses, and handbags, all-purpose carrying bags, tote bags, traveling bags, shoulder bags, clutch purses, backpacks, athletic bags, wallets, coin purses and cosmetic bags sold empty.</i></p>	<p>First Earlier Mark (after assessment of proof of use) <u>Class 3:</u> <i>Perfumery, essential oils, cosmetics</i></p>
	<p>Second Earlier Mark (after assessment of proof of use) <u>Class 25:</u> <i>Clothing</i></p>
<p><u>Class 25:</u> <i>Clothing, footwear, and headgear, namely, blouses, shirts, t-shirts, sweatshirts, pants, denim jeans, slacks, shorts, skirts, tunics, tank tops, dresses, jumpsuits, leggings, sweaters, scarves, jackets and coats, raincoats, fashion headbands and hats, belts, sleepwear, lingerie, socks, gloves, and hosiery.</i></p>	<p>Third Earlier Mark (not subject to proof of use) <u>Class 3:</u> <i>Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; laundry care preparations for woven fabrics, fabric softeners; perfumery, essential oils, cosmetics, eau de Cologne, eau de toilette, perfumed body sprays; cosmetic oils, creams and lotions for skin care; shaving foam, shaving gel; preshaving and aftershave lotions; talcum powder, for toilet use; toiletries for bathing and</i></p>

	<p><i>showering; hair lotions; dentifrices; mouth washes, not for medical purposes; deodorants and anti-perspirant deodorants for personal use; non-medicated toilet preparations; depilatory preparations; massage preparations (non-medicated).</i></p> <p><u>Class 25: Clothing, footwear, headgear.</u></p>
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The Third Earlier Mark

40. I will make the comparison with reference to the Third Earlier Mark first, as it is the mark with the broader specification.

41. Class 25: Clothing, footwear, and headgear, namely, blouses, shirts, t-shirts, sweatshirts, pants, denim jeans, slacks, shorts, skirts, tunics, tank tops, dresses, jumpsuits, leggings, sweaters, scarves, jackets and coats, raincoats, fashion headbands and hats, belts, sleepwear, lingerie, socks, gloves, and hosiery. These goods are all encompassed by the opponent's *clothing, footwear, headgear* and are identical under the guidance in *Meric*.

42. Class 18: Purses, and handbags, all-purpose carrying bags, tote bags, traveling bags, shoulder bags, clutch purses, backpacks, athletic bags, wallets, coin purses and cosmetic bags sold empty. The opponent claims that these goods are similar to its goods in class 25 because they “*commonly accessorise clothing*” and are sold in a “*complementary fashion*”. The applicant denies that the goods are similar to the opponent's goods in class 3 but did not specifically address the similarity with the opponent's goods in class 25.

43. There is clear case-law⁵ which indicates that “clothing” in Class 25 and clothing accessories which complement them, such as “handbags”, “purses” and “wallets” in

⁵ *Gitana SA v OHIM*, Case T-569/11 and *El Corte Inglés SA v OHIM*, Case T-443/05

class 18, are similar to the extent that the intention is to create a “coordinated look”. Whilst stylistically all-purpose carrying bags, tote bags, shoulder bags and backpacks may differ from handbags, they are used in many cases for the same purpose, i.e. to carry everyday personal items, and might be made from the same materials, i.e. leather, and so might be considered by the consumers as aesthetically complementary accessories to articles of clothing (similarly to handbags). On that basis, I find that the applicant’s *purses, and handbags, all-purpose carrying bags, tote bags, shoulder bags, clutch purses, backpacks, wallets and coin purses* are similar to a low degree to the opponent’s *clothing*.

44. I extend the same conclusion to the applicant’s *athletic bags* because the opponent’s *clothing* would include athletic clothing. In those circumstances, the coordination depends on the activity for which the look is put together, i.e. athletic activity. Furthermore, the goods are often sold in the same specialist outlets, which is likely to support the impression that the same undertaking is responsible for the production of those goods.

45. This leaves *traveling bags* and *cosmetic bags sold empty*. These are specific bags used to carry items when travelling or to carry toiletries. These goods are not similar to the opponent’s *clothing, footwear, headgear* in class 25 since they do not satisfy the same needs and it is unlikely that the average consumer would attempt to coordinate a look when purchasing those items. Their nature is also different, they do not usually share the same retail outlets and it is very unlikely that they are manufactured by the same undertakings.

46. Finally, I shall consider the opponent’s submission that the applicant’s *cosmetic bags sold empty* are complementary to the opponent’s *cosmetics*. Despite their different natures, I agree with the opponent that there is a certain degree of overlap between these goods. The goods target the same consumers, are sold in the same shops and are complementary. In my view, these goods are similar to a low to medium degree.

47. The above observations do not apply to the applicant’s *traveling bags*, which I consider to be dissimilar to any of the opponent’s goods.

The First Earlier Mark

48. Under this mark the opponent can rely on *perfumery, essential oils, cosmetics* in class 3. The only category of goods in the application which I consider to be similar to the opponent's goods in class 3 (to a low to medium degree) is *cosmetic bags sold empty* (in class 18). The remaining goods in class 18 and 25 are dissimilar. The uses, nature, purpose, methods of use and trade channels of the respective goods are different, and the goods are neither complementary nor in competition.

The Second Earlier Mark

49. Under this mark the opponent can rely on *clothing* in class 25. In relation to the applicant's specification in class 25, I find that the applicant's *clothing namely blouses, shirts, t-shirts, sweatshirts, pants, denim jeans, slacks, shorts, skirts, tunics, tank tops, dresses, jumpsuits, leggings, sweaters, jackets and coats, raincoats, sleepwear, lingerie*, are identical to the opponent's *clothing* on an inclusion basis (*Meric*). The remaining *footwear and headgear, namely, scarves, fashion headbands and hats, belts, socks, gloves, and hosiery*, whilst differing in some respect from clothing, are all still items that clothe the body (albeit different parts), often sold through the same trade channels to the same consumers; they may also be complementary. I consider these goods to be similar to a medium degree.

50. As regards the applicant's goods in class 18, my finding above (at § 42-47) apply.

The average consumer and the nature of the purchasing act

51. As the case law above indicates, it is necessary for me to determine who the average consumer is for the goods at issue; I must then determine the manner in which these goods will be selected in the course of trade. 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.”

52. The opponent submits that the target consumers of the opponent’s goods are females aged 18-40. However, the particular public which the opponent has so far chosen to target is irrelevant. Under the notional fair use approach, which is the approach I am required to apply, the actual use and market circumstances (e.g. price, target segment of the market) do not come into play. I shall return to that later in this decision.

53. The average consumer of the respective goods in classes 3, 25 and 18 is the general public. The purchasing act will be visual as the goods are likely to be selected from the pages of a websites or from the shelves of a shop. However, I do not discount that there will also be an aural component to the purchase of the goods, bearing in mind that advice may be sought from a sales assistant. Given the nature of the goods, their cost and the frequency of the purchase, I would expect a medium level of attention in the selecting and purchasing of the goods at issue.

Comparison of marks

54. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by them, 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.”

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

Applicant's mark	Opponent's marks
DAILY RITUAL	RITUALS (The First and Second Earlier Mark)
	RITUALS... (The Third Earlier Mark)

Overall impression

The First and the Second Earlier Marks

56. These earlier marks consists of the word RITUALS. There are no other elements to contribute to the overall impression, which is contained in the word itself.

The Third Earlier Mark

57. This earlier mark consists of the word RITUALS written in thick and mildly stylised upper-case font followed by an ellipsis. Whilst the mark contains some elements of stylisation and the punctuation, the stylisation is minimal, and the ellipsis are likely to be perceived as a way to add a pause without altering the meaning of the word RITUALS. Consequently, it is the word itself that plays the most important and

distinctive role in the mark, with the other elements of the mark not contributing greatly to its overall impression.

The Applicant's Mark

58. The applicant's mark consists of the word DAILY RITUAL. I consider that the overall impression is of the unit DAILY RITUAL (as opposed to two separate and unrelated words). Whilst the word RITUAL is the second verbal element of the combination DAILY RITUAL, it is at least as dominant as the word DAILY or, arguably, more distinctive, because the word DAILY is a common adjective and will be perceived as qualifying the word RITUAL.

59. In its written submissions, the applicant referred to a stylised version of the words DAILY RITUAL, however, as the opponent correctly pointed out, the only marks that should be compared are the earlier marks and the mark depicted in the application.

Visual and aural Comparison

The Applicant's Mark and the First and Second Earlier Marks

60. Visually and aurally the marks have the word RITUAL in common, to which is added the single letter 'S' at the end of the earlier marks and the word DAILY in the applicant's mark. I consider the marks to be visually and aurally similar to a medium degree.

The Applicant's Mark and the Third Earlier Mark

61. Whilst there are additional points of difference between the Third Earlier mark and the applicant's mark, namely the stylisation of the letters and the punctuation in the earlier mark, they do not contribute greatly to the overall impression of the earlier mark. I consider the marks to be still visually similar to a medium degree. Aurally, neither the stylisation nor the punctuation will affect how the earlier mark will be articulated and I consider the marks to be aurally similar to a medium degree.

Conceptual comparison

The Applicant's Mark and the First and Second Earlier Marks

62. The applicant states that *“the significance of the conceptual similarity is limited, particularly as it does not attach to any dominant and distinctive elements in the Applicant's Mark. The limited significance of the conceptual similarity is therefore offset by the clear visual and phonetic differences⁶”*.

63. The opponent submits that the element DAILY has limited distinctiveness and that *“in the event that the ‘DAILY’ element of the applicant's mark was held to be distinctive and considered together with the core element of the mark ‘RITUAL’, the conceptual similarities between the marks as set out in the opponent's statement of grounds remain apparent, i.e. that the ordinary meaning of the word ‘ritual’ is unaltered by the addition of the word ‘DAILY’, as both remain associated with a regular series of actions performed according to a prescribed order⁷”*.

64. The respective marks will be associated with identical meanings, namely that of a RITUAL (singular) or a series of RITUALS (plural) with the applicant's mark imparting the additional concept of a RITUAL which is performed on a daily basis. I consider the marks to be conceptually similar to a high degree.

The Applicant's Mark and the Third Earlier Mark

65. As the punctuation in the Third Earlier Mark does not introduce any concept (and it has not been argued otherwise), the same points discussed in the preceding paragraph apply here. I consider the marks to be conceptually similar to a high degree.

Distinctive character of earlier mark

66. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*²⁶, the CJEU stated that:

⁶ §15 of submissions in lieu

⁷ §12 of written submissions

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

67. The opponent submits that the earlier marks enjoy a high degree of distinctive character in respect of the goods and services for which they are registered, namely clothing and cosmetics. The applicant accepts that the opponent has a reputation in relation to cosmetic products (though it did not expressly acknowledge that the reputation is in the UK) but denies that it has any reputation in relation to clothing.

68. The evidence suggests that the opponent is well-known for its cosmetics products in Netherlands (and some other European countries), where the percentage of brand awareness reaches 90% in 2017, however, the brand awareness in the UK is significantly lower and equates to 18% amongst the target public. In assessing the weight I should attribute to this evidence, I bear in mind that the results of a market report cannot be the only decisive criterion to support the conclusion that a distinctive character has been acquired through use and the assessment must take into account

not just the abstract data but the circumstances of the case⁸. Further, in the present case, though the report may give some indication of the level of brand awareness in the EU including the UK, it is not clear how the data were collected and how this translate in term of market share. The UK annual sale figures range between €6 and €11 million and the marketing expenditures between €347,000 and €2.1 million. Whilst this is not insignificant, there is no evidence of market share and so, I am unable to conclude that those figures would represent a particularly significant share of the market given, presumably, the extensive size of the cosmetic market. Further, the opponent's first shop in the UK was opened relatively recently in 2016 so use is not particularly long-standing. That said, the opponents' marks have been referenced in a number of magazines which are well-known in the UK and the opponent has a not insignificant presence in the UK market, with 21 stores opened and a presence in 5 department stores and 8 airports.

69. Taking into account all of the above, I conclude that to the extent that the inherent distinctiveness of the First and Third Earlier Mark has been enhanced through use in the UK in relation to cosmetics, it has been enhanced only to a modest degree.

70. From an inherent perspective, the word RITUALS will be given its ordinary dictionary meaning and is likely to be seen as alluding to the fact that the products are used as part of a beauty routine. However, the mark is not directly descriptive of the goods concerned and the allusion to the goods is sufficiently distant that it does not materially affect its distinctiveness. I consider that the First and Third Earlier Marks are inherently distinctive to a medium degree and that the use made in relation to cosmetics has increased that distinctiveness to an above medium degree.

71. Simply because the marks have been used on some goods, this does not mean that use has enhanced the distinctive character for the full range of the goods concerned. It is not clear from the evidence that consumers have been exposed to use of the earlier marks in relation to clothing on such a scale that the distinctiveness has been enhanced. Inherently, I consider that the word RITUALS is neither descriptive nor allusive of clothing and it is distinctive to a medium degree.

⁸ C-217/13 and C-218/13 *Oberbank AG v Deutscher Sparkassen- und Giroverband eV*

Likelihood of confusion

72. In determining whether there is a likelihood of confusion, 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 marks may be offset by a greater degree of similarity between the respective goods and vice versa. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has retained in his mind.

73. 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. This distinction was summed up by Mr 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.”

74. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor Q.C., as the Appointed Person, stressed that a finding of indirect confusion should not be

made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

75. The degree to which the relevant factors point towards confusion varies between the goods sought for protection. Therefore, I will assess the matter with respect to the terms that the applicant seeks to protect.

76. In relation to the applicant's Clothing, footwear, and headgear, namely, blouses, shirts, t-shirts, sweatshirts, pants, denim jeans, slacks, shorts, skirts, tunics, tank tops, dresses, jumpsuits, leggings, sweaters, scarves, jackets and coats, raincoats, fashion headbands and hats, belts, sleepwear, lingerie, socks, gloves, and hosiery in class 25, I have found these goods to be (i) identical to the opponent's *clothing, footwear and headgear* in class 25 of the Third Earlier Mark and (ii) either identical or similar to a medium degree to the opponent's *clothing* in class 25 of the Second Earlier Mark. I have found the Second Earlier Mark and the application to be visually and aurally similar to a medium degree and conceptually similar to a high degree. The same points apply to the Third Earlier Mark. I have found the earlier marks to have a medium degree of inherent distinctive character in relation to clothing. I have identified the average consumer 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 the degree of attention paid during the purchasing process will be medium.

77. I shall consider the position in relation to the Second Earlier Mark first. This mark consists of the word RITUALS without any element of stylisation or punctuation (though, I found, that the stylisation and punctuation in the Third Earlier Mark does not materially alter the degree of similarity between the marks) and covers identical goods. The distinctive element RITUAL/RITUALS in the respective marks is identical, save for the letter S in the earlier mark which make RITUALS plural and will be easily misremembered, taking into account the principle of imperfect recollection. I also consider that (1) the fact that the common element is at the end of contested mark is

not sufficient to avoid a likelihood of confusion⁹ and (2) the additional element DAILY in the application serves to qualify the (arguably more) distinctive element RITUAL and does not alter the meaning of the word RITUAL. Taking all these matters into account, my conclusion is that whilst there are differences in the marks, they still have a similarity which will, regardless of their differences, result in the consumer regarding the goods sold under the marks to be the responsibility of the same or an economically linked undertaking. The average consumer, in seeing both marks being used on identical goods in class 25 is likely to perceive the applicant's mark as a brand extension of the opponent's mark, along the line of the DAILY RITUAL mark being seen as the everyday range of the brand RITUALS. The same goes for the other goods in class 25 which are similar to a medium degree. These findings also extend to the Third Earlier Mark. **There is a likelihood of indirect confusion.**

78. I come to the same view in relation to the applicant's purses, and handbags, all-purpose carrying bags, tote bags, shoulder bags, clutch purses, backpacks, athletic bags, wallets, coin purse in class 18. Even though I have found only a low degree of similarity between these goods and those of the opponent, I find that the similarities between the marks are sufficient to give rise to a likelihood of confusion and I conclude that the average consumer encountering the respective goods and the respective marks will believe that they come from the same or an economically linked undertaking. **There is a likelihood of indirect confusion.**

79. This leaves cosmetic bags sold empty in class 18. Here I found that the goods are similar to a low to medium degree to the opponent's *cosmetics* (as covered by the First and Third Earlier Mark). Further, the clash is one where the opponent's enhanced distinctiveness can assist. In my view, consumers are likely to believe that the respective goods originate from the same or an economically linked undertaking. **There is a likelihood of indirect confusion.**

⁹ *Bristol Global Co Ltd v EUIPO*, T-194/14, the General Court held that there was a likelihood of confusion between AEROSTONE (slightly stylised) and STONE if both marks were used by different undertakings in relation to identical goods (land vehicles and automobile tyres).

Conclusions under section 5(2)(b)

80. As for the applicant's goods which I found not to be similar to the opponent's goods, namely *traveling bags*, there can be no likelihood of confusion in respect of those goods as per the decision in *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA.

81. The ground of opposition under Section 5(2)(b) succeeds in relation to:

Class 18: *Purses, and handbags, all-purpose carrying bags, tote bags, shoulder bags, clutch purses, backpacks, athletic bags, wallets, coin purses and cosmetic bags sold empty.*

Class 25: *Clothing, footwear, and headgear, namely, blouses, shirts, t-shirts, sweatshirts, pants, denim jeans, slacks, shorts, skirts, tunics, tank tops, dresses, jumpsuits, leggings, sweaters, scarves, jackets and coats, raincoats, fashion headbands and hats, belts, sleepwear, lingerie, socks, gloves, and hosiery.*

82. But fails in relation to:

Class 18: *Traveling bags*

Final remarks

83. In reaching the above decision I have not overlooked the applicant's submission that there is no likelihood of confusion because of the "*realities in the marketplace*", by which the applicant refers to the fact that its goods are available solely through Amazon and that the distribution channels are so distinct that there can be no risk of confusion. I reject the submission. As the opponent correctly points out, the goods are not limited in terms of trade channels so one must consider the likelihood of confusion in circumstances where, say, the respective goods are offered through the same trade channels, i.e. the same shops or website.

SECTION 5(3)

84. I shall now address the opponent's objection to registration under Section 5(3).

85. 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 Community trade mark or international trade mark (EC), in the European Community) 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.”

86. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Adidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42.

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel*, paragraphs 76 and 77.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel*, paragraph 74.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact on 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*).

87. In *General Motors*, Case C-375/97, 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.”

88. The relevant date for the assessment under Section 5(3) is the application date, namely 15 January 2018.

Reputation

89. In determining whether the opponent has demonstrated a reputation for the goods in issue, it is necessary for me to consider whether its mark will be known by a significant part of the public concerned with the goods. In reaching this decision, I must take all of the evidence into account including “the market share held by the trade mark, the intensity, geographical extent and duration of use, and the size of the investment made by the undertakings in promoting it.”

90. I remind myself that under this ground the opponent relies on a number of additional goods in class 4 and 30 and services in class 35 and 44 (for which the First and Third Earlier Mark are registered) as listed in the Annex to this decision. However, with the exception of some limited examples of use in relation to candles (in class 4) there is no evidence of use at all in relation to these goods and services and I find that the evidence does not establish that the opponent has a reputation for any of these goods and services.

91. I have already found that the evidence is not sufficient to show that the earlier marks have acquired an enhanced degree of distinctive character in the UK in relation to clothing. I also find that the opponent has no reputation in the UK (or the EU) for clothing. The opponent’s main business is in cosmetics and the opponent’s own evidence suggests that the opponent is not particularly well-known for its clothing range. The UK sale figures are relatively low, being in the region of between €76,000 and €171,000 (annually); whilst the marketing spend is higher, it is not clear what proportion of it relate to clothing (and, if anything, the evidence seems to suggest that most of the marketing activities relate to cosmetics). Even if the EU figures for “soulwear” are higher, ranging between €5 million in 2016 and €8 million in 2017, again there is no indication of marketing spend and/or market share.

92. As regards the other goods for which the opponent claims to have a reputation, namely cosmetics, the applicant has conceded that the opponent has a reputation for cosmetics in class 3 covered by the First and Third Earlier Mark. The sales and marketing figures are not insignificant but neither particularly high or exceptional and use in the UK is relatively recent. Further, whilst there is some data about brand

awareness, it is not clear how it was measured and there is no indication of market share. Taking all of these factors into account, I conclude that the strength of the opponent's reputation for cosmetics is moderate.

Link

93. As I noted above, my assessment of whether the public will make the required mental 'link' between the marks must take account of all relevant factors. The factors identified in *Intel* are:

- The degree of similarity between the conflicting marks. The marks are visually and aurally similar to a medium degree and conceptually similar to a high degree.
- The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public. The opponent's mark has a reputation for cosmetics and the applicant's mark covers goods in class 18 and 25. With the exception of the contested *cosmetic bags sold empty* in class 18 (which I consider to be similar to a low to medium degree), the goods differ in nature, use and method of use. They are not in competition or complementary. I consider the goods to be dissimilar.
- The strength of the earlier mark's reputation. The opponent's mark has a moderate reputation in the UK.
- The degree of the earlier mark's distinctive character, whether inherent or acquired through use. The opponent's mark consists of the words RITUALS. As I said above, I consider the opponent's mark to be inherently distinctive to a medium degree and that the distinctiveness of the opponent's mark has been enhanced through use to an above medium degree.

- Whether there is a likelihood of confusion. With regards to the goods which I have found to be dissimilar, there can be no likelihood of confusion. In relation to *cosmetic bags sold empty*, I find that there would be a likelihood of confusion.

94. Considering all of the factors, I conclude that in relation *Purses, and handbags, all-purpose carrying bags, tote bags, traveling bags, shoulder bags, clutch purses, backpacks, athletic bags, wallets, coin purses* (class 18) and *Clothing, footwear, and headgear, namely, blouses, shirts, t-shirts, sweatshirts, pants, denim jeans, slacks, shorts, skirts, tunics, tank tops, dresses, jumpsuits, leggings, sweaters, scarves, jackets and coats, raincoats, fashion headbands and hats, belts, sleepwear, lingerie, socks, gloves, and hosiery* (class 25) it is very unlikely that the earlier marks will be brought to mind by the average consumer due to the different nature of the goods covered by each of the marks. Even taking into account the possibility of an overlap of the relevant sections of the public concerned, the moderate strength of the reputation is insufficient to bridge the gap between the goods, even with a slightly elevated level of distinctiveness. This is so despite the medium degree of visual and aural similarity and high degree of conceptual similarity between the marks. A link will not be made. In the alternative, if a link were to be made, it is likely to be too fleeting for there to be any unfair advantage gained or adverse consequence for the opponent's reputation and so incapable of giving rise to any heads of damage under this ground.

95. As regards *cosmetic bags sold empty*, I consider that taking into account the visual, aural and conceptual similarities between the marks, combined with the reputation of the earlier marks and the similarities of the goods offered by each party, a significant part of the relevant public will make a link between the marks. In relation to unfair advantage, I find that a substantial number of the public would believe that the *cosmetic bags sold empty* offered under the applicant's mark are being offered by the opponent (or are in some way linked to it). This in my view creates a finding that the applicant's mark does take advantage of the earlier mark's reputation, as the opponent submits, because the applicant will save on marketing costs and it will create an immediate impact in the market via an investment in promotion that it did not have to make itself.

96. The grounds of opposition under Section 5(3) succeeds in relation to *cosmetic bags sold empty* (in class 18) and fails in relation to the remaining goods (in class 18 and 25).

OVERALL CONCLUSION

97. The opposition succeeds in relation to the following goods (which, subject to appeal, will be refused registration):

Class 18: *Purses, and handbags, all-purpose carrying bags, tote bags, shoulder bags, clutch purses, backpacks, athletic bags, wallets, coin purses and cosmetic bags sold empty.*

Class 25: *Clothing, footwear, and headgear, namely, blouses, shirts, t-shirts, sweatshirts, pants, denim jeans, slacks, shorts, skirts, tunics, tank tops, dresses, jumpsuits, leggings, sweaters, scarves, jackets and coats, raincoats, fashion headbands and hats, belts, sleepwear, lingerie, socks, gloves, and hosiery.*

98. But fails in relation to the following goods (which, subject to appeal, will proceed to registration):

Class 18: *Traveling bags*

COSTS

99. As the opponent has been significantly more successful than the applicant, it is entitled to a contribution towards its costs. Using the guidance in Tribunal Practice Notice 2/2016, I award the opponent costs on the following basis:

Opposition fees:	£200
Preparing a statement and considering the other party's statement:	£300
Preparing evidence and written submissions:	£800

Total:

£1,300

100. I order On Steel LLC to pay Rituals International Trademarks B.V. the sum of £1,300. This sum is to be paid within 21 days of the expiry of the appeal period or within 21 of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this day 10th October 2019

T Perks

For the Registrar

The Comptroller – General

Annex

Earlier Marks	Registered Goods and Services
<p>The First Earlier Mark RITUALS (UK 2196518B)</p>	<p><u>Class 3</u> Bleaching preparations and other substances for laundry use; fabric conditioning preparations; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics; colognes, eau de toilette, perfume body sprays; oils, creams and lotions for the skin; shaving foam, shaving gel, pre-shaving and after shaving lotions; talcum powder; preparations for the bath and shower; hair lotions; dentifrices; non-medicated mouthwashes; deodorants; anti-perspirants for personal use; non-medicated toilet preparations; depilatory preparations; non-medicated massage preparations.</p> <p><u>Class 4</u> Candels; wicks for candels and lamps; tallow; fuel for lighting; paper spills for lighting; beeswax; oils and waxes, all for preservation purposes.</p> <p><u>Class 30</u> Coffee, tea, cocoa, sugar, rice tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices.</p>
<p>The Second Earlier Mark RITUALS (EU001857465)</p>	<p><u>Class 25</u> Clothing, footwear, headgear.</p>
<p>The Third Earlier Mark RITUALS . . . (IR 1195700)</p>	<p><u>Class 3</u> Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive</p>

preparations; soaps; laundry care preparations for woven fabrics, fabric softeners; perfumery, essential oils, cosmetics, eau de Cologne, eau de toilette, perfumed body sprays; cosmetic oils, creams and lotions for skin care; shaving foam, shaving gel; preshaving and aftershave lotions; talcum powder, for toilet use; toiletries for bathing and showering; hair lotions; dentifrices; mouth washes, not for medical purposes; deodorants and anti-perspirant deodorants for personal use; non-medicated toilet preparations; depilatory preparations; massage preparations (non medicated).

Class 4

Candles; lamp wicks for candles and lamps; illuminating wax; fuel for lighting; paper spills for lighting; beeswax; oils and waxes for conservation purposes, not included in other classes.

Class 25

Clothing, footwear, headgear.

Class 30

Coffee, tea, cocoa and artificial coffee; rice; tapioca and sago; flour and preparations made from cereals; bread, pastry and confectionery; ices; sugar; honey, treacle; yeast, baking-powder; salt; mustard; vinegar, sauces (condiments); spices; ice.

Class 35

Business intermediary services for the wholesale of the goods mentioned in classes 3, 4, 25 and 30; commercial business management, also related to franchising, as well as commercial management for service industries

	<p>and retail, wholesale and distribution companies regarding the goods mentioned in classes 3, 4, 25 and 30; business management and business economics consulting services related to commercial management; advertising, sales promotion and publicity, market prospecting, canvassing and market analysis for the service industries and retail, wholesale and distribution companies; import and export services.</p> <p><u>Class 44</u> Medical services; veterinary services; hygienic and beauty care for human beings.</p>
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