

O-682-19

**TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No. 3322445
BY XPLORA TECHNOLOGIES AS
TO REGISTER IN CLASSES 9 & 14
THE SERIES OF TWO TRADE MARKS**

XPLORA

&



AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER No. 415027
BY
ROLEX SA**

BACKGROUND

1) On 4 July 2018, Xplora Technologies AS (hereinafter the applicant) applied to register the series of two trade marks shown on the front page in respect of the following goods:

In Class 9: Software; mobile application software; smartwatches; mobile software for providing software updates; computer software for application and database integration; databases; data communications software; software for online messaging; computer software for global positioning systems (gps); software for gps navigation systems; apparatus and software for capturing, recording, reproducing, manipulating and transmitting data, images and sounds; video capture software.

In Class 14: Jewellery; wristlets [jewellery]; bracelets jewellery; clasps for jewellery; bracelets for watches; horological and chronometric instrument; watches.

2) The application was examined and accepted, and subsequently published for opposition purposes on 5 October 2018 in Trade Marks Journal No. 2018/040.

3) On 7 January 2019 Rolex SA (hereinafter the opponent) filed notice of opposition. The opponent in these proceedings is the proprietor of the following trade marks:

Mark	Number	Dates of filing & registration	Class	Specification relied upon
EXPLORER	UK 731299	17.06.54 17.06.54	14	Horological and chronometric instruments and parts thereof.
EXPLORER	EU 1455195	10.01.00 13.06.02 Seniority date 17 June 1954 Re: 731299 United Kingdom	14	Chronographs (watches), chronometers, chronometrical instruments, movements for clocks and watches, straps for wrist watches, watch bands, watch straps, watches, wrist watches.

a) The opponent relies upon the goods shown above for which its two marks are registered and also claims that it has a reputation in all of these goods. The opponent contends that its marks and the mark applied for are very similar and that following goods applied for in classes 9 & 14

are identical and/or similar to the goods for which the earlier marks are registered. In Class 9: Smartwatches. In Class 14: Jewellery; wristlets [jewellery]; bracelets jewellery; clasps for jewellery; bracelets for watches; horological and chronometric instrument; watches. (i.e. the whole of the class 14 specification). As such the mark in suit offends against Section 5(2)(b) of the Act.

- b) The opponent relies upon the two marks shown above and claims that it has a reputation in these marks in respect of the goods shown above in class 14 and claims that use of the mark in suit would take unfair advantage of its mark as the marks and goods are identical or similar. Use of the mark in suit would also take unfair advantage of the opponent's mark by riding on their coat-tails, benefitting from the extensive reputation of the opponent. It would also be detrimental to the opponent as it would have no control over the quality of the goods offered by the applicant without due cause. The opposition is restricted to the same goods as shown in sub paragraph (a) above. As such the mark in suit offends against section 5(3) of the Act.
- c) The opponent claims that it has used signs identical to its marks shown above since 1954 and has goodwill and reputation in this mark. It states that use of the mark in suit upon the goods applied for in classes 9 & 14 at (a) above will lead to misrepresentation, and cause damage. As such the mark in suit offends against section 5(4)(a) of the Act.

4) On 18 March 2018 the applicant filed a counterstatement basically denying all the grounds of opposition. The applicant put the opponent to proof of use.

5) Only The opponent filed evidence; both parties seek an award of costs in their favour. The matter came to be heard on 24 October 2019 when the applicant was represented by Mr Muir Wood of Counsel instructed by Messrs Trade Mark Wizards Ltd; the opponent was represented by Ms Blythe of Counsel instructed by Messrs D Young & Co.

OPPONENT'S EVIDENCE

6) The opponent filed a witness statement, dated 16 May 2019, by David John Cutler a senior member of the Communications and Marketing team at The Rolex watch Company Ltd an affiliate of the opponent. He has worked for the company for 33 years and has access to company records. He provides background information regarding Rolex and its reputation which does not assist my decision. He states that the mark EXPORER was first used on a watch in 1953 and that all explorer

watches have the mark upon their dial. He states that Rolex has outlets throughout the UK and that sales of EXPLORER watches in the UK exceeded £2 million in 2017 and 2018 respectively. He states that £25,000 was spent on advertising Explorer watches in 2018. In all the evidence it was clear that the watches have the word ROLEX above all other words on the dial. The images shown then tended to have the words OYSTER or OYSTER PERPETUAL in small type under the word ROLEX. They then had the word EXPLORER in slightly larger type in various positions on the dial. The word EXPLORER was clearly visible and readable in all instances. He provided the following exhibits:

- DC9: Copies of pages from the opponent's website which gives details of the history of the EXPLORER mark. These are dated 3 April 2019, and do not mention any sales in the UK, other than offering a price in UK£.
- DC15: Copies of advertisements from the Financial Times (24 June 2015), Exeter Chiefs RFC programme (1 September 2015), Torquay Herald (14 August 2015), Scotland Outdoors magazine (May 2015), Cheshire Life (May 2015), Birmingham Post (24 February 2015 & 15 October 2015), Daily Telegraph (14 April 2015), The Times (14 April 2015), City AM (14 April 2015), Reading Chronicle (27 November 2015), showing an Explorer watch. Also included were advertisements which could not be read and examples from outside the UK, such as Jersey and the Isle of Man.

7) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

8) The first ground of opposition is under section 5(2)(b) which reads:

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

(a)

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

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

9) An “earlier trade mark” is defined in section 6, the relevant part of which states:

“6.-(1) In this Act an "earlier trade mark" means -

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

10) The opponent is relying upon its trade marks listed in paragraph 3 above which are clearly earlier trade marks having been applied for prior to the applicant’s mark. The mark in suit was published on 5 October 2018 at which point both of the opponent’s marks had been registered for over five years. The applicant put the opponent to strict proof of use in its counterstatement. Section 6(a) of the Act reads:

“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.”

11) I note that Section 100 of the Act states that:

“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.”

12) 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 Merken 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].”

13) In *Awareness Limited v Plymouth City Council*, Case BL O/236/13, Mr Daniel Alexander Q.C. as the Appointed Person stated that:

“22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

and further at paragraph 28:

“28. I can understand the rationale for the evidence being as it was but suggest that, for the future, if a broad class, such as “tuition services”, is sought to be defended on the basis of narrow use within the category (such as for classes of a particular kind) the evidence should not state that the mark has been used in relation to “tuition services” even by compendious reference to the trade mark specification. The evidence should make it clear, with precision, what specific use there has been and explain why, if the use has only been narrow, why a broader category is nonetheless appropriate for the specification. Broad statements purporting to verify use over a wide range by reference to the wording of a trade mark specification when supportable only in respect of a much narrower range should be critically considered in any draft evidence proposed to be submitted.”

14) In *Dosenbach-Ochsner Ag Schuhe Und Sport v Continental Shelf 128 Ltd*, Case BL O/404/13, Mr Geoffrey Hobbs Q.C. as the Appointed Person stated that:

“21. The assessment of a witness statement for probative value necessarily focuses upon its sufficiency for the purpose of satisfying the decision taker with regard to whatever it is that falls to be determined, on the balance of probabilities, in the particular context of the case at hand. As Mann J. observed in *Matsushita Electric Industrial Co. v. Comptroller- General of Patents* [2008] EWHC 2071 (Pat); [2008] R.P.C. 35:

[24] As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in any particular case where satisfaction is required depends on the nature of the inquiry and the nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and what is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence has to be provided in order to satisfy a decision-making body about that of which that body has to be satisfied.

22. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not '*show*' (per Section 100 of the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use."

15) The Opponent claims that the evidence filed amounts to proof of use in the UK and the EU in respect of all of the goods relied upon being, in short, watches, straps and parts therefor.

16) For its part, the applicant contends:

"41. Mr Cutler asserts that there have been sales of watches under the Mark in excess of £2 million in the United Kingdom in each of 2017 and 2018 [**Tab C, page 5, §18**]. He provides no evidence of this either in the form of financial statements or otherwise. There are no details of the numbers of watches sold or the actual Mark under which they were sold. There are no details to confirm whether the watches were actually sold under the Mark or in fact under the Main Brand (or other signs, incorporating the word 'OYSTER' or the words 'OYSTER PERPETUAL').

42. He also asserts that the Opponent has spent £25,000 on advertising watches under the Mark in the United Kingdom in 2018 [**Tab C, page 6, §20**]. Again, this is not backed up by

any evidence or details of where this was spent or whether this was, in fact, in relation to its Main Brand (or in conjunction with its 'OYSTER PERPETUAL' brand) rather than in respect of the Mark on its own."

17) The applicant also raised a number of issues regarding many of the opponent's exhibits. However, as I also had issues with much of the evidence I have relied upon only those exhibits and facts set out above. I also note that the opponent's evidence was not challenged and the applicant did not seek to cross examine Mr Cutler (see comments of Mr Arnold Q.C (as he was) when acting as the Appointed Person in *Extreme* BL/161/07). As the opponent's evidence is centred upon the UK I shall consider only the UK mark initially, which is registered for "horological and chronometric instruments and parts thereof". The opponent has stated that sales of its EXPLORER watches exceeded over £2million in 2017, and it has shown numerous instances of advertising in national newspapers, regional papers and various magazines. All of the watches included in this figure had the word EXPLORER upon the dial. It states that its watches are available throughout the UK in retail outlets and also on-line. If I accept that each watch costs, on average, approximately £6,000 it would mean that the opponent sold nearly 350 in the year prior to the relevant date of 4 July 2018. I accept that the opponent has used the mark in conjunction with other marks such as "ROLEX" and "OYSTER / OYSTER PERPETUAL". Clearly, the term "ROLEX" will be seen as a "house" mark, with "OYSTER / OYSTER PERPETUAL" as a sub-brand. The "explorer" version is a further sub-brand of the "OYSTER" range. To my mind, the average consumer will view the term "explorer" as a mark / range which stands as a separate range, perhaps believing that it is somehow "tougher" and able to take abuse, over and above that which the normal "Rolex Oyster" can withstand. I consider this to be genuine use of the mark upon "watches" solus, and it is this restricted specification that the opponent can rely upon in the goods comparison.

18) When considering the issue under section 5(2)(b) I take into account the following principles which 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 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

19) In the judgment of the Court of Justice of the European Union (CJEU) in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

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

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

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

21) In *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that: “... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in

their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

22) In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the General Court 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".

23) In *Sanco SA v OHIM*, Case T-249/11, the General Court indicated that goods and services may be regarded as 'complementary' and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different, i.e. *chicken* against *transport services for chickens*. The purpose of examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander Q.C. noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL-0-255-13:

"It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes."

Whilst on the other hand:

".....it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together."

24) I also note that if the similarity between the goods is not self-evident, it may be necessary to adduce evidence of similarity even if the marks are identical. In *Commercy AG, v Office for*

Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), Case T-316/07, the General Court pointed out that:

“43. Consequently, for the purposes of applying Article 8(1)(b) of Regulation No 40/94, it is still necessary, even where the two marks are identical, to adduce evidence of similarity between the goods or services covered by them (see, to that effect, order of 9 March 2007 in Case C-196/06 P *Alecansan v OHIM*, not published in the ECR, paragraph 24; and Case T-150/04 *Mülhens v OHIM – Minoronzoni(TOSCA BLU)* [2007] ECR II-2353, paragraph 27).”

25) Thus, where the similarity between the respective goods is not self-evident, the opponent must show how, and in which respects, they are similar. The two sides specifications are as follows:

Applicant's opposed goods	Opponent's goods
In Class 9: Smartwatches. In Class 14: Jewellery; wristlets [jewellery]; bracelets jewellery; clasps for jewellery; bracelets for watches; horological and chronometric instrument; watches.	Class 14: Watches

26) The applicant accepted that “smartwatches” are at least moderately similar to “watches”. In my opinion, “smartwatches” in class 9 must be considered to be at least highly similar to “watches” in class 14 as they are merely a watch which also has internet access, and so verge on being identical.

27) The applicant also conceded that “horological and chronometric instrument; watches” are at least moderately similar to “watches”. Given that both “horological” and “chronometric” instruments are defined as “timepieces” it is difficult to come to any conclusion other than that they are identical to “watches”. Whilst “watches” must be identical to “watches”.

28) The applicant accepted that the balance of its goods “Jewellery; wristlets [jewellery]; bracelets jewellery; clasps for jewellery; bracelets for watches” are similar to a low degree to the opponent's goods. However, the opponent contended:

“20 (a). While the main purpose of a watch is to tell the time, it is also the case that watches are used to adorn the body and to improve one's overall appearance, which is the main purpose of jewellery. There is therefore some similarity of purpose, particularly with items

such as bracelets which are designed to adorn the wrist in particular. Further, watch straps do not serve the purpose of telling the time but instead are used purely to personalise the watch for the purpose of adorning the body.

(b) There is a significant degree of similarity of trade channels: it is notorious that jewellers will often sell watches and vice-versa, and that jewellery and watches are sold in the exact same sections of department stores, often from the same display cabinets, and the same section of catalogues.

(c) There is also some degree of similarity in nature: such goods are often made from the same materials (such as metal, leather or combinations thereof) and using the same techniques such as links, chains, mesh etc. Of course, however, the mechanical or software aspects of watches are not typically present in jewellery. Once again, such mechanical or software aspects are never present in watch straps in any event.”

29) The opponent further argued that “bracelets for watches” are clearly designed to be worn with watches and as such are complementary so that the average consumer will believe that they originate from the same undertaking, they are also similar in physical nature, intended purpose, method of use and trade channels. In my experience most watches are sold with a strap or bracelet to hold the watch on one’s wrist. I accept that pocket watches will be an exception and it may be that some watches are sold “bare”. However, the average consumer for a wrist watch which will make up the vast majority of sales will require, indeed expect, that the watch will come complete with a strap/bracelet which is suitable in terms of style / colour etc. for the watch to which it is attached and commensurate with the price being paid. In my opinion, “bracelets for watches” are highly similar to the opponent’s “watches”.

30) Moving onto the issue of the items of jewellery in the applicant’s specification, I accept that watches are purchased to adorn one’s body and fall within what is commonly known as “bling” in popular sub-culture. Watches are often purchased to advertise one’s wealth and are often adorned with precious stones and metals. Most jewellers also sell watches, and in department stores jewellery and watches share an area, and they tend to be juxtaposed in catalogues. Overall, the applicant’s goods “Jewellery; wristlets [jewellery]; bracelets jewellery; clasps for jewellery” must be considered to be similar to the opponent’s “watches to a low to medium degree.

The average consumer and the nature of the purchasing decision

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

32) The goods of the two parties in classes 9 & 14 are, broadly speaking, watches and jewellery which will be purchased by the public at large. Such goods will typically be offered for sale in retail outlets, in brochures and catalogues as well as on the internet. The initial selection is therefore primarily visual. I accept that such goods may be researched or discussed with a member of staff. Therefore, aural considerations must also be taken into account. These aspects were accepted by both parties at the hearing. However, the applicant contended that the average consumer would pay a high degree of attention to the selection of such items, whilst the opponent maintained that they would pay a moderate level of attention. To my mind, when selecting such goods the average consumer will pay attention to the item to ensure that it is suitable for their needs, fits them and is the type of style that they, or the person they are buying for, wish to project as these types of items are usually worn so that others can see them. The price of watches can vary enormously from just a couple of pounds to hundreds of thousands, and similarly with jewellery. **Overall, in my view, the average consumer for these types of goods is likely to pay a medium degree of attention to the selection of such goods.**


Comparison of trade marks

33) Although I stated earlier that I would only consider the opponent's UK mark 731299, it is identical to the opponent's other EU mark 1455195 relied upon in the statement of grounds. 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.”

34) It would be wrong, therefore, to dissect the trade marks artificially, 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 trade marks to be compared are:

Opponent's trade mark	Applicant's series of two trade marks
EXPLORER	<p data-bbox="667 1073 889 1121">XPLORA</p> 

35) When comparing the marks I take into account the views expressed in *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02, where the General Court noted that the beginnings of word tend to have more visual and aural impact than the ends. The court stated:

“81. It is clear that visually the similarities between the word marks MUNDICOLOR and the mark applied for, MUNDICOR, are very pronounced. As was pointed out by the Board of Appeal, the only visual difference between the signs is in the additional letters ‘lo’ which characterise the earlier marks and which are, however, preceded in those marks by six letters placed in the same position as in the mark MUNDICOR and followed by the letter ‘r’, which is also the final letter of the mark applied for. Given that, as the Opposition Division and the Board of Appeal rightly held, the consumer normally attaches more importance to the first part of words, the presence of the same root ‘mundico’ in the opposing signs gives rise to a strong

visual similarity, which is, moreover, reinforced by the presence of the letter 'r' at the end of the two signs. Given those similarities, the applicant's argument based on the difference in length of the opposing signs is insufficient to dispel the existence of a strong visual similarity.

82. As regards aural characteristics, it should be noted first that all eight letters of the mark MUNDICOR are included in the MUNDICOLOR marks.

83. Second, the first two syllables of the opposing signs forming the prefix 'mundi' are the same. In that respect, it should again be emphasised that the attention of the consumer is usually directed to the beginning of the word. Those features make the sound very similar.

36) The applicant contended:

"53. Visually, the Mark and the Signs contain the same central portion, namely 'XPLOER' but the Signs are missing the initial 'E', which will not go unnoticed and the Mark ends with 'ER' whilst the Signs end with 'A'. The Signs are shorter than the Mark.

54. They are visually similar to a moderate degree.

Aural

55. The aural comparison is similar. Whilst the 'X' and the 'EX' may be pronounced similarly, it is submitted that the 'A' and 'ER' will not, leading to a moderate degree of aural similarity.

Conceptual

56. Conceptually, the Mark refers to an individual who explores. The Signs, however, consist of a made-up word. Whilst it arguably alludes to the word 'EXPLORER' it will not be understood by the average consumer to mean 'EXPLORER' and, accordingly, it is submitted that the Mark and the Signs are conceptually different. Accordingly, there is no or very low conceptual similarity."

37) The opponent contended:

"27. The Applicant submits that the word XPLOER would plainly be read, internalised and understood as simply an alternative spelling of the word EXPLORER, being a word that the average consumer would readily perceive and understand.

28. Further, it is submitted that the stylisation of the second mark in the series adds almost nothing to the word mark. The stylisation is banal, consisting merely of a simple, capitalised font in greyscale.

AND

30. Aurally, it is submitted that the Contested Marks would be pronounced identically to the word EXPLORER, as XPLORA would be internalised and understood as being a misspelling of that word.

31. Visually, there is also a moderate to high degree of similarity. The words coincide in 5 letters in an identical sequence, "XPLOR", and differ only in their initial letter and their last 1 or 2 letters. The consumer would notice the identical sequence of letters, particularly in circumstances where the sequence would be pronounced in the exact same manner in each mark and contains the uncommon letter "X".

32. Conceptually, as both marks would be understood as the word EXPLORER, they would therefore both be allusive of the identical meaning of "*a person who explores a new or unfamiliar area*".¹

33. Undertaking a global assessment, therefore, plainly the respective marks are very highly similar: they sound the same, convey the same meaning and look very similar with only a few letters different."

38) Although the applicant is seeking to register two marks they are, to mind identical in that the second mark is merely the negative of the first mark. Both consist of the word XPLORA. As such I shall only carry out a single comparison test. As neither party made submissions on a difference in the marks I take it that this is tacitly accepted. The opponent's mark is a well known English word, whilst the applicant's mark is the phonetic equivalent. Visually, there are differences in that the opponent's mark is the correct spelling of the word starting with the letter "E" and ending in "ER" whereas the applicant's mark is more in line with "text speak" so it starts with the letter "X" and ends with the letter "A". The marks are identical in that they both have the letters "XPLOR" in the same order within them. In my opinion they are visually similar to at least a medium degree. Aurally the marks are obviously identical, whilst conceptually they both call to mind an image of an adventurer

¹ Definition taken from the Oxford Online English Dictionary.

such as Ranulph Fiennes, Earnest Shackleton or Robert Falcon Scott. **Overall. I believe that the marks have a high degree of similarity.**

Distinctive character of the earlier trade mark

39) In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

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

40) The applicant contended that the opponent’s mark has a low degree of distinctive character, because whilst not descriptive of watches, it is allusive of timepieces and the use that explorers make of them. I do not accept that the average consumer seeing the mark EXPLORER will think of a time piece. Even when they see it on a watch they will merely assume that it is the type of watch that would be worn by explorers in that it is tough and accurate. **To my mind, it has an average degree of inherent distinctiveness.** The opponent has shown use of the mark in terms of turnover and advertising figures but has not put these into context of the overall market for watches in the UK. **As such it cannot benefit from an enhanced degree of distinctiveness through use in relation to watches.**

Likelihood of confusion

41) 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 trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of the opponent's trade mark as the more distinctive the trade mark is, the greater the likelihood of confusion. 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 trade marks and must instead rely upon the imperfect picture of them he has retained in his mind. Earlier in this decision, I concluded that:

- the average consumer for the goods is a member of the general public who will select the goods by predominantly visual means, although I do not discount aural considerations and that they are likely to pay a medium degree of attention to the selection of the goods in classes 9 and 14.
- the marks of the two parties have a high degree of similarity.
- the opponent's mark has an average degree of inherent distinctiveness but cannot benefit from an enhanced distinctiveness through use in relation to the goods for which it has been used.
- When comparing the goods of the two parties, the following table sets out my findings:

Identical	In Class 14: Watches; horological and chronometric instruments.
Highly similar	In Class 9: smartwatches. In Class 14: bracelets for watches.
similar to a low to medium degree	Jewellery; wristlets [jewellery]; bracelets jewellery; clasps for jewellery.

42) In *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, Mr Iain Purvis Q.C. as the Appointed Person pointed out that the level of 'distinctive character' is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar. He said:

“38. The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that ‘the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion’. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it.”

43) In other words, simply considering the level of distinctive character possessed by the earlier mark is not enough. It is important to ask ‘in what does the distinctive character of the earlier mark lie?’ Only after that has been done can a proper assessment of the likelihood of confusion be carried out.

44) I also consider the issue of indirect confusion, and take into account the case of *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Mr Iain Purvis Q.C., as the Appointed Person, explained that:

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

45) I also note that 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.

46) In view of all of the above, and allowing for the concept of imperfect recollection, there is a likelihood of consumers being directly confused into believing that the following goods in class 9 “smartwatches” and Class 14 “Watches; horological and chronometric instruments; bracelets for watches” and provided by the applicant are those of the opponent or provided by an undertaking linked to it. In view of all of the above, and allowing for the concept of imperfect recollection, there is a likelihood of consumers being indirectly confused into believing that the following goods in class 14 “Jewellery; wristlets [jewellery]; bracelets jewellery; clasps for jewellery” and provided by the applicant are those of the opponent or provided by an undertaking linked to it. **The opposition under Section 5(2) (b) therefore succeeds in respect of all the goods applied for by the applicant.**

47) I next turn to the ground of opposition under section 5(3) which reads:

“5. (3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

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

49) The first hurdle is the issue of reputation as set out at points (a) and (b) above. The onus is upon the opponent to prove that its UK trade mark enjoys a reputation or public recognition. The applicant contended that the opponent does not use the mark EXPLORER solus, but with the marks "ROLEX" and "OYSTER / OYSTER PERPETUAL". It therefore contends that the opponent has no reputation in its mark. I dealt with this point earlier in this decision when considering proof of use. To my mind, the opponent, despite using the mark in combination with other marks, can be said to have acquired a reputation in the mark EXPLORER. However, I reject the opponent's contention that it can rely upon its reputation in the mark "ROLEX" to boost the reputation of its EXPLORER mark. The opponent has shown that its watches are offered for sale throughout the UK and that it advertises in National and regional / local newspapers and magazines. It has provided sales figures for the UK mark it relies upon and also advertising expenditure. Although neither of these figures is that substantial or put into context in terms of the market, the balance of the evidence is, in my opinion, sufficient for it to get over the first hurdle of reputation in respect of its UK mark. This is despite my earlier finding that the opponent does not have enhanced distinctiveness. The test for reputation is lower than that for enhanced distinctiveness.

50) I next consider whether the public will make a link. In Case C-408/01, *Adidas-Salomon*, the CJEU held that:

"28. The condition of similarity between the mark and the sign, referred to in Article 5(2) of the Directive, requires the existence, in particular, of elements of visual, aural or conceptual similarity (see, in respect of Article 5(1)(b) of the Directive, Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23 in fine, and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraphs 25 and 27 in fine).

29. The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23).”

51) In C-252/07 *Intel Corp* [2008] ECR I-8823 at paragraph 42 the court set out the factors used to assess a link. Those factors include:

the degree of similarity between the conflicting marks;

the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;

the strength of the earlier mark’s reputation;

the degree of the earlier mark’s distinctive character, whether inherent or acquired through use;

the existence of the likelihood of confusion on the part of the public.

52) Earlier in this decision I found that the opponent’s UK mark to be similar to the mark sought to be registered by the applicant to a high degree. The opponent’s mark has an average degree of inherent distinctive character but cannot benefit from an enhanced distinctiveness through use in relation to watches. To my mind, the average consumer would immediately link the goods applied for and bearing the mark in suit upon them to the opponent. This would clearly take unfair advantage of the opponent’s reputation and would dilute the opponent’s distinctiveness. **The ground of opposition under section 5(3) succeeds in full.**

53) Lastly, I turn to the ground of opposition under section 5(4)(a). In respect of section 5(4)(a) Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing off. The analysis is based on guidance given in the speeches

in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.”

54) Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."

55) It can be seen from the above that in order to succeed under these grounds the opponent needs to show that in respect of the mark/ sign it relies upon it has a protectable goodwill. The opponent has based its claim under this section upon the two marks set out in paragraph 3 above. It has only shown use of its mark upon watches in the UK. The opponent supplied turnover and advertising figures for watches in the UK prior to the relevant date, but failed to put this into context in terms of the extent of

market share. However, I am willing to accept that given the advertising, particularly in national newspapers that a significant part of the relevant public are aware of the opponent's mark. It therefore gets over the first hurdle.

MISREPRESENTATION

56) When considering the issue of misrepresentation I take into account the comments in *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, where 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.”

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.”

57) In the instant case the mark applied for is highly similar to that used by the opponent and is sought to be registered for goods, many of which are identical and/or similar to the watches for which the opponent has goodwill. In such circumstances there would obviously be misrepresentation. Although

similarity of goods is not essential for an opposition under this ground to be successful, it is a factor which must be taken into account.

58) In the instant case there is no evidence that the applicant has made use of its mark. It is therefore not surprising that the opponent has not been able to show damage. In a *quia timet* action it is clearly not possible to show that damage has been suffered. In *Draper v Trist and Trisbestos Brake Linings Ltd* [1939] 56 RPC 429 Goddard L.J. stated:

“But in passing-off cases, the true basis of the action is that the passing-off by the defendant of his goods as the goods of the plaintiff injures the right of property in the plaintiff, that right of property being his right to the goodwill of his business. The law assumes, or presumes, that if the goodwill of a man’s business has been interfered with by the passing-off of goods, damage results therefrom. He need not wait to show that damage has resulted, he can bring his action as soon as he can prove passing-off; because it is one of the class of cases in which the law presumes that the Plaintiff has suffered damage. It is in fact, I think, in the same category in this respect as an action for libel. We know that for written defamation a plaintiff need prove no actual damage. He proves his defamation. So, with a trader; the law has always been particularly tender to the reputation and goodwill of traders. If a trader is slandered in the way of his business, an action lies without proof of damage.”

59) **The ground of opposition based upon section 5(4) succeeds in full.**

CONCLUSION

60) The opposition under sections 5(2)(b), 5(3) and 5(4)(a) have succeeded. The application will be rejected in respect of the following goods:

- In Class 9: smartwatches.
- In Class 14: Watches; horological and chronometric instruments; Jewellery; wristlets [jewellery]; bracelets jewellery; clasps for jewellery; bracelets for watches.

61) The opposition did not cover the following goods:

- In Class 9: Software; mobile application software; mobile software for providing software updates; computer software for application and database integration; databases; data communications software; software for online messaging; computer software for global positioning systems (gps); software for gps navigation systems; apparatus and software for capturing, recording, reproducing, manipulating and transmitting data, images and sounds; video capture software.

62) The application will continue to registration in respect of the goods shown in paragraph 61 above.

COSTS

63) As the opponent has been successful it is entitled to a contribution towards its costs.

Preparing a statement and considering the other side's statement	£200
Expenses	£200
Preparing evidence and considering the other sides evidence	£800
Attending the hearing	£1200
TOTAL	£2400

64) I order Xplora Technologies AS to pay Rolex SA the sum of £2,400. This sum 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 7th day of November 2019

George W Salthouse
For the Registrar,
the Comptroller-General