

O/1126/22

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION
NO. 03690639 BY
GYM HONCHO LTD
TO REGISTER AS A TRADE MARK:



IN CLASS 25

AND

OPPOSITION THERETO
UNDER NO. 60002129 BY
CHRIS AILEY

Background & Pleadings

1. Gym Honcho Ltd (“**the applicant**”) applied to register the trade mark shown on the front page of this decision in the United Kingdom. The application was filed on 6 September 2021 and was published on 8 October 2021 in respect of the following goods:

Class 25: Clothing; Clothes; Tops [clothing];Leisure clothing; Sports clothing; Athletic clothing; Casual clothing.

2. Chris Ailey (“**the opponent**”) opposes (using the Fast Track provisions) the application on the basis of Section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opponent is the proprietor of the UK registration number 03352125 for the following mark:

HONCHO

3. The opponent’s mark was filed on 9 November 2018 and registered on 1 February 2019 for various goods and services in Classes 25 and 35, respectively.
4. For the purposes of this opposition, the opponent relies only on the earlier term “*Clothing*” in Class 25 as covered by his earlier mark.
5. Under Section 6(1) of the Act, the opponent’s trade mark clearly qualifies as an earlier trade mark. Further, as the registration of the opponent’s earlier mark was completed less than five years before the application date of the contested mark, proof of use is not relevant in these proceedings, as per Section 6A of the Act.
6. The applicant filed a defence and counterstatement, concluding that “there is a clear visual and style difference between the marks which is very unlikely to cause confusion among the general public and the average consumer.” The applicant also claims that the “application is sufficiently

different within Class 25 and there is, therefore, no confusion among the brands". Further, the applicant asserts that the term "Clothing' is too wide of a specification to cover gym-wear according to this interpretation. We submit that the class specification is too generic to cover gym-wear merchandise, which is a very specific type of clothing with a distinct purpose that it's designed for. We submit that in this case, 'clothing' should be given a narrow interpretation which is consistent with the way the opponent is using their mark." I will return to this point later in the decision.

7. Rule 6 of the Trade Marks (Fast Track Opposition) (Amendment) Rules 2013, S.I. 2013 2235, disapplies paragraphs 1-3 of Rule 20 of the Trade Mark Rules 2008, but provides that Rule 20 (4) shall continue to apply. Rule 20 (4) states that:

“(4) The registrar may, at any time, give leave to either party to file evidence upon such terms as the registrar thinks fit.”

8. The net effect of these changes is to require the parties to seek leave in order to file evidence in Fast Track oppositions. No leave was sought to file any evidence in respect of these proceedings.
9. Rule 62 (5) (as amended) states that arguments in Fast Track proceedings shall be heard orally only if (i) the Office requests it or (ii) either party to the proceedings requests it and the registrar considers that oral proceedings are necessary to deal with the case justly and at proportionate cost; otherwise, written arguments will be taken.
10. A hearing was neither requested nor was it considered necessary. Only the applicant filed written submissions in lieu of a hearing, which will not be summarised but will be referred to as and where appropriate during this decision. This decision has been taken following a careful consideration of the papers.

11. In these proceedings, the opponent is represented by Francis McEntegart and the applicant by GS Verde Law.
12. Although the UK has left the EU, Section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case law of EU courts.

Preliminary Issues

13. In various points in its submissions the applicant disputes the territorial effect of the earlier mark in the UK. In particular, it posits that:

“The applicant currently only operates in Barry Island, Wales. Honcho is a digital marketing agency based in Hertford -- and only Hertford.

Therefore, confusion (if any) amongst the general public would be very low due to the locality of both brands. It is very unlikely that the general populace in Hertford would confuse a local digital marketing agency with a gym wear brand that only operates in Barry Island.”

14. I note that the opponent is the proprietor of a UK trade mark in registration as outlined in paragraph 2 of this decision, registered on 1 February 2019. Therefore, as illustrated in paragraph 5 above, such a mark qualifies as an earlier mark enjoying protection in the UK as per Section 6(1) of the Act.
15. In addition, in its counterstatement and submissions, the applicant refers to and conducts a comparison between its applied for mark and the following UK trade mark 03403168, which is also owned by the opponent:



In this respect, I should highlight that I must determine the matter on the basis of the marks before me and not on other rights which are deemed to be irrelevant to these current proceedings. The mark above was not relied upon by the opponent in these proceedings.

16. The applicant also questions the ownership of the UK earlier mark 03352125 and legitimacy of the opponent, Mr Chris Ailey, to instigate the current opposition proceedings, stating that:

“• The objections raised by Mr Ailey relate to a company called 'Honcho Limited' or 'Honcho Clothing Limited'. We have no evidence on what basis Mr Ailey is raising objections on behalf of a third parties use of the mark;

• If 'Honcho Limited' or 'Honcho Clothing Limited' is raising the objection then it needs to set out the basis upon which it has a right to use a registered mark as part of its objection;

• In the alternative, Mr Ailey cannot rely on the use by 'Honcho Limited' or 'Honcho Clothing Limited' as a basis to oppose the Gym Honcho registration;

• Either way, it's not clear which entity is bringing forward the opposition. Is it 'Honcho Limited (no 09058411)', 'Honcho Clothing Limited' (no 12071355) or even 'Umbrella Content Limited' (no 11671353) who operate in the same office space/building. So, as mentioned in the first bullet point of this paragraph, greater clarity is needed on who Chris Ailey is bringing forward the claim on behalf of as there may be implications involved, depending on the information.”

17. I note that the opponent, who appears to be the sole owner of the earlier mark on the Registry, has filed the notice of opposition via his representative. Thus, the relevance of the said companies in the opposition proceedings is unclear and not relevant. As a result, Mr Ailey is prima facie the legitimate rightholder of the earlier mark.

Decision

Section 5(2)(b)

18. Section 5(2)(b) of the Act is as follows:

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

[...]

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

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

19. The principles, considered in this opposition, stem from the decisions of the European 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 BV* (Case C-342/97), *Marca Mode CV v Adidas AG & Adidas Benelux BV* (Case C-425/98), *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (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-334/05 P) and *Bimbo SA v OHIM* (Case C-519/12 P):

- 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

20. The General Court (GC) confirmed in *Gérard Meric v OHIM*, Case T-133/05, paragraph 29, that, even if goods or services are not worded identically, they can still be considered identical if one term falls within the scope of another, or vice versa:

“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. The competing goods to be compared are shown in the following table:

Opponent's Goods	Applicant's Goods
Class 25: Clothing.	Class 25: Clothing; Clothes; Tops [clothing];Leisure clothing; Sports clothing; Athletic clothing; Casual clothing.

22. The applicant has made lengthy claims in its counterstatement and submissions regarding the comparison of the goods in issue, which I am not going to reproduce in full but will only refer to those that I consider appropriate.
23. The applicant in its counterstatement claims that:

“• While both are under Class 25, 'Honcho' doesn't have any description that mentions Sports or Gym related clothing, differentiating it from our mark.

[...]

Honcho currently does not have any gym-wear clothing, only intend to - yet, there is no evidence currently suggesting that they intend to move into this sector on any of their websites or marketing. The opponents' website reinforces the style and primary focus of the opponent's business has no link to the sport or gym market. Our application is sufficiently different within Class 25 and there is, therefore, no confusion among the brands.

[...]

'Clothing' is too wide of a specification to cover gym-wear according to this interpretation. We submit that the class specification is too generic to cover gym-wear merchandise, which is a very specific type of clothing with a distinct purpose that it's designed for. We submit that in this case, 'clothing' should be given a narrow interpretation which is consistent with the way the opponent is using their mark.

To reiterate, the opponent is not using nor have they indicated any intention to use the mark to sell gym-wear.”

24. In addition, the applicant submits that:

“Honcho do not sell gym wear

Although the ruling in *Chartered Institute of Patent Attorneys v Registrar of Trade Marks (Case C-307/10) EU:C:2012:361 (IP TRANSLATOR)* concerned the interpretation of the Trade Marks Directive (2008/95/EC), it was common ground that the EUTM Regulation must be interpreted in the same way.

IP TRANSLATOR established (and Article 33(2) of the EUTM Regulation now requires) that an applicant for a trade mark must specify the goods and services in respect of which registration was sought **with sufficient clarity** and precision to enable the competent

authorities and third parties to determine the extent of the protection conferred by the trade mark.

Honcho's trade marks (logo and wordmark) are registered under class 25, 'clothing'. There is not sufficient clarify (sic) and precision here to infer protection of gym wear, this is because:

- There is no reference to 'gym' in Honcho's name, therefore an ordinary person would not think that clothing being sold by the applicant was being sold by Honcho instead;
- Honcho is principally a digital marketing firm, that also sells clothes (an ordinary person would not assume that Honcho sell gym wear, as Honcho are not in any way linked to gym-related activities); and
- In any event, Honcho's website (<https://www.honchoclothing.com/>) does not refer to Honcho selling gym wear.

[...]

Honcho's trade mark over the word 'HONCHO' covers two classes (class 25 - clothing, and class 35- advertising; business management; business administration; office functions). Honcho's principal activities are search engine optimisation, content and digital PR, as stated in Honcho's website 'SEO and paid search have always been at our core'. Based on the High Court's finding in *Abanka DD*, it is strongly arguable that Honcho have only demonstrated sufficient use of the mark in relation to class 35 (advertising; business management; business administration; office functions), and not class 25 (clothing; footwear; headgear).”

25. Whilst the applicant states that the goods in which the parties actually trade are different and that the earlier specification is “too wide to cover gym-wear”, requesting a narrower interpretation “consistent with the way the opponent is using their mark”, this has no bearing on my decision. This is because I must consider the matter notionally based on the terms the parties have registered or seek to register. In addition, the applicant refers

me to the *IP TRANSLATOR* case claiming insufficient clarity regarding the earlier term “*Clothing*”. Even though the given term is a general term, I do not consider it to be unclear. Thus, I will assess it by construing it based on its ordinary¹ and literal meaning², covering clothes worn to protect the human body from the elements.

26. Furthermore, although the opponent relies only on goods in Class 25 for the purpose of this opposition, the applicant argues that the opponent has not demonstrated sufficient use for the earlier services that it holds in Class 35. The applicant’s contentions regarding the opponent’s Class 35 services are irrelevant as those services have not been relied on by the opponent on this matter, and in any event, as I set out in paragraph 5 above, proof of use is not relevant in these proceedings.

Clothing

27. The contested term is self-evidently identical to the earlier term “*Clothing*” as it is identically worded.

Clothes; Tops [clothing]; Leisure clothing; Sports clothing; Athletic clothing; Casual clothing

28. The earlier term “*Clothing*” is a broad term which encompasses the narrower terms of the contested goods in the same Class. In this regard and based on the *Meric* principle, the respective goods are identical.

Average Consumer and the Purchasing Act

29. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purposes of assessing the likelihood of confusion, it must be borne in mind that the average

¹ By applying the guidance in *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another*, [2000] F.S.R. 267 (HC); *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch).

² In accordance with the principles set out in *Sky v Skykick* [2020] EWHC 990 (Ch).

consumer's level of attention is likely to vary according to the category of goods and services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97. In *Hearst Holdings & Anor v A.V.E.L.A. Inc & Ors*, [2014] EWHC 439 (Ch), at paragraph 70, Birss J (as he then was) described the average consumer in these terms:

“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 word ‘average’ denotes that the person is typical. The term ‘average’ does not denote some form of numerical mean, mode or median.”

30. The goods at issue will be purchased by members of the general public. Such goods are usually offered for sale in stores, such as retail outlets, brochures and catalogues, and online. In retail premises, the goods will be displayed on shelves and racks, where they will be viewed and self-selected by consumers. Similarly, for online stores, consumers will select the goods relying on the images displayed on the relevant web pages. Nevertheless, the selection process may involve aural considerations, as advice may be sought from a sales assistant or representative. Therefore, visual considerations will dominate the selection of the goods in question, but aural considerations will not be ignored in the assessment.³ Even for those at the inexpensive end of the scale, the average consumer will examine the products to ensure that they select the correct type, size,

³ The GC highlighted this in *New Look Ltd v OHIM Cases T-117/03 to T-119/03 and T-171/03*, at paragraph 50:

“Generally, in clothes shops customers can themselves either choose the clothes they wish to buy or be assisted by the sales staff. Whilst oral communication in respect of the product and the trade mark is not excluded, the choice of the item of clothing is generally made visually. Therefore, the visual perception of the marks in question will generally take place prior to purchase. Accordingly, the visual aspect plays a greater role in the global assessment of the likelihood of confusion.”

material, quality, and aesthetic appearance of, for example, clothing items. Thus, the average consumer will pay an average degree of attention.


Comparison of Trade Marks

31. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“[...] it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

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

33. The marks to be compared are:

Opponent's Mark	Applicant's Mark
HONCHO	

Overall Impression

34. The applicant's mark is a composite mark consisting of word and figurative elements. At the top of the mark is a white skull device drawing, underneath which the word elements "GYM HONCHO" appear, highly stylised, in white against a black background. The word element and the skull device make a roughly equal contribution to the overall impression. While the skull device is slightly larger in size, I find, in accordance with settled case law,⁴ that the word elements "GYM HONCHO" will have more impact as the relevant public is more likely to keep verbal elements in mind to identify and quote the mark instead of describing its figurative element. Nevertheless, I agree with the applicant⁵ that the first word element, "GYM", will be allusive to the contested goods, and, thus, the second word element "HONCHO" will be more dominant.

35. The earlier mark consists of the single word "HONCHO" presented in a standard font and upper case. Registration of a word mark protects the

⁴ See for instance: *MigrosGenossenschafts-Bund v EUIPO*, T-68/17; and *Wassen International Ltd v OHIM (SELENIUM-ACE)*, Case T-312/03, paragraph 37.

⁵ The applicant's position is as follows:

"The addition of 'Gym' indicates the origin and type of company that it represents. Accordingly, consumers shall construe the mark as a reference to a company that produces gym and fitness related services, which makes the mark more distinctive compared to the more generic 'honcho'."

word itself presented in any regular font and irrespective of capitalisation.⁶
The overall impression of the earlier mark lies in the word itself.

Visual Comparison

36. The earlier mark is a single-word mark “HONCHO”, whereas the contested mark contains the two word elements “GYM HONCHO”. The opponent’s mark is fully incorporated into the applicant’s mark. Bearing in mind, as a rule of thumb, that the beginnings of words tend to have more impact than the ends,⁷ the first word element, “GYM”, positioned at the beginning of the contested mark, creates a point of visual difference. In addition, the skull device is a diverging element in the competing marks without a counterpart in the earlier mark. I also consider that the stylisation of the contested mark would create a point of difference. Considering all the factors, including the overall impression of the marks, I find them to be visually similar to between a low to medium degree.

Aural Comparison

37. The average consumer would pronounce the earlier mark as “HON-CHOH” and the contested mark as “JIM-HON-CHOH”. The marks differ in length and syllables. The earlier mark is two syllables long, whereas the contested mark is three, beginning with the divergent monosyllabic word “JIM”. However, I note that the competing marks share the identical two-syllable word element “HON-CHOH”. I do not consider that the average consumer will attempt to verbalise the skull device in the contested mark. Taking into account the above factors and the overall impressions, I consider that the marks are aurally similar to a medium degree.

⁶ See *Bentley Motors Limited v Bentley 1962 Limited*, BL O/158/17, paragraph 16.

⁷ See *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02.

Conceptual Comparison

38. The applicant claims that “the word "honcho" is a generally well known and accepted word and the addition of "gym" provides a distinct and clear difference from current registrations”.
39. The competing marks share the common word element “HONCHO” which is an informal/slang term for boss. I note that the Online Cambridge Dictionary mentions that it is mainly a US informal term defining it as “the person in charge”.⁸ Even if the applicant is correct that this is a well-known word, in the absence of evidence to illustrate that the average UK consumer would know this and despite the dictionary reference, I am unwilling to conclude that the entirety of the relevant public in the UK will be aware of this slang meaning.⁹ Therefore, for some consumers who are familiar with the US informal expression the marks will share the same concept. However, for those consumers with no such familiarity, it will be understood as an invented word with no meaning. Further, I note that the contested mark contains the additional concepts emanating from the word “GYM”, which will be perceived as allusive to the goods, and the skull device that will be conceptualised as such. Overall, taking into account the above factors and the overall impressions, there is a high degree of conceptual similarity for the group of consumers familiar with the slang term ‘honcho’ and no conceptual similarity at all, for those who are not.

Distinctive Character of the Earlier Trade Mark

40. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97, paragraph 22 and 23, the CJEU stated that:

“In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must

⁸ See <https://dictionary.cambridge.org/dictionary/english/honcho>.

⁹ 4 See *Chorkee Ltd v Cherokee Inc.*, Case BL O/048/08.

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

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

41. Registered trade marks possess varying degrees of inherent distinctive character from the very low, because they are suggestive of, or allude to, a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities.
42. The applicant, throughout its counterstatement and submissions (which I have taken into account and do not propose to reproduce here), put forward claims about non-distinctiveness of the earlier mark.
43. The opponent has not shown use of his mark and, thus, he cannot benefit from any enhanced distinctiveness. In this respect, I have only the inherent distinctiveness of the earlier mark to consider. The earlier mark consists of the word “HONCHO”, and as I am prepared to accept that the slang

meaning of the term is not universally known, I will come to a dual finding in relation to distinctiveness. For consumers unfamiliar with that slang term, the mark will be considered a made-up word affording a high degree of inherent distinctiveness. However, in the case where consumers will be familiar with the slang term, the inherent distinctiveness of the mark will be of a medium degree.

Likelihood of Confusion

44. In assessing the likelihood of confusion, I must adopt the global approach set out in the case law to which I have already referred above in this decision. Such a global assessment is not a mechanical exercise. I must also have regard to the interdependency principle, that 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.¹⁰ It is essential to keep in mind the distinctive character of the opponent's trade mark since the more distinctive the trade mark, the greater may be the likelihood of confusion. I must also keep in mind that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon imperfect recollection.¹¹
45. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other. Indirect confusion is where the consumer notices the differences between the marks but concludes that the later mark is another brand of the owner of the earlier mark or a related undertaking.
46. In *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), Arnold J. considered the impact of the CJEU's judgment in *Bimbo*, on the court's earlier judgment in *Medion v Thomson*. He stated:

¹⁰ See *Canon Kabushiki Kaisha*, paragraph 17.

¹¹ See *Lloyd Schuhfabrik Meyer*, paragraph 27.

“18 The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).”

21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors.”

47. In *Kurt Geiger v A-List Corporate Limited*, BL O/075/13, Mr Iain Purvis Q.C. (as he then was) 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."

48. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Iain Purvis Q.C., (as he then was) sitting 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.”

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right ('26 RED TESCO' would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as 'LITE', 'EXPRESS', 'WORLDWIDE', 'MINI' etc.)

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension ('FAT FACE' to 'BRAT FACE' for example).”

I note that the categories identified above by Mr Purvis Q.C. are not exhaustive.¹²

49. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, James Mellor Q.C., (as he then was) sitting 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.

50. In *Liverpool Gin Distillery Ltd and others v Sazerac Brands, LLC and others* [2021] EWCA Civ 1207, the Court of Appeal dismissed an appeal against

¹² *Thomson Hotels LLC v TUI Travel Amber E&W LLP* BL- O-440/14 at paragraph 29.

a ruling of the High Court that trade marks for the words EAGLE RARE registered for whisky and bourbon whiskey were infringed by the launch of a bourbon whiskey under the sign "American Eagle". In his decision, Lord Justice Arnold stated that:

“13. As James Mellor QC sitting as the Appointed Person pointed out in *Cheeky Italian Ltd v Sutaria* (O/219/16) at [16] "a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion". Mr Mellor went on to say that, if there is no likelihood of direct confusion, "one needs a reasonably special set of circumstances for a finding of a likelihood of indirect confusion". I would prefer to say that there must be a proper basis for concluding that there is a likelihood of indirect confusion given that there is no likelihood of direct confusion.”

51. Earlier in this decision I have concluded that:

- the goods at issue are identical;
- the average consumer for the goods at issue will be a member of the general public, and the selection process is predominantly visual without discounting aural considerations. The average consumer is likely to examine the products to ensure that they select the correct type, quality, size and/or aesthetic appearance. The level of attention paid will be average;
- the competing marks are visually similar to between a low to medium degree, aurally similar to a medium degree, and conceptually similar to a high degree for those consumers who will be familiar with the slang expression ‘HONCHO’, and there is no conceptual similarity for those who do not;
- depending on the familiarity with the slang term, the earlier mark has either a high degree of inherent distinctiveness for the consumers who will perceive it as an invented word or a medium degree for those who will understand its meaning.

52. Taking into account the above, particularly the visual differences between the marks, such as the presence of the skull device and the additional word “GYM” at the beginning of the applicant’s mark, together with the predominantly visual purchasing process, I am satisfied that the marks are unlikely to be mistakenly recalled or misremembered as each other. Therefore, I do not find there is a likelihood of direct confusion.
53. Nevertheless, I find that there is a likelihood of indirect confusion for the respective identical goods. Considering the dual degrees of inherent distinctiveness that I have found for the word element “HONCHO”, I believe that the contested mark would be likely perceived as a variation on the earlier word mark, “HONCHO”, such as a co- or sub-brand. In particular, while the average consumer will identify the differences between the marks, they will identify the word element shared in the respective marks. Given the identity of the goods in question, it is likely to create the impression that the goods sold under the contested mark originate from the same or a linked undertaking as those provided under the earlier mark. The skull device within the contested mark will be perceived as a stylistic addition to the distinctive word HONCHO, and the word “GYM”, will be seen as simply allusive in respect of any of the ‘clothing’ goods that might be appropriate for use in a gym setting or when engaging in sporting activity. Therefore, I find that the average consumer would assume a commercial association between the parties, believing that the respective goods come from the same or economically linked undertakings. As a result, I find there is a likelihood of indirect confusion.
54. In relation to the group of consumers to which the slang term ‘honcho’ is known, this would only further increase the likelihood of confusion. This is because the conceptual similarity shared in the dominant word element of the contested mark and the earlier mark as a whole, will allow consumers to establish a strong conceptual link between the marks.

Outcome

55. The opposition under Section 5(2)(b) of the Act is **successful in its entirety**. Therefore, subject to appeal, the application will be refused.

Costs

56. The opponent has been successful and is entitled to a contribution towards his costs. Awards of costs in fast-track opposition proceedings are governed by Tribunal Practice Notice 2 of 2015. I award costs to the opponent on the following basis:

Filing a notice of opposition	£200
Opposition fee	£100
Total	£300

57. I, therefore, order Gym Honcho Ltd to pay Chris Ailey the sum of £300. The above sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 20th day of December 2022

Dr Stylianos Alexandridis
For the Registrar,
The Comptroller General