

O/0140/23

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION
NO. 3678717 BY
RICO CABELO LTD
TO REGISTER THE TRADE MARK:**



IN CLASS 3

AND

**OPPOSITION THERETO
UNDER NO. 429391
BY
HENKEL AG & CO KGaA**

BACKGROUND & PLEADINGS

1. On 8 August 2021 Rico Cabelo Ltd (“**the applicant**”), applied to register the trade mark shown on the front page of this decision in the United Kingdom. It was accepted and published in the Trade Marks Journal on 24 September 2021 for the following goods:

Class 3: Hair piece bonding glue; Glue removers.

2. Henkel AG & Co KGaA (“**the opponent**”) opposes the application on the basis of Sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“**the Act**”). The opponent is the proprietor of the following “earlier mark”, pertinent details of which are as follows:

Mark: glued

UK TM No: 907500911

Goods: Class 3 - hair styling preparations

Filing date: 18 December 2008

Date of registration: 16 June 2009

3. The grounds of opposition in summary are as follows:
 - a) S.5(2)(b), the opponent contends that the “trade marks have a high degree of similarity”, the respective goods are highly similar if not identical and therefore “there is a likelihood of confusion and association on the part of the relevant consumer”.
 - b) S.5(3): the opponent claims to have used the earlier mark for a number of years and has built up a significant reputation in connection with the goods covered by the registration. The opponent argues that the applicant will benefit from its investment in advertising, leading to advantage. Further that the applicant will ride on its coat tails and will benefit from the power of attraction, reputation and prestige of the earlier mark. The opponent also claims that the later use will be out of its control and that poor quality or offensive goods will cause detriment to its valuable reputation and business. It claims that use of the later mark will dilute the distinctive character and reputation of its mark.
 - c) S.5(4)(a): the opponent claims to have acquired goodwill through sales of the goods “hair styling products” under the sign “glued” since 2008, throughout the UK. The opponent says that use of the applied for mark would therefore be a misrepresentation to the public and result in damage to the aforementioned goodwill.

4. The applicant filed a counterstatement denying the claims made. It also makes various statements which I have read and shall address later in this decision.
5. Under Section 6(1) of the Act, the opponent's trade mark clearly qualifies as an earlier trade mark. Whilst the earlier mark is sufficiently old, the applicant ticked "No" when asked if it wanted the opponent to provide proof of use.
6. Only the opponent filed evidence in these proceedings. Neither party filed written submissions, nor did they request a hearing. Therefore, this decision is taken following a careful perusal of the papers.
7. In these proceedings, the applicant is unrepresented whereas the opponent is represented by D Young & Co LLP.
8. 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 Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to trade mark case law of EU courts.

Evidence

9. The opponent's evidence consists of a witness statement of Joachim Renner dated 29 June 2022 who is "Corporate Trade Mark Counsel". A position they have held since 2002. The witness statement includes exhibits JR1 to JR10.
10. It can be established from the evidence that the opponent began using its earlier mark "in the UK in January 2009 on various types of hair styling products.
11. It is stated that the opponent is the owner of various brands, including GOT2b, which offers a wide range of products, including the 'glued' range of hair styling preparations. An example of how the mark is used is duplicated below:



12. A further example of how the earlier mark has been used in Asda, is as follows:



13. In addition to Asda, Mr Renner states that the goods are also sold in Tesco, Wilko, and Superdrug. The type of goods being sold are GOT2b products including, inter alia, “spiking wax 75ml glued UK”, “HSP 100ml Glued UK”, “hairspray 300ml glued UK”, etc.
14. In terms of turnover for “glued” products the following figures for the period between 2017 and 2022 have been provided:

Year	Annual revenue (GBP £)
2017	£1,385,000
2018	£1,617,200
2019	£1,638,700
2020	£1,221,300
2021	£1,453,400
2022 (up to 29 June 2022)	£614,100

15. It is noted that the witness statement states that the applicant had put the opponent to proof of use¹. However, this is clearly incorrect as the latest amended TM8 counterstatement ticked no (as referred to above). Therefore, the proof of use evidence was not necessary, but neither was it filed in vain because it is evidence of use which is required to demonstrate goodwill under its s.5(4)(a) claim.
16. In terms of advertising there is a breakdown of the types of advertising (TV sponsorship, VOD, Digital and Print) for the years 2018 to 2022 which show that there are consistent spends of £300k to £600k, but this relates to the got2b brand rather than broken down to glued. It is reasonable to infer that some of the expenditure related to the earlier mark but to what extent is not clear.
17. Mr Renner does, however, detail a promotional campaign for its “glued 4 Brows and Edges” products which he states had an overall “reach of 53,111,885 in the UK alone”². This figure appears to be calculated by adding all the circulation figures for the various magazines and social media accounts together. Further, the goods the earlier mark is used on appears to be for “blasting freeze spray” and eyebrow gel.

¹ Para 4

² Para 13

18. Exhibit JR6 consists of figures extracted from IRI All Outlets (inc. Chemists) detailing the 'glued' range market share against the styling category between 2019 and 2022. The figures are detailed below:

Product	Value Sales		
	2020	2021	Building 2022
STYLING AIDS	£190,008,793	£190,779,536	£57,800,683
GOT2B GLUED BLASTING FREEZE SPRAY STYLING AIDS	£3,408,006	£3,900,200	£1,313,233
GOT2B GLUED GLUED BLASTING FROZEN SPRAY STYLING AIDS	£411,511	£530,559	£202,052
GOT2B GLUED SPIKING GLUE STYLING AIDS	£117,966	£141,098	£51,917
GOT2B GLUED SPIKING WAX STYLING AIDS	£346,813	£282,642	£67,135
GOT2B GLUED WATER RESISTANT SPIKING GLUE STYLING AIDS	£501,488	£499,456	£136,353
got2b GLUED RANGE MARKET SHARE OF TOTAL STYLING CATEGORY	2.5%	2.8%	3.1%

DECISION

Section 5(2)(b)

19. The relevant law is as follows:

“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.

“5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only.”

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

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to

make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a 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 might believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion.

Comparison of goods

21. When making the comparison, all relevant factors relating to the goods in the specifications should be taken into account. In *Canon Kabushiki Kaisha*, the CJEU stated that:

“23. In assessing the similarity of the goods or services concerned [...] 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 complementary.”

22. Guidance on this issue was also given by Jacob J (as he then was) in *British Sugar Plc v James Robertson & Sons Limited (“Treat”)* [1996] RPC 281. At [296], he identified the following relevant factors:

“(a) The respective uses of the respective goods or services;
(b) The respective users of the respective goods or services;
(c) The physical nature of the goods or acts of service;
(d) The respective trade channels through which the goods or services reach the market;
(e) In the case of self-serve consumer items, where in practice they are respectively found, or likely to be found, in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

23. In *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch), paragraph 12, Floyd J (as he then was) gave the following guidance on construing the words used in specifications:

“[...] 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.”

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

Applied for goods	Opponent's goods
Class 3: Hair piece bonding glue; glue removers	Class 3: Hair styling preparations

25. In the applicant's counterstatement it states that:

Whilst both parties sell hair products, there are key differences between the two. The opponent's goods are hair sprays and gel based glues - with their initial target audience being caucasian males, who enjoy 'outrageous spikes'. The opponent's goods are directed to be 'rubbed through palms and distributed through hair' to create 'radical spikes'. It is important to note that the intended use for the opponent's goods are to spike and gel hair, with maximum hold.

The applicant's goods, on the other hand, are wig glues - the target audience is black women, and its intended use being to attach wig pieces to their scalps. The key difference here is that the opponent's goods are designed for the hair, whilst the applicant's goods are designed to be applied on the forehead, not hair.

26. Case law dictates that my assessment of whether goods are identical, similar, or dissimilar is to be determined by assessing the factors set out in the *British Sugar* case above. This includes making a notional assessment on the terms applied for and not how the party is currently or intends to use the mark. In other words, it is a paper-based assessment giving the terms their ordinary meaning and then determining whether they would be similar or not.

27. The earlier hair styling preparations is a relatively broad term which covers all goods which are used for hair styling. I take the applied for goods to be glue for false hair pieces to stay connected to the wearer's head (this would include hair extensions) and the glue removers to be a safe product to use to remove the glue. They are not hair styling preparations *per se*. Having said that, those who purchase and use the applied for goods may also purchase hair styling preparations to style the hair how they wish. Therefore, there is a degree of overlap in users. They differ in nature, and I do not consider them to be in competition with one another, but they are likely to go through the same trade channels and be sold in the same establishments. Overall, I find that the goods are similar to a medium degree.

Average Consumer and the Purchasing Act

28. The average consumer is deemed to be reasonably well informed, observant and circumspect. For the purposes of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of 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.”


29. The goods at issue in Class 3 are hair piece bonding glue, glue removers and hair styling preparations. These are goods which would be purchased by the general public or hair specialists. The cost may vary but would generally be inexpensive, but they would be purchased relatively frequently. As the goods are applied to the hair, the average consumer is likely to take into account factors such as allergies and ingredients but generally only a medium degree of attention will be paid during the purchasing process for the goods.
30. The goods are likely to be purchased following a visual perusal in shops or online. Further, they may be purchased following an aural recommendation from a hair stylist. Therefore, the purchasing process is mainly visual, but the aural considerations would also be taken into account.

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 Court of Justice of the European Union (“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:

Applied for mark	Earlier mark
	<p data-bbox="1002 575 1082 611">glued</p>

Overall impression

34. The earlier mark consists of the single word “glued”. As this is the only element its overall impression resides in the mark as a whole.
35. The applied for mark comprises of the words “GLUE’D UP” which is placed on a pink rectangular background. The arm of the letter “L” is elongated beyond the final letter “P” which then protrudes horizontally as an arrow. Whilst the stylisation won’t go unnoticed it is the words that are most noticeable in the overall impression of the mark

Visual comparison

36. Both marks coincide with the shared element “GLUED” which is the only element of the earlier mark but also the first word of the applied for mark. Whilst the word “GLUED” in the applied for mark includes an apostrophe appearing as “GLUE’D” this difference is likely to go relatively unnoticed. I also consider the background to have minimal visual impact on the comparison. The main difference is the stylisation, i.e., the line which turns into an arrow, plus the inclusion of the word “UP”.
37. In view of the above I find there is a medium, at best, degree of visual similarity.

Aural comparison

38. The word element of the earlier mark, “glued”, is five letters long and will be pronounced as “glu-d”. Despite the existence of the apostrophe in the applied for mark, it too would be pronounced “Glu-d”. Therefore, the only

aural difference between the marks is the inclusion of “Up” in the applied for mark (no other elements would be enunciated). Therefore, I find there to be a high degree of aural similarity.

Conceptual comparison

39. The word “glued” is a verb meaning to join or fasten someone or something to someone or something else. Whilst it can mean two things which are literally glued together using adhesive it is also used in a more general non-literal sense to indicate someone is linked to something. For example, someone may say that youngsters today are glued to their phones.
40. Both marks share the term glued and therefore there is a conceptual overlap. The inclusion of the word “up” is simply an adverb which qualifies the word “glued” and does not materially change the concept of something being glued. I do not consider any of the stylisation in the applied for mark to have any impact on the conceptual comparison. Therefore, I find there to be a high degree of conceptual similarity.

Distinctive Character of The Earlier Trade Mark

41. 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 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).”

42. Registered trade marks possess varying degrees of inherent distinctive character: perhaps lower where a mark may be suggestive or allusive of a characteristic of the goods, ranging up to those with high inherent distinctive character, such as invented words which have no allusive qualities.
43. The opponent has filed evidence and the date I am required to assess whether the distinctive character of the earlier mark has become enhanced due to the use made of it is the application date - 8 August 2021.
44. The opponent's evidence shows that the mark has been used in large nationwide supermarkets and chains such as Asda, Superdrug, Tesco and Wilko. The turnover is consistently around £1.5m for various hair styling products, such as spiking wax, hairspray and freeze spray. Further, there has been widespread advertising.
45. In view of the extent of use, sales, and advertising I find that the opponent's use results in the inherent distinctive character being enhanced from a degree lower than medium to medium.

Likelihood of confusion

46. 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, i.e., that a lesser degree of similarity between the goods may be offset by a greater degree of similarity between the marks, and vice versa.³ It is essential to keep in mind the distinctive character of the opponent's trade mark since the more distinctive the mark, the greater 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.⁴
47. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other. I shall begin by considering a likelihood of direct confusion. I have found the respective goods to be similar to a medium degree. I have also found the distinctive character of the earlier mark, by virtue of the use made of it, to be enhanced to a medium degree. With regards to the marks, I have found them to be

³ See *Canon Kabushiki Kaisha*, paragraph 17.

⁴ See *Lloyd Schuhfabrik Meyer*, paragraph 27.

aurally similar to a high degree and visually similar to a medium degree. The main differences between the marks are the stylisation and the inclusion of the word “UP” in the applied for mark. Whilst there will be a medium degree of care and attention paid when purchasing the goods, which will be predominantly a visual inspection, when taking into account imperfect recollection I find that there is a likelihood of direct confusion. The differences are such that they would go relatively unnoticed, and I can envisage consumers mistaking the marks and goods for one another.

48. There is a likelihood of confusion. The s.5(2)(b) succeeds and therefore, subject to appeal, the application shall be refused registration.

Section 5(3)

49. For completeness, I shall go on to consider the remaining grounds, beginning with the s.5(3) of the Act claim. The law is as follows:

“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 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.”

50. S.5(3A) states:

“(3A) Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected.”

51. The conditions of s.5(3) are cumulative. First, the opponent must show that the earlier mark is similar to the application. Secondly, it must satisfy me that the earlier mark has achieved a level of knowledge/reputation amongst a significant part of the relevant public. Thirdly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them, in the sense of the earlier mark being brought to mind by the application. Fourthly, assuming that the first three conditions have been met, section 5(3) requires that one or more of the three types of damage claimed will occur. It is unnecessary for the purposes of section 5(3) that the goods be similar, although the relative distance between them is one of the factors which

must be assessed in deciding whether the public will make a link between the marks.

Reputation

52. In *General Motors*, Case C-375/97, the CJEU held that:

“24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or services marketed, either the public at large or a more specialised public, for example traders in a specific sector.

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

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

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

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

53. For the reasons given at paragraphs 44 and 45 above, I am satisfied that the earlier mark had at the relevant date a reputation for the goods covered by the registration, namely hair styling preparations.

The link

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

The degree of similarity between the respective marks

55. I compared the respective marks at paragraphs 33 to 40, above. I found that them to be aurally and conceptually similar to a high degree and visually similar to a medium degree.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public

56. The goods at issue are hair styling preparations and hair piece bonding glue and glue removers. They are hair products and goods for affixing and removing hair. They are likely to be sold in close proximity to one another and to a similar relevant section of the public. In other words, I can envisage a person looking to purchase glue to fix extensions also looking to purchase hair products. Therefore, as found earlier in this decision, there is a medium degree of similarity between the goods.

Strength of the earlier mark's reputation

57. Whilst the sales figures are around £1.5m and the extent of sales appear to be nationwide, it is likely that the market for hair styling products is significant and therefore I pitch the strength of the earlier mark's reputation to be relatively modest.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

58. The earlier mark is inherently distinctive to a degree below medium but has been enhanced to medium by virtue of the use made of it.

Whether there is a likelihood of confusion

59. I have found that there is a likelihood of direct confusion.

Damage

60. I must now assess whether any of the pleaded types of damage will arise. The opponent submits that the use of the application would take unfair advantage of the reputation of its earlier mark, would tarnish the earlier mark and dilute its distinctive character, ultimately affecting consumers' economic behaviour and potentially diminishing the opponent's revenue.
61. In *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) Arnold J. concluded that:

"80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill."

62. I have already found that there is a likelihood of confusion between the competing marks, whereby a consumer may select the applicant's goods in the mistaken belief that they originate from the opponent, or at least a party related to the opponent. That being so, even if there is no intention on the part of the applicant, it is clearly foreseeable that it would secure an unfair commercial advantage, benefitting from the opponent's existing reputation and investment and potentially diverting consumers to the applicant. As a finding of unfair advantage is sufficient to satisfy a claim under s.5(3), I need not consider the remaining heads of damage.

Outcome

63. The claim under s.5(3) succeeds.

Section 5(4)(a)

64. The relevant law states that:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –
(a) by virtue of any rule or law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection 4(A) is met...”

Subsection 4(A) is as follows:

“The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

65. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “a substantial number” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

66. The relevant date is the filing date of the application, namely 8 August 2021.

Goodwill

67. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co’s Margarine* [1901] AC 217:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantages of the good name, reputation and

connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has the power of attraction sufficient to bring customers home to the source from which it emanates.”

68. Given my findings on reputation under s.5(3), I am satisfied that at the relevant date the opponent had goodwill in a business for “hair styling products” and that the sign glued was distinctive of that goodwill.
69. The test for whether misrepresentation occurs is whether, on the balance of probabilities, a substantial number of the relevant public will be misled into purchasing the other side’s goods⁵.
70. In *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41, Kitchin LJ considered the role of the average consumer in the assessment of a likelihood of confusion. Kitchen L.J. concluded:
- “... if, having regard to the perceptions and expectations of the average consumer, the court concludes that a significant proportion of the relevant public is likely to be confused such as to warrant the intervention of the court then it may properly find infringement.”
71. Although this was an infringement case, the principles apply equally under 5(2): see *Soulcycle Inc v Matalan Ltd*, [2017] EWHC 496 (Ch). In *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, Lewison L.J. had previously cast doubt on whether the test for misrepresentation for passing off purposes came to the same thing as the test for a likelihood of confusion under trade mark law. He pointed out that it is sufficient for passing off purposes that “a substantial number” of the relevant public are deceived, which might not mean that the average consumer is confused. However, in the light of the Court of Appeal’s later judgment in *Comic Enterprises*, it seems doubtful whether the difference between the legal tests will (all other factors being equal) produce different outcome. This is because they are both normative tests intended to exclude the particularly careless or careful, rather than quantitative assessments.
72. As outlined above, whilst the tests for a likelihood of confusion and passing off differ, in this instance the outcome is the same. I am satisfied that the

⁵ *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC Morrill L.J.

applied for mark and the relied upon sign are sufficiently similar for goods which are also similar.

73. The s.5(4)(a) claim succeeds.

COSTS

74. The opponent has been successful and is entitled to a contribution towards its costs. Awards of costs are governed by Annex A of Tribunal Practice Notice (TPN) 2/2016. I award costs to the opponent as a contribution towards the cost of the proceedings on the following basis:

Official fee	£200
Preparing a statement of case and considering the counterstatement	£400
Preparing evidence	£700
TOTAL	£1300

75. I, therefore, order Rico Cabelo Ltd to pay Henkel AG & Co KGaA the sum of £1300. 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 8th day of February 2023

**Mark King
For the Registrar,
The Comptroller General**