

O-006-14

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION 2637624
BY RISMA TEXTILES LTD
TO REGISTER THE FOLLOWING TRADE MARK IN CLASS 25:**



AND

OPPOSITION THERETO (103146) BY H & M HENNES & MAURITZ AB

The background and the pleadings

1) Risma Textiles Ltd (“Risma”) applied for the above trade mark on 9 October 2012. It was published in the Trade Marks Journal on 9 November 2012. Registration is sought for the following goods in class 25: clothing, hoodies, trousers, shirts and track suits.

2) H & M Hennes & Mauritz AB (“Hennes”) opposes the registration of Risma’s mark on grounds under sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 (“the Act”). It relies on a number of earlier marks as follows:

i) UK Registration 1247385 for the mark:



which was filed on 1 August 1985 and which completed its registration process on 16 March 1990. Hennes relies upon all of the goods for which its mark is registered, namely:

Class 25: Articles of clothing for women and for children; articles of underclothing; lingerie; all included in Class 25.

Given the date on which the mark completed its registration process, it is subject to the proof of use provisions set out in section 6A¹ of the Act; Hennes made a statement of use in respect of all of the goods for which its mark is registered. Hennes also claims a reputation for all of the goods for which its mark is registered.

ii) UK Registration 1383918 for the same mark as above which was filed on 12 May 1989 and which completed its registration process on 4 March 1994. Hennes relies upon all of the goods for which its mark is registered, namely:

Class 25: Articles of clothing for men, women and children; all included in Class 25.

Given the date on which the mark completed its registration process, it is also subject to the proof of use provisions; Hennes made a statement of use in respect of all of the goods for which its mark is

¹ The provisions provide, in summary, that an earlier mark which has been registered for five years or more (measured at the date on which the new trade mark was published in the Trade Marks Journal) may only be relied upon to the extent to which it has been genuinely used.

registered. Hennes also claims a reputation for all of the goods for which its mark is registered.

- iii) Community trade mark (“CTM”) Registration 4320371 for the same mark as i) above which was filed on 3 March 2005 and which completed its registration process on 28 May 2008. Under section 5(2)(b) Hennes relies upon only the class 25 goods for which its mark is registered, namely:

Class 25: Clothing, footwear and headgear.

Under section 5(3) Hennes relies upon and claims a reputation in relation not just to its class 25 goods, but also the other goods in its registration, namely:

Class 3: Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices.

Class 14: Jewellery, precious stones; horological and chronometric instruments.

Class 18: Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.

Given the date on which the mark completed its registration process, it is not subject to the proof of use provisions

- iv) CTM Registration 2662799 for the mark: **H&M** which was filed on 22 April 2002 and which completed its registration process on 15 June 2004. Under section 5(2)(b) Hennes relies upon only the class 25 goods for which its mark is registered, namely:

Class 25: Clothing, footwear and headgear.

Under section 5(3) Hennes relies upon and claims a reputation in relation not just to its class 25 goods, but also the other goods and services in its registration, namely:

Class 3: Polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices.

Class 14: Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.

Class 18: Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.

Class 35: Advertising; business management; business administration; office functions; retail services, in respect of soaps, perfumery, cosmetics, hair lotions, dentifrices, jewellery, horological and chronometric instruments, leather and imitations of leather and goods made of these materials and not included in other classes, trunks and travelling bags, umbrellas, parasols, clothing, footwear and heagear.

Given the date on which the mark completed its registration process, it is subject to the proof of use provisions; Hennes made a statement of use in respect of all of the goods and services it relies upon under the respective grounds.

- v) CTM Registration 984781 for the mark: **H&M** which was filed on 4 November 1998 and which completed its registration process on 15 February 2000. Under section 5(2)(b) Hennes relies upon only the class 25 goods for which its mark is registered, namely:

Class 25: Clothing, footwear and headgear.

Under section 5(3) Hennes relies upon and claims a reputation in relation not just to its class 25 goods, but also the other goods in its registration, namely:

Class 14: Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.

Class 18: Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.

Given the date on which the mark completed its registration process, it is subject to the proof of use provisions; Hennes made a statement of use in respect of all of the goods it relies upon under the respective grounds.

- 3) Risma filed a counterstatement denying the claims. It put Hennes to proof of use. Its defence is based on a number of points including that:

- It does not wish to use Hennes name given that it wishes to establish its own reputation.

- The marks are different due to: the missing “&”, the duplicated HM and the use of the Roman numeral VII in its mark.

4) Both sides filed evidence. Neither side requested a hearing. Hennes filed written submissions in lieu of a hearing, Risma did not. I will, though, bear in mind all of the arguments that have been made in the papers before me.

The evidence

Hennes’ evidence

Witness statement of Bjorn Norberg

5) Mr Norberg is Hennes’ Legal Counsel. I do not consider it necessary to detail his evidence in any great depth. This is because it is abundantly clear from his evidence that the H&M brand is very well known and used in the UK and elsewhere. It has been in use in the UK since 1976. It now has 228 stores in the UK. Turnover and marketing is extremely significant. It is clear that a wide range of clothing items are sold. Although not explicitly stated, the stores (which are branded H&M, with significant use of its stylised logo) sell H&M clothing (as opposed to third party brands), thus, and as Mr Norberg states, the mark (particularly the stylised mark) is used on swing tags for clothing etc.

6) Mr Norberg makes reference to Risma’s application. He gives his views on the dominant and distinctive element of the applied for mark and opines that confusion is likely with Hennes’ mark(s). These are matters for the tribunal to decide and Mr Norberg’s view counts as nothing more than submission. One point I note is that he states that Hennes collaborates on clothing ranges with others, however, there is little in his evidence that reflects the extent of this other than an association with a range of clothing designed by Stella McCartney and another collaboration with Victor & Wolff.

Risma’s evidence

Witness statement of Mr Hassan Abbas

7) Mr Abbas is Risma’s managing director. His evidence lacks any real facts. It is, essentially, nothing more than submission on why confusion is not likely having, Mr Abbas opines, regard to the differences he identifies between the marks. I note, though, Mr Abbas’ statement that the letters HM “are completely derived from both the initials of company proprietors who are not only business partners but also in relation to each other as kin”. Mr Abbas does not believe that HMVIII will be confused with H&M. He notes that Hennes’ evidence does not detail how Risma has tried to infringe the earlier marks. Mr Abbas makes reference to correspondence from Hennes which is marked “without prejudice save as to costs”; this evidence is to be ignored. For the benefit of Risma, who

are not legally represented in these proceedings, the endnote¹ to this decision contains an extract from the Tribunal Section Work Manual concerning without prejudice correspondence. Also provided by Risma (although not under cover of a witness statement) is a to whom it may concern letter from World Textiles to the effect that it has goods to the value of over \$49,000 which it has had to keep in its warehouse (in Pakistan) due, it appears, to the uncertainty created by these opposition proceedings. Mr Abbas, in an accompanying statement, refers to this as some form of business loss for which he wishes to be compensated.

Section 5(2)(b)

8) I will begin my findings with the section 5(2)(b) ground of opposition. CTM 4320371 is not subject to the requirement to prove genuine use so I will begin my assessment with this earlier mark. If Hennes does not succeed on this basis then I will move on to consider its position with regard to the other earlier marks and/or the other ground of opposition.

The legislation and the leading case-law

9) Section 5(2)(b) of the Act 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.”

10) The Court of Justice of the European Union (“CJEU”) has issued a number of judgments² which provide guiding principles relevant to this ground. In *La Chemise Lacoste SA v Baker Street Clothing Ltd* (O/330/10), Mr Geoffrey Hobbs QC, sitting as the Appointed Person, quoted with approval the following summary of the principles which are established by these cases:

“(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

² The leading judgments are: *Sabel BV v. Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* [2000] F.S.R. 77, *Marca Mode CV v. Adidas AG + Adidas Benelux BV* [2000] E.T.M.R. 723, Case C-3/03 *Matrazen Concord GmbH v GmbGv Office for Harmonisation in the Internal Market* [2004] ECR I-3657 *Medion AG V Thomson multimedia Sales Germany & Austria GmbH* (Case C-120/04) and *Shaker di L. Laudato & Co. Sas* (C-334/05).

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, in certain circumstances, be dominated by one or more of its components;

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite 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 causes the public to wrongly believe that the respective goods [or services] come from the same or economically-linked undertakings, there is a likelihood of confusion."

The average consumer

11) The average consumer is deemed to be reasonably observant and circumspect. However, the degree of care and attention the average consumer uses when selecting goods and services can vary, depending on what is involved. The conflict involves clothing. The goods are "consumed" by members of the general public. The goods may be tried on and are likely to be inspected for colour, size, style, fitness for purpose etc. All of this increases the potential exposure to the trade mark. That being said, the purchase of clothing is unlikely to be a highly considered process as such items are purchased reasonably

frequently (although they are not daily or even weekly purchases) and, although cost can vary, they are not, generally speaking, a highly expensive purchase (although the level of expense will vary depending on the exact clothing item concerned). I consider the purchasing process to be a normal, reasonably considered one, no higher or lower than the norm.

12) In terms of how the goods will be selected, this will normally be via self-selection from a rail or shelf (or the online equivalents) or perhaps chosen from catalogues/brochures. This suggests a process of visual selection, a view which has been expressed as appropriate in previous cases³. Despite the importance of the visual aspects of the marks, aural similarity cannot be ignored completely.

Comparison of goods

13) Risma seeks registration for the following:

Clothing, hoodies, trousers, shirts and track suits.

14) Hennes' mark is registered for the following:

Clothing, footwear and headgear.

15) Hennes' mark covers all clothing. Consequently, it covers all of the clothing sought to be registered by Risma⁴. **The goods are, therefore, identical.** One of Risma's arguments is that Hennes markets different types of goods to its own. However, this is not relevant because my findings must be based on the goods for which the parties' marks are applied for/registered. The earlier mark is not subject to the proof of use provisions so no de facto limitation can be applied to it. Neither do current marketing strategies impact upon the assessment⁵.

Comparison of the marks

16) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The visual, aural and conceptual similarities of the marks must be assessed by reference to their overall impressions, bearing in mind their distinctive and dominant components. The marks to be compared are:

Risma's mark	Hennes' mark
	

³ See, for example: *New Look Ltd v OHIM* – Joined cases T-117/03 to T-119/03 and T-171/03.

⁴ See, for example: *Gérard Meric v OHIM*, Case T-133/05).

⁵ See, for example: *NHL Enterprises BV v OHIM* Case T-414/05.

17) Risma's mark has a number of elements: i) the letters HM (twice), ii) a crown, and iii) the numerals "VII". The elements catch the eye fairly equally. Neither element strongly dominates the others. If there is a dominant element then it is the letters HM at the beginning of the mark, but, the other elements also play important roles. Hennes' mark consists of the single element H&M. It is borne in mind that the "&" in this element is of a somewhat smaller font so the letters themselves strike the eye more strongly.

18) That both marks contain the letters HM/H&M creates a point of visual similarity. However, the addition of a crown, the numeral VII, and the duplication of HM in Risma's mark are points of difference, as is the "&" in Hennes' mark. Both marks also have forms of presentation, which although relatively simple, represent further points of difference. The points of difference I have identified results in the degree of visual similarity being pitched at only a low to moderate level.

19) From an aural perspective, Hennes' mark will be articulated as H-AND-M. In respect of Risma's mark, I do not consider it likely that the second HM will be articulated. Consequently, Risma's mark will be articulated as H-M-SEVEN (the average consumer is likely to know that VII represents the number seven). Although there are still differences, they are not as strong as in the visual assessment. I consider there to be a reasonable (but still not high) degree of aural similarity.

20) Neither mark has any specific meaning beyond the letters/numerals that appear in them. As the letters HM/H&M form part of the respective marks and that this will form part of the way in which the average consumer will pack the marks away for future recall, there is a degree of conceptual similarity.

Distinctiveness of the earlier mark

21) The degree of distinctiveness of the earlier mark must be assessed. This is because the more distinctive it is (based either on inherent qualities or because of the use made of it), the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). In terms of inherent qualities, the letters H&M have no meaning in relation to clothing. However, letters, because they are often used by traders, and because there is a limit on the available combinations, are not highly distinctive. The earlier mark is, from an inherent perspective, a mark with an average level of distinctiveness. However, the earlier mark has also been used. It is well-known. The mark is used on a wide range of clothing. The sales figures etc. put forward results in the distinctiveness of the earlier mark being enhanced through its use. I consider the net effect is that the earlier mark is to be regarded as highly distinctive.

Likelihood of confusion

22) The factors assessed so far have a degree of interdependency. A global assessment of them must be made when determining whether there exists a likelihood of confusion. There is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.

23) Confusion can be direct (effectively mistaking one mark for the other) or indirect (where the average consumer puts the similarity between the marks down to the responsible undertakings being the same or related). In *L.A. Sugar Limited v By Back Beat Inc* (BL-O/375/10) Mr Purvis QC, sitting as the Appointed Person, explained the difference between direct confusion and indirect confusion in the follow way:

“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).”

24) In the case before me, I have no doubt that the average consumer will, at the very least, recall that the marks are not the same. Even taking into account the concept of imperfect recollection, the differences that I have described earlier means that the average consumer will not directly confuse the marks.

25) But what about indirect confusion? As I have already stated, Hennes' earlier H & M mark is highly distinctive. Whilst HM appears in Risma's mark, it is not H&M. However, bearing in mind imperfect recollection and that the ampersand in Hennes' mark is in a smaller font than the letters HM, I come to the view that the average consumer will still consider that the undertakings responsible for goods sold under the respective marks are the same or are related. The differences inherent in the numeral, the crown, the presentation and the duplication of HM will simply be perceived as the result of some form of brand extension. The difference in the missing ampersand may be lost due to imperfect recollection or, alternatively, even if this is spotted, the fame of H&M will mean that a mark focused upon HM will still be associated (in an economic sense) with Hennes. **There is a likelihood of indirect confusion.**

Other earlier marks and the other ground

26) Given my findings, I do not consider that the other earlier marks/ground materially advances Hennes' case so I do not consider it necessary to deal with them.

Conclusion

27) Hennes' opposition has been successful. Risma's application for registration is to be refused.

Costs

28) Hennes having been successful, it is entitled to a contribution towards its costs. Risma's reference to compensation is not relevant given that it has lost the proceedings and, furthermore, because the tribunal's role is to award costs in relation to the running of the proceedings not in relation to business costs outside that. My assessment of costs is as follows:

Preparing a statement and considering the other side's statement:	£300
Filing and considering evidence	£800
Written submissions	£400
Official fee	£200
Total:	£1700

29) Risma Textiles Ltd is ordered to pay H & M Hennes & Mauritz AB the sum of £1700. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 7th day of January 2014

Oliver Morris
For the Registrar,
The Comptroller-General

ⁱ “**4.20 Without prejudice and privileged correspondence**

In general, the principles of without prejudice correspondence applicable in the court will likewise be applied before the Tribunal. The public interest justification for without prejudice communications not being used as evidence is that parties should be at liberty to pursue negotiations and settlement without running a risk that documents relating to such discussions will be put forward in relation to the strengths or weaknesses of their substantive cases.

A useful definition of the ‘without prejudice’ rule is provided by the following cases:

In *Unilever PLC v The Procter & Gamble Company*⁴¹ (hereafter ‘Unilever’), Walker LJ quoted Lord Griffiths as stating in *Rush & Tompkins v Greater London Council*⁴² :

“The ‘without prejudice’ rule is a rule governing the admissibility of evidence and is founded upon the public policy of encouraging litigants to settle their differences rather than litigate them to a finish. It is nowhere more clearly expressed than in the judgment of Oliver LJ in *Cutts v Head*⁴³ :

‘That the rule rests, at least in part, upon public policy is clear from many authorities, and the convenient starting point of the inquiry is the nature of the underlying policy. It is that parties should be encouraged as far as possible to settle their disputes without resort to litigation and should not be discouraged by the knowledge that anything that is said in the course of such negotiations (and that includes of course, as much the failure to reply to an offer as an actual reply) (my emphasis) may be used to their prejudice in the course of the proceedings.’”

Documents do not have to be marked “without prejudice” to be such.⁴⁴ It was held in *Chocoladefabriken Lindt & Sprungli AG v Nestle Co. Ltd*⁴⁵ that:

[2001] 1 All ER 783 [1989] AC 1280 at 1299 [1984] Ch. 290 at 306 *Prudential Assurance Co Ltd v Prudential Insurance Co. of America* [2004] ETMR 29 77

“Any discussions between the parties for the purpose of resolving the dispute between them are not admissible, even if the words “without prejudice” or their equivalent are not expressly used.”

Any communications between a party and their trade mark attorney (being a registered trade mark attorney) is privileged or protected from disclosure in legal proceedings.

The phrase without prejudice is also used in letters to the Tribunal meaning that the writer is preserving their position, e.g. they withdraw the application without prejudice to their clients' rights. In this instance the wording is part of an open statement and is not afforded any protection.

The without prejudice rule can be excluded in very limited circumstances which are set out in *Unilever* and the CPR. They are as follows:

- Where the issue is whether a concluded compromise agreement was reached
- Where the issue is whether an agreement between the parties should be set aside on grounds of misrepresentation, fraud or undue influence
- Where a statement made might give rise to an estoppel
- Where the exclusion of evidence would act as a cloak for perjury, blackmail or other ambiguous impropriety
- Where the statement made would explain delay or apparent acquiescence

In Tribunal proceedings, for example, evidence of the fact that negotiations have taken place (and their state of play, insofar as this may be relevant to an application for an extension of time) would be admissible.

Where inadmissible documents are filed with the Tribunal, the Tribunal will return the documents and/or state that they cannot be taken into account in determining the substantive matters.”