

O-039-17

IN THE MATTER OF THE TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK NUMBERS 2,606,437

AND IN THE MATTER OF AN APPEAL FROM THE DECISION OF GEORGE
SALTHOUSE (O/172/16) DATED 6th APRIL 2016

DECISION

Introduction

1. This is an appeal from the decision of Mr George Salthouse, for the Registrar, dated 6th April 2016, in which he dismissed the application of Teoxane SA for a declaration of invalidity in respect of Gianni Giudicianni's trade mark number 2,606,437. The application was based on s 5(2)(b) of the Trade Marks Act 1994. Teoxane appeals.
2. The trade mark which is the subject of the application is RA (No 2,606,437) and it is registered in the name of Gianni Giudicianni in Classes 3 and 44:
 - Class 3: Preparations for the body, hair, scalp and skin; cosmetics; make-up; preparations for the colouring, tinting, dyeing, relaxing, bleaching and setting of hair; hair lacquers and shampoos; hair tonics, hair conditioners; hair sprays, setting lotions, setting foams, permanent wave solutions and neutralizers; essential oils; toiletries, fragrances
 - Class 44: Hairdressing services; hairdressing salons; manicuring; massage services.
3. The application was grounded on an earlier trade mark, namely RHA RESILIENT HYALURONIC ACID, an international trade mark (EU) (No M1,104,083) which is registered in Classes 3 and 5:
 - Class 3: Cosmetic products; gels, creams, milks, masks, lotions; moisturizing gels, moisturizing creams, moisturizing milks, moisturizing masks, moisturizing lotions; preparations for cleaning the body and the face; preparations for cleaning, polishing and scouring the skin; soap; perfumery, essential oils, hair lotions, dentifrices.
 - Class 5: Dermatological and pharmaceutical products injected into or under the skin, into or under mucous membranes for filling in wrinkles, cutaneous depressions for remodelling, increasing the volume of the face or any other part of the body, for moisturizing the skin or mucous membranes, for increasing the volume of the lips.

Approach to appeal

4. It is well established that the appeal to the Appointed Person is by way of review. Only where the Hearing Officer makes a distinct error of principle or is wrong will his or her decision be overturned: *Reef TM* [2002] EWCA Civ 763, [2003] RPC 5. In *Talk for Writing* (O/17/17), Daniel Alexander QC, sitting as the Appointed Person, after

considering numerous appellate authorities since *REEF*, concluded that none of them had fundamentally changed the nature of the appellate review conducted by the Appointed Person. Further, in paragraph 53, he set out various principles as to how the review should be conducted and, in particular, based on *re B (A Child) (Care Proceedings: Threshold Criteria)* [2013] UKSC 33, he said at paragraph 53(iii):

In the case of conclusions on primary facts it is only in a rare case, such as where that conclusion was one for which there was no evidence in support, which was based on a misunderstanding of the evidence, or which no reasonable judge could have reached, that the Appointed Person should interfere with it.

The role of negligible elements

5. The Appellant submitted that its mark consists of two elements or components: “RHA” and “resilient hyaluronic acid”. The second element, it was submitted, was negligible. Accordingly, it was suggested, that the comparison of trade marks should be confined to the first, and dominant, component of the mark. The basis for claiming “resilient hyaluronic acid” is negligible was that the relevant public would consider that element to be purely descriptive.
6. It is not open to the Respondent to argue that the Appellant’s mark is totally devoid of distinctiveness (or that it is purely descriptive) as in opposition and invalidity proceedings based on relative grounds “it is necessary to acknowledge a certain degree of distinctiveness” of an earlier trade mark: *C-196/11 Formula One* (ECLI:EU:C:2012:314), paragraph 47. I must therefore proceed on the basis that one or both elements of the Appellant’s marks are distinctive.
7. It is accepted by the Appellant that if the three words making up the chemical name were found to have contributed in a material way to the distinctive character of its mark then the Hearing Officer was entitled to find that the marks were not similar and his decision should be upheld.
8. The Appellant also accepted that the correct approach to “negligible components” was summarised by the Hearing Officer at paragraph 17(d) of his Decision:

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
9. While this summary is not challenged, it is important to consider the case law behind it. The idea of not considering a negligible component in any comparison was mentioned by the General Court in *T-6/01 Matratzen Concord* [2002] ECR II-4335 at paragraphs 33 to 36:

33. Consequently, it must be held that a complex trade mark cannot be regarded as being similar to another trade mark which is identical or similar to one of the components of the complex mark, unless that component forms the dominant element within the overall impression created by the complex mark. That is the case where that component is likely to dominate, by itself, the image of that mark which the relevant public keeps in mind, with the result that all the other components of the mark are negligible within the overall impression created by it.

34. It should be made clear that that approach does not amount to taking into consideration only one component of a complex trade mark and comparing it with another mark. On the contrary, such a comparison must be made by examining the marks in question, each considered as a whole. However, that does not mean that the overall impression created in the mind of the relevant public by a complex trade mark may not, in certain circumstances, be dominated by one or more of its components.

35. With regard to the assessment of the dominant character of one or more given components of a complex trade mark, account must be taken, in particular, of the intrinsic qualities of each of those components by comparing them with those of other components. In addition and accessorially, account may be taken of the relative position of the various components within the arrangement of the complex mark.

36. In the present case, it must be ascertained whether the Board of Appeal examined which component(s) of the trade mark applied for is (or are) likely to dominate by itself (or themselves) the image of that mark which the relevant public keeps in mind, with the result that the other components of the mark in question are negligible in that regard.

10. The Court of Justice dismissed an appeal against the General Court's judgment by reasoned order in *C-3/03/P Matratzen Concord* [2004] ECR I-3657, in which it stated at paragraph 32:

32. The Court rightly pointed out, in paragraph 34 of the contested judgment, that the assessment of the similarity between two marks does not amount to taking into consideration only one component of a complex trade mark and comparing it with another mark. On the contrary, such a comparison must be made by examining the marks in question, each considered as a whole. It also held that that does not mean that the overall impression created in the mind of the relevant public by a complex trade mark may not, in certain circumstances, be dominated by one or more of its components.

11. This decision was followed by that of *C-120/04 Medion* [2005] ECR I-8551, where the Court of Justice held that a component may have an independent distinctive role in the composite sign, even if it is not the dominant element of it. As the Court explained in paragraphs 32 to 37:

32. The finding that there is a likelihood of confusion should not be subject to the condition that the overall impression produced by the composite sign be dominated by the part of it which is represented by the earlier mark.

33. If such a condition were imposed, the owner of the earlier mark would be deprived of the exclusive right conferred by Article 5(1) of the directive even where the mark retained an independent distinctive role in the composite sign but that role was not dominant.

34. This would be the case where, for example, the owner of a widely-known mark makes use of a composite sign juxtaposing this mark and an earlier mark which is not itself widely known. It would also be the case if the composite sign was made up of the earlier mark and a widely-known commercial name. In fact, the overall impression would be, most often, dominated by the widely-known mark or commercial name included in the composite sign.

35. Thus, contrary to the intention of the Community legislator expressed in the 10th recital in the preamble to the directive, the guarantee of the earlier mark as an indication of origin would not be assured, even though it still had an independent distinctive role in the composite sign.

36. It must therefore be accepted that, in order to establish the likelihood of confusion, it suffices that, because the earlier mark still has an independent distinctive role, the origin of the goods or services covered by the composite sign is attributed by the public also to the owner of that mark.

37. Accordingly, the reply to the question posed must be that Article 5(1)(b) of the directive is to be interpreted as meaning that where the goods or services are identical there may be a likelihood of confusion on the part of the public where the contested sign is composed by juxtaposing the company name of another party and a registered mark which has normal distinctiveness and which, without alone determining the overall impression conveyed by the composite sign, still has an independent distinctive role therein.

12. These two cases, and any apparent contradiction, were explained by the Advocate-General in C-334/05 *OHIM v Shaker* [2007] ECR I-4531 (footnotes omitted, and emphasis in the original):

21. Those qualifications were relied upon by the Court of Justice also, when it dismissed the appeal against the judgment in *MATRATZEN*. The premiss that two marks may be regarded as similar only if they correspond as to the dominant component accordingly covers only a particular category of cases. That category of cases is established by the definition of the dominant component of a trade mark in paragraph 50 of the judgment under appeal. Such a component must be ‘likely to dominate, by itself, the image of that mark which the relevant public keeps in mind, with the result that all the other components of the mark are negligible within the overall impression created by it’. It is only if *all* other components of the mark are negligible that the dominant component alone can be assessed as to similarity.

22. If the basic premiss is thus confined to those cases in which complex marks are dominated solely by a dominant component to the exclusion of all other components, it is not inconsistent with the judgment which the Court of Justice delivered subsequently in *Medion*. In that case the Court found that a likelihood of confusion arose from a non-dominant component.

13. This explanation was subsequently endorsed by the Court itself:

41. It is important to note that, according to the case-law of the Court, in the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see order in *Matratzen Concord v OHIM*, paragraph 32; *Medion*, paragraph 29).

42. As the Advocate General pointed out in point 21 of her Opinion, it is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element.

14. In summary, what is required is that the component (or element) of the mark is so dominant over one or more other components of the mark that that component (or those components) becomes negligible in the minds of the consumer.

15. Indeed, this fact had been acknowledged by the domestic courts before *Matrazen*. Jacob LJ in *Reed Executive v Reed Business Information* [2004] EWCA Civ 159 stated at paragraph 37:

It was over “Reed Business Information” that battle was joined. The composite is not the same as, for instance, use of the word “Reed” in the sentence: “Get business information from Reed.” In the latter case the only “trade-marky” bit would be “Reed”. In the former, the name as a

whole is “Reed Business Information.” The use of capital letters is of some visual significance — it conveys to the average user that “Business Information” is part of the name. If the added words had been wholly and specifically descriptive — really adding nothing at all (e.g. “Palmolive Soap” compared with “Palmolive”) the position might have been different. But “Business Information” is not so descriptive — it is too general for that.

16. Applying this rule in *United Airlines Inc v United Airways Limited* [2011] EWHC 2411 (Ch), Vos J at paragraphs 42 and 43:

I then turn to the second point of distinction upon which Mr Jones placed reliance, which is whether the words ‘Bangladesh Limited’ or ‘BD Limited’ are points of distinction so insignificant that they may go unnoticed by an average consumer. There are several points here. First of all in fact the Defendants clearly use the term ‘United Airways’ without the addition of BD Limited, or Bangladesh Limited, on their aircraft. The website also has the word ‘United’ in very much larger letters than the word ‘Airways,’ or the words ‘BD Limited,’ or the words ‘Bangladesh Limited,’ on repeated occasions.

The second point is that in my judgment average consumers are not particularly interested in the corporate entity under which particular suppliers trade. It is of no concern to the average consumer whether the trader is putting himself or itself forward as an Inc, or a Limited, or a PTY, or an SA, or an NV, or any of the other numerous corporate entities that can be used worldwide. It may be of interest to Chancery Judges who take great interest in where people are incorporated, and whence they trade, and why they trade from those places, but Chancery Judges, I remind myself, are not the average consumer, and I am enjoined by authority to look at the position of the average consumer.

17. Thus, the question which the Hearing Officer had to consider was whether the words “resilient hyaluronic acid” are so “wholly and specifically descriptive” (that is negligible) so that they add nothing at all to the mark and so will go unnoticed by the average consumer.

Application to this case

18. The Hearing Officer’s finding on descriptiveness was at paragraph 31 of his Decision:

TSA’s mark is the letters “RHA” and three words which provide the descriptive element to the acronym. I assume that the chemical is a major ingredient in the goods and could be said to describe the product itself. It therefore has at the very best an average level of distinctiveness. As TSA has not filed evidence of any use it has made of its earlier trade mark anywhere, it cannot benefit from enhanced distinctiveness through use.

19. This must be read with his statement at the end of paragraph 29:

...Whilst the descriptive wording may be seen in this instance of playing a lesser role it cannot be ignored altogether.

20. According to the Appellant these two findings are inconsistent. Mr Ivison submitted that “resilient hyaluronic acid” cannot be both descriptive and distinctive. Conversely, Mr Gamsa, for the Respondent, submitted that the Hearing Officer found that the chemical name cannot be ignored in the comparison because it is not negligible within the meaning of *Matrazen* and *Shaker*. Mr Gamsa supported this by saying RHA is the acronym for resilient hyaluronic acid and so the average consumer will assume RHA is descriptive when seen in conjunction with the chemical it describes.

21. The Respondent is clearly right in this respect. Where the average consumer considers “resilient hyaluronic acid” to be descriptive, then where the letters RHA are immediately before those words they too are likely to be considered a descriptive acronym (exactly as the Hearing Officer found in paragraph 31). Accordingly, if “resilient hyaluronic acid” were found to be so descriptive that those three words would go unnoticed by the average consumer this would also remove its descriptive relationship with RHA. Essentially, a consumer cannot consider RHA to be descriptive of the words that follow and at the same time ignore those descriptive words.
22. Further, the chemical name “resilient hyaluronic acid” is more descriptive than RHA. While RHA may describe resilient hyaluronic acid to some consumers, others may see it as abbreviation of many different phrases as well as, potentially, being an arbitrary selection. In other words, the Appellant’s case is an attempt to turn two somewhat descriptive components of their mark into one entirely arbitrary and potentially more distinctive mark: RHA.
23. It is important to remember that a mark may be distinctive yet at the same time give a descriptive message of the goods to which it relates. Indeed, a word may begin its life as descriptive but through use it may become a distinctive trade mark. The difficult question is always the point where the Rubicon is crossed.
24. The Hearing Officer was clearly aware of this fact. He effectively said the words “resilient hyaluronic acid” had some independent distinctive character (“cannot be ignored”), but they also sent a strong descriptive message (“the descriptive wording”). Those words had therefore crossed the Rubicon and so were not, using Jacob LJ’s words, “wholly and specifically descriptive”. This finding was not in any way inconsistent with the Hearing Officer’s statement that the acronym was descriptive of the words that followed (paragraph 31). This second finding was about the descriptive relationship between the two elements of the mark and not the distinctiveness or otherwise of the chemical name.
25. Whether a sign has crossed the Rubicon of distinctiveness into being a mark or it remains wholly and specifically descriptive is a question of fact. Evidence was led by the parties, but there was no evidence provided as to the distinctiveness or otherwise of the Appellant’s mark (paragraph 31). The Hearing Officer was, therefore, relying on his own experience as a consumer.
26. In the absence of evidence from the parties, this is entirely proper. As the Court of Appeal put it in *Marks and Spencer v Interflora* [2012] EWCA Civ 1501, [2013] FSR 21:
 49. More recently in *esure Insurance Ltd v Direct Line Insurance Plc* [2008] RPC 34 Arden LJ said (§ 56):

“The services sold by the parties were identical and were of a kind familiar to members of the public. In those circumstances, I see no reason why the hearing officer should not have decided the issue of similarity on his own in the absence of evidence apart from the marks themselves and evidence as to the goods or services to which they were, or, in the case of esure’s mark, were to be applied.”

50. In such cases it is clear as a matter of domestic law that not only is the ultimate issue one for the judge, rather than the witnesses; but also that the judge can reach a conclusion in the absence of evidence from consumers. He or she is in the position of a notional juror, using his or her own common sense and experience of the world: *Re GE Trade Mark* [1973] RPC 297, 321; *esure Insurance Ltd v Direct Line Insurance plc* [2008] RPC 919, 938.

27. I also note the comment of Daniel Alexander QC, sitting as the Appointed Person, in *O2 Holdings Ltd* [2011] RPC 22:

60. In the context of an appeal, once an experienced hearing officer has made an evaluation, an appellate tribunal needs to have very sound reasons for substituting its own view and implicitly thereby saying that it is better equipped with knowledge of the relevant field of commerce to evaluate the mark than the registrar.

28. The evidence in support of the finding was the Hearing Officer's own experience. There was no misunderstanding of his experience and, accordingly, the only basis this finding could be challenged is on the grounds that it was a finding of fact that no reasonable judge could have reached.

29. While I accept that other tribunals might reasonably have concluded that "resilient hyaluronic acid" was wholly descriptive, it is my view that the Hearing Officer was perfectly entitled to conclude that those words had a certain degree of distinctiveness. Indeed, due to the descriptive relationship between the acronym and the chemical name discussed in paragraphs 21 and 22 above, it appears to me to be the better conclusion as it respects rather than ignores that relationship.

30. Once the Hearing Officer had concluded that the role of the chemical name in the trade mark was not negligible, he properly went on to consider the two marks globally and found that the two marks were not similar. In any event, the Appellant conceded that if its mark includes both elements for the similarity comparison then its mark and that of the Respondent were not similar.

31. Accordingly, the appeal is dismissed and the decision of the Hearing Officer is upheld. I order the Appellant to pay £1,000 to the Respondent towards the costs of this appeal.

PHILLIP JOHNSON

THE APPOINTED PERSON

30th January 2017

For the Appellant (Teoxane SA): David Ivison (instructed by Dolleymores)

For the Respondent (Gianni Giudicianni): Adam Gamsa (instructed by Briffa)