O-066-20

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO. 3338983
FOR THE FOLLOWING TRADE MARK:



IN THE NAME OF MICHAEL CODD

IN CLASSES 18 & 25

AND OPPOSITION THERETO UNDER NO. 414850
BY SACENTRO – COMERCIO DE TEXTEIS, S.A.

Background and pleadings

1) On 17 September 2018, Michael Codd ("the applicant") applied to register the trade mark shown on the front cover of this decision in the UK. It was accepted and published in the Trade Marks Journal on 21 September 2018 in respect of the following goods:

> *Class 18: Airline travel bags; Articles of luggage; Bags for travel; Banknote holders; Belt bags and hip bags; Belt pouches; Bum bags; Bumbags; Card wallets; Coin holders; Credit card holders; Credit-card holders; Daypacks; Dog collars; Fitted protective covers for luggage; Handbags, purses and wallets; Harness; Harness for animals; Harnesses; Leashes for animals; Luggage, bags, wallets and other carriers; Luggage covers; Pet leads; Pouches; Pouches for holding make-up, keys and other personal items; Purses; Ruck sacks; Rucksacks; Small backpacks; Small rucksacks; Travel baggage; Travel bags; Travel bags made of plastic materials; Travel luggage; Traveling bags; Travelling bags; Trunks and traveling bags; Trunks and travelling bags; Waist bags; Waist packs; Waist pouches; Wallets; Wallets for attachment to belts; Wallets including card holders; Wallets incorporating card holders; Wallets [not of precious metal]; Wallets (Pocket -); Wallets with card compartments.*
>
> *Class 25: Belts (Money -) [clothing].*

2) On 21 December 2018, Sacentro – Comercio de Texteis, S.A. ("the opponent") opposed the trade mark on the basis of Sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 ("the Act"). In respect of its s.5(2)(b) claim, the opponent relies upon three of its earlier European Union Trade Marks ("EUTM"s) which it claims to cover identical/similar goods and given the similarity between the marks, it believes there to be a likelihood of confusion:

Mark:



EUTM no: 5345211

Date of Filing: 29 September 2006

Date of entry in register: 27 November 2007

Goods relied upon[1]: Class 18: Leather and imitation leather and goods made from these materials, not included in other classes; travelling bags.
Class 25: Clothing, footwear for men, women and children.

Mark: SACOOR Brothers

EUTM no: 1409556

Date of Filing: 3 December 1999

Date of entry in register: 17 January 2001

Goods relied upon: Class 25 Articles of clothing including men's suits, shirts, ties, shoes and waistcoats.

Mark: SACOOR BROTHERS

EUTM no: 2723294

Date of Filing: 5 June 2002

Date of entry in register: 28 October 2003

Goods relied upon[2]: Class 18: Leather and imitations of leather, and goods made of these materials and not included in other classes; travelling bags.

3) In respect of the opponent's s.5(3) claim, the opponent relies upon only its earlier EUTM no 5345211, which it claims to have a reputation in respect of all the goods covered by its classes 18 and 25. The opponent argues that given its reputation the applicant will benefit from the opponent's investment in advertising which will lead 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 detrimental to its reputation, "particularly, if for example, the Applicant's goods are of a lower quality than those of the Opponent"[3].

[1] The opponent initially relied upon broader class 18 and 25 goods but they were reduced at the hearing.
[2] The opponent initially relied upon broader class 18 goods but they were reduced at the hearing.
[3] Para. 10 of the statement of case

4) It also argues that there is risk of detriment to its distinctive character which could potentially affect the purchasing decisions of consumers and dilute the ability of the opponent's mark to serve as a badge of origin. Finally, the opponent claims that there is no due cause for the applicant to adopt the opposed mark.

5) The opponent's s.5(4)(a) claim is based on its alleged earlier rights in the signs SACOOR and SACOOR BROTHERS. It claims to have been selling "clothing, footwear, headgear, belts, wallets, bags, backpacks" under these signs since 2011 and has acquired goodwill. It therefore argues that use of the applied for mark would be a misrepresentation to the public and result in damage to the aforementioned goodwill.

6) The applicant filed a counterstatement denying the claims made and requesting that the opponent provides proof of use of the earlier trade marks relied upon.

7) Both sides filed evidence in these proceedings. This will be summarised to the extent that it is considered appropriate/necessary. A hearing took place via video-link on 8 November 2019. Ms Charlotte Blythe of counsel, instructed by Wildbore & Gibbons, represented the opponent and Mr Aaron Wood of Keystone Law represented the applicant.

Evidence

Opponent's evidence

8) The opponent's evidence consists of a witness statement and eight exhibits from Mr Malik Haiderali Sacoor. Mr Sacoor is an executive board member of the opponent, a position he has held since 2009.

9) Mr Sacoor refers to the marks covered by the earlier EUTMs plus SACOOR (word) in the singular and so for the purposes of summarising his evidence I shall do the same. He states that the earlier marks have been used in the European Union since at least 1989, firstly in Lisbon. He claims that use in the UK began at least as early as 2011. This is supported by an article from "The Retail Bulletin" dated 13 September 2011 which states that the opponent "is making its debut in the UK with a 1,941 sq. ft

store at the newly opened Westfield Stratford City."[4] At the bottom of the article it states that "Sacoor Brothers, which was established in Lisbon in 1989, has 30 own stores in 33 cities throughout Portugal, Spain, Benelux, Romania, and the Middle East".

10) Mr Sacoor states that following the success of the brand it launched in Spain and the UAE in 2007 then Brussels, Quichinau, Bucharest, Oman and Bahrain in 2008. At the time of the witness statement being executed he claims that the opponent was operating in 13 different countries, though many of these are outside the EU, i.e. Qatar, Bahrain, Kuwait, Saudi Arabia, Lebanon, Indonesia, Malaysia and Singapore.

11) Mr Sacoor states that it has had an online presence via sacoorbrothers.com/en/ and shop.sacoorbrothers.com since 2000. He states that in addition to selling its goods through shops, goods are also sold online. To demonstrate this Mr Sacoor submits extracts[5] taken from the Wayback Machine which shows the website sacoorbrothers.com present from at least 4 April 2013. In relation to bags, there are extracts dated 25 November 2016 and 17 December 2016 which under the categories "Woman" and "Man" is the sub-category "Bags". The descriptions are bags, large bags, leather bags with a bow and leather bags with tassels.

12) In terms of turnover, Mr Sacoor has provided the following breakdown which he states are for SACOOR BROTHERS branded goods:

	Value by Year in €					
Country	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Belgium	884,049	853,478	713,587	656,945	494,881	499,566
Spain	1,305,316	580,654	108,223	635,027	455,216	33,707
Portugal	34,196,355	35,827,040	37,124,444	32,412,630	30,147,181	31,232,553
United Kingdom	1,334,255	746,610	657,908	550,874	517,226	530,525
Total	37,719,975	38,007,782	38,604,162	34,255,476	31,614,504	32,296,351

[4] Exhibit 1
[5] Exhibit 2

13) Exhibit 6 to the witness statement is a “snapshot…of how the above figures are attributed to the range of goods bearing the SACOOR BROTHERS marks”. The list is dated 2017 and includes references to numerous sales in the UK of sweaters, shirts, jackets, blazers, bags, suits, parkas, raincoats, leather coats, shoes, trousers, blazers, belts, boots, wallets, jeans, ties, coats, socks, cufflinks, t-shirts, blazers and other articles of clothing.

14) Further, Mr Sacoor submits 100 online sales receipts which show the SACOOR brothers mark at the top of the receipts. The receipts are dated between 2016 and 2018 and include references to t-shirts, sweaters, chino trousers, shirts, blazer, coat, shoes, leather jacket and other articles of clothing and footwear.

15) In terms of marketing expenditure, Mr Sacoor provides the following figures which he states are the opponent’s UK marketing turnover in relation to the SACOOR BROTHERS brand:

Value by Year in €					
Year	**2014**	**2015**	**2016**	**2017**	**2018**
Total	1,339,129	3.054,555	374,791	919,758	524,916

16) It is not entirely clear where the marketing spend occurred, however Mr Sacoor states that it has formed various partnerships which includes being the “Official Suit Supplier” for FC Barcelona in 2001 and 2011 plus Benfica FC in 2011. He also refers to various celebrity endorsements (these include Irina Shayk, Rob Lowe, Cristiano Ronaldo, etc), though specific details of these endorsements have not been submitted.

17) In terms of social media, Mr Sacoor states that the opponent has been present on Facebook and YouTube since April 2010 with 313,688 and 2,010 followers respectively. They have also had an Instagram presence since March 2013 with

163,000 followers. Mr Sacoor provides website extracts[6] to verify the dates which also shows use of the marks SACOOR BROTHERS and 

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18) Mr Sacoor makes reference to numerous awards that it has received. Many of these are outside the UK and EU, apart from the following:

- 2004: awarded the Entrepreneurship Award in France
- 2012: recognised in the "Excellence at Work" award, first place in the Retail industry and the top 10 among major Portuguese companies.
- 2017 and 2018: voted for "Escolha de Consumidor" (Consumer's Choice) in Portugal.
- 2017: winners of the Most Admired International Retailer of the Year Award in Portugal.
- 2018: Rising Star award held at the Natural History Museum in London on 10 May 2018. The awards recognise and celebrate the most visionary and innovative retail and leisure concepts from across the globe.

19) Exhibit 3 consists of a third party online blog article dated 23 September 2014 which Mr Sacoor claims to refer to the UK. The article states "Sacoor Brothers is one of the most highly recognised retailers here in Dubai, especially when it comes to men's fashion.". The blogger then goes on to state that "I wasn't going to wear anything but Sacoor Brothers at my dinner in London".

20) That concludes my summary of the opponent's evidence.

Applicant's evidence

21) The applicant's evidence consists of a witness statement from Mr Aaron Ronald Wood. Mr Wood is a trade mark attorney and the applicant's representative. Mr Wood's witness statement largely consists of submissions which are aimed at

[6] Exhibit 8

criticising the evidence filed by the opponent. I shall not summarise the submissions here but confirm that I have read the arguments, taken them into account and shall bear them in mind when making my decision.

Proof of use

22) I must firstly deal with the issue of whether, or to what extent, the opponent has shown genuine use of the earlier marks. The relevant statutory provisions are as follows:

> "Raising of relative grounds in opposition proceedings in case of non-use
> 6A. - (1) This section applies where -
>
> (a) an application for registration of a trade mark has been published,
>
> (b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
>
> (c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.
>
> (2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.
>
> (3) The use conditions are met if -
>
> (a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Union.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services."

23) S.100 of the Act states that:

"100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it."

24) In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J summarised the law relating to genuine use as follows:

"114……The CJEU has considered what amounts to "genuine use" of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV*

[2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp* v *Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundervsvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use

if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32]."

25) Since the opponent's earlier relied upon marks are EUTMs, I also take into account the European Court of Justice ("CJEU") comments in *Leno Merken BV v Hagelkruis Beheer BV,* Case C-149/11, whereby it stated that:

"36. It should, however, be observed that..... the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase 'in the Community' is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use."

And

"50. Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as 'genuine use', it cannot be ruled out that, in certain circumstances, the market for the goods or services for which a Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade

mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark."

And

"55. Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider* v *OHIM*, paragraphs 72 and 77)."

The court held that:

"Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to 'genuine use in the Community' within the meaning of that provision.

A Community trade mark is put to 'genuine use' within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity."

26) In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited,* [2016] EWHC 52, Arnold J. reviewed the case law since the *Leno* case and concluded as follows:

> “228. Since the decision of the Court of Justice in *Leno* there have been a number of decisions of OHIM Boards of Appeal, the General Court and national courts with respect to the question of the geographical extent of the use required for genuine use in the Community. It does not seem to me that a clear picture has yet emerged as to how the broad principles laid down in *Leno* are to be applied. It is sufficient for present purposes to refer by way of illustration to two cases which I am aware have attracted comment.
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> 229. In Case T-278/13 *Now Wireless Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* the General Court upheld at [47] the finding of the Board of Appeal that there had been genuine use of the contested mark in relation to the services in issues in London and the Thames Valley. On that basis, the General Court dismissed the applicant's challenge to the Board of Appeal's conclusion that there had been genuine use of the mark in the Community. At first blush, this appears to be a decision to the effect that use in rather less than the whole of one Member State is sufficient to constitute genuine use in the Community. On closer examination, however, it appears that the applicant's argument was not that use within London and the Thames Valley was not sufficient to constitute genuine use in the Community, but rather that the Board of Appeal was wrong to find that the mark had been used in those areas, and that it should have found that the mark had only been used in parts of London: see [42] and [54]-[58]. This stance may have been due to the fact that the applicant was based in Guildford, and thus a finding which still left open the possibility of conversion of the Community trade mark to a national trade mark may not have sufficed for its purposes.
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> 230. In *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC), [2015] ETMR 37 at [25] His Honour Judge Hacon interpreted *Leno* as establishing that "genuine use in the Community will in general require use in more than one Member State" but "an exception to that general requirement

arises where the market for the relevant goods or services is restricted to the territory of a single Member State". On this basis, he went on to hold at [33]-[40] that extensive use of the trade mark in the UK, and one sale in Denmark, was not sufficient to amount to genuine use in the Community. As I understand it, this decision is presently under appeal and it would therefore be inappropriate for me to comment on the merits of the decision. All I will say is that, while I find the thrust of Judge Hacon's analysis of *Leno* persuasive, I would not myself express the applicable principles in terms of a general rule and an exception to that general rule. Rather, I would prefer to say that the assessment is a multi-factorial one which includes the geographical extent of the use."

27) The General Court restated its interpretation of *Leno Merken* in Case T-398/13, *TVR Automotive Ltd v OHIM* (see paragraph 57 of the judgment). This case concerned national (rather than local) use of what was then known as a Community trade mark (now a European Union trade mark). Consequently, in trade mark opposition and cancellation proceedings the registrar continues to entertain the possibility that use of an EUTM in an area of the Union corresponding to the territory of one Member State may be sufficient to constitute genuine use of an EUTM. This applies even where there are no special factors, such as the market for the goods/services being limited to that area of the Union.

28) Whether the use shown is sufficient for this purpose will depend on whether there has been real commercial exploitation of the EUTM, in the course of trade, sufficient to create or maintain a market for the goods/services at issue in the Union during the relevant 5-year period. In making the required assessment I am required to consider all relevant factors, including:

i) The scale and frequency of the use shown
ii) The nature of the use shown
iii) The goods and services for which use has been shown
iv) The nature of those goods/services and the market(s) for them
iv) The geographical extent of the use shown

Relevant period

29) The relevant period for proof of use is the five-year period ending on the date of publication of the application in the UK, namely 22 September 2013 to 21 September 2018. Under s.100 of the Act the onus is on the opponent to show genuine use of its marks during this period in respect of the goods relied upon.

Form of use

30) In *Colloseum Holdings AG v Levi Strauss & Co.,* Case C-12/12, which concerned the use of one mark with, or as part of, another mark, the CJEU found that:

> "31. It is true that the 'use' through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas 'genuine use', within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, 'use' within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish 'use' within the meaning of Article 15(1) for the purpose of preserving the rights of the proprietor of the registered trade mark.
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> 32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestlé*, the 'use' of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.
>
> 33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition by a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

35 Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term 'genuine use' within the meaning of Article 15(1)". (emphasis added)

31) The evidence clearly shows use of the word SACOOR and 

. The evidence also shows use of SACOOR BROTHERS words which are clearly an acceptable variant of 

. Further, in view of the guidance set out above, and for the avoidance of doubt, even if I had only found use of SACOOR BROTHERS (words), this would have been an acceptable variant of 

, and vice versa.

Sufficient use?

32) Proven use of a mark which fails to establish *that "the commercial exploitation of the mark is real"* because the use would not *be "viewed as warranted in the economic sector concerned to maintain or create a share in the [European Union] for the goods or services protected by the mark"* is therefore not genuine use.

33) An assessment of genuine use is a global assessment, which includes looking at the evidential picture as a whole, not whether each individual piece of evidence shows use by itself.[7]

34) As indicated in the case law cited above, use does not need to be quantitatively significant to be genuine. The assessment must take into account a number of factors in order to ascertain whether there has been real commercial exploitation of the mark which can be regarded as "warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark".

35) At this point I remind myself of the marks and goods relied upon. They are:

Mark	**Goods**
	Class 18: Leather and imitation leather and goods made from these materials, not included in other classes; travelling bags. Class 25: Clothing, footwear for men, women and children.
SACOOR Brothers	Class 25 Articles of clothing including men's suits, shirts, ties, shoes and waistcoats.
SACOOR BROTHERS	Class 18: Leather and imitations of leather, and goods made of these materials and not included in other classes; travelling bags.

36) Mr Wood is highly critical of the evidence filed by the opponent and does not accept that it covers the full breadth of the goods relied upon by the registrations. One of the criticisms is that the opponent has presented large turnover figures but does not detail how it relates to the specific goods covered by classes 18 and 25. Further, there is no

[7] *New Yorker SHK Jeans GmbH & Co KG v OHIM* T-415/09

breakdown as to how the turnover relates to each of the earlier marks. Mr Wood describes the marketing spend as "incredible"[8].

37) I agree that the evidence is not without fault and could have been better presented to demonstrate use on the specific goods that it relies upon. However, taking the evidence as a whole I am satisfied that the opponent has sufficiently used its earlier marks during the relevant period. The opponent has provided turnover figures in the millions, marketing spend in the hundreds of thousands, invoices dated within the relevant period and use of the mark on its website. It has also provided unchallenged statements that use has taken place in stores in at least four European territories. Photographs to support this contention have been provided, but they are not dated.[9] Accordingly, I find that the opponent has provided sufficient evidence that it has genuinely used its earlier relied upon marks during the relevant period.

Fair specification

38) I must now consider whether, or the extent to which, the evidence shows use for all or only some of the relied upon goods. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited,* BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

> "In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned."

39) In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Mr Justice Carr summed up the law relating to partial revocation as follows.

[8] Para. 23 of Mr Wood's skeleton argument
[9] Exhibit 4 to Mr Sacoor's witness statement

“iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) ("Thomas Pink") at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Pl*c [2015] EWCA Civ 220 ("Asos") at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been

used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46."

40) I begin by reminding myself that the goods upon which the opponent must demonstrate genuine use are:

> Class 18: Leather and imitation leather and goods made from these materials, not included in other classes; travelling bags.
> Class 25: Clothing, footwear for men, women and children.[10]

41) Despite Mr Woods criticisms, it is clear to me that the opponent has used its earlier marks (either as registered or in an acceptable variant) for all of its class 25 goods. As previously stated, there are numerous invoices, catalogues and third-party references to the marks. However, it is equally clear that the opponent has not used its earlier marks for all of the class 18 goods that it relies upon. There are no invoices relating to many of the class 18 goods, but there are catalogue references to bags. Therefore, I find that the opponent may rely upon the following specification:

> Class 18: Travelling bags.
> Class 25: Clothing, footwear for men, women and children.

Section 5(2)(b)

42) S.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".

[10] These goods are sufficiently broad to cover the marks relied upon under mark no. '556

43) The case law surrounding s.5(2)(b) is summarised as follows:

(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

44) In the judgment of the CJEU in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

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

45) The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

(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.

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

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

47) The respective goods are as follows:

Applicant's goods	**Earlier goods**
Class 18: Airline travel bags; Articles of luggage; Bags for travel; Banknote holders; Belt bags and hip bags; Belt pouches; Bum bags; Bumbags; Card wallets; Coin holders; Credit card holders; Credit-card holders; Daypacks; Dog collars; Fitted protective covers for luggage; Handbags, purses and wallets; Harness; Harness for animals; Harnesses; Leashes for animals; Luggage, bags, wallets and other carriers; Luggage covers; Pet leads; Pouches; Pouches for holding make-up, keys and other personal items; Purses; Ruck sacks; Rucksacks; Small backpacks; Small rucksacks; Travel baggage; Travel bags; Travel bags made of plastic materials; Travel luggage; Traveling bags; Travelling bags; Trunks and	*Class 18: Travelling bags.* *Class 25: Clothing, footwear for men, women and children.*

traveling bags; Trunks and travelling bags; Waist bags; Waist packs; Waist pouches; Wallets; Wallets for attachment to belts; Wallets including card holders; Wallets incorporating card holders; Wallets [not of precious metal];Wallets (Pocket -);Wallets with card compartments. *Class 25: Belts (Money -) [clothing].*	

Class 18

48) Both lists include the identical term *travelling bags* (which appears four times in the applicant's specification). The application also includes the following synonyms, which are also identical to the opponent's earlier class 18 goods, these are: *Airline travel bags; Bags for travel; Travel baggage; Travel bags; bags; Travel bags made of plastic materials; Travel luggage; Trunks.*

49) Travelling bags are items used to carry things from one place to another, or to simply store them. They overlap in nature, user, method of use and trade channels with all of the following: *Articles of luggage; Belt bags and hip bags; Belt pouches; Bum bags; Bumbags; Daypacks; Handbags, Luggage, Pouches for holding make-up, keys and other personal items; Pouches; Ruck sacks; Rucksacks; Small backpacks; Small rucksacks; Waist bags; Waist packs; Waist pouches.* They are highly similar.

50) The applied for *Banknote holders; Card wallets; Coin holders; Credit card holders; Credit-card holders; purses and wallets; wallets and other carriers; wallets; Wallets for attachment to belts; Wallets including card holders; Wallets incorporating card holders; Wallets [not of precious metal]; Wallets (Pocket -); Wallets with card compartments* are all goods used to carry money, cards or both. They are typically smaller than travelling bags but are similar in nature since they are used to carry items. They would be sold through the same trade channels and to the same end users. However, I do not consider them to be in competition or complementary to one another. I find that they are similar to a medium degree.

51) The applied for *Fitted protective covers for luggage; Luggage covers* are goods which are used to protect luggage from damage, to preserve its condition and/or for aesthetic purposes. They are therefore dissimilar in nature and purpose to the opponent's earlier goods. They are not in competition nor are they complementary. Whilst they may be sold through the same trade channels as travelling bags, I do not consider this in itself to be sufficient to find similarity. I do accept that they may be purchased by the same end user and accordingly find that they are similar to a low degree.

52) I don't see any point of similarity between the applied for *Dog collars; Harness; Harness for animals; Harnesses; Leashes for animals; Pet leads* and the opponent's earlier goods. They differ in nature, purpose and trade channels. They are not in competition nor are they complementary. They are dissimilar.

Class 25

53) Finally, Mr Wood describes the applied for class 25 *belts (money-) [clothing]* as a money pouch which is attached to the body by way of a belt. He argues that they are dissimilar to all of the earlier relied upon goods. The applied for goods are used to carry money but also used to adorn the body and hold up one's chinos, trousers, jeans, etc. Therefore, there is a degree of complementarity between the applied for goods and the earlier class 25 clothing. They would also be sold in the same establishments and move through the same trade channels. They are similar to a medium degree.

54) In *eSure Insurance v Direct Line Insurance,* [2008] ETMR 77 CA, Lady Justice Arden stated:

> "49..... I do not find any threshold condition in the jurisprudence of the Court of Justice cited to us. Moreover I consider that no useful purpose is served by holding that there is some minimum threshold level of similarity that has to be shown. If there is no similarity at all, there is no likelihood of confusion to be considered. If there is some similarity, then the likelihood of confusion has to be considered but it is unnecessary to interpose a need to find a minimum level of similarity."

55) Having found that the applicant's *Dog collars; Harness; Harness for animals; Harnesses; Leashes for animals; Pet leads* in class 18 are not similar to any of the opponent's earlier relied upon goods, there can be no likelihood of confusion and the opposition to these goods fails and is dismissed accordingly.

Comparison of marks

56) 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."

57) 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.

58) The respective trade marks are shown below:

Applicant's mark	**Opponent's mark**

SACURE	1) SACOOR Brothers 2) **SACOOR BROTHERS**

59) Whilst the opponent also relies upon its earlier 

, Ms Blythe correctly focussed on the earlier word marks since they represent the opponent's best case. Accordingly, it follows that if the opponent is unsuccessful based on the marks above, it cannot succeed with the remaining earlier mark. Mr Wood did not dispute this approach.

60) In terms of overall impression, the applicant's mark consists of two elements. The first element is the word SACURE. The second element is the letter A which is presented in the form of a padlock. Both elements are distinctive. However, I find the word to be more dominant in the overall impression conveyed.

61) The earlier marks consist of the words SACOOR BROTHERS. In earlier mark (1) SACOOR is larger and placed above Brothers. I agree with Ms Blythe that this results in the word SACOOR being the more dominant element. I also agree that SACOOR is the more dominant element in the second mark, albeit to a slightly lesser degree.

62) Visually, the applicant argues that "the element SACURE and "padlock stylisation" provide a different overall visual impression to the two word SACOOR BROTHERS"[11]. On the other hand, the opponent argues that the marks are visually similar since, i) SACOOR and SACURE share the same first 3 letters and the letter R is near the end, ii) the average consumer generally pays a greater degree of attention to the beginning of a mark [12]. Accordingly, the marks differ since one has a padlock device, the other includes the word BROTHERS and the final 3 letters of SACURE and SACOOR respectively differ (albeit both including the letter "R").

[11] Applicant's counterstatement
[12] *L'Oreal SA v OHIM [2009]* ETMR 19, at 24.

63) I agree that the beginning of words do tend to have more visual impact than the ends. However, this does not detract from there being additional elements in each mark which are not present in the other, i.e. a padlock device, the word BROTHERS and the final three letters differing (albeit both including the letter "R"). Overall, I consider the marks to be visually similar to an above low degree but not as high as medium.

64) Aurally, the applicant argues that its mark would be pronounced as either SAC-ORR or SAC-YUUR, and therefore they are aurally dissimilar. The opponent argues that the double O in the word SACOOR results in there being greater emphasis, since it is longer, in the second syllable. Therefore, even despite the opponent's mark including the word BROTHERS, it nevertheless argues that they are aurally similar to a high degree.

65) It is not in dispute that the first syllable of the respective marks is SAC. I do agree with the applicant that the second syllable of the applicant's mark will be pronounced as YUUR which differs to the opponent's OOR sound. This, combined with the inclusion of the word BROTHERS, renders the aural similarity to below medium but not low.

66) Conceptually, the applicant argues that the marks are very different since SACOOR is a family name, as qualified by it being followed by BROTHERS, whilst the word SACURE would be seen as a play on the words SAFE or SECURE which is an impression enhanced by the letter A being presented as a padlock. The opponent argues that:

> "Conceptually, the word SACOOR has no meaning in English and is therefore unlikely to be given any conceptual meaning by the average consumer. The only meaning conveyed by the Word mark and Stylised mark therefore is that conveyed by the word BROTHERS, meaning male relatives. The word SACURE has no meaning whatsoever, therefore the only meaning conveyed by the Contested Mark is a subtle reference to a padlock or security from the device. Given that both such meanings are not conveyed by the more distinctive

or dominant components of the marks and are therefore only subtly conveyed, it is submitted that there is no clear conceptual distinction between the respective marks."

67) I agree that neither of the words SACOOR or SACURE *solus* have concepts. However, when SACOOR is presented with Brothers it clearly conveys a family name. With regard to the applicant's mark, I do agree with the applicant that whilst SACURE is an invented word the inclusion of the padlock device and there only being one letter difference between SACURE and SECURE, these factors do create the concept of being safe or secure. The net effect of the aforementioned is that the marks are conceptually dissimilar.

Average consumer and the purchasing act

68) The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose 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 or services in question: *Lloyd Schuhfabrik Meyer,* Case C-342/97.

69) In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited,* [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

> "60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words "average" denotes that the person is typical. The term "average" does not denote some form of numerical mean, mode or median."

70) The average consumer for the contested goods is the general public. The goods will be sold in physical retail stores as well as online and/or through mail order. The

act of purchasing bags, wallets, etc will be a primarily visual process. The act of purchasing will be based on aesthetics and functionality. In physical retail premises, the average consumer will be viewing and handling the goods. On an online website or mail order catalogue, a consumer will be viewing images of the goods prior to selection. Either way the goods would be purchased following a visual inspection, though I do not discount aural consideration such as seeking advice from sales staff or from word of mouth recommendations. Given that the price of the contested goods can vary between products, I conclude that the average consumer will be paying a medium degree of attention during the purchasing process.

Distinctive character of the earlier trade mark

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

> "22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *WindsurfingChiemsee* v *Huber and Attenberger* [1999] ECR I-0000, paragraph 49).
>
> 23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of

commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)."

72) The level of distinctive character of a trade mark can vary, depending on the particular goods at issue: a mark may be more distinctive for some goods than it is for others. Distinctiveness can also be enhanced through use of the mark. There has been no explicit claim of enhanced distinctiveness but evidence of use has been filed in support of its s.5(3) of the Act claim.

73) Taking the evidence into account, I do not consider that it is sufficient to enhance the distinctive character in any of the earlier relied upon marks. The sales figures provided are in the hundreds of thousands for the UK. However, given the size of the market and the lack of information regarding the market share held, intensity of use or third-party statements I am unable to conclude that a sufficient proportion of the relevant section of the public will associate it with the opponent. I acknowledge that the opponent also refers to partnerships and endorsements which Barcelona and Benfica FC, though it is not known what impact these endorsements had and how they specifically support a claim to enhanced distinctiveness.

74) In terms of inherent distinctive character the earlier marks are not descriptive or allusive/suggestive of the goods in question. Therefore, I consider all of the earlier marks to have a medium degree of distinctive character.

Likelihood of confusion

75) There is no scientific formula to apply in determining whether there is a likelihood of confusion. It is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. It is necessary for me to keep in mind the distinctive character of the opponent's marks, the average consumer and the nature of the purchasing process for the contested goods. In doing so, I must be aware that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture

of them that he has retained in his mind.

76) Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods and services down to the responsible undertakings being the same or related.

77) The applicant argues that once the marks have been considered, any likelihood of confusion can be ruled out. Even taking into account the interdependency principle, i.e. that identical goods may offset a lesser degree of similarity in the marks, I agree with the applicant that the marks are simply not sufficiently similar for confusion to arise.

78) The opponent argues that there is a real risk of direct and indirect confusion. In relation to direct confusion, the opponent claims that: firstly, given the near aural-identity of the respective marks, when consumers receive aural recommendations, confusion will arise. Secondly the average consumer will not recall the exact spelling of the respective marks and in light of case-law surrounding imperfect recollection, confusion will arise.

79) I have already found that whilst I do not discount aural recommendations, the goods will most likely be purchased following visual inspection. With regard to the average consumer not recalling the exact spelling, even if I were to accept that this may go unnoticed (which I do not), there are additional elements to the mark which I must take into consideration. For example, the word BROTHERS in the earlier mark and the device of a padlock in the application.

80) I have already found that the respective goods are either identical or similar to varying degrees. I have also found the respective marks to be aurally similar to a degree below medium but not low and visually similar to a degree above low but not as high as medium. From a conceptual perspective I have found the marks to be dissimilar and so I am mindful of the comments made in *The Picasso Estate v OHIM*, Case C-361/04 P, whereby the CJEU found that:

> "20. By stating in paragraph 56 of the judgment under appeal that, where the meaning of at least one of the two signs at issue is clear and specific so that it can be grasped immediately by the relevant public, the conceptual differences observed between those signs may counteract the visual and phonetic similarities between them, and by subsequently holding that that applies in the present case, the Court of First Instance did not in any way err in law."

81) Of course, conceptual differences do not always overcome visual or aural similarities.[13] However, in this instance, and even taking into account that some of the respective goods being identical, which offsets a lesser degree of similarity between the marks, I have no doubt that there is no likelihood of direct confusion. The differences between the marks are simply too great for confusion to arise.

82) In terms of indirect confusion, the opponent argues that there is a real possibility that the average consumer may see the name SACURE on, for example, bags, and believe that there is a commercial connection between that item and those provided under the opponent's range of goods. Indirect confusion was considered by Mr Iain Purvis Q.C., as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, whereby he 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.

[13] *Nokia Oyj v OHIM,* Case T-460/07

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)."

83) In *Duebros Limited v Heirler Cenovis GmbH,* BL O/547/17, Mr James Mellor Q.C., as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

84) I am unconvinced by the opponent's argument that there is a likelihood of indirect confusion. Clearly the respective marks do not fit into any of the three categories listed in the L.A Sugar case. I acknowledge that the categories listed by Mr Purvis Q.C. are not exhaustive, but I do not see what common element would lead the average consumer into believing that there is an economic connection between the parties. There is no likelihood of indirect confusion.

SECTION 5(3)

85) I now turn to the opponent's s.5(3) claim. The relevant section of the Act states:

"(3) A trade mark which-

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

86) The conditions of s.5(3) are cumulative:

1) The opponent must show that the earlier mark has a reputation.
2) The level of reputation and the similarities between the marks must be such as to cause the public to make a link between the marks.
3) One or more of three types of damage (unfair advantage, detriment to distinctive character or repute) will occur.

87) It is not necessary for the goods to 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.

88) The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors,* Case 252/07, *Intel,* Case C-408/01, *Addidas-Salomon,* Case C-487/07, *L'Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora.* The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors, paragraph 24.*

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; G*eneral Motors, paragraph 26.*

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman, paragraph 29* and *Intel, paragraph 63.*

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68;* whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79.*

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77.*

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74.*

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure).*

REPUTATION

89) The first hurdle is reputation. The opponent claim that it has a reputation for the mark 

for *Leather and imitation leather and goods made from these materials, not included in other classes; travelling bags, clothing, footwear for men, women and children*. I have already found that the opponent has not demonstrated use for *leather and imitation leather and goods made from these materials, not included in other classes*. Accordingly, it must follow that it does not have a reputation for such goods. In relation to the remaining goods, in *General Motors,* Case C-375/97, the CJEU gave the following guidance on assessing reputation, whereby it stated that:

"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."

90) Since the earlier relied upon registration is an EUTM, I am mindful of the comments made in *Pago International GmbH v Tirolmilch registrierte GmbH*, Case C-301/07, whereby the CJEU held that:

"20. By its first question, the national court in essence asks the Court, first, to clarify the meaning of the expression 'has a reputation in the Community', by means of which, in Article 9(1)(c) of the regulation, one of the conditions is laid down which a Community trade mark must fulfil in order to benefit from the protection accorded by that provision and, second, to state whether that condition, from a geographical point of view, is satisfied in a case where the Community trade mark has a reputation in only one Member State.

21. The concept of 'reputation' assumes a certain degree of knowledge amongst the relevant public.

22. The relevant public is that concerned by the Community trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector (see, by way of analogy, *General Motors*, paragraph 24, with regard to Article 5(2) of the directive).

23. It cannot be required that the Community trade mark be known by a given percentage of the public so defined (*General Motors*, by way of analogy, paragraph 25).

24. The degree of knowledge required must be considered to be reached when the Community trade mark is known by a significant part of the public concerned by the products or services covered by that trade mark (*General Motors*, by way of analogy, paragraph 26).

25. In examining this condition, 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 (*General Motors*, by way of analogy, paragraph 27).

26. In view of the elements of the main proceedings, it is thus for the national court to determine whether the Community trade mark at issue is known by a significant part of the public concerned by the goods which that trade mark covers.

27. Territorially, the condition as to reputation must be considered to be fulfilled when the Community trade mark has a reputation in a substantial part of the territory of the Community (see, by way of analogy, *General Motors*, paragraph 28).

28. It should be noted that the Court has already ruled that, with regard to a Benelux trade mark, it is sufficient, for the purposes of Article 5(2) of the directive, that it has a reputation in a substantial part of the Benelux territory, which part may consist of a part of one of the Benelux countries (*General Motors*, paragraph 29).

29 As the present case concerns a Community trade mark with a reputation throughout the territory of a Member State, namely Austria, the view may be taken, regard being had to the circumstances of the main proceedings, that the territorial requirement imposed by Article 9(1)(c) of the regulation is satisfied.

30. The answer to the first question referred is therefore that Article 9(1)(c) of the regulation must be interpreted as meaning that, in order to benefit from the protection afforded in that provision, a Community trade mark must be known by a significant part of the public concerned by the products or services covered by that trade mark, in a substantial part of the territory of the Community, and that, in view of the facts of the main proceedings, the territory of the Member State in question may be considered to constitute a substantial part of the territory of the Community."

91) It is important that I firstly identify the relevant public for which the reputation is claimed[14] plus the economic and geographic scope of the market. This is so I have the relevant context to determine whether the earlier marks are known by a significant proportion of the relevant public for the goods claimed. The goods in question are, *inter alia*, bags, clothing, footwear and headgear. Since the earlier mark is an EUTM, the relevant territory is the European Union. Whilst no evidence has been provided, it is clear that the size of the EU market for such goods would be vast. The evidence does appear to focus on the UK, but it also sets out sales relating to Belgium, Spain and Portugal. For the period 2013 to 2018 the total sales for the aforementioned countries are in excess of €30m per annum. In terms of marketing spend, the opponent has only provided figures for the UK which between 2014 and 2018 totals around €6.3m. The opponent also details fours awards which it has either won or been nominated for in France (though this was in 2004, which is 14 years prior to the relevant date), Portugal and the UK. The exact goods for which these sales relate to have not been provided.

92) I have already found that the evidence is sufficient to demonstrate use of its marks. I also recognise that to establish reputation is "not a particularly onerous requirement"[15]. However, the sales figures are broad and are not sufficiently focussed on which goods have a reputation. Further, they do not demonstrate that any reputation exists in a substantial part of the European Union.

[14] *Iron & Smith*, EU:C:2015:195, paragraph 17
[15] Och-Ziff Management Europe Ltd & Anor Capital LLP & Anor [2010 EWHC 2599 (Ch)

93) In the event that I am found to be wrong and the opponent does have the requisite reputation, I shall go on to consider whether a link exists.

The Link

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

The degree of similarity between the conflicting marks

95) Since the device of a dog in the earlier mark would not be enunciated, for the reasons set out earlier, I find the words SACURE and SACOOR BROTHERS to be aurally similar to a degree below medium but not low. I also do not consider the device to impact my finding that they are conceptually dissimilar. Visually, the device of a dog is distinctive and prominent in the mark. Therefore, given the inclusion of the aforementioned device, the word BROTHERS, the differing last three letters of SACURE and SACOOR (I recognise that they both include the letter "R" but in different positions) together with the padlock device results in there being only a low degree of visual similarity.

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

96) The goods for which the opponent claims reputation are either identical, similar or dissimilar to the applied for goods.

The strength of the earlier mark's reputation

97) If I am wrong that there is a reputation, then it would not be significant and likely to be, at best, moderate.

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

98) The mark is inherently distinctive to a medium degree. It has not been enhanced through use.

Whether there is a likelihood of confusion

99) There is no likelihood of confusion.

100) I recognise that a lesser degree of similarity between the marks than that required for a likelihood of confusion may be sufficient for a relevant section of the public to make a connection between the marks.[16] That is, to make a link between them. However, taking into account the opponent's limited reputation and the clear differences between the marks, I find that the relevant public will not make the requisite link. For those consumers who are familiar with the opponent's reputation (if one does exist), they will be familiar with the SACOOR BROTHERS family name and possibly the dog device. When they encounter SACURE, with the padlock device, I do not consider there to be even a fleeting image transfer to the later mark in such a way that would lead to one of the heads of damages being successful.

101) The opposition under s.5(3) is unsuccessful.

SECTION 5(4)(a)

102) I now turn to the s.5(4)(a) claim. The claim is based on the opponent's alleged earlier rights in a business operating under the signs SACOOR and SACOOR BROTHERS which it claims to have been using for "clothing, footwear, headgear, belts, wallets, bags, backpacks" since 2011.

103) S.5(4)(a) of the Act states:

[16] *Intra-Presse* SAS *v OHIM,* Joined cases C-581/13P & C-582/13P

"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 of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b) [.....]

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of "an earlier right" in relation to the trade mark."

104) 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)."

105) Halsbury's Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 it is noted (with footnotes omitted) that:

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

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

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

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

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

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

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

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

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

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

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

Relevant date

106) Since the applicant has not filed any evidence to support that it has used its mark, the date at which I must assess the s.5(4)(a) claim is the date of the UK application,[17] i.e. 17 September 2018.

Goodwill

107) In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 the House of Lords defined goodwill as:

> "What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage 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."

108) As previously detailed the opponent has provided turnover and advertising figures, invoices and some promotional material which have demonstrated use for some of the goods which it relies upon. For these reasons I am satisfied that the

[17] *Advanced Perimeter Systems Limited v Multisys Computers Limited,* BL O-410-11, Mr Daniel Alexander QC as the Appointed Person

opponent has demonstrated it has goodwill in the sign SACOOR BROTHERS for the following goods:

> Clothing, footwear and bags.

109) There is limited use of the sign SACOOR *solus*, however I am willing to accept that it has a small, but more than trivial[18], goodwill for the same goods.

Misrepresentation

110) In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

> "There is no dispute as to what the correct legal principle is. As stated by *Lord Oliver of Aylmerton in Reckitt & Colman Products Ltd. v. Borden Inc. [1990] R.P.C. 341 at page 407* the question on the issue of deception or confusion is
>
> > "is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]"
>
> The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148 . The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd*. (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101."
>
> And later in the same judgment:

[18] *Hart v Relentless Records* [2003] FSR

> ".... for my part, I think that references, in this context, to "more than *de minimis* " and "above a trivial level" are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion."

111) 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."

112) 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, Lewinson 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 outcomes. This is because they are both normative tests intended to exclude the particularly careless or careful, rather than quantitative assessments.

113) I have already found that there is no likelihood of confusion between the applied for mark and the opponent's earlier SACOOR BROTHERS. Put simply, this was essentially on the basis of the marks not being sufficiently similar. Whilst recognising

the difference in legal tests between a likelihood of confusion and misrepresentation, the outcome is the same. The overall lack of similarity between the marks and the conceptual dissimilarity between the marks are sufficient for me to conclude that a substantial number of members of the public will not be misled into purchasing the applicant's goods in the belief that they are the opponent's, or that there is an economic association. The passing off grounds fails in respect of the reliance on the sign SACOOR BROTHERS.

114) The position slightly differs with regard to the opponent's claim under its sign SACOOR. I shall firstly asses the closeness, or not as the case may be, of the signs. There are clearly similarities insofar that both SACOOR and 

are six letters long, with the first three letters being the same. Further, the letter R is one of the last three letters in each mark, albeit in different positions, i.e. the last letter of the earlier sign and the penultimate letter in the application. The signs do differ insofar that the three final letters are in a different order (with the letter R being present in both) and the letter A is the device of a padlock. From a conceptual perspective, as already stated, I consider SACURE to convey the message of being SECURE or SAFE. In relation to SACOOR, without it being qualified by BROTHERS as being a family name, I consider it to be an invented word. Therefore, one sends a conceptual message whereas the other one does not.

115) Aurally, I have previously found that the first syllable of SACOOR and SACURE is the same with the second syllable being pronounced as OOR and YUUR respectively. Therefore, they are similar to a medium degree.

116) The high point for the opponent is that some of the respective goods are identical and that they operate in a common field of activity. However, despite this, the differences between the marks are sufficient for me to find that a substantial number of the relevant public would not be deceived.

117) The s.5(4)(a) claim fails.

OVERALL OUTCOME

118) The opposition has failed. The application, subject to appeal, will proceed to registration.

COSTS

119) The applicant has been successful and is entitled to a contribution towards its costs. In the circumstances I award the applicant the sum of £1500 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Considering the other side's statement and preparing a counterstatement	£300
Preparing evidence and considering and commenting on the other side's evidence	£600
Preparing for and attending a hearing	£600
Total	**£1500**

120) I therefore order Sacentro – Comercio de Texteis, S.A. to pay Michael Codd the sum of £1500. 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 4th day of February 2020

MARK KING
For the Registrar,
The Comptroller-General