O/0663/23

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. WO0000001579478
IN THE NAME OF HÄSTENS SÄNGAR AB
FOR THE TRADE MARK

IN CLASSES 20, 24 AND 25

AND

THE OPPOSITION THERETO UNDER NO. 424402
BY MUSTANG - BEKLEIDUNGSWERKE GMBH + CO. KG

Background and pleadings

1. International registration no. WO0000001579478 (“the contested mark”) consists of the sign shown below:

Colours claimed

The mark contains the colours blue and white.

2. The holder of the contested mark is Hästens Sängar AB. In this decision, I shall refer to Hästens Sängar AB as “the applicant” (which is in line with the parties’ submissions).

3. The contested mark claims a priority date of 10 June 2020[1] and is registered with effect from 19 November 2020. With effect from the same date, the applicant designated the UK as a territory in which it seeks to protect the contested mark under the terms of the Protocol to the Madrid Agreement.

4. The applicant seeks protection for the contested mark in relation to the following goods:

[1] Priority is claimed from Sweden and the TM from which priority claimed is 2020/03902

Class 20: *Furniture; furniture fittings, not of metal; beds, bedding, mattresses, pillows and cushions; mattress toppers; bed frames; bed bases; bed headboards.*

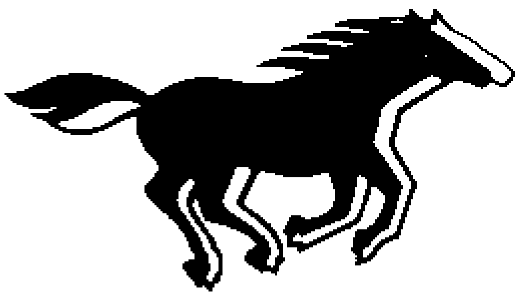
Class 24: *Textiles and substitutes for textiles; coverings for furniture; bed clothes and blankets; bed linen; bed sheets; sleeping bag liners; pillowcases; bed throws; bed skirts; bed canopies; quilts; bed covers; lap rugs; felt; bed blankets; throws; duvets; towels of textile; curtains; mattress covers.*

Class 25: *Clothes, namely pyjamas, night gowns and robes; footwear, namely slippers and down socks; headwear, namely night caps and sleep masks.*

5. The request to protect the contested mark was published on 19 March 2021.

6. On 12 May 2021, MUSTANG - Bekleidungswerke GmbH + Co. KG ("the opponent") partially opposed the contested mark under Sections 5(2)(b) the Trade Marks Act 1994 ("the Act"). The opposition is directed against the applied-for goods in class 25, and it is based on the opponent's European Union Trade Mark ("EUTM")[2] shown below:

EUTM no. 000357392



Filing date: 03 January 1997

Registration date: 10/11/1998

[2] Tribunal Practice Notice (2/2020) "End of Transition Period- impact on tribunal proceedings" states: "Oppositions filed on, or after, IP Completion Day against trade mark applications filed before IP Completion Day. The transitional provisions provide that these proceedings should continue to be dealt with under the Act as it existed before IP Completion Day (i.e. the old law continues to apply). Users should note the following: EUTMs and IR(EU)s will continue to constitute earlier trade marks for the purpose of these proceedings."

7. The mark is registered for various goods in classes 3, 9, 14, 16, 18, 24, 25, 26, 28, 30, 32, 34, 41, however, for the purpose of the opposition, the opponent relies on the registered goods in class 25 only, namely:

> **Class 25:** *Clothing, corsets, sportswear, clothing of leather, belts, shoes, footwear for sports, headgear.*

8. The EUTM upon which the opponent relies qualifies as an earlier trade mark pursuant to Section 6 of the Act. As the registration procedure was completed more than five years prior to the priority date of the mark in issue, it is subject to proof of use pursuant to Section 6A of the Act.

9. The opponent claims that there is a likelihood of confusion because the marks are similar, and the goods are identical or similar leading to a likelihood of confusion.

10. The applicant filed a counterstatement denying the claims made and putting the opponent to proof of use.

11. The opponent filed evidence in chief and the applicant filed written submissions dated 21 December 2022. In response to the applicant's submissions, the opponent also filed evidence in reply. I shall refer to the evidence and submissions to the extent that I consider necessary.

12. The opponent is represented by Groom Wilkes & Wright LLP and the applicant by Mewburn Ellis LLP. Neither party asked to be heard, but the applicant elected to file submissions in lieu. This decision is taken following a careful perusal of the papers.

EU Law

13. Although the UK has left the EU, Section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case law of EU courts.

The evidence

14. The opponent's evidence consists of two witness statements, by Andreas Baur, who is the CEO of the opponent's company. Mr Baur's first witness statement is dated 8 July 2022 and is accompanied by 24 Exhibits (AB1 – AB24). Mr Baur's second witness statement is dated 15 February 2023 and is accompanied by three exhibits (AB25 – AB27).

DECISION

Proof of use

15. Section 6A states as follows:

> "(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), (aa) 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 relevant period.
>
> (1A) In this section "the relevant period" means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.
>
> (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 relevant period 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 (the "variant form") differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), 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)-(5A) [Repealed]

(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."

16. Section 100 of the Act is also relevant, which reads:

"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."

17. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J (as he then was) 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]."[3]

18. Pursuant to Section 6A of the Act, the relevant period for assessing whether there has been genuine use of the earlier mark is the five-year period ending with the priority date of the application in issue, namely **11 June 2015 to 10 June 2020**.

19. 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 market for the goods and services protected by the mark"* is not, therefore, genuine use.

Proof of use assessment

20. The opponent's evidence is as follows:

- The opponent has been engaged in designing, manufacturing, marketing and selling all types of clothing, footwear, headgear and other fashion accessories since 1932. The opponent is now one of the leaders in the fashion industry;

- The opponent's earlier mark has been used on the relevant goods in 28 countries around the world, including throughout the EU and the UK, during the relevant period. Produced at Exhibit AB2 is a table showing EU sale figures (broken down by country) for each category of goods including trousers, jackets, blouses and shirts, t-shirts, sweatshirts, cardigan, accessories,

[3] Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV*

dresses, skirts, shoes and underwear for the years 2015-2019. The figures include, amongst others, the following totals (rounded to the nearest thousand): €23million (Austria), €6million (Belgium), €740,000 (UK), €240million (Germany), €14million (France), €16million (Ireland), €46million (Portugal). The total for the EU is around €410million for the period 2015-2019 and €24million from January to May 2020;

- The earlier mark is said to have been used in association with the house mark 'MUSTANG'. Undated examples of use of the earlier mark on jeans, jeans jackets, t-shirts, polo-shirts, shirts and hats are provided. The earlier mark appears either with the brand name 'MUSTANG' or on its own as shown by examples below:


MUSTANG®
JEANS
REGISTERED TRADEMARK ESTABLISHED 1932

- The earlier mark also appears on a number of products from the opponent's MUSTANG catalogues, as shown below:

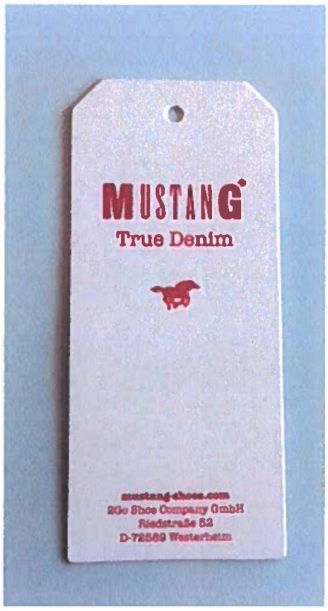
The catalogues are identified as MUSTANG 1911, MUSTANG 2011 and MUSTANG 2021. Mr Baur explains that the first two digits stand for the year, namely 2019 and 2020, the second digit stands for the first or second part of the year (1= Spring/summer and 2=autumn winter) and the third digit 1 stands for first collection, so the catalogues are effectively dated as follows: the catalogue 1911 is the first collection for spring/summer for 2019, the catalogue 2011 is the first collection for spring/summer for 2020 and the catalogue 2021 is the first collection for autumn/winter 2020;

- The evidence also includes sale figures for socks, underwear and shoes sold under the earlier mark. On a rough calculation, the annual sales of underwear in the EU (as a whole) are in the region of hundreds of thousands - however, it is difficult to calculate the overall total as the annual figures are broken down by country – with the UK sales being as follows (rounded to the nearest thousand): €257,000 (2015), €224,000 (2016), €172,000 (2017), €190,000 (2018), €307,000 (2019);

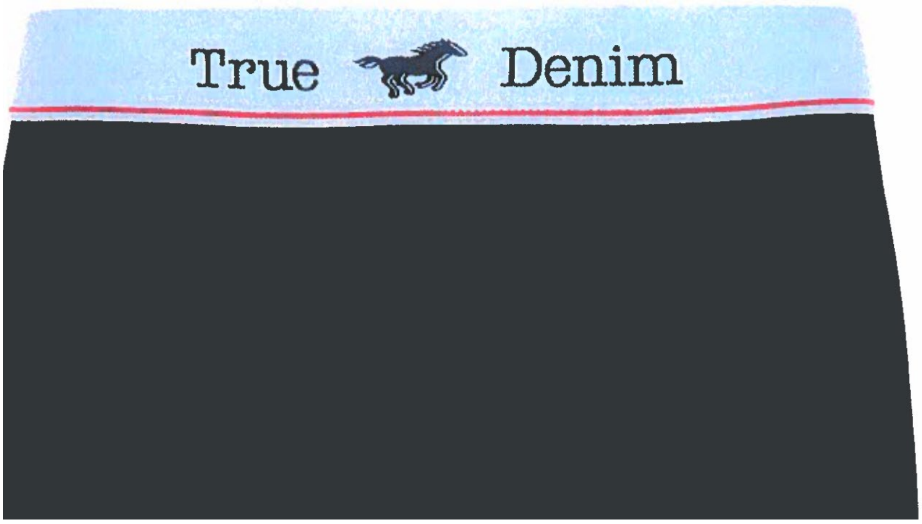
- The total sales of socks in the EU (as a whole) are given as follows (rounded to the nearest thousand): €782,000 (2018), €967,000 (2019), €823,000 (2020) and €1.5million (2021) for a total of over €4million between 2018 and 2021. The UK sales for the same period are as follows (rounded to the nearest thousand): €0 (2018), €13,000 (2019), €85,000 (2020), €71,000 (2021);

- The total sales of shoes in the EU are given as follows (rounded to the nearest million): €66million (2015), €75million (2016), €77million (2017), €71million (2018) and €63million (2019). Although the sale figures are said to include some non-EU countries, most of them relate to EU countries. The UK sales are as follows: €1.3million (2015), €1.3million (2016), €1.3million (2017), €1.7million (2018) and €1.3million (2019);

- Plenty of photographs showing goods and labels featuring the earlier mark (or variations of it) are provided (undated), with some examples reproduced below:


MUSTANG
True Denim
mustang-shoes.com
2Go Shoe Company GmbH
Riedstraße 52


MUSTANG
True Denim


True
Denim

- The evidence includes selections of invoices dated within the relevant period and issued by companies which are said to be affiliated with the opponent[4] or selling the opponent's goods under a license.[5] In this connection, Mr Baur acknowledges that the earlier mark does not feature on the invoices issued by the following companies: (a) Mustang Jeans GmbH[6] (this is said to be a company affiliated with the opponent), (b) Luz Bodywear GmbH[7] and Camano GmbH[8] (these are said to be licensees) and (c) 2GO Shoe Company GmbH (this is the official distribution partner of Tendenza Schuhandels GmbH & Co. KG, a licensee of the opponent). However, Mr Baur points out that the house brand 'MUSTANG' appears on the invoices and that the earlier mark is used in association with it. He also provides copies of three license agreements (translated) between the opponent and the three companies named above. The license with Luz Bodywear GmbH is dated 2004, the one with Camano GmbH is dated September 2016 and the one with Tendenza Schuhandels GmbH & Co. KG is dated 2012. The licensed marks are shown below:

[4] See invoices exhibited at AB3 issued by Mustang Jeans GmbH
[5] See invoices exhibited at AB8 issued by Luz Bodywear GmbH
[6] AB3
[7] AB8
[8] AB13

Word mark "MUSTANG"

MUSTANG

Figurative mark "Horse"

Word and figurative mark "MUSTANG with Horse"

MUSTANG

- The opponent has advertised its products by way of catalogues and brochures during the relevant period. Additionally, the goods have been advertised online via the opponent's website www.mustang-jeans.com and its social media and via advertisements ran on YouTube (in 2018-2019).

21. This concludes my summary of the evidence to the extent that I consider it necessary.

Conclusions on genuine use

22. The applicant criticised heavily the evidence of use filed by the opponent. However, most of these criticisms appear to be unfair. For example, the applicant says that the sale figures do not show use of the earlier mark and should be disregarded, however, it is not clear to me how a document purported to give sale figures can show use of a trade mark.

23. Likewise, the applicant criticised the invoices for not showing use of the earlier mark, a criticism that ignores Mr Baur's explanation that the invoices relate to goods sold under the brand 'MUSTANG', which is the house mark associated with the earlier mark. As shown by the evidence, the goods featuring the brand 'MUSTANG' also

display the earlier mark (or variations of it) from which it is reasonable to conclude that the goods listed on the invoices feature the earlier mark too, and there is no reason to disbelieve Mr Baur's statement that they do so.

24. The applicant also says that the photographs showing the mark used on the goods are undated and that the only photograph that is dated shows a different mark, with the horse facing the opposite direction and without the second horse behind it. Although I accept that the evidence shows use of variant marks, the evidence must be viewed as a whole, and in this case, there are plenty of examples of use of the earlier mark as it is registered, supported by evidence from catalogues (dated within the relevant period) and copies of license agreements, both of which feature the earlier mark in the form as registered.

25. Finally, I consider whether the fact that the earlier mark has been used in conjunction with the brand name 'MUSTANG' would prevent a finding of genuine use. 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 Court of Justice of the European Union 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.
>
> 32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestlé*, <u>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.</u>

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)

26. Applying the above guidance, I conclude that even if the earlier mark is used in conjunction with the brand name 'MUSTANG' it continues to be perceived as having independent trade mark significance, and its use counts towards genuine use.

27. Having found that the evidence establishes use of the earlier mark as registered during the relevant period on products, catalogues and license agreements and that the use of the earlier mark in conjunction with the house mark 'MUSTANG' counts toward genuine use, based on an overall assessment of all the evidence adduced by the opponent, particularly (i) the evidence of continuous and uninterrupted use of the earlier mark within the relevant period (ii) the evidence of significant sales figures (iii) the evidence of invoices, catalogues and license agreements, (iv) the length of use (vi) the extent and geographical spread of use which covers both the UK and many EU countries, I am satisfied that, even in the absence of marketing figures, the

evidence is sufficient to establish that the earlier mark has been genuinely used in the EU during the relevant period.

Fair specification

28. 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."

29. 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 (at [47]):

> "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."

30. The goods for which the earlier mark is registered in Class 25 are *clothing, corsets, sportswear, clothing of leather, belts, shoes, footwear for sports, headgear*. The evidence before me shows that the earlier mark has been put to genuine use in relation to a variety of items of casual clothing, including headwear, as well as in relation to underwear, socks and casual shoes. Although the earlier mark is not registered for the terms *underwear* and *socks*, the term *clothing* in the registered specification is broad enough to include both. However, there is no specific evidence of use for *corsets, sportswear, clothing of leather, belts, footwear for sports.* I consider a fair specification for the earlier mark to be:

Class 25: *Clothing, namely casual clothing, underwear, socks, casual shoes; headgear namely casual headgear.*

Section 5(2)(b)

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

> "A trade mark shall not be registered if because-
> […]
> (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,
>
> there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark".

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

> (a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;
>
> (b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;
>
> (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

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

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

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

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion.

Comparison of goods

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

> "23. In assessing the similarity of the goods or services concerned, 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 complementary."

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

(a) The respective uses of the respective goods or services;

(b) The respective users of the respective goods or services;

(c) The physical nature of the goods or acts of service;

(d) The respective trade channels through which the goods or services reach the market;

(e) In the case of self-serve consumer items, where in practice they are respectively found, or likely to be found, in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

35. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU held that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods or services. The General Court (GC) clarified the meaning of "complementary" goods or services in *Boston Scientific Ltd v OHIM*, Case T-325/06, at paragraph 82:

> "[…] there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking."

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

37. The goods to be compared are as follows:

The applicant's goods	The opponent's goods (after POU)
Class 25: *Clothes, namely pyjamas, night gowns and robes; footwear, namely slippers and down socks; headwear, namely night caps and sleep masks.*	**Class 25:** *Clothing, namely casual clothing, underwear, socks, casual shoes; headgear, namely casual headgear.*

38. The contested *Clothes, namely pyjamas, night gowns and robes* are articles of nightwear and sleepwear. The opponent's specification covers underwear. The goods have the same nature and target the same users. Although the goods also serve the same purpose (since they are used to cover and protect various parts of the human body), and some lingerie are used and marketed as sleepwear, the overlap in purpose will not be total; not all items of underwear will be used as sleepwear, and the applicant's sleepwear goods are certainly not used as underwear. Further, underwear and nightwear are often found in the same retail outlets in close proximity to each other. Similar considerations apply to *headwear, namely night caps and sleep masks*,

which are accessories normally sold along with nightwear and sleepwear. I consider these goods to be similar to a medium to high degree.

39. The contested *footwear, namely down socks* are identical to the opponent's *socks.* The contested *footwear, namely slippers* are similar to the opponent's *casual shoes* insofar as they have the same nature (i.e. they are articles of footwear), serve the same purpose (i.e. covering feet), target the same users, and share trade channels. Furthermore, slippers can have a casual look and some casual shoes are comfortable enough to be worn indoor, so there is a degree of competition. I consider these goods to be similar to a high degree.

Average consumer

40. The case law, as set out earlier, requires that I determine who the average consumer is for the respective parties' goods. I must then decide the manner in which these goods are likely to be selected by the average consumer in the course of trade. 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. (as he then was) 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."

41. The average consumer of the competing goods in class 25 is a member of the general public. The goods are most likely to be the subject of self-selection from retail outlets, websites or catalogues. Visual considerations are, therefore, likely to dominate the selection process. However, I do not discount an aural element to the purchase, particularly when advice is sought from a sales representative, or a purchase is made further to a word-of-mouth recommendation.

42. The goods at issue will range in price and frequency of purchase, however, I am of the view that, regardless of price, the average consumer will consider the same range of factors including the size, colour, style and materials used. As a result, I am of the view that the goods at issue will attract a medium degree of attention.

Comparison of marks

43. 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."

44. 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. The respective marks are shown below:

The applicant’s mark	The opponent’s mark
	

45. Before I turn to my analysis of the marks, I reproduce below the parties’ submissions about the similarity of the marks.

46. The opponent states:

> “The opponent's mark consists of a horse logo moving towards the right, the applicant's mark also contains of a horse [logo] moving towards the right. The opponent's mark is referred to as a horse [logo] and so is the applicant's mark. The opponent submits that the applicant's mark is visually very similar and phonetically and conceptually identical and/or very similar to the opponent's mark, the applicant's mark is likely to be viewed by the average consumer as the name of a range of goods in Class 25 owned by, or connected or associated with, the opponent. On this basis, the applicant's mark could serve to designate the same source of commercial origin as the opponent's mark.”

47. The applicant states:

"That the opponent's mark consists of a horse moving towards the right is not admitted. In particular, the overlapping black and white contours could be perceived by consumers as 2 horses moving, as though they are competing in a race. It is denied the applicant's mark contains a horse moving towards the right since there are 2 separate representations of a horse within the mark. At §3 SoG, it is claimed the respective marks are, "referred to as a Horse [logo]". This is not admitted, and the opponent is put to strict use of this allegation. Further reference is made to §3 SoG. It is denied the applicant's mark is "visually very similar". In particular, the overall impression of the applicant's mark is visually distinct from the opponent's mark in view of the presence of additional distinctive elements. It is denied the marks are "phonetically and conceptually identical and/or very similar to the opponent's mark". On the contrary, the degree of conceptual similarity is to a much lower degree. The only coincidence is that both marks contain representations of a horse, however, the horses depicted are very different. The phonetic identity and/or highly similarity alleged by the opponent is also denied since neither mark contains verbal elements."

Overall impression

48. Both marks are figurative marks consisting of a graphical representation of a horse. In the earlier mark, the horse is depicted in black as galloping with the head forward and in a low position giving the impression of speed. The mane and the tail of the horse are horizontal and tapered to a point, giving the impression of being forced back by the oncoming wind which, again, adds to the impression of the horse racing in a forward direction. Behind the black horse there is the outline of an identical white horse in exactly the same position and motion. Whilst some consumers will view this element as denoting a shadow/outline, others will see it as an accompanying horse to the side perhaps suggesting a race between the two. Nonetheless, given that this element is largely covered by the silhouette of the black horse it is not very noticeable.

49. The applicant's mark consists of what looks like the image of a patch work consisting of four conjoined material squares of differing shades of blue, two of which depict a white horse woven into the centre of the square. The horses depicted in each

square are identical and appear to trot, lifting their heads and necks and their front left limb. The horses are themselves the dominant elements of the mark, however, the way in which the horses are positioned within the squares mirroring each other diagonally, and the image of the patch work, both create the impression of a fabric pattern that also contributes, although to a much lesser extent, to the overall impression of the mark.

Visual similarity

50. Visually, both marks have a figurative element in the form of a horse. There are some differences in the way the horses are depicted in the respective marks. The horse in the opponent's mark is depicted in profile in a racing position whereas the horses in the applicant's mark are depicted in a slightly more turned view, trotting and lifting their front left limb. Further, the horse in the opponent's mark is slightly more stylised. Nevertheless, the dominant elements of the marks are both traditional and relatively realistic silhouettes of horses in a similar running/moving pose and directed to the right. Furthermore, the mane of the horses in the respective marks is made up of the same type of lines, and the tail silhouette is also similar. The marks differ in that there are clearly two identical horses in the contested mark, whilst the image of the horse in opponent's mark is ambiguous in the sense that the outline of the horse could be interpreted as an underlying shadow or an accompanying horse to the side. The horses are white in the contested mark and black with a white outline in the opponent's mark. The contested mark also contains additional geometrical figures and colours, and convey the impression of a fabric pattern, neither of which has any counterpart in the opponent's mark. The marks as whole are visually similar to a medium degree but the horses in themselves are similar to a medium to high degree.

Aural similarity

51. As the marks are figurative marks lacking word elements, an aural comparison is not possible.[9]

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[9] *Dosenbach-Ochsner AG Schuhe und Sport v OHIM,* Case T- 424/10 (GC)

Conceptual similarity

52. The figurative elements of the marks will be perceived as images of horses in a running/galloping pose. However, whilst there are clearly two visible horses in the applicant's mark, it is the same horse replicated twice, whilst the opponent's mark could be seen as one horse, or two overlapping identical horses. The applicant's mark contains other figurative elements which will be perceived as four conjoined fabric squares of differing shades of blue. However, these elements will be perceived as a pattern delimiting the space where the images of the horses are placed, and no particular conceptual content will be attributed them.

53. The applicant argues that since the marks coincide only in the representations of a horse, but the horses depicted are very different, the marks are *not* conceptually identical. I have already rejected the submission that the horses depicted in the marks are very different, having found that they are visually similar representations of horses in a similar running/moving pose and directed to the right.

54. Taking into account all of the above, the marks are conceptually similar to a high degree.

Distinctive character of earlier marks

55. 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)."

56. Registered trade marks possess various degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctiveness of a mark can be enhanced by virtue of the use made of it.

57. The earlier mark consists of a figurative element which represents a horse. The goods at issue do not relate to horses or horse-riding and so the mark is not descriptive in relation to the goods. I consider that the earlier mark is distinctive to a medium degree in relation to the goods at issue.

58. I have already commented on the opponent's evidence. Whilst I found it sufficient to establish genuine use, the UK sales for the period 2015-2019 amount to €740,000 for clothing, €1.3million for underwear, less than €200,000 for socks and about €7million for shoes. Although these figures are not insignificant, I expect the whole market for the goods concerned to be very large and so these sale figures do not seem to me to represent more than a small proportion of the whole market. Further, there is no indication of market share and no advertising expenditure. Overall, I find that the evidence is not sufficient to establish that the distinctiveness of the mark has been enhanced through use in the UK.

Likelihood of confusion

59. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, 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 marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the earlier mark, the average consumer for the goods and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between marks and must instead rely upon the imperfect picture of them that they have retained in their mind.

60. Confusion can be direct or indirect. The difference between these two types of confusion was explained in *L.A. Sugar Trade Mark,* BL O/375/10, where Iain Purvis Q.C. (as he then was) as the Appointed Person explained that:

> "16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: "The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.
>
> 17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

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

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

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

61. In its submissions the applicant states that its goods are targeted towards the higher end of the market and are sold only in its stores and a small number of high-end retailers. It also argues that the average consumer would be so attentive during the purchasing act as not to not confuse the trade origin of the goods, nor would they mistakenly think that the owners are economically connected.

62. First, the segment of the market in which the applicant has so far decided to trade is irrelevant to the assessment I am required to make. This is because in *O2 Holdings Limited, O2 (UK) Limited v Hutchison 3G UK Limited13*, CJEU stated at paragraph 66 of its judgment that when assessing the likelihood of confusion in the context of registering a new trade mark, it is necessary to consider all the circumstances in which the mark applied-for might be used if it were registered. Consequently, I must include consideration of the likelihood of confusion if both parties (and their successors in title to the marks) decide to target the same segment of the market. Further, notional use of the mark covers both goods which are relatively inexpensive as well as goods which belong to the higher end of the market. Hence, I reject the submission.

63. The applicant filed copies of two decisions between the same parties, one from the opposition division of the EUIPO (OPPOSITION No B 3 112 812) and the other from the Swiss trade mark office, where it was found that there is no likelihood of confusion between the marks at issue. First, decisions of other national trade mark offices are not binding upon me. Second, in response to the applicant's submissions, the opponent filed copies of two decisions between the same parties, one from the Fifth Board of Appeal in which the EUIPO[10] overturned the decision of the opposition division in OPPOSITION No B 3 112 812 and held that "overall, the signs are similar", and the other from the Russian trade mark office which refused the applicant's mark based on the similarity with the opponent's mark. The only conclusion that I think can be drawn from those decisions is that this is a borderline case, which is also my impression of this dispute.

64. The goods at issue are identical, or similar to a medium to high degree and high degree respectively. The goods will be selected visually with an average degree of attention. The marks are visually similar to a medium degree, and conceptually similar to a high degree. As both marks are figurative marks with no verbal elements, an aural comparison is not possible.

65. Both marks in this case are figurative marks centred around the representation of a horse. In *Chemise Lacoste* BL O/333/10, Mr Geoffrey Hobbs K.C. as the Appointed Person found that i) a concept is not a sign capable of being a trade mark, ii) that the rights conferred by registration are centred on the graphic representation of the registered mark, iii) the concept of a mark cannot be protected without regard to the specific form in which it is registered. Accordingly, he held that there was no likelihood of confusion between the word ALLIGATOR and the well-known device of the Lacoste crocodile. In reaching this finding, Mr Hobbs accepted that the position might be different if the word(s) had the capacity to spontaneously trigger a recollection of a very specific image corresponding to an earlier pictorial mark, such as MONA LISA, EIFFEL TOWER or STARS AND STRIPES.

[10] R 1734/2021-5

66. In later case, *Pig and Pallet Devon Made* BL O/115/19, Mr Geoffrey Hobbs K.C. as the Appointed Person overturned a finding that there was no likelihood of confusion between the sign below:

67. In addressing the similarity between the figurative elements of the marks Mr Hobbs stated (emphasis added):

> "22. The Hearing Officer referred to the two devices as 'different stylised representations of the snout and ears of a pig' in paragraphs [60] and [83] of his decision. He nonetheless considered that they were sufficiently similar to result in the Applicant's trade mark as a whole being visually similar (to 'a low to medium degree') and also conceptually similar (to 'a fairly high degree') to the Opponent's earlier trade mark. I think it is evident on appraisal of the

counterpart features of the two devices that they not only represent the concept of a pig's face, <u>but do so graphically in a distinctively similar manner</u>:
[…]
23. I would expect the present opposition to have succeeded under s.5(2)(b) of the Act if the Applicant had been seeking to register nothing more than the device shown in the preceding paragraph for the goods and services of interest to it as listed in the contested application for registration. It does not follow, however, that the presence of that device in the composite mark which it has applied to register is necessarily sufficient to render the contested application for registration objectionable under s.5(2)(b). The fate of the application depended essentially upon whether there was or was not a likelihood of confusion on the particular basis for which the Opponent contended"

29. In the Applicant's trade mark, the stylised device of a pig's snout and ears supplements and is supplemented by the words THE PIG & PALLET seen as a name. I do not doubt that the 'words speak louder than the device' in the context of the Applicant's mark as a whole. The device is nonetheless presented as a 'separate and identifiable' emblem of an economic operator who uses the name THE PIG & PALLET. It makes an 'important contribution to the overall impression conveyed' by the Applicant's trade mark. It is also distinctively similar to the device protected by the Opponent's earlier trade mark registration. I do not see how it could fail to give rise to perceptions of a link between the marks in issue in the mind of the relevant average consumer (who is taken to be reasonably well-informed and reasonably observant and circumspect) in the event of concurrent use of the marks, keeping in mind all the circumstances in which they might be used in the course of trade in relation to goods and services of the kind listed in the earlier trade mark registration and the contested application for registration (see Case C-533/06 O2 Holdings Ltd v. Hutchison 3G Ltd EU:C:2008:339 at paragraph [66]).

30. Mere association, in the sense that the later mark brings the earlier mark to mind in a way which is not sufficient to result in the existence of a likelihood of confusion, is beyond the reach of s.5(2)(b): Case C-251/95 Sabel BV v. Puma AG EU:C:1997:528 at paragraph [26]; Case C-425/98 Marca Mode CVC v.

Adidas AG EU:C:2000:339 at paragraph [41]. If it could correctly be said that the devices in question were visually different to a degree which reduced the resemblance between them to the level of 'analogous semantic content' (in the words of paragraph [26] of the Judgment of the CJEU in Sabel), that would very probably have been sufficient to justify rejection of the objection to registration under s.5(2)(b) in the present case. However, the degree of similarity between them results in what I would call 'graphically convergent representations of the same semantic content'. I am satisfied that use of the Applicant's trade mark for goods and services of the kind specified in the contested application for registration would be likely, by reason of the device it contains, to cause confusion as to whether they emanate directly or indirectly from the undertaking responsible for use of the Opponent's similar device in relation to goods and services of the kind specified in its earlier trade mark registration. And none the less so because the device is coupled with THE PIG & PALLET used as a name by which that undertaking is additionally identified".

68. Accordingly, whilst the registration of a figurative mark does not give monopoly rights in a concept, it provides protection against signs which represent the same concept in a distinctively similar manner (obviously depending on the facts of the case).

69. In this case even though there are some differences between the marks, they both represent the silhouette of a horse in a running/galloping pose and they do so in a distinctively similar manner. Whilst there appears to be two overlapping horses in opponent's mark, I doubt that the consumer would pay such a closer attention to see two horses, but in any event, a significant proportion of the relevant public will only see one horse with an outline.

70. Overall, my conclusion is that the average consumer when seeing the applicant's mark will confuse the horse device with the image of the opponent's horse retained in his mind and conclude that the applicant's mark is an alternative design used by the same undertaking. I am not convinced that the average consumer will be able to notice the differences between the horse devices in the competing marks and make a distinction between them, taking into account the effects of imperfect recollection. The

pattern of squares will be perceived as ornamental, and the differences introduced by this element are insufficient to offset the similarity created by the images of the horses in the respective marks.

71. There is a likelihood of indirect confusion.

OUTCOME

72. The partial opposition is successful and, subject to any appeal, the applicant's mark will be refused for all of the opposed goods in Class 25.

73. The applied for mark will proceed to registration for the unopposed goods in Classes 20 and 24.

COSTS

74. As the opponent has been successful, it is entitled to a contribution towards its costs. Based upon the scale in Tribunal Practice Notice 2/2016, I award the opponent the sum of £1,200 as a contribution towards the cost of the proceedings. This sum is calculated as follows:

Preparing a statement and considering the applicant's statement:	£300
Filing evidence And considering the applicant's submissions:	£800
Official fees:	£100
Total	£1,200

75. I therefore order Hästens Sängar AB to pay MUSTANG - Bekleidungswerke GmbH + Co. KG the sum of £1,200. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of the proceedings if any appeal against this decision is unsuccessful.

Dated this 17 day of July 2023

Teresa Perks

For the Registrar