

O/0720/23

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00003641002
BY KHADI AND VILLAGE INDUSTRIES COMMISSION
TO REGISTER THE TRADE MARK:



IN CLASSES 5, 24 AND 30

AND IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 429620
BY BNP BEST NATURAL PRODUCTS GMBH

BACKGROUND AND PLEADINGS

1. On 13 May 2021, Khadi and Village Industries Commission (“the applicant”) applied to register the trade mark shown on the cover page of this decision, in the UK. The application was published for opposition purposes on 24 September 2021 and registration is sought for the following goods:

Class 5 Medicated shampoos, soaps, lotions and dentifrices; sanitary preparations for personal hygiene, other than toiletries; deodorants, other than for human beings or for animals; antibacterial hand washes; antibacterial soap; balms for medical purposes; cooling sprays for medical purposes; disinfectant soap; disinfectants; disinfectants for hygiene purposes; disinfectants for hygiene purposes; insect repellent incense; insect repellents; massage gels for medical purposes; medicated dentifrices; medicated dry shampoos; medicated eye-washes; medicated hair lotions; medicated shampoos; medicated soap; medicated toiletry preparations; medicated toothpaste; medicinal hair growth preparations; medicinal infusions; medicinal mud; medicinal sediment [mud]; medicinal oils; salts for medical purposes; salts for mineral water baths; sanitary towels; sanitary napkins; sanitary pads.

Class 24 Textile and textile goods; bed covers; bed clothes; table covers; table cloths; table napkins of textile; cloth; materials for use in making clothes; bed linen; bedspreads; covers for cushion.

Class 30 Honey; processed cereals; jaggery; brown sugar; sugar substitutes; coffee; tea; cocoa; sugar; rice; tapioca; sago; coffee, namely, artificial coffee; flour and preparations made from cereals; food preparations based on grains, processed grains or lentil flour; papad; bread; pastry and confectionery; edible ices; treacle; yeast; baking-powder; salt; mustard; vinegar; savory sauces used as condiments; spices; ice.

2. On 23 December 2021, BNP Best Natural Products GmbH (“the opponent”) opposed the application based upon sections 5(2)(b), 5(3) and 5(4)(a) of the Trade

Marks Act 1994 (“the Act”). Under sections 5(2)(b) and 5(3), the opponent relies upon the following trade marks:

Khadi

UKTM no. 910479954¹

Filing date 9 December 2011; registration date 2 May 2012

(“the First Earlier Mark”)

Khadi Ayurveda

UKTM no. 913118724

Filing date 28 July 2014; registration date 13 November 2014

(“the Second Earlier Mark”)



UKTM no. 908216343

Filing date 28 May 2009; registration date 26 January 2010

(“the Third Earlier Mark”)

3. Under section 5(2)(b), the opponent relies upon all of the goods for which the earlier marks are registered, as set out in the Annex to this decision. Although originally directed at the whole application, the opponent now only pursues the section 5(2)(b)

¹ On 1 January 2021, the UK left the EU after the expiry of the transition period. Under Article 54 of the Withdrawal Agreement, the Registry created comparable UK trade marks for all rights holders with an existing EUTM. As a result of the opponent having EUTMs being protected as at the end of the Implementation Period, comparable UK trade marks were automatically created. The comparable trade marks shown here are now recorded on the UK trade mark register, have the same legal status as if they had been applied for and registered under UK law, and retain their original filing dates.

ground in relation to the applicant's class 5 goods. The opponent claims that there is a likelihood of confusion because the marks are similar and the goods are identical or similar.

4. Under section 5(3), the opponent claims a reputation for its class 3 goods only. The opponent claims that use of the applicant's mark would, without due cause, take unfair advantage of, and/or be detrimental to, the distinctive character and/or repute of the earlier marks.

5. Under section 5(4)(a), the opponent relies upon the sign **KHADI** which it claims to have used throughout the UK since 8 April 2014 in relation to "cosmetics, skin care products, body care products, hair care products, shower/bath gels and soaps". The opponent claims that registration of the applicant's mark is contrary to the law of passing off.

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

7. The applicant is represented by Fieldfisher LLP and the opponent is represented by Osborne Clarke LLP.

8. Only the opponent filed evidence. Neither party requested a hearing, and only the opponent filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

EVIDENCE AND SUBMISSIONS

9. The opponent filed evidence as follows:

- a) The witness statement of Nicholas Sutton dated 28 October 2019, which is accompanied by 7 exhibits. Mr Sutton is the Operations Manager of Pravera Limited, the opponent's exclusive distributor in the UK. His evidence focuses upon the use of the KHADI mark in the UK.

- b) The witness statement of Cay-Norbert Polley dated 14 October 2022, which is accompanied by 11 exhibits. Mr Polley is the Managing Director of the opponent. His evidence gives background information about the development of the KHADI brand in the UK, details of the ongoing dispute between the parties and use of the brand in the EU.

10. The opponent filed written submissions in lieu dated 28 March 2023.

RELEVANCE OF EU LAW

11. 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 upon 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.

DECISION

Approach

12. In its written submissions in lieu, the opponent (rightly, in my view) identified the First Earlier Mark as its best case in relation to the section 5(2)(b) and 5(3) grounds. Consequently, I will assess the opposition on the basis of that mark only. Where the opposition is unsuccessful based upon that earlier mark, it follows that it will also be unsuccessful in relation to the Second and Third Earlier Marks.

Section 5(2)(b)

13. Section 5(2)(b) of the Act reads as follows:

“5(2) A trade mark shall not be registered if because –

(a)...

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

14. Section 5A of the Act is as follows:

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

15. The First Earlier Mark qualifies as an earlier trade mark pursuant to section 6 of the Act. As the First Earlier Mark had completed its registration process more than 5 years prior to the application date for the mark in issue, it is subject to proof of use pursuant to section 6A of the Act.

Proof of use

16. I will begin by assessing whether there has been genuine use of the First Earlier Mark. The relevant statutory provisions are as follows:

“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), (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.”

17. Section 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.”

18. As the First Earlier Mark is a comparable mark, paragraph 7 of Part 1, Schedule 2A of the Act is also relevant. It reads:

“7.— (1) Section 6A applies where an earlier trade mark is a comparable trade mark (EU), subject to the modifications set out below.

(2) Where the relevant period referred to in section 6A(3)(a) (the "five-year period") has expired before IP completion day—

(a) the references in section 6A(3) and (6) to the earlier trade mark are to be treated as references to the corresponding EUTM; and

(b) the references in section 6A(3) and (4) to the United Kingdom include the European Union.

(3) Where [IP completion day] falls within the five-year period, in respect of that part of the five-year period which falls before IP completion day —

(a) the references in section 6A(3) and (6) to the earlier trade mark are to be treated as references to the corresponding EUTM ; and

(b) the references in section 6A to the United Kingdom include the European Union”.

19. Pursuant to section 6A of the Act, the relevant period for assessing whether there has been genuine use of the First Earlier Mark is the five-year period ending with the date of the application in issue i.e. 14 May 2016 to 13 May 2021. By virtue of the above provisions, use in the EU will be relevant from 14 May 2016 to 31 December 2020 (IP Completion Day). Thereafter, only use in the UK will be relevant.

20. 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 Bunderversvereinigung 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].”

21. 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 or services protected by the mark” is, therefore, not genuine use.

22. I note the following from the opponent’s evidence:

- a) Pravera Limited has been the exclusive distributor for the opponent’s goods in the UK since 3 April 2014. Sales of Khadi-branded products generate annual sales of over £70,000 for Pravera Limited.
- b) The products sold under the Khadi brand are natural and organic cosmetic products, which “can be categorised as body/skincare products (face and body oils, face masks), hair care products (oils, colours, conditioners, shampoos etc) and shower/bath gels and soaps”.

- c) The following figures have been provided for the number of KHADI products sold in the UK (the information prior to April 2016 is not available due to a change in software platform):

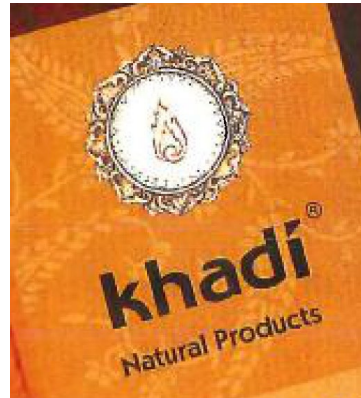
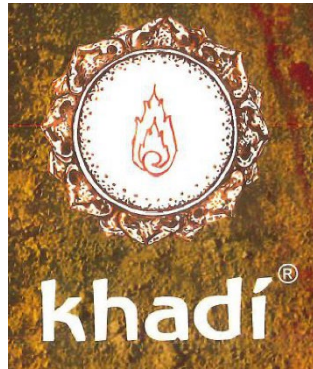
| | |
|--------------------------|--------------|
| 2016 (April to December) | 9,561 units |
| 2017 | 14,867 units |
| 2018 | 15,651 units |

- d) Invoices dated 20 October 2014, 27 January 2015, 2 October 2017 and 2 January 2018 have been provided. These are addressed to customers located in Dorset, Herefordshire and Surrey. They list the mark KHADI in their product descriptions and relate to goods including hair colours and hair oils.²
- e) Mr Sutton states that as of the date of his witness statement, Pravera Limited stock 16 hair colours, 2 wash powders, 6 shampoos, 1 conditioner, 1 hair mask, 3 hair oils, 8 face and body oils and 5 face masks under the KHADI brand. He states that this is representative of what they have stocked over the last five years.
- f) Mr Sutton has also identified customers located in Coventry, Scotland, Birmingham, Worcestershire and Cambridgeshire to whom Pravera Limited have sold KHADI coconut oil, shampoo, body and face oils, hair oil and hair colour between April 2016 and March 2017.
- g) A breakdown of goods sold to different customers has been provided.³ This is not a particularly easy document to navigate. However, I have been able to identify the product breakdown (in units) for the period April 2016 to October 2019. These overwhelmingly relate to hair colours, hair oils, face and body oils and shampoo. However, there are also sales of 64 units of (unspecified) powder and 56 units of coconut oil.

² Exhibit NS1

³ Exhibit NS2

h) Pravera Limited issue 500 KHADI price lists to top customers, twice each year, and to 500 potential new customers. They have also distributed over 5,000 KHADI brochures since April 2016. These display the mark KHADI (word only) and in the following forms:⁴



i) Pravera Limited also operate a website promoting KHADI products, images of which have been provided dating back to 2014, which appear as follows:⁵



j) A breakdown of products sold in the EU has been provided for the years 2018 to 2021 (although 2021 sales will not be relevant, as explained above).⁶ These show sales of hair colour, shampoo, hair oils, body oils, powder for hair

⁴ Exhibit NS3 and NS5

⁵ Exhibit NS6

⁶ Exhibit CNP5

washing, face masks, shower gels and incense sticks. For example, in 2019 alone, these include sales of over €2.4million in Germany in relation to hair colours, sales of over €300,000 in France in relation to shampoos, sales of over €50,000 in Poland in relation to hair oils, sales of over €20,000 in Spain in relation to body oils, sales of over €180,000 in relation to powder for hair washing in Germany, sales of over €180,000 in Germany in relation to conditioner, sales of over €75,000 in relation to face masks in Germany, sales of over €40,000 in Germany in relation to shower gels, sales of over €25,000 in Germany in relation to hair tonic and sales of over €19,000 in Germany in relation to incense sticks.

- k) In 2020, the annual turnover for KHADI products was over €5.8million in Germany, €2million in France and €86,000 in the UK.
- l) Invoices have been provided dated during the relevant period (and prior to IP Completion Day) which show sales of soap (over 1,500 units) and essential oils (over 1,600 units) to customers based in Poland, Czech Republic, Spain, France, Germany, Bulgaria and Italy.⁷

23. The First Earlier Mark has clearly been used as registered. It has also been used as part of the composite marks shown above. However, given that the word KHADI is clearly visible within the composite marks and it continues to indicate origin, I am satisfied that the use shown above is use upon which the opponent can rely.⁸

24. For the avoidance of doubt, the use made of the First Earlier Mark by the opponent's distributor, is clearly use of the mark with the owner's consent and is, therefore, use upon which the opponent can rely to demonstrate genuine use. Given the evidence from the opponent's exclusive distributor that sales of products sold under the KHADI mark in the UK generate around £70,000 per year, the number of units sold in the UK, as well as the invoices provided to EU customers, I am satisfied that there has been genuine use of the First Earlier Mark in relation to hair colours,

⁷ Exhibits CNP7 and CNP8

⁸ *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12

hair oils, face and body oils and shampoo. There has also been genuine use in the EU during the relevant period in relation to soap, essential oils, conditioner, powder for hair washing, shower gels, face masks, hair tonics and incense sticks.

25. I must now consider whether, or the extent to which, the evidence shows use of the First Earlier Mark in relation to the goods relied upon. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs Q.C. (as he then was) 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.”

26. 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:

“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 Plc* [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."

27. There has been genuine use in relation to the following terms which appear in the specification of the First Earlier Mark:

Soaps; Essential oils; Colouring matters for the hair; Conditioning liquids for the hair; Hair conditioners; Body oil; Body oils; Face masks; Face masks for cosmetic purposes; Beauty face packs; Face masks [cosmetic]; Hair oils; Hair oil; Hair shampoo;

28. The following terms are either so closely aligned with those for which the opponent has demonstrated use that it would be inappropriate to exclude them from its specification or are broader categories of goods which I consider to be appropriate based upon the use shown:

Hair lotions; Hair moisturisers (beauty care products); Gels for use on the hair; Body oils in spray form; Cosmetic body oil sprays; Hair wash; Hair cleaning preparations and rinses;

29. I note that the opponent's specification also includes the term "perfumery". The opponent has demonstrated genuine use for "incense sticks". Whilst this is a sub-category of perfumery, I consider the use to be too narrow to retain the broader term. Consequently, I consider the opponent should be entitled to rely upon "incense sticks".

30. I do not consider the use shown sufficient to retain any of the other terms in class 3. There has also not been any use shown in relation to class 21 or class 31. Consequently, I consider a fair specification for the First Earlier Mark to be:

Class 3 Soaps; Incense sticks, essential oils, hair lotions; Colouring matters for the hair; Conditioning liquids for the hair; Gels for use on the hair; Hair conditioners; Hair moisturisers (beauty care products); Body oil; Body oils; Body oils in spray form; Cosmetic body oil sprays; Face masks; Face masks for cosmetic purposes; Beauty face packs; Face masks [cosmetic]; Hair oils; Hair oil; Hair shampoo; Hair wash; Hair cleaning preparations and rinses.

Section 5(2)(b) – case law

31. 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 greater 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 to mind the earlier mark, 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 will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods

32. As noted above, the opposition based upon section 5(2)(b) of the Act is directed at the applicant's class 5 goods only. Bearing in mind my findings above regarding a fair specification for the First Earlier Mark, the competing goods are as follows:

| Opponent's goods | Applicant's goods |
|---|---|
| <p>The First Earlier Mark</p> <p><u>Class 3</u></p> <p>Soaps; Incense sticks, essential oils, hair lotions; Colouring matters for the hair; Conditioning liquids for the hair; Gels for use on the hair; Hair conditioners; Hair moisturisers (beauty care products); Body oil; Body oils; Body oils in spray form; Cosmetic body oil sprays; Face masks; Face masks for cosmetic purposes; Beauty face packs; Face masks [cosmetic]; Hair oils; Hair oil; Hair shampoo; Hair wash; Hair cleaning preparations and rinses.</p> | <p><u>Class 5</u></p> <p>Medicated shampoos, soaps, lotions and dentifrices; sanitary preparations for personal hygiene, other than toiletries; deodorants, other than for human beings or for animals; antibacterial hand washes; antibacterial soap; balms for medical purposes; cooling sprays for medical purposes; disinfectant soap; disinfectants; disinfectants for hygiene purposes; disinfectants for hygiene purposes; insect repellent incense; insect repellents; massage gels for medical purposes; medicated dentifrices; medicated dry shampoos; medicated eye-washes; medicated hair lotions; medicated shampoos; medicated soap; medicated toiletry preparations; medicated toothpaste;</p> |

| | |
|--|---|
| | medicinal hair growth preparations; medicinal infusions; medicinal mud; medicinal sediment [mud]; medicinal oils; salts for medical purposes; salts for mineral water baths; sanitary towels; sanitary napkins; sanitary pads. |
|--|---|

33. When making the comparison, all relevant factors relating to the goods in the specifications should be taken into account. In the judgment of the Court of Justice of the European Union (“CJEU”) in *Canon*, Case C-39/97, the court stated at paragraph 23 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.”

34. Guidance on this issue has also come from Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

- (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 *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the General Court (“GC”) 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 for 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.”

Class 5

Medicated shampoos, soaps, lotions [...]; antibacterial hand washes; antibacterial soap; disinfectant soap; medicated dry shampoos; medicated hair lotions; medicated shampoos; medicated soap.

36. The opponent’s “hair shampoo”, “hair lotions” and “soaps” are not medicated due to their being included in class 3. However, they will still overlap in nature, method of use, purpose, trade channels and user with the above goods. They may be in competition. Consequently, I consider the goods to be highly similar.

Medicated [...] dentifrices; medicated dentifrices; medicated toothpaste.

37. These goods could be sold through the same retailers as the opponent’s goods, at a general level. For example, they may all be sold by pharmacists and would be in the same section of large supermarkets. However, the producers of the goods are unlikely to be the same. The method of use and nature of the goods will differ. There may be some overlap in purpose, to the extent that both parties’ goods are for personal

hygiene, but the specific purposes differ. The user will clearly overlap. There is no competition or complementarity. Consequently, I consider the goods to be similar to between a low and medium degree.

Sanitary preparations for personal hygiene, other than toiletries.

38. Toiletries are typically used for personal cleaning or grooming. Where there are sanitary preparations which extend broader than toiletries, these goods would still be sold through the same retailers at a general level as many of the opponent's goods (or would be sold in the same areas of supermarkets). The method of use and nature of the goods may differ, but the general purpose of personal hygiene will be the same, as will the user. There is no obvious competition or complementarity. Consequently, I consider the goods to be similar to at least a medium degree.

Deodorants, other than for human beings or for animals.

39. These are, in my view, likely to include deodorants for rooms. Consequently, there will be some overlap in purpose with the opponent's "incense sticks". The nature and method of use of the goods may differ, but the users will be the same. There may be some overlap in trade channels, as both may be purchased from specialist homeware stores. There may be a degree of competition. Consequently, I consider the goods to be highly similar.

Disinfectants; disinfectants for hygiene purposes; disinfectants for hygiene purposes.

40. These terms in the applicant's specification could all include disinfectant soaps. Consequently, there is overlap in nature, purpose, method of use, trade channels and user with "soaps" in the opponent's specification. There may be some competition. Consequently, the goods are highly similar.

Insect repellent incense; insect repellents.

41. These goods could both be highly similar to "incense sticks" in the opponent's specification. Although listed in different classes, they will still overlap in nature,

method of use and trade channels. The purpose of the goods will differ, as the opponent's goods are to scent a room, whilst the core purpose of the applicant's goods is to repel insects. The user may overlap. Taking all of this into account, I consider there to be a medium degree of similarity.

Medicated toiletry preparations.

42. The key difference between these goods and the opponent's goods is that the applicant's are medicated and the opponent's are not. Clearly, this will be a point of difference in nature. However, the nature in terms of whether they are liquid, gel, cream etc. will overlap. The method of use and purpose are also likely to overlap. The user will clearly be the same. There is also likely to be an overlap in trade channels as the same retailers are likely to sell both medicated and non-medicated toiletries. There may be some competition. Consequently, I consider the goods to be highly similar.

Medicinal hair growth preparations.

43. This may include shampoos specifically formulated for improving hair growth. Consequently, there will be an overlap in nature, method of use, trade channels and user with the opponent's "hair shampoo". Whilst both goods are likely to share the purpose of cleaning the hair, the applicant's goods will have the added purpose of stimulating hair growth. There may be some competition at a general level. Consequently, I consider the goods to be highly similar.

Medicinal oils.

44. These goods will overlap in nature with the opponent's "body oils". There may be some overlap in purpose (such as, to improve the condition of the skin) and method of use. Clearly, the user could be the same. There may be an overlap in trade channels to the extent that both could be sold by pharmacies, although the specific producers are unlikely to be the same. In my view, the goods are similar to a medium degree.

Cooling sprays for medical purposes; massage gels for medical purposes; medicated eye-washes; medicinal infusions.

45. In relation to these goods the opponent submits that they will overlap in nature and purpose with the opponent's goods because:

“Regardless of whether they are medicated, all these products protect, hydrate and cleanse hair and skin and seek to maintain and/or improve their physical appearance. Both sets of goods are likely to have similar ingredients and may have the same consistency, for example in the form of an oil or cream. Further and in any event, they are sold via the same distribution channels, for example, in pharmacies and, in most cases, in close proximity to each other in the pharmacies and will in many instances either be in competition or used in conjunction with each other. [...]”

46. I agree that there may be some overlap in trade channels at a general level, to the extent that these goods may all be sold through pharmacies. However, the producers of the goods are likely to differ. Further, the applicant's goods do not appear likely to share purpose or nature with the opponent's goods (other than at a general level in that some may be in the form of liquids/gels). The method of use may be similar in some cases (but certainly not all). The users will clearly overlap. There is not, in my view, any competition or complementarity. At best, I consider these goods to be similar to a very low degree.

Balms for medical purposes;

47. This term could include medicated balms for use on the lips. Consequently, there will be an overlap in trade channels and user with the opponent's goods. There may be an overlap in purpose to the extent that some of the opponent's goods are also for the benefit of the skin. I consider the goods to be similar to between a low and medium degree.

Medicinal mud; medicinal sediment [mud].

48. In relation to these goods, the opponent submits:

“These are inherently similar to cosmetics and face masks, which clearly cover non-medicated counterparts of those goods such as cosmetic products intended to be applied to the hair or skin, e.g. a mud mask or mud-based body scrub.”

49. I accept that there may be some overlap in nature to the extent that the opponent’s “face masks” may be mud-based. However, the medicated nature of the applicant’s goods is a difference in nature. The method of use and purpose may overlap to the extent that the goods may both be applied to the face for the benefit of the skin. I have no evidence to suggest that there would be an overlap in trade channels, other than at a very general level (such as pharmacies). The users will clearly overlap. There may be some limited competition. I consider the goods to be similar to a medium degree.

Salts for medical purposes; salts for mineral water baths.

50. In relation to these goods, the opponent submits as follows:

“These are similar to cosmetics, hair lotions, body oils or soaps, all of which form part of a regular cosmetic regime and are products that consumers would expect to come from the same undertaking. For example, consumers would expect that soap products may contain salts or for salt to be an active ingredient which would influence the average consumer’s purchasing decision. Moreover, these goods all share the same channels of trade and would be sold in close proximity in High Street stores.”

51. In my view, these are specialist goods likely to be produced by specialist businesses. I accept that there may be some overlap in trade channels at a general level, with these goods and the opponent’s goods being available through pharmacies. However, the purpose, nature and method of use clearly differ. The users will overlap.

However, there is no complementarity. I consider the goods to be similar to a very low degree, at best.

Sanitary towels; sanitary napkins; sanitary pads.

52. These goods are clearly different in nature, method of use and purpose with the opponent's goods. There may be overlap in trade channels at a very general levels as they may be sold in supermarkets or pharmacies, as may the opponent's goods. However, the producers would differ. The user would clearly be the same. There is no complementarity or competition. In my view, they are dissimilar. If I am wrong in that finding, they are similar to only a very low degree.

The average consumer and the nature of the purchasing act

53. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods. I must then determine the manner in which the goods are likely to be selected by the average consumer. 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.”

54. The average consumer for the parties' goods will be a member of the general public or, in the case of some of the applicant's medicated goods, could also include medical professionals. The cost and frequency of purchase of the goods is likely to vary, but they are likely to be reasonably inexpensive and frequent purchases. However, various factors will be taken into consideration such as suitability for

skin/hair type, scent and suitability for medical conditions. Consequently, I consider that a medium degree of attention is likely to be paid during the purchasing process for the goods, although I recognise that where the goods are medicated, a higher degree of attention may be paid.

55. The goods are likely to be purchased following perusal of signage at physical premises or their online equivalents. Consequently, visual considerations are likely to dominate the selection process. However, I do not discount that aural components may play a part given that advice may be sought from medical professionals/pharmacists.


Comparison of trade marks

56. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade 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 trade 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:

| Opponent's trade mark | Applicant's trade mark |
|-----------------------|--|
| Khadi |  |

59. The opponent's trade mark consists of the word KHADI, presented in title case. There are no other elements to contribute to the overall impression, which lies in the word itself. The applicant's trade mark consists of an orange oval device, which contains a large graphic element in white, above the words KHADI INDIA, presented in black, title case font. Beside the large white graphic device, is a smaller device. Above and below the orange oval are two horizontal lines, one red and one green. The eye is naturally drawn to the element of the mark that can be read i.e. KHADI INDIA. I recognise that the graphic element may be text written in a different language, which may be recognisable to some average consumers. However, I have no submissions on this from either party and given that it will simply be seen as a graphic element to a significant proportion of average consumers (which is the opponent's best case) I will proceed on that basis. India is likely to be seen as non-distinctive given that it will be seen as indicating origin of the goods or business. The orange device and graphic elements play a slightly lesser role.

60. Visually, the marks overlap to the extent that the opponent's mark is replicated exactly in the applicant's mark. However, the addition of the word INDIA and the graphic/device elements all act as points of visual difference. Consequently, I consider the marks to be visually similar to between a low and medium degree.

61. Aurally, the only elements of the applicant's mark that are likely to be pronounced are the words KHADI INDIA. The opponent's mark will be pronounced identically to the first word in the applicant's mark. Clearly, the pronunciation of the word INDIA will act as a point of aural difference. I consider the marks to be aurally similar to between a medium and high degree.

62. Conceptually, the opponent explains that KHADI is a type of Indian homespun cotton cloth. However, I do not consider that this meaning would be known to the average consumer. In my view, word KHADI is likely to be perceived as an invented or foreign language word. It is unlikely to be attributed any meaning. Consequently, the point of overlap in the marks is conceptually neutral. The word INDIA in the applicant's mark will act as a point of conceptual difference, although not a distinctive one. I do not consider that the graphic/device elements of the applicant's mark convey any message.

Distinctive character of the earlier trade mark

63. 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 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-2779, 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).”

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

65. The First Earlier Mark consists of the word KHADI, presented in title case. This is likely to be viewed as either an invented word or a foreign language word, with no particular meaning. Consequently, I consider it to be inherently distinctive to a high degree. Whilst the opponent has filed evidence of use, I do not consider it sufficient to justify a finding of enhanced distinctiveness. The figures in relation to the UK (which is the relevant market for enhanced distinctiveness) are relatively low given what is undoubtedly a significant market. There is no information about marketing expenditure in the UK. Consequently, I do not consider the distinctiveness of the First Earlier Mark has been enhanced through use.

Likelihood of confusion

66. 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 them and the goods down to the responsible undertaking being the same. 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 goods may be offset by a greater degree of similarity between the respective trade marks and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the First 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 trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

67. I have found as follows:

- a) The goods vary from being identical to similar to a very low degree (at best).
- b) The average consumer is a member of the general public or a medical professional, who will pay a medium degree of attention during the purchasing process (although I recognise that it may be higher where the goods are medicated).
- c) The purchasing process will be predominantly visual, although I do not discount an aural component.
- d) The marks are visually similar to between a low and medium degree and aurally similar to between a medium and high degree. The common element of the marks is conceptually neutral, although the word INDIA in the applicant's mark acts as a conceptual point of difference (but not a distinctive one).
- e) The First Earlier Mark is inherently distinctive to a high degree.

68. Given that the purchasing process is predominantly visual, and the fact that the marks are only visually similar to between a low and medium degree, I consider it unlikely that they will be mistakenly recalled or misremembered as each other, even when used on identical goods. Taking all of the above factors into account, I do not consider there to be a likelihood of direct confusion.

69. I will now consider whether there is indirect confusion. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Mr Iain Purvis Q.C., 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)”.

70. These examples are, clearly, not intended to be an exhaustive list but illustrate some of the circumstances in which indirect confusion may arise. In *Liverpool Gin*

Distillery Ltd & Ors v Sazerac Brands, LLC & Ors [2021] EWCA Civ 1207, Arnold LJ referred to the comments of James Mellor KC (as he then was), sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria* (O/219/16), where he said at [16] that “a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion”. Arnold LJ agreed, pointing out that there must be a “proper basis” for concluding that there is a likelihood of indirect confusion where there is no likelihood of direct confusion.

71. I consider that the common word KHADI (which is inherently highly distinctive) is likely to lead the average consumer to conclude that the marks originate from economically linked undertakings. In my view, the average consumer would conclude that only one undertaking could be using a word so strikingly distinctive. Alternatively, the addition of the device elements and the word INDIA may be seen as indicating a branch of the business aimed at the Indian market or specialising in products with ingredients from India. Consequently, the applicant’s mark would be in line with a brand extension or variant. In my view, there is a likelihood of indirect confusion where the marks are used on goods that are similar to at least between a low and medium degree. Where the goods are only similar to a very low degree (at best), I consider the distance to be sufficient to offset the similarity between the marks and there will be no likelihood of confusion. For the avoidance of doubt, given that the Second and Third Earlier Marks are less similar to the applicant’s mark than the First Earlier Mark, they would not put the opponent in any stronger position.

72. The opposition based upon section 5(2)(b) is successful in relation to the following goods:

Class 5 Balms for medical purposes; Medicated shampoos, soaps, lotions and dentifrices; sanitary preparations for personal hygiene, other than toiletries; deodorants, other than for human beings or for animals; antibacterial hand washes; antibacterial soap; disinfectant soap; disinfectants; disinfectants for hygiene purposes; disinfectants for hygiene purposes; insect repellent incense; insect repellents; medicated dentifrices; medicated dry shampoos; medicated hair lotions; medicated shampoos; medicated soap; medicated toiletry preparations; medicated

toothpaste; medicinal mud; medicinal sediment [mud]; medicinal hair growth preparations; medicinal oils.

73. The opposition based upon section 5(2)(b) is unsuccessful in relation to the following goods:

Class 5 Cooling sprays for medical purposes; massage gels for medical purposes; medicated eye-washes; medicinal infusions; salts for medical purposes; salts for mineral water baths; sanitary towels; sanitary napkins; sanitary pads.

Section 5(3)

74. Section 5(3) of the Act states:

“5(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 and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark.”

75. Section 5(3A) of the Act states:

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

76. As the First Earlier Mark is a comparable mark, paragraph 10 of Part 1, Schedule 2A of the Act is relevant. It reads:

“10.— (1) Sections 5 and 10 apply in relation to a comparable trade mark (EU), subject to the modifications set out below.

(2) Where the reputation of a comparable trade mark (EU) falls to be considered in respect of any time before IP completion day, references in sections 5(3) and 10(3) to—

(a) the reputation of the mark are to be treated as references to the reputation of the corresponding EUTM; and

(a) the United Kingdom include the European Union”.

77. 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, Adidas-Salomon, Case C-487/07, L’Oreal v Bellure and Case C-323/09, Marks and Spencer v Interflora and Case C383/12P, Environmental Manufacturing LLP v OHIM*. 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; *General 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 and *Environmental Manufacturing*, paragraph 34.

(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).

78. I can deal with this ground relatively swiftly. The evidence is, for the reasons set out above in relation to enhanced distinctiveness, insufficient to establish a reputation in the UK. It is far more compelling in relation to the EU market. However, absent a reputation here, I can see no reason to conclude that a link would be made in the mind of the relevant public.⁹ Even if a link was made, I do not consider that it would take the opponent's case any further than it already is under section 5(2)(b) because the distance between the surviving goods and the opponent's goods are sufficient to avoid a link and damage arising.

79. The opposition based upon section 5(3) is dismissed.

Section 5(4)(a)

80. Section 5(4)(a) of the Act states as follows:

“5(4) 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, where the condition in subsection (4A) is met,

aa)...

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”.

⁹ *China Construction Bank Corporation v Groupement Des Cartes Bancaires*, (Case BL O/281/14)

81. Subsection (4A) of section 5 of the Act states:

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

82. Again, this ground can be dealt with relatively swiftly. Whilst there are issues with the opponent’s evidence as noted above, I am satisfied that it is sufficient to establish a moderate (but protectable) goodwill in the UK in relation to hair colours, hair oils, face and body oils and shampoo. For the avoidance of doubt, whilst I note that there has been use in relation to a broader range of goods in the EU, it is only use in the UK which is relevant for goodwill.

83. In my view, there is a question mark as to whether any goodwill would accrue to the opponent or its exclusive distributor. I do not have a copy of the licence in evidence before me. However, even assuming that the agreement between the parties confirms that goodwill accrues to the opponent, the goodwill extends to a narrower range of goods than those relied upon under the section 5(2)(b) ground. Consequently, I do not consider that this ground puts the opponent in any stronger position than it is under section 5(2)(b) and I decline to consider it any further.

CONCLUSION

84. The opposition is successful in relation to the following goods for which the application is refused:

Class 5 Balms for medical purposes; medicated shampoos, soaps, lotions and dentifrices; sanitary preparations for personal hygiene, other than toiletries; deodorants, other than for human beings or for animals; antibacterial hand washes; antibacterial soap; disinfectant soap; disinfectants; disinfectants for hygiene purposes; disinfectants for hygiene purposes; insect repellent incense; insect repellents; medicated dentifrices; medicated dry shampoos; medicated hair lotions; medicated

shampoos; medicated soap; medicated toiletry preparations; medicinal mud; medicinal sediment [mud]; medicated toothpaste; medicinal hair growth preparations; medicinal oils.

85. The opposition is unsuccessful in relation to the following goods for which the application may proceed to registration:

Class 5 Cooling sprays for medical purposes; massage gels for medical purposes; medicated eye-washes; medicinal infusions; salts for medical purposes; salts for mineral water baths; sanitary towels; sanitary napkins; sanitary pads.

Class 24 Textile and textile goods; bed covers; bed clothes; table covers; table cloths; table napkins of textile; cloth; materials for use in making clothes; bed linen; bedspreads; covers for cushion.

Class 30 Honey; processed cereals; jaggery; brown sugar; sugar substitutes; coffee; tea; cocoa; sugar; rice; tapioca; sago; coffee, namely, artificial coffee; flour and preparations made from cereals; food preparations based on grains, processed grains or lentil flour; papad; bread; pastry and confectionery; edible ices; treacle; yeast; baking-powder; salt; mustard; vinegar; savory sauces used as condiments; spices; ice.

COSTS

86. The applicant has enjoyed the greater degree of success and is, consequently, entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. I bear in mind the only partial success. In the circumstances, I award the applicant the sum of **£550**, calculated as follows:

| | |
|--|------|
| Filing a counterstatement and considering the Notice of opposition | £300 |
| Considering the opponent's evidence | £250 |

87. I therefore order BNP Best Natural Products GmbH to pay Khadi and Village Industries Commission the sum of £550. This sum is to be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 27th day of July 2023

S WILSON

For the Registrar

ANNEX

The First Earlier Mark

Class 3

Bleaching preparations and other substances for laundry use; Cleaning, polishing, scouring and abrasive preparations; Soaps; Perfumery, essential oils, cosmetics, hair lotions; Dentifrices; Facial tonics (cosmetics); Colouring matters for the hair; Conditioning liquids for the hair; Gels for use on the hair; Hair conditioners; Hair moisturisers (beauty care products); Colouring matters for the hair; Conditioning liquids for the hair; Gels for use on the hair; Hair conditioners; Hair moisturisers (beauty care products); Body oil; Body oils; Body oils in spray form; Cosmetic body oil sprays; Colouring matters for the hair; Conditioning liquids for the hair; Gels for use on the hair; Hair conditioners; Hair moisturisers (beauty care products); Body oil; Body oils; Body oils in spray form; Cosmetic body oil sprays; Face masks; Face masks for cosmetic purposes; Beauty face packs; Face masks [cosmetic]; Colouring matters for the hair; Conditioning liquids for the hair; Gels for use on the hair; Hair conditioners; Hair moisturisers (beauty care products); Body oil; Body oils; Body oils in spray form; Cosmetic body oil sprays; Face masks; Face masks for cosmetic purposes; Beauty face packs; Face masks [cosmetic]; Hair oils; Hair oil; Colouring matters for the hair; Conditioning liquids for the hair; Gels for use on the hair; Hair conditioners; Hair moisturisers (beauty care products); Body oil; Body oils; Body oils in spray form; Cosmetic body oil sprays; Face masks; Face masks for cosmetic purposes; Beauty face packs; Face masks [cosmetic]; Hair oils; Hair oil; Hair shampoo; Hair wash; Hair cleaning preparations and rinses; Dandruff treatments in the form of shampoos; Colouring matters for the hair; Conditioning liquids for the hair; Gels for use on the hair; Hair conditioners; Hair moisturisers (beauty care products); Body oil; Body oils; Body oils in spray form; Cosmetic body oil sprays; Face masks; Face masks for cosmetic purposes; Beauty face packs; Face masks [cosmetic]; Hair oils; Hair oil; Hair shampoo; Hair wash; Hair cleaning preparations and rinses; Dandruff treatments in the form of shampoos; Cosmetic creams; Cosmetic creams.

Class 21

Household or kitchen utensils and containers; Combs and sponges; Brushes (except paint brushes); Brush-making materials; Articles for cleaning purposes; Steelwool;

Unworked or semi-worked glass (except glass used in building); Glassware, porcelain and earthenware not included in other classes.

Class 31

Agricultural, horticultural and forestry products and grains not included in other classes; Live animals; Fresh fruits and vegetables; Seeds, natural plants and flowers; Foodstuffs for animals; Malt.

The Second Earlier Mark

Class 3

Body cleaning and beauty care preparations; Perfumery and fragrances; Oral hygiene preparations; Greases for cosmetic purposes; Henna [cosmetic dye]; Henna powders; Cosmetics; Massage oils; Cosmetics in the form of oils; Scalp treatments (Non-medicated -); Cosmetics for personal use.

The Third Earlier Mark

Class 3

Toilet soaps; beauty masks; cosmetic creams; oils for cosmetic purposes; essential oils; lipsticks; Disinfectant soaps; oils for cosmetic purposes; cosmetic preparations for eyelashes; perfumed burning sticks; hair colorants; mascara; incense; hair shampoos; hair colorants; make-up powder; cosmetics; scented water; oral care preparations, not for medical purposes; soaps; cosmetics; cosmetic creams; (beauty) masks; shampoos; skin care preparations (cosmetic); deodorant soap; shaving soap; soap for foot perspiration; dentifrices; almond soap; medicated soaps; essential oils of citron; fumigating preparations (perfumes); talcum powder for toilet use; deodorant soap; pencils (cosmetic-); perfumes; essential oils; hair lotions; toiletries; cosmetics; ionone (perfumery); disinfectant soaps; after-shave; almond milk for cosmetic purposes; cosmetic pencils.