O/0721/23

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00003707752
BY CLOUDBURST CLOTHING LTD
TO REGISTER:

CLOUDBURST CLOTHING LIMITED

AS A TRADE MARK IN CLASS 25

AND

IN THE MATTER OF THE OPPOSITION THERETO
UNDER NO. 430440 BY
ON CLOUDS GMBH

BACKGROUND AND PLEADINGS

1. On 8 October 2021, Cloudburst Clothing Ltd ("the applicant") applied to register the trade mark shown on the cover of this decision in the UK ("the applicant's mark") for the following goods:

Class 25: Clothing; Clothes; Wristbands [clothing]; Tops [clothing]; Knitted clothing; Oilskins [clothing]; Motorcyclists' clothing; Hoods [clothing]; Leisure clothing; Infant clothing; Children's clothing; Childrens' clothing; Sports clothing; Leather clothing; Gloves [clothing]; Waterproof clothing; Plush clothing; Girls' clothing; Layettes [clothing]; Jackets [clothing]; Kerchiefs [clothing]; Thermal clothing; Belts [clothing]; Athletic clothing; Windproof clothing; Silk clothing; Work clothes; Woolen clothing; Knitwear [clothing]; Jerseys [clothing]; Weatherproof clothing; Casual clothing; Denims [clothing]; Combinations [clothing]; Outer clothing; Embroidered clothing.

2. The applicant's mark was published for opposition purposes on 22 October 2021 and, on 21 January 2022, it was opposed by On Clouds GmbH ("the opponent"). The opposition is reliant upon sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 ("the Act").

3. Under the 5(2)(b) and 5(3) grounds, the opponent relies on the following trade marks:

No.	Mark:	Reg no.	Filing date	Reg. date	Priority date:
1	CLOUD	801361124	04.05.2017	15.01.2020	24.10.2016
2	CLOUD X	801369343	21.08.2017	17.01.2020	24.02.2017
3	Cloud Beam	801455835	23.01.2019	20.08.2019	26.07.2018
4	Cloud Waterproof	801457786	12.02.2019	30.08.2019	29.08.2018
5	CLOUDSTRATUS	801457926	07.12.2018	03.09.2019	05.07.2018

6	CLOUDBOOM	801515044	18.11.2019	17.08.2020	09.07.2019
7	CLOUDFLYER	801353869	21.04.2017	11.12.2017	24.10.2016

4. For ease of reference, I will refer to the above marks by their corresponding numbers in the above table. For example, entry one will be referred to as the opponent's first mark, entry two as the opponent's second and so on.

5. The opponent's marks are all comparable marks based on the opponent's earlier International Registrations designating the EU ("the opponent's IRs"). On 1 January 2021, the UK left the EU after the expiry of the transition period. Under Article 54 of the Withdrawal Agreement between the UK and the EU, the Registry created comparable UK trade marks for all rights holders with existing IRs. As a result of the opponent having IRs protected at the end of the Implementation Period on 31 December 2020, comparable UK trade marks were automatically created. The comparable trade marks shown above 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.

6. Under its 5(2)(b) ground, the opponent submits that as the applicant's mark is similar to its own marks and is applied for in respect of identical goods, there exists a strong likelihood of confusion on the part of the public, including a likelihood of association.

7. In respect of the 5(3) ground, the opponent claims that the parties' marks are similar and that as all of its marks enjoy a reputation in the UK, use of the applicant's mark would, without due cause, take unfair advantage of, be detrimental to the repute of the opponent's marks and cause detriment to the distinctive character of the opponent's marks.

8. Under both of the above grounds, the opponent relies on its class 25 goods only and these are set out in the **Annex** of this decision.

9. Turning to the 5(4)(a) ground, the opponent relies on signs that are identical to the marks relied upon under the above grounds. For the sake of brevity, I will not repeat

those signs here but the numbers in the table set out above correspond to the opponent's signs under the present ground also, i.e. the first mark listed is the same as the first sign, the second mark listed is the same as the second sign, and so on. The opponent claims to have been using the signs relied upon for the same goods, namely "high performance footwear, namely trainers, leisure footwear and running shoes". As for the dates that the opponent claims to have begun using its signs in the UK, these all differ. The opponent claims that it began using its first sign in September 2013, its second sign in October 2017, its third sign in May 2019, its fourth sign in August 2018, its fifth sign in June 2019, its sixth sign in July 2020 and its seventh sign in October 2015.

10. Under this ground, the opponent submits that, as a result of its use of the signs, it has acquired a protectable level of goodwill and that use of the applicant's mark is likely to lead to a misrepresentation to the public, leading to the belief that the goods offered by the applicant are connected to the opponent. The opponent claims that this would cause not only financial damage by way of a potential diversion of sales but also damage to the reputation of the opponent in the event that the applicant's goods are inferior.

11. In addition, I note that under each of the opponent's grounds, it has sought to rely on the family of marks argument meaning that, due to the common use of the word 'CLOUD' across the parties' marks, the average consumer will believe that the applicant's mark is part of the opponent's family of marks.

12. The applicant filed a counterstatement denying the claims made.

13. The opponent is represented by Bristows LLP and the applicant is unrepresented. Both parties filed evidence. No hearing was requested and only the opponent filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

14. 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.

PRELIMINARY ISSUE

15. In its written submissions, the opponent makes reference to two decisions from other jurisdictions in support of its claim to enjoy a reputation in its relied upon marks. These decisions are from the Regional Court of Hamburg and the EUIPO Opposition Division. While the decisions are noted, the assessment I must make in the present case in respect of the existence of a reputation is based on the evidence before me, not the findings of an authority in another jurisdiction. As a result, these decisions are not binding upon me and, instead, my decision will be based on the global assessment of the issues before me. In light of this, I will say no more about the decisions filed by the opponent.

EVIDENCE

16. The opponent's evidence in chief came in the form of the witness statement of Mr Roman Bretschger dated 1 September 2022. Mr Bretschger is the Deputy General Counsel of On AG, a position he has held for two years. There is no express explanation as to the relationship between On AG and the opponent. However, I note that Mr Bretschger's evidence explains that the opponent is the holder and licensee of the intellectual property rights of the On Group and he confirms that any reference to the use of the opponent's marks by On AG is with the express consent and authorisation of the opponent. I have no reason to disbelieve this statement and will, therefore, accept the explanation given and take any use of the marks by On AG as being with the consent of the opponent. Mr Bretschger's statement is accompanied by 19 exhibits, being RB1 to RB19.

17. The applicant's evidence in chief came in the form of the witness statement of Mr Jack Duerden dated 7 January 2023. Mr Duerden is the founder and owner of the applicant and his statement is accompanied by eight exhibits, being JD1 to JD8.

18. I have read all of the evidence and the opponent's submissions and will refer to points from the same where necessary.

DECISION

Section 5(2)(b): legislation and case law

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

> "(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 or association with the earlier trade mark."

20. Section 5A of the Act states as follows:

> "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."

21. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

"(6)(1) In this Act an "earlier trade mark" means –

(a) a registered trade mark or international trade mark (UK) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.

22. The trade marks relied on by the opponent qualify as "earlier trade marks" for the purposes of the claimed grounds since they were applied for at an earlier date than the applicant's mark.[1] None of the opponent's marks completed their registration processes more than five years before the filing date of the applicant's mark. Therefore, the opponent's marks are not subject to proof of use pursuant to section 6A of the Act. This means that the opponent can rely upon all of the goods highlighted in its notice of opposition.

23. 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 Office for Harmonization in the Internal Market (Trade Marks and Designs) ("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

[1] See Section 6(1)(a) of the Act

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

24. The applicant's goods are set out in paragraph one of this decision and the opponent's goods are set out in the Annex of this decision.

25. When making the comparison assessing the similarity of the goods or services, 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:

> "[...] 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".

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

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

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

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

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

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

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

27. The General Court confirmed in *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-133/05, that, even if goods are not worded identically, they can still be considered identical if the goods specified in the contested trade mark application are included in a more general category covered by a term under the earlier mark (or vice versa).

28. I note that at paragraph 21 of the applicant's evidence, Mr Duerden makes reference to the goods of the parties by starting that:

> "By the opposition's own admission, their area of expertise and the market in which they predominantly operate is that of high performance sportswear, in particular high performance sporting footwear. The applicant is by their own admission a fashion brand of casual menswear. With this in mind, it is my belief that there are significant differences in not only the marks but also the two brands and the different markets within which they operate."

29. While this is noted, the assessment I must conduct here is a notional one based upon the goods as they appear in the parties' specifications. Therefore, the claim that the opponent only sells footwear is not relevant to the assessment I must now make as its marks are registered for a range of clothing goods also. As for the opponent, I note that it has filed submissions in respect of the goods comparison and while I confirm that I have given these due consideration, I will not reproduce them here.

30. I will begin by setting out that the opponent's third, fourth, fifth and sixth marks all include the broad term "clothing". Firstly, this is self-evidently identical with the applicant's own "clothing" goods. Secondly, given that the applicant's goods are all

categorised as clothing goods, it follows that they all fall within the opponent's broader category. As a result, the applicant's remaining goods are all identical under the principle outlined in *Meric* with the opponent's "clothing" goods.

31. As for the opponent's first, second and seventh marks, these share identical specifications which do not contain the broad term "clothing" but, as I will come to discuss below, do include a range of clothing goods. In conducting the following assessment, I will refer to these specifications in the singular, i.e. the opponent's specification.

32. "Clothing" and "clothes" in the applicant's specification encompass a range of the opponent's goods, including "shirts", "neckties", "trousers", "bathing suits" and "coats". These goods are, therefore, identical under the principle outlined in *Meric*.

33. "Leather clothing" and "gloves [clothing]" appear in both parties' specifications and, as a result, these goods are self-evidently identical.

34. It is my understanding that jackets and coats are terms that are used interchangeably to describe the same product. As a result, I consider that "jackets [clothing]" in the applicant's specification is identical to "coats" in the opponent's specification. I am of the view that these goods are self-evidently identical but, if not, they are identical under the principle outlined in *Meric* on the basis that a jacket is a type of coat. Failing that, the goods are similar to a high degree on the basis that they overlap in nature, method of use, purpose, user and trade channels.

35. In considering the term "tops [clothing]" in the applicant's specification, I am of the view that it will cover a range of clothing goods such as, t-shirts, shirts or jumpers, amongst others. As a result, I consider that this term is identical under the principle outlined in *Meric* with "shirts" in the opponent's specification.

36. "Combinations [clothing]" in the applicant's specification covers the term "combinations-trousers (clothing)" in the opponent's specification meaning that these goods are identical under the principle outline in *Meric*.

37. “Belts [clothing]” in the applicant’s specification is a term that covers any type of belt worn by the user. As such, it encompasses the term “waist belts [clothing]” in the opponent’s specification. These goods are, therefore, identical under the principle outlined in *Meric*.

38. “Hoods [clothing]” and “kerchiefs [clothing]” in the applicant’s specification are types of headgear and, therefore, fall within the term “headgear for wear” in the opponent’s specification. These goods are, therefore, identical under the principle outlined in *Meric*.

39. While “wristbands [clothing]” in the applicant’s specification may not be identical with “headbands [clothing]” in the opponent’s specification, they are similar. There is some overlap between these goods in respect of their nature as both will be made of the same materials, albeit worn of different parts of the body. The purpose will be the same, in that both goods are commonly worn during physical activity or sports to absorb sweat. Further, the goods are likely to overlap in user and trade channels and, in respect of the latter overlap, are likely to be found in close proximity with one another in the same retailers. Overall, I consider that these goods are similar to a high degree.

40. It is my understanding that “oilskins [clothing]” in the opponent’s specification covers a range of waterproof clothing such as fisherman’s waders and coats. In respect of the opponent’s “coats”, I am of the view that this too can cover coats made of the same material as covered by the applicant’s term and, as a result, I consider that these goods are identical under the principle outlined in *Meric*. Failing that, these goods are similar to a high degree on the basis that they overlap in nature, method of use, purpose, user and trade channels.

41. “Jerseys [clothing]” in the applicant’s specification covers a type of top and while it has no direct counterpart in the opponent’s specification, I consider that it is similar with “shirts”, “trousers” and “coats”. This is on the basis that while the goods may

differ in nature, they share an overlap in method of use, purpose, user and trade channels. As a result, I consider that these goods are similar to a high degree.

42. It is my understanding that “layettes [clothing]” in the applicant’s specification covers types of clothing worn by babies. This term has no direct counterpart in the opponent’s specification but I consider that it shares a degree of similarity with a different range of goods. Firstly, I consider that these goods of the applicant are similar to “footwear for infants” in the opponent’s specification on the basis that they will share the same user and trade channels. However, I consider that the more favourable comparison lies with the opponent’s “shirts” and “trousers”. This is on the basis that the opponent’s terms are not restricted from covering shirts or trousers for babies. While not the same, these goods are, in this context, similar on the basis that they overlap in method of use, purpose, user and trade channels. These goods are, therefore, similar to a high degree.

43. “Denims [clothing]” in the applicant’s specification covers a wide range of clothing goods that are made denim. As I understand it, it is common for this term to include denim coats, denim shirts and denim trousers. Given that the opponent’s goods include “coats”, “shirts” and “trousers” without limitation, it follows that they can cover denim goods also. In light of this, I am of the view that the applicant’s term encompasses the opponent’s terms. If I am wrong to find identity on this basis, then I consider the opposite to be true, namely that the opponent’s terms encompass the applicant’s term. Either way, the goods are identical under the principle outlined in *Meric*.

44. I note that the remainder of the terms in the applicant’s specification, namely “motorcyclists' clothing”, “leisure clothing”, “infant clothing”, “children's clothing” (which appears twice), “sports clothing”, “thermal clothing”, “knitted clothing”, “waterproof clothing”, “plush clothing”, “girls' clothing”, “work clothes”, “woolen clothing”, “knitwear [clothing]”, “athletic clothing”, “windproof clothing”, “weatherproof clothing”, “casual clothing”, “outer clothing”, “silk clothing” and “embroidered clothing” are all broad terms, albeit covering clothing goods made of specific materials or for different purposes. While the differences in materials and

categorisation are noted, I consider that the goods are identical under the principle outlined in *Meric* with various goods of the opponent, be that “shirts”, “trousers, bathing suits, coats, combinations-trousers (clothing), pelerines, cyclists' clothing, sashes for wear, aprons (clothing), headbands (clothing), tracksuits”, “anoraks (parkas)”, “ski pants”, “waist belts [clothing]”, “fur coats”, “mufflers [clothing]”, “gloves (clothing)”, “dressing gowns” or “leather clothing”. This is on the basis that there is nothing in the opponent’s terms that restricts the opponent from using those terms in either the same materials or for the same purposes as those covered by the applicant’s terms.

The average consumer and the nature of the purchasing act

45. As the case law set out above indicates, it is necessary for me to 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.”

46. The average consumers for the parties’ goods are members of the general public at large. The goods will be available via a range of general clothing retailers (although I appreciate that some goods such as work or motorcycle clothing, for example, may be available via more specialist retailers) and their online equivalents. In physical stores, the goods will be displayed on shelves or racks and

self-selected by the consumer. A similar approach will follow for online sales in that the consumer will select the goods having viewed images of them on a website. As a result, I find that the visual component will dominate the selection process of the goods at issue. Having said that, I do not discount an aural component playing a part as a result of advice from sales assistants or word of mouth recommendations.

47. For the most part, the goods at issue cover a range of ordinary clothing items and, as such, are likely to be selected relatively frequently. However, I appreciate that some goods may be selected less frequently, such as silk or motorcycle clothing. I consider that the costs of the goods at issue will vary quite considerably from cheap clothing goods such as socks to relatively expensive items such as silk or motorcycle clothing, for example. In respect of the level of attention paid when selecting the goods at issue, I am of the view that the average consumer will give consideration to factors such as materials used, style and suitability. I consider that these same factors will also be taken into account in circumstances where the consumer selects goods that are more expensive and/or on a less frequent basis. As a result, I consider that the average consumer will pay a medium degree of attention, however, I appreciate that some low cost goods (such as socks, for example) may be selected with a lower degree of attention.

Comparison of the marks

48. It is clear from *Sabel 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 trade marks, bearing in mind their distinctive and dominant components.

49. 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."

50. 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.

51. The respective trade marks are shown below:

The opponent's marks	The applicant's mark
CLOUD ("the opponent's first mark") CLOUD X ("the opponent's second mark") Cloud Beam ("the opponent's third mark") Cloud Waterproof ("the opponent's fourth mark") CLOUDSTRATUS ("the opponent's fifth mark") CLOUDBOOM ("the opponent's sixth mark")	Cloudburst Clothing Ltd

CLOUDFYLER (“the opponent’s seventh mark”)	

52. The opponent has provided written submissions in relation to the marks at issue. I will not reproduce those here but, in short, I note that the opponent claims that the marks at issue are visually and aurally similar to a high degree and conceptually, nearly identical. As for the applicant, I note that its counterstatement sets out that the marks are not identical nor are they similar.

53. Before proceeding with the present comparison, I wish to address the fact that both parties’ marks are word only marks. Therefore, regardless of how they are registered, they are all capable of being used in any standard typeface and in either upper case, lower case or any customary combination of the two. As a result, the fact that some of the opponent’s marks are displayed in upper case whereas the applicant’s is in title case is not relevant to the present comparison and I will say no more about this.

Overall Impression

54. In considering the applicant’s mark, for reasons that I will come to discuss below, I am of the view that ‘Cloudburst’ will play the greater role in the overall impression of the mark with the words ‘Clothing’ and ‘Ltd’ playing much lesser roles. On this point, I am of the view that ‘Cloudburst’, will be viewed as being two separate words, being ‘Cloud’ and ‘burst’, conjoined as one.

55. The common thread amongst all of the opponent’s marks is the presence of the word ‘CLOUD’. This is the only element of the first mark (being where the overall impression of that mark inevitably lies) but in all of the remaining marks, this is followed by a separate element, being either a second element entirely (in the second, third and fourth marks) or an element joined onto the end of the word ‘CLOUD’ (in the fifth, sixth and seventh marks). Even where the mark is two words

conjoined, it will still be perceived as being two words. For reasons I will come to discuss further below, the overall impression of the second and fourth marks will be dominated by the word 'CLOUD' with the second element playing a lesser role. As for the third, fifth, sixth and seventh marks, I consider that their overall impressions will lie in the mark as a whole (be it a conjoining of two words or not).

56. In going forward with the comparison of the marks, I will, where appropriate, endeavour to group the opponent's marks together.

Visual Comparison

The opponent's first mark and the applicant's mark

57. These marks share the word 'CLOUD'. This is the sole element of the opponent's first mark and sits at the beginning of the applicant's mark. All other elements in the applicant's mark have no counterpart in the opponent's first mark. While the words 'Clothing' and 'Ltd' play lesser roles in the applicant's mark, they are still points of visual difference. I remind myself that average consumers tend to focus on the beginnings of marks,[2] being where these marks are identical. Taking all of this into account, I find that these marks are similar to a medium degree.

The opponent's second mark and the applicant's mark

58. The common element of these marks is, like those assessed above, their shared use of the word 'CLOUD'. While not the sole element of the opponent's mark, it is its dominant element. The marks differ in the presence of the letter 'X' following 'CLOUD' in the opponent's mark and the presence of the 'burst' element and the words 'Clothing' and 'Ltd' in the applicant's mark. While 'burst' forms part of the dominant element of the applicant's mark, the remaining points of difference do not. That being said, they will still be noticed although I do note the short length of the different element in the opponent's mark, being just one letter. Bearing in mind

[2] *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02

the identical beginnings of the marks, the points of difference and the overall impression of the marks, I am of the view that these marks are similar to no more than a medium degree.

The opponent's fourth mark and the applicant's mark

59. I am of the view that a similar assessment to that in the preceding paragraph can be said to apply to the present comparison. The only additional point of difference here stems from the length of the additional element of the opponent's fourth mark, being the word 'Waterproof'. In applying the same reasoning from the preceding paragraph whilst taking this longer element into account, I am of the view that it results in marks that are visually similar to between a low and medium degree.

The opponent's third, fifth, sixth and seventh marks and the applicant's mark

60. Like all of the marks assessed above, the shared element between these marks is their use of the word 'CLOUD'. All other elements differ and I remind myself that these different elements (save for 'Clothing' and 'Ltd') all play significant roles in their overall impressions. As I have discussed above, even though 'Clothing' and 'Ltd' play a lesser role in the applicant's mark, they still act as points of visual difference. Taking all of this into account, together with the fact that the marks have identical beginnings, I am of the view that these marks are similar to between a low and medium degree.

Aural Comparison

61. In considering the marks at issue, I appreciate that some of them consist of descriptive elements, i.e. 'Waterproof' in the opponent's fourth mark and 'Clothing' in the applicant's mark. However, I remind myself of the case of *Purity Hemp Company Improving Life as Nature Intended,* Case BL O/115/22, wherein Mr Philip Harris, sitting as the Appointed Person, found that descriptiveness of an element does not necessarily make it aurally invisible. While this applies to the descriptive elements 'Waterproof' and 'Clothing', I do not consider that it applies to 'Ltd'. I do

not consider that an average consumer looking at the applicant's mark would seek to pronounced the 'Ltd' element as it will merely be seen as alluding to the nature of the applicant company (more on this below).

62. The aural element of the applicant's mark will, therefore, consist of four syllables, being 'Cloudburst Clothing', that will be pronounced in the ordinary way. As for the opponent's marks, I will proceed to deal with these below.

The opponent's first mark and the applicant's mark

63. The opponent's first mark consists of just one syllable, being 'CLOUD' that will be pronounced in the ordinary way. This is identical to the first syllable of the applicant's mark. However, all other syllables present in the applicant's mark have no counterpart in the opponent's first mark. In comparing these marks, I take into account the aforementioned principle that the average consumer tends to focus on the beginning of marks and find that these marks are aurally similar to no more than a medium degree.

The opponent's second mark and the applicant's mark

64. While the addition of the letter 'X' in the opponent's second mark results in the marks being closer together in length (being two syllables compared with four), it has no counterpart in the applicant's mark. As such, I find that it acts as a further point of difference between the marks. Bearing all I have said in the preceding paragraph in mind, I find that these marks are aurally similar to between a low and medium degree.

The opponent's third and sixth marks and the applicant's mark

65. These marks of the opponent, like that assessed in the preceding paragraph, are two syllables in length. While it could be said that this results in the same level of aural similarity here as that found above, I am of the view that these marks share an additional element of similarity thanks to the presence of the letter 'B' at the

beginning of the second syllables of the marks at issue. This additional point will, in my view, increase the level of similarity between these marks to a medium degree.

The opponent's fourth mark and the applicant's mark

66. The opponent's fourth mark is four syllables in length, being 'Cloud Waterproof'. As was the case in the assessment at paragraph 64 above, this can be said to take the opponent's mark closer to that of the applicant in length. However, as was also the case in that assessment, the additional aural elements of the opponent's fourth mark do not bring it any closer aurally to the applicant's mark. This is because the three additional elements have no aural counterpart in the applicant's mark and, therefore, act as additional points of difference. Overall, I consider that these marks are aurally similar to between a low and medium degree.

The opponent's fifth and seventh marks and the applicant's mark

67. Taking into account what I have said in the comparisons between the marks at paragraphs 64 and 66 above, I am of the view that the same outcome will apply here. This is on the basis that the opponent's fifth and seventh marks are three syllables in length, being 'CLOUDSTRATUS' and 'CLOUDFLYER', respectively, and I see no reason why a three syllable mark (with the same point of identity) will, when compared to the applicant's mark, result in a different outcome to that of a two or four syllable mark. As a result, I consider that these marks are aurally similar to between a low and medium degree.

Conceptual Comparison

68. In considering the conceptual comparison, I consider it necessary to first assess the concept of the applicant's mark. Once I have done so, I will proceed to consider this in comparison with each of the opponent's marks. The applicant's evidence sets out that its brand is named after a natural phenomenon, being a cloudburst,

that has the literal dictionary definition of '*a sudden very heavy fall of rain'*.[3] While I appreciate that 'Cloudburst' will be understood as having some clear connection to clouds and the weather, I have nothing to suggest that this specific dictionary meaning will be known to average consumers in the UK. As for the word 'Clothing', this will be descriptive of the goods at issue and, as a result, its conceptual impact on the mark as a whole will be limited. As for the suffix 'Ltd', this will be understood as the nature of the applicant company, in that it is a limited company and it will, in my view, have a negligible impact on the mark.

The opponent's first mark and the applicant's mark

69. The opponent's first mark is made up solely of the word 'CLOUD'. This will be attributed its ordinary meaning, which is widely known by the average consumer. In comparison with the applicant's mark, the concept of a cloud will be shared but the addition of 'burst' in the applicant's mark will alter this slightly. The addition of 'Clothing' will be noted but will not be a significant point of conceptual difference. Overall, I consider that the reference to a cloud will result in a medium degree of conceptual similarity between these marks.

70. As for the remaining marks of the opponent, I appreciate that they all consist of the same 'CLOUD' element, however, the additional elements in those marks may or may not alter the overall concept attributed to 'CLOUD'. As a result, I will consider them separately (or, where appropriate, grouped together).

The opponent's second mark and the applicant's mark

71. It is my view that average consumers may view the addition of the letter 'X' to 'CLOUD' in this mark as either simply the letter 'X', the Roman numeral for the number 10 or, in the context of the goods at issue, allusive to the fact that the goods are suitable for extreme conditions. Either way, any conceptual impact associated with this addition will have little impact on the word 'CLOUD' as it will have no

[3] See paragraph three of the witness statement of Mr Duerden, a definition also supported by https://www.collinsdictionary.com/dictionary/english/cloudburst

meaning, potentially point to the fact that the branding represents the tenth iteration of the 'CLOUD' brand or allusive to the nature of the goods. As a result, 'CLOUD' will still be the dominant conceptual element of the mark. Taking this into account together with the concept associated with the applicant's mark, I find that these marks are conceptually similar to no more than a medium degree.

The opponent's third, fifth, sixth and seventh marks and the applicant's mark

72. I am of the view that I can deal with these marks together. Firstly, I have nothing before me regarding the meaning behind the additional elements of Beam, Boom or Flyer in the third, sixth and seventh marks, respectively. As for the fifth mark, I note that in its evidence, the opponent claims that a 'CLOUDSTRATUS' is a feature of clouds or a weather phenomenon. As was the case with the applicant's mark, I have nothing to suggest that this will be known to average consumers in the UK and without such, I am unwilling to make such an inference. As a result, I consider that all of these marks will be viewed as having a connection to clouds and the weather but not to any specific weather condition or cloud type. While this is the same concept that will be attributed to the applicant's mark, the specific concepts across the marks are somewhat neutral to one another in that they do not relate to anything specific. Having said that, I cannot discount that these marks all share the concept associated with clouds. Taking this into account but not discounting the shared concept of a cloud, I am of the view that the marks are conceptually similar to a medium degree.

The opponent's fourth mark and the applicant's mark

73. The additional word of 'Waterproof' in this mark is such that, in the context of the goods at issue, it will be viewed as descriptive of a quality of the goods, i.e. that they are waterproof. The concept associated with this will, therefore have very little impact on the mark meaning that 'Cloud' will dominate. Following the same reasoning given throughout this comparison regarding 'CLOUD' and 'Cloudburst', I find that these marks are conceptually similar to no more than a medium degree.

Distinctive character of the opponent's marks

74. 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-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)."

75. Registered trade marks possess varying degrees of inherent distinctive character, perhaps lower where a mark may be suggestive or allusive of a characteristic of the goods or services for which it is registered, ranging up 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. The opponent has claimed that its marks enjoy an enhanced degree of distinctive character through use and has filed evidence to that effect. On this point, the evidence is noted, however, it relates mostly to running trainers and in

paragraph 9 of the witness statement of Mr Bretschger, he specifically refers to the launch dates of the 'CLOUD' range of footwear and other ranges of 'shoe models'. Further, when discussing the turnover figures at paragraph 13, he confirms that it relates to footwear sold at approximately £130 to £180 per unit. Following this, it is my view that the opponent's 'CLOUD' range of marks cover footwear only. In support of this view, I note that where the evidence does make reference to clothing goods, there is no reference to any of the marks at issue and I note that it is even shown as being sold under the branding 'On Running'. There are additional clothing goods (that do not bear the 'On Running' branding) included in catalogue evidence,[4] however, there is no reference to those items being branded as one of the various 'CLOUD' marks. In light of the nature of the evidence as a whole, I am not willing to infer that the clothing goods are branded under any of the various marks of the opponent. Given that the goods at issue under the present ground are clothing goods, I do not consider that the evidence filed is relevant. As a result, I have only the inherent position to consider.

76. While I appreciate that 'CLOUD' has no allusive or descriptive qualities when considered against the goods at issue, it is a well-known word with an immediately graspable meaning. As a result, I do not consider that its use is particularly remarkable from a trade mark perspective. As a result, I consider that the word 'CLOUD' enjoys a medium degree of inherent distinctive character. This finding applies to the opponent's first mark as it consists of no other elements. As for the opponent's second and fourth marks, I consider that while the additional elements of those marks contribute to the distinctive character of those marks, they will not do so to the point that they would take the inherent distinctive character of the marks as whole beyond the level created by the word 'CLOUD'. I make this finding following the reasons I have discussed when considering the conceptual impact of those marks above.

77. As for the third, fifth, sixth and seventh marks, I have set out above that the inclusion of the additional elements will result in the marks, as wholes, being somewhat unidentifiable concepts, however, the reference to clouds will still be

[4] Pages 171 to 173 of RB7

noticed. As a result, I consider that the additional elements in these marks will contribute to the distinctiveness of the marks to the point that, as wholes, they will enjoy a higher than medium (but not high) degree of distinctive character.

78. For the sake of completeness, I confirm that I have found that the opponent's first, second and fourth marks are inherently distinctive to a medium degree and the third, fifth, sixth and seventh are all distinctive to a higher than medium (but not high) degree.

Likelihood of confusion

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

80. In my goods comparison above, I found the parties' goods to be either identical or similar to a high degree. I have found the average consumer for the goods to be members of the general public who will select the goods at issue via primarily visual means, although I do not discount an aural component playing a part. I have concluded that the average consumer will, generally, pay a medium degree of attention when selecting the goods at issue but this may be lower for some goods.

I have found that the opponent's first, second and fourth marks are inherently distinctive to a medium degree whereas its third, fifth, sixth and seventh marks are inherently distinctive to a higher than medium (but not high) degree. In respect of the similarity of the marks at issue, I have found that the applicant's mark is:

a. Visually and conceptually similar to a medium degree and aurally similar to no more than a medium degree with the opponent's first mark;
b. Visually and conceptually similar to no more than a medium degree and aurally similar to between a low and a medium degree with the opponent's second mark;
c. Visually similar to between a low and medium degree and aurally and conceptually similar to a medium degree with the opponent's third and sixth marks;
d. Visually and aurally similar to between a low and medium degree and conceptually similar to no more than a medium degree with the opponent's fourth mark;
e. Visually and aurally similar to between a low and medium degree and conceptually similar to a medium degree with the opponent's fifth and seventh marks; and
f. Visually similar to between a low and medium degree and aurally and conceptually similar to a medium degree with the opponent's sixth mark;

81. In making my assessment of confusion, I remind myself that average consumers do not seek to analyse or break down trade marks and, instead, are more likely to view them as wholes. That being said, I am of the view that in the present case, the descriptive nature of 'Clothing' and the banal nature of 'Ltd' will result in those elements having little to no impact upon the consumer when it comes to whether they will be confused by the marks or not.

82. Taking all of the above into account and bearing in mind the principle of imperfect recollection, I am not convinced that any of the parties' marks would be mistakenly recalled or misremembered for one another. While I appreciate that all of the marks at issue share the element 'CLOUD' and that this sits at the beginning of all marks, I see no reason why the average consumer would overlook the presence of the

additional elements. Regardless of the nature of the suffix (or lack thereof), be that descriptive or not, I fail to see why the average consumer would forget which mark consisted of the suffix 'Burst' and which consisted of the suffix 'X', 'Beam', Waterproof', 'STRATUS', 'BOOM' or 'FLYER' (or in the case of the first mark, no suffix at all). Consequently, I find that there is no likelihood of direct confusion between any of the marks at issue, even when viewed on identical goods or in circumstances where the average consumer pays a lower degree of attention.

83. Turning now to consider a likelihood of indirect confusion, I am reminded of the case of *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, wherein 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)".

84. Further, I note the case of *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, wherein Arnold LJ referred to the comments of James Mellor Q.C. (as he then was), sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria* (O/219/16), where he said at paragraph 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.

85. In assessing the existence of a likelihood of indirect confusion, I consider it necessary to break the opponent's marks into appropriate groupings. I will begin by considering the opponent's first, second and fourth marks and then move to consider the remaining marks accordingly.

The opponent's first mark

86. In respect of the opponent's first mark, I appreciate that 'CLOUD' is not descriptive but I see no reason why the average consumer would believe that the addition of the suffix 'BURST' would be a logical or consistent indicator of a sub-brand or brand extension. This is on the basis that, while conceptually still alluding to a cloud, the conceptual hook is sufficiently different to prevent such a connection being made.

I appreciate that the consumers may view the shared use of 'CLOUD' in the applicant's mark and call to mind the opponent's mark (or vice versa). However, this is mere association and not indirect confusion.[5] As a result, I consider that there is no likelihood of indirect confusion between these marks, even when viewed on identical goods or in circumstances where the average consumer pays a lower degree of attention.

The opponent's second and fourth marks

87. I am of the view that there is no likelihood of indirect confusion in respect of the second or fourth marks. Again, even taking into account their shared use of the word 'CLOUD', the opponent's second and fourth marks include a suffix that either possibly alludes to the tenth iteration of the 'CLOUD' branding or is indicative of the goods being waterproof. When compared against the applicant's mark, I see no reason why the average consumer would believe that the undertaking responsible for the opponent's second and fourth marks would remove their descriptive or allusive suffix and replace it with the suffix 'burst'. Such an alteration is, in my view, illogical. As a result, I consider that there is no likelihood of indirect confusion between these marks, even when viewed on identical goods or in circumstances where the average consumer pays a lower degree of attention.

The opponent's third, fifth, sixth and seventh marks

88. I am of the view that the opponent's third, fifth, sixth and seventh marks all consist of suffixes that are not descriptive and, when compared against the applicant's mark, will likely to viewed as logical indicators of sub-brands. While I appreciate that 'CLOUD' is not so strikingly distinctive, it is not weak in distinctive character to the point that its shared use will be considered as coincidental. Further, I consider that the opponent's use of suffixes, being 'BEAM', 'STRATUS', 'BOOM' and 'FLYER' are such that their removal and replacement with another element, being 'BURST', is something that the average consumer will consider as logical and

[5] *Duebros Limited v Heirler Cenovis GmbH,* BL O/547/17

consistent indicators of a brand extension. I find that this is particularly the case given that all marks at issue will either be viewed on identical or similar goods. Even where the goods are not identical, they will be found within close proximity to one another, either on adjacent shelves or in the same sections of general retailers. As a result, I consider that the average consumer will notice the differences between them but will put the identity of the first element of all of the marks down to being an indicator that they originate from the same or economically linked undertakings. Consequently, I consider that there is a likelihood of indirect confusion between the applicant's mark and the opponent's third, fifth, sixth and seventh marks. For the avoidance of doubt, I consider that this finding applies regardless of whether the goods are identical or similar or in circumstances where the average consumer pays a medium degree of attention.

Family of Marks

89. While I appreciate that the opponent has relied upon the family of marks argument under its 5(2)(b) ground, I do not consider that this advances its case, especially given that I have already found there to be a likelihood of indirect confusion in respect of all of the applicant's goods. In any event, as I have explained above, the goods relied upon under the present ground are not covered in the evidence. Therefore, even if I were to consider the family of marks argument under the present ground, I do not consider that it would be of any assistance as the evidence lacks any sufficient presence on the market in respect of the marks at issue (being a requirement of the family of marks argument that I will discuss in further detail below).

Honest concurrent use

90. I note that in its evidence, the applicant made reference to its turnover and advertising spend in the UK. I appreciate that in proceedings before the Tribunal, such evidence is capable of being used in support of a defence that there has been honest concurrent use of the marks at issue and, as a result, any likelihood of confusion may be diminished. On this point, I remind myself that in order for such

a defence to succeed, the evidence must demonstrate that two separate entities have co-existed for a long period of time.[6] In the present case, I note that in the applicant's own evidence, Mr Duerden confirms that the applicant's brand only launched in November 2021. Not only is this after the relevant date but clearly does not indicate co-existence of the brands over a long period of time. The evidence is, therefore, of no assistance in giving rise to a defence of the existence of honest concurrent use. As a result, the applicant's reliance upon this defence is dismissed.

Conclusion under 5(2)(b)

91. As set out above, I have found there to be a likelihood of confusion in respect of all of the goods applied for. As a result, the opposition will succeed in full. However, for the sake of completeness, I will proceed to consider the remaining grounds of the opposition.

Section 5(3)

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

> "5(3) A trade mark which –
>
> is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark."

93. 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,*

[6] See the principles set out in *Victoria Plum Ltd v Victorian Plumbing Ltd* [2016] EWHC 2911 (Ch), wherein Carr J. considered the CJEU's judgment in *Budejovicky Budvar NP v Anheuser-Busch Inc.* and the Court of Appeal's judgments in that case and in *IPC Media Ltd v Media 10 Ltd,* [2014] EWCA Civ 1403

Case C-487/07, *L'Oreal v Bellure,* Case C-323/09, *Marks and Spencer v Interflora,* 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; G*eneral Motors, paragraph 26.*

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Salomon, 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 holder 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).*

94. Before proceeding, it is necessary to point out that as the opponent's marks are comparable marks based on IRs, use of the same in the EU prior to IP Completion Day (being 31 December 2020) is relevant to the assessment of the existence of a reputation. That being said, I do not consider this to be of any real relevance here. This is because, as per the case of *Pago International GmbH v Tirolmilch registrierte GmbH*, Case C-301/07, an EU trade mark may be considered to have a reputation if it is known by a substantial part of the territory of the European

Community and that the territory of a single Member State alone may be considered as satisfying that requirement. Further, I note the case of *Whirlpool Corporations and others v Kenwood Limited* [2009] ETMR 5 (HC), wherein Geoffrey Hobbs Q.C. confirmed that when assessing reputation in the EU, the UK is a substantial part of the same. While these cases were determined prior to the UK's departure from the EU, they remain relevant insofar as use in the EU is a relevant factor.

95. The conditions of section 5(3) are cumulative. Firstly, the opponent must show that its marks and the applicant's mark are similar. Secondly, the opponent must show that its marks have achieved a level of knowledge/reputation amongst a significant part of the public. Thirdly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them, in the sense of the earlier marks being brought to mind by the later mark. Finally, assuming the first three conditions have been met, section 5(3) requires that one or more of the types of damage will occur. It is unnecessary for the purposes of section 5(3) that the goods be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

96. Under its 5(3) ground, the opponent relies on the same marks and same goods as it did under its 5(2)(b) ground, being those set out in the Annex to this decision.

97. While I made an assessment of the evidence when considering the enhanced distinctive character assessment, that assessment related to only those goods relevant to that ground, being clothing goods. I note that the bulk of the opponent's evidence relates to footwear so I will conduct a separate assessment of the evidence here.

98. The evidence sets out that the opponent began manufacturing and selling high performance sports footwear under the CLOUD family of trade marks in 2010. The evidence confirms that the name 'CLOUD' was coined in reference to the cushioning sole offered by the opponent's footwear. Further history is discussed

but this relates to marks not relied upon under the present ground such as CLOUDMONSTER and CLOUDFLOW.

99. The opponent originated in Switzerland but its goods are now available in over 50 countries globally and these are sold either via the opponent's own website or via local stockists. The evidence focuses on the UK market and sets out that the first footwear available in the UK was 'CLOUDRUNNER' in 2011. This is not a mark relied upon but I note that the evidence does go on to confirm the launch date for those marks actually relied upon. I note that the 'CLOUD' branding launched in January 2014, followed by the launch of 'CLOUDFLYER' in November 2015, 'CLOUD X' in October 2017, 'CLOUD WATERPROOF' in August 2018, 'CLOUD BEAM' in May 2019, 'CLOUDSTRATUS' in June 2019 and 'CLOUDBOOM' in July 2020.

100. In respect of UK stockists, the evidence sets out that the goods are sold at various stores such as nationwide retailers including JD Sports, John Lewis, Soletrader and Selfridges, amongst others. Copies of print-outs from these websites are provided which show the availability of sports clothing and footwear.[7] As I have explained above, the clothing items are branded as 'On Running'. As for the footwear, I note that these include trainers bearing different 'CLOUD' branding, including those relied upon and those not. In any event, these print-outs are dated after the relevant date, being 8 October 2021. They cannot, therefore, be said to reflect the position prior to the relevant date and, as such, are of no assistance here.

101. I note that the opponent has provided UK turnover figures for the years 2017 (where applicable) to 2021 in respect of all of its marks. The narrative evidence of the opponent sought to put the turnover figures into perspective by setting out that the CLOUD branded footwear retails at approximately £130 to £180 per unit.[8] I also note that while the turnover figures are provided in Swiss Francs, the opponent has also provided them in pounds, albeit after undertaking its own currency

[7] RB1
[8] See paragraph 13 of the witness statement of Mr Bretschger

conversion on 31 August 2022. As a result, the figures in pounds will only be approximate but I do not consider that it will greatly affect their accuracy. For the sake of this assessment, I will reproduce the turnover in pounds only, being as follows:

Mark	2017	2018	2019	2020	2021
CLOUD	304,934	440,488	463,331	827,820	1,229,869
CLOUD X	116,616	756,944	698,145	1,446,703	2,209,238
CLOUD WATERPROOF	N/A	198,50	417,826	777,914	2,084,971
CLOUD BEAM	N/A	N/A	30,979	1554.11	831.49
CLOUDSTRATUS	N/A	N/A	547,243	953,986	1,062,510
CLOUD BOOM	N/A	N/A	N/A	164,630	59,193.28
CLOUDFLYER	566,842	1,026,564	966,083	1,285,479	1,894,346

102. The total turnover in respect of the individual brandings has not been provided but I have undertaken my own calculations. I note that CLOUD's turnover was £3,266,445, CLOUD X's turnover was £5,227,649, CLOUD WATERPROOF's turnover was £3,479,219, CLOUD BEAM's turnover was £33,365, CLOUDSTRATUS's turnover was £2,563,740, CLOUD BOOM's turnover was £223,823 and CLOUDFLYER's turnover was £5,739,316. On this point, I note that the figures provided include the entirety of 2021 and given that the relevant date sits on 8 October of that year, some figures for that year are likely to have accrued after that date. While this is noted, the relevant date sits towards the end of the year so will not have a significant impact upon those figures. I will, however, bear this in mind.

103. Sample invoices in support of the turnover figures are provided.[9] I note that the opponent has provided approximately 156 pages worth of invoices that cover a range of CLOUD branded goods which includes the marks relied upon and marks that are not relied upon. I do not consider it necessary to summarise these invoices

[9] RB2

but note that they all relate to sales of footwear made to third party retailers in the UK.

104. A range of print-outs are provided that show products bearing the marks at issue, as well as in-store product placements.[10] These images are noted but are undated and, further, I note that the in-store display image does not appear to reference any of the opponent's relied upon marks.

105. In respect of advertising, I note that figures are provided for the years 2012 to 2021. These figures are provided in the same way as the turnover figures were, i.e. in Swiss Frances but converted by the opponent in August 2022. The advertising figures are as follows:

Mark	**Advertising Spend in the UK (£)**
CLOUD	49,055.37
CLOUD X	11,118.36
CLOUD WATERPROOF	1,879.56
CLOUD BEAM	864.41
CLOUDSTRATUS	17,809.13
CLOUD BOOM	119.22
CLOUDFLYER	16,582.14

106. The above figures are supported by an advertising report, which has been provided in the evidence.[11] This report also shows examples of advertising campaigns the opponent has run and this includes information regarding the impressions, clicks and conversions per year of the advertising efforts of the opponent. The evidence sets out that the 'impressions' indicate how many UK consumers viewed the adverts, 'clicks' denotes how many users actually clicked through to the opponent's website and 'conversions' sets out how many of those clicks led to actual sales. I will not reproduce these in full but note that the 'conversions' started as 114 sales in 2013 and increased steadily to 35,829 in 2021. This data is not broken down into individual branding but, on balance, I am

[10] RB3
[11] RB4

content to conclude that it demonstrates that the advertising efforts of the opponent enjoyed some success.

107. A number of catalogues showing the opponent's range of footwear are provided for the years 2013 to 2021.[12] As is the case with a lot of the evidence before me, these catalogues show a range of goods sold under marks not at issue here, however, they do include the marks relied upon. The evidence then goes on to include a number of YouTube videos that purport to advertise the opponent's brands.[13] The evidence before me is only via print-outs and hyperlinks and not in the form of electronic media that I am able to view. On this point, I refer to paragraph 4.8.4 of the Tribunal section of the Trade Marks Manual which states that "evidence containing references to website links are not acceptable as the Hearing Officer will not undertake any independent research." As a result, I am unable to consider the content of the actual videos. In any event, the opponents' evidence confirms that these videos were accessible to the UK market and has provided viewership figures in relation to the same. Firstly, it is my understanding that YouTube videos are available in multiple jurisdictions so there is nothing before me confirming that these views stem from UK (or EU, for that matter) viewers only. Secondly, I appreciate that the videos were posted prior to the relevant date but the information regarding the viewership figures is taken from print-outs dated in September 2022 so it is possible that a significant portion of the viewership figures relate to views from after the relevant date. As a result, I am not willing to give any further consideration to this evidence.

108. A range of evidence is provided regarding media attention of the opponent's brands in the UK.[14] I do not intend to discuss each and every item provided but note that it includes coverage from what I understand to be popular, nationwide publications such as The Guardian, Women's Running, Wired, Men's Running, Financial Times, T3, Runner's World and The Independent. Given that these are nationwide publications, I am willing to infer that they attract a significant level of

[12] RB7
[13] RB8
[14] RB9 to RB15

readership and accept that there will be some awareness raised as a result of this coverage. However, for the features in publications such as Active Traveller, Athletics Weekly, Triradar, Rhapsody, KitZone and Outdoors Radar, I have nothing to suggest that they are widespread across the UK or EU or what their readership figures are.

109. The evidence goes on to discuss a range of awards that the opponent's shoe brands have won.[15] I note that the awards include goods that are branded with marks not relied upon in the present case, such as CLOUDFLASH, CLOUDACE and CLOUDSURFER. However, some include marks relied upon such as CLOUD and CLOUD X. While noted, I am not convinced that these awards will be known to members of the relevant public. I have nothing before me to suggest the reach of these awards or how they were voted on (be that via a judging panel or a vote from members of the public). As a result, I do not consider that this evidence is of any relevance to the issue before me.

110. Lastly, the evidence goes into the social media accounts of the opponent, being Instagram, Twitter, Facebook and YouTube. Firstly, I note that the accounts are branded 'On Running' or 'On' and, seemingly, make no obvious connection to the opponent's range of 'CLOUD' brands. Secondly, the issue I mentioned above in respect of the YouTube evidence is, in my view, applicable to all forms of social media. Social media accounts are international in nature (I have nothing to suggest these are UK or EU accounts) meaning that the following figures for the accounts may be outside of the relevant territories. Further, the print-outs are from almost a year after the relevant date so it is possible that some of the follower figures stem from after that time, meaning they are of no assistance here.

111. This brings the evidence in respect of reputation to a close. While the EU is the relevant territory up until 31 December 2020, the evidence focuses on the UK and, as per the case of *Whirlpool* (cited above), the existence of a reputation in the UK (being a Member State prior to 31 December 2020) is sufficient as it forms a substantial part of the EU. I will, therefore, base my assessment on the UK market.

[15] RB16

On this point, I note that I have no evidence before me regarding the size of the market at issue. That being said, I am of the view that the market, being one for running footwear, in the UK is a significant one with turnover likely to be in the hundreds of millions of pounds per annum. The opponent's largest brandings from a turnover perspective are CLOUDFLYER and CLOUD X, which had UK turnovers of £5,739,316 and £5,227,649, respectively, over a five-year period. In terms of advertising, I note that the largest expenditure was the 'CLOUD' brand, which the opponent spent £49,055.37 advertising over a 10 year period. Even taking the opponent's largest brands into account, I am of the view that when compared with the relevant market, the figures before me are low. That being said, I appreciate that I must take all of the evidence into account and I am of the view that the evidence regarding the success of advertising campaigns, the press coverage provided and the invoices of sales to third-party retailers in the UK support the position that these brands would be known to a significant part of the relevant public. As such, and taking all of the evidence into account, I am willing to conclude that some of the opponent's marks have a qualifying reputation in the UK in respect of some goods relied upon.

112. It is my view that this finding applies to the brands 'CLOUD', 'CLOUD X' and 'CLOUDFLYER', being the opponent's first, second and seventh marks. This is on the basis that it is these marks that enjoy a higher turnover and advertising spend than the remaining marks relied upon. Further, the longevity of use associated with these brands is such that the opponent has been using them for what I consider to be a suitable period of time, with the earliest claimed launch being in January 2014, some seven and a half years before the relevant date. That being said, I find that in light of the limited turnover figures and advertising spend, the reputation enjoyed by the opponent is only low. Further, these marks are registered for the broad term 'footwear' and given the nature of the opponent's evidence in that it relates to running shoes, I do not consider that the reputation will extend to this broad term but will, instead, relate only to "running shoes".

113. As for the remaining marks, being CLOUD WATERPROOF, CLOUD BEAM, CLOUD STRATUS and CLOUDBOOM, I am of the view that the figures regarding

turnover and advertising spend are just too low to warrant the existence of a reputation amongst a significant portion of the relevant public in the UK. In addition, the longevity of use of these brands is just too limited, with the CLOUD WATERPROOF branding being the oldest, only launching in August 2018, some three years before the relevant date. Therefore, taking all of the evidence into account, I find that the opponent has failed to demonstrate a reputation in its third, fourth, fifth and sixth marks.

Family of Marks under 5(3)

114. At paragraph 89 above, I briefly discussed the family of marks argument raised by the opponent. At that stage, it was not necessary to consider the argument as the goods under that ground were not present in the evidence before me. However given that the opponent's "running shoes" are at issue under the 5(3) ground, the evidence is relevant in respect of the opponent's family of marks argument. On this point, I remind myself of the leading case for family of mark assessments, being *Il Ponte Finanziaria SpA v OHIM*, Case C-234/06, wherein the CJEU stated that:

> "62. While it is true that, in the case of opposition to an application for registration of a Community trade mark based on the existence of only one earlier trade mark that is not yet subject to an obligation of use, the assessment of the likelihood of confusion is to be carried by comparing the two marks as they were registered, the same does not apply where the opposition is based on the existence of several trade marks possessing common characteristics which make it possible for them to be regarded as part of a 'family' or 'series' of marks.
>
> 63 The risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 (see *Alcon* v *OHIM*, paragraph 55, and, to that effect, *Canon*, paragraph 29). Where there is a 'family' or 'series' of trade marks, the likelihood of confusion results more specifically from the possibility

that the consumer may be mistaken as to the provenance or origin of goods or services covered by the trade mark applied for or considers erroneously that that trade mark is part of that family or series of marks.

64 As the Advocate General stated at paragraph 101 of her Opinion, no consumer can be expected, in the absence of use of a sufficient number of trade marks capable of constituting a family or a series, to detect a common element in such a family or series and/or to associate with that family or series another trade mark containing the same common element. Accordingly, in order for there to be a likelihood that the public may be mistaken as to whether the trade mark applied for belongs to a 'family' or 'series', the earlier trade marks which are part of that 'family' or 'series' must be present on the market.

65 Thus, contrary to what the appellant maintains, the Court of First Instance did not require proof of use as such of the earlier trade marks but only of use of a sufficient number of them as to be capable of constituting a family or series of trade marks and therefore of demonstrating that such a family or series exists for the purposes of the assessment of the likelihood of confusion.

66 It follows that, having found that there was no such use, the Court of First Instance was properly able to conclude that the Board of Appeal was entitled to disregard the arguments by which the appellant claimed the protection that could be due to 'marks in a series'."

115. As per the case law set out above, it is only necessary for use to be proven for a 'sufficient' number of the marks relied on, not all of them. In the present case, the opponent relies on seven earlier marks. I have found that three of them enjoy a reputation and it, therefore, follows that these marks are present on the marketplace. As for the other four, there is evidence of use in that the fourth and fifth marks have enjoyed a turnover in the five years prior to the relevant date of £3,479,219 and £2,563,740, respectively. The opponent has also sought to advertise these marks at a cost of £1,879.56 and £16,582.14, respectively. While I have found that these figures are not sufficient to prove the existence of a

reputation, they are, in my view, acceptable in demonstrating their existence on the marketplace. As for the third and sixth marks, the use associated with these (as summarised above) is too low to justify their existence on the marketplace. Therefore, it follows that the opponent has provided evidence on the market of five of its seven marks. While that may be the case, I am not content to conclude that the marks at issue constitute a family of marks. My reasons follow.

116. While the opponent's marks all begin with the word 'CLOUD', their precise construction is not uniform. On this point, I note that one mark has no suffix, another is followed by a descriptive word, being 'Waterproof', another is followed by just one letter, being 'X', and the remaining two are followed by seemingly unconnected suffixes, being 'STRATUS' and 'FLYER'. It is my view that there is no consistent pattern that would indicate that these marks are part of a family. Taking this into account together with the fact that the evidence of use is not so extensive that it could be said to have cemented the public's perception that any CLOUD-prefixed marks constitute a family, I do not consider that the evidence in respect of a family of marks is sufficient. While I will say no more about this argument, its failure is not fatal to the opponent's claim under the 5(3) ground (or the 5(4)(a) ground, for that matter).

Link

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

<u>The degree of similarity between the conflicting marks.</u>

118. I have found above that the applicant's mark is:

a. Visually and conceptually similar to a medium degree and aurally similar to no more than a medium degree with the opponent's first mark;

b. Visually and conceptually similar to no more than a medium degree and aurally similar to between a low and a medium degree with the opponent's second mark; and
c. Visually and aurally similar to between a low and medium degree and conceptually similar to a medium degree with the opponent's seventh marks.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public.

119. The goods for which the opponent enjoys a reputation are "running shoes". The goods of the applicant are a range of clothing goods. While not identical, there is some degree of similarity between the goods because there is overlap in user and trade channels. I make this finding given that the goods at issue are targeted at members of the general public at large and, further, it is common in the trade for undertakings that produce and sell various types of clothing (such as those covered by the applicant's goods) to also produce running shoes, and vice versa. The goods will also be available via the same retailers and while not necessarily sold on the same aisles, there will be some proximity between them. While the remaining factors, being nature, method of use and purpose do not overlap, I consider that the applicant's goods are similar to a low degree with the opponent's reputed goods.

120. Even if I am wrong to find that all of the goods are similar to a low degree, I remind myself that, under the present ground, it is not necessary for goods to be similar. On this point, the goods at issue are relatively close on the basis that clothing goods and footwear are common consumer goods that will be sought by the same relevant section of the public.

The strength of the earlier mark's reputation

121. I have found the opponent's marks enjoy a low reputation.

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

122. I have found that above that the opponent's first and second mark are inherently distinctive to a medium degree and its seventh is inherently distinctive to a higher than medium (but not high) degree. However, this was in relation to clothing goods and given that the goods at issue under the present ground are "running shoes", I must conduct a separate assessment. In respect of "running shoes", I consider that the word 'CLOUD' will be somewhat allusive to the fact that the shoes will make the wearer feel like they are walking/running on clouds, i.e. that they are comfortable. Such an allusion is, in my view, laudatory. Therefore, I find that the opponent's first and second marks are inherent distinctive to a less than medium degree. As for the seventh mark, the connection to the laudatory nature of 'CLOUD' will remain but is slightly reduced by the presence of the suffix, being FLYER. Therefore, I conclude that the opponent's seventh mark enjoys a slightly higher degree of inherent distinctive character, but only to a medium degree.

123. As for enhanced distinctiveness, I have not conducted an assessment on this point in relation to the goods at issue. I will do so briefly. The issues that I have discussed when considering the existence of a reputation apply here in that the level of use is relatively low when compared to the markets at issue. Such a level of use, while sufficient to demonstrate a low reputation, is not sufficient to give rise to finding that the opponent's use of the marks has enhanced their distinctiveness beyond the inherent level.

Whether there is a likelihood of confusion

124. I have found that there is no likelihood of confusion between the opponent's first and second marks and the applicant's mark. However, I have found that there exists a likelihood of confusion between the opponent's seventh mark and the applicant's mark.

Conclusion on link

125. While I have found the reputation enjoyed by the opponent's marks to be low and there to be no likelihood of confusion between the applicant's mark and the opponent's first and second marks, I am of the view that members of the relevant public will consider there to be a link between the marks. This is on the basis that the marks share the prefix 'CLOUD' and while it may not be strong in distinctive character, it does enjoy some reputation associated with the opponent and the common use of this element is not likely to be viewed as coincidental use, especially when viewed on the applicant's clothing goods. While the goods are not the same, I am of the view that the close association between footwear and the range of clothing goods at issue is such that the shared use of 'CLOUD' will result in members of the relevant public being caused to wonder that there is a link between the marks. In addition, the existence of a link between the marks is also satisfied on the basis that I have found indirect confusion in respect of one of the earlier marks at issue, meaning that consumers are likely to assume that there is an economic connection between them.

Damage

126. The opponent has pleaded that use of the applicant's marks would, without due cause, take unfair advantage of the reputation of the opponent's marks and/or be detrimental to the distinctive character or reputation of the opponent's marks I will deal with each head of damage in turn below.

Unfair Advantage

127. I bear in mind that unfair advantage has no effect on the consumers of the opponent's marks' goods. Instead, the taking of unfair advantage of the distinctive character or reputation of an earlier mark means that consumers are more likely to buy the goods of the later mark than they would otherwise have been if they had not been reminded of the earlier mark.

128. In *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) Arnold J. considered the earlier case law and concluded that:

> "80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill."

129. Given the existence of a reputation in the opponent's marks (albeit low) and the presence of the common element of 'CLOUD' at the beginning of the marks at issue, it is my view that it is quite clear that there is potential for the applicant to gain an unfair advantage by using the similar mark 'Cloudburst Clothing Limited'. The applicant, by using the identical prefix 'CLOUD' would, in my view, achieve instant familiarity in the eyes of the average consumers, thereby securing a commercial advantage and benefitting from the opponent's reputation without paying financial compensation. Such commercial advantage would not exist were it not for the reputation of the opponent's marks, regardless of the low level associated with it. Therefore, I find it likely that use of the applicant's mark would take unfair advantage of the opponent's marks.

130. As damage is made out on the basis of unfair advantage, I do not consider it necessary to go on to consider the opponent's other heads of damage.

131. The opposition based upon section 5(3) succeeds in its entirety.

Section 5(4)(a)

132. Section 5(4)(a) of the Act reads as follows:

> "(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."

133. Subsection (4A) of Section 5 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."

Goodwill

134. For the same reasons given above when assessing the reputation of the opponent's marks, I am satisfied that, as at the relevant date (being the date of the application at issue) the opponent enjoyed a moderate level of goodwill in relation to its business and that its first, second and seventh signs were associated with and/or distinctive of the same. The goods relied upon under this ground differ from

those relied upon above in that the opponent claims to enjoy a protectable level of goodwill in "high performance footwear, namely trainers, leisure footwear and running shoes". I have nothing before me to suggest the quality of the goods relied on, namely whether the goods are 'high performance' or not. However, I do not consider this a particular issue as, for the same reasons discussed when considering the existence of a reputation, I find that the goodwill only extends to "running shoes" on the basis that these are the only goods demonstrated in the evidence.

Misrepresentation

135. I recognise that the test for misrepresentation is different to that for likelihood of confusion, namely, that misrepresentation requires "a substantial number of members of the public are deceived" rather than whether the "average consumer are confused". However, as recognised by Lewinson L.J. in *Marks and Spencer PLC v Interflora*,[16] it is doubtful whether the difference between the legal tests will produce different outcomes. In the present case, I remind myself that the assessment in respect of confusion was based on the marks at issue being viewed on identical goods whereas under the present ground, that is not the case (although there is some degree of similarity). I, therefore, find that applying the reasoning set out by Lewinson L.J, there is no misrepresentation under the 5(4)(a) ground in respect of the opponent's first and second marks as I do not consider that a substantial number of members of the public will be deceived into selecting the goods offered under the applicant's mark on the mistaken belief that they are the goods of the opponent. There will, therefore, be no misrepresentation in respect of the opponent's first and second signs.

136. As for the opponent's seventh mark, I also find that the issue of misrepresentation will follow the findings I have given under the 5(2)(b) assessment of confusion, even taking into account that the goods at issue under the present ground are not identical. I have set out under my assessment of the

[16] [2012] EWCA (Civ) 1501

Intel factors under the 5(3) ground that the opponent's running shoes are similar to the applicant's goods and, on this point, I am of the view that the fields of activity of both parties are not too distinct given that, again as explained above, it is common for producers of running shoes to also produce a range of clothing items, and vice versa. Following the same logic applied when considering a likelihood of indirect confusion between the applicant's mark and the opponent's seventh mark, I find that a substantial number of members of the public will be deceived into selecting the goods offered under the applicant's mark on the mistaken belief that they are the goods of the opponent. There will, therefore, be misrepresentation between the applicant's mark and the opponent's seventh sign.

137. Given that I have found that there is a misrepresentation in respect of the applicant's goods, I consider that damage through diversion of sales is easily foreseeable. The opposition based upon section 5(4)(a) is, therefore, successful.

CONCLUSION

138. The opposition has succeeded in its entirety and, subject to any appeal, the applicant's mark is refused registration for all of the goods applied for.

COSTS

139. As the opponent has been successful, it is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award the applicant the sum of **£1,500** as a contribution towards its costs. The sum is calculated as follows:

Filing a notice of opposition:	£300
Preparing evidence:	£600
Preparation of submissions:	£400

Official fee:	£200
Total	**£1,500**

140. I therefore order Cloudburst Clothing Ltd to pay On Clouds GmbH the sum of £1,500. This sum should 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 (subject to any order of the appellate tribunal).

Dated this 27th day of July 2023

A COOPER
For the Registrar

ANNEX

The opponent's first, second and seventh marks

Class 25

Footwear, headgear for wear; shirts, neckties; trousers, bathing suits, coats, combinations-trousers (clothing), pelerines, cyclists' clothing, sashes for wear, aprons (clothing), headbands (clothing), tracksuits; anoraks (parkas); ski pants; waist belts [clothing]; fur coats; mufflers [clothing]; gloves (clothing); dressing gowns; footwear for infants, slippers, shoes, sports shoes, esparto shoes or sandals, beach shoes, heels, bath slippers, boot liners, boots, socks and sandals; leather clothing, pockets for clothing.

The opponent's third mark

Class 25

Clothing; footwear; headgear for wear; running shoes; footwear for sports; athletic footwear; footwear for walking; trail shoes; trail racing shoes; hiking boots; boots for mountain climbing; climbing footwear; climbing shoes; baseball shoes; football boots; tennis shoes; snowboard boots; ski boots; basketball shoes; bath slipper; sports clothing; leisure wear; anti-moisture tops and pants; anti-moisture underwear; breathable tops and pants; breathable underwear; sports bras; tee-shirts; sport t-shirts; racing suits; tops; singlets; tank tops; long sleeve shirts; sweatshirts; vests; trousers; sport trousers; running pants; shorts; sports shorts; racing shorts; ski pants; jackets; outdoor jackets; sports jackets; sports coats; rain slickers; pelerines; ski jackets; bathing suits; bathing trunks; bikinis; baseball caps; caps (bonnets); caps; bathing caps; leggings [leg warmers]; boxer underpants; socks; sports socks; half-boots; sports tank tops; underwear; thermal protection clothing; thermal underwear; thermal socks; headgear article made of thermal textile materials; headbands; neck scarfs [mufflers]; gloves; sweat bands; head sweatbands; waist belts [clothing]; bath robes.

The opponent's fourth mark

Class 25

Clothing; footwear; headgear for wear; running shoes; footwear for sports; athletic footwear; footwear for walking; trail shoes; trail racing shoes; hiking boots; mountaineering footwear; climbing boots; climbing footwear; baseball shoes; football boots; tennis shoes; snowboard boots; ski boots; basketball shoes; bath slipper; sports clothing; leisure wear; anti-moisture tops and pants; anti-moisture underwear; breathable tops and pants; breathable underwear; sports bras; tee-shirts; sport t-shirts; racing suits; tops; singlets; tank tops; long sleeve shirts; sweatshirts; vests; trousers; sport trousers; running pants; shorts; sports shorts; racing shorts; ski pants; jackets; outdoor jackets; sports jackets; sports coats; rain slickers; pelerines; ski jackets; bathing suits; bathing trunks; bikinis; baseball caps; caps (bonnets); caps; bathing caps; leggings [leg warmers]; boxer underpants; socks; sports socks; half-boots; sports tank tops; underwear; thermal protection clothing; thermal underwear; thermal socks; headgear article made of thermal textile materials; headbands; neck scarfs [mufflers]; gloves; sweat bands; head sweatbands; waist belts [clothing]; bath robes.

The opponent's fifth mark

Class 25

Clothing; footwear; headgear for wear; running shoes; footwear for sports; athletic footwear; footwear for walking; trail shoes; trail running shoes; hiking boots; boots for mountain climbing; climbing footwear; climbing shoes; baseball shoes; football boots; tennis shoes; snowboard boots; ski boots; basketball shoes; bath slippers; sports clothing; leisure wear; anti-moisture tops and pants; anti-moisture underwear; breathable tops and pants; breathable underwear; sports bras; tee-shirts; sport t-shirts; running suits; tops; singlets; tank tops; long-sleeved jerseys; sweatshirts; vests; trousers; sport trousers; running pants; shorts; sports shorts; running shorts; ski pants; jackets; outdoor jackets; sports jackets; sports coats; rain slickers; pelerines; ski jackets; bathing suits; bathing trunks; bikinis; baseball caps; beanies; caps; bathing caps; leggings [leg warmers]; boxer underpants; socks; sports socks; half-boots;

sports tank tops; underwear; thermal protection clothing; thermal underwear; thermal socks; thermal headgear; headbands; neck scarfs [mufflers]; gloves; sweat bands; head sweatbands; waist belts [clothing]; bath robes.

The opponent's sixth mark

Class 25

Clothing; footwear; headwear; outdoor shoes; casual shoes; running shoes; sports shoes; athletic footwear; trekking shoes; trail shoes; trail running shoes; hiking boots; alpine boots; mountaineering boots; climbing shoes; baseball shoes; football boots; tennis shoes; snowboard boots; ski boots; basketball sneakers; bath slippers; sports clothing; leisure wear; moisture-wicking tops and pants; moisture-wicking underwear; breathable tops and pants; breathable underwear; sports bras; t-shirts; sports t-shirts; running shirts; tops; garments; tank tops; long-sleeved jerseys; sweatshirts; vests; trousers; sports trousers; running trousers; shorts; sports shorts; running shorts; ski pants; jackets; outdoor jackets; sports jackets; sports coats; rain slickers; pelerines; ski jackets; bathing suits; bathing trunks; bikinis; baseball caps; hats; caps; bathing caps; leg warmers; boxer shorts; socks; sports socks; footies; sports singlets; underwear; thermal protection clothing; thermal underwear; thermal socks; headwear of thermal textile materials; headbands; scarves; gloves; sweat bands; head sweat bands; waist belts; bath robes.