

O/0791/23

TRADE MARKS ACT 1994

TRADE MARK APPLICATION 3754440

BY ACTIONPOINT GROUP LTD

TO REGISTER THIS TRADE MARK IN CLASSES 16, 17 & 39:



AND

OPPOSITION 433976

BY SPIN MASTER TOYS (UK) LTD

BACKGROUND AND PLEADINGS

1. This is an opposition by Spin Master Toys (UK) Ltd (“the opponent”) to an application filed on 14th February 2022 (“the relevant date”) by Actionpoint Group Ltd (“the applicant”) to register the figurative two-dimensional trade mark shown below.



2. The applicant seeks to register the mark in relation to:

Class 16: Sheets for wrapping made of plastic material; polythene films for wrapping or packaging; paper, cardboard or plastic materials used as protective temporary layers for packaging.

Class 17: Masking tape.

Class 39: Packaging articles for transportation.

3. The opponent relies on six earlier trade marks. Like the contested mark, five of them are figurative two-dimensional trade marks. The other, UK908371379, is a three-dimensional mark. They each represent a puzzle game known as the Rubik's Cube. The closest earlier mark to the contested mark is International Trade Mark W1248803, which looks like this:



4. This mark, and International Trade Mark W1245874 (“the IRs”), are protected in the UK with effect from 18th December 2014. Protection was conferred on these marks in October/November 2015 in relation to, amongst others, *games and playthings* in class 28. According to the opponent, (a) these marks are similar to the contested mark (b) the earlier marks have acquired a reputation in the UK, and (c) use of the contested

mark in relation to any of the goods/services covered by the opposed application would, without due cause, take unfair advantage of, and/or be detrimental to the reputation and/or distinctive character of the earlier marks.

4. The other four earlier marks relied on by the opponent are comparable trade marks created when the UK left the EU. They are treated as though they have been registered in the UK since they were originally registered as EU trade marks in 2016 or earlier. They cover *Bags and articles for packaging, wrapping and storage of paper, cardboard or plastics; paper and cardboard* in class 16. The opponent claims these goods are identical or similar to the goods/services specified in classes 16 and 39 of the application.¹ According to the opponent, (a) the contested mark is similar to the earlier marks, (b) there is a likelihood of confusion on the part of the public.

5. The opponent therefore claims that registration of the contested mark would be contrary to sections 5(2)(b) and/or 5(3) of the Trade Marks Act 1994 (“the Act”), which are 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 of association with the earlier trade mark.”

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“(3) A trade mark which—

(a) is identical with or similar to an earlier trade mark,

(b) –

¹ As per paragraph 2 above.

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

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

6. The applicant filed a counterstatement denying the grounds of opposition. I note, in particular, that the applicant:

- (a) Requested proof of use of the four marks the opponent relies on for the purpose of the opposition under section 5(2) of the Act;
- (b) Required proof that the IRs in class 28 have acquired a reputation for games and playthings;
- (c) Denied the contested mark is similar to the earlier marks, relying on differences of colour, and that the small cubes making up the contested mark are incomplete in contrast to the small cubes making up the earlier marks.

7. Both sides seek and award of costs.

REPRESENTATION

8. The applicant is represented by Agile IP LLP. The opponent is represented by Wilson Gunn. Neither party requested a hearing. This decision takes account of the evidence filed by the opponent, and the written submissions filed on behalf of both parties.

EVIDENCE

9. The applicant did not file evidence. The opponent's evidence consists of witness statements by Terry Roy Rundle (with 10 exhibits) and Charlotte Sophie Van Triest (with 4 exhibits). Mr Rundle is a Trade Mark Attorney with Wilson Gunn. The purpose

of Mr Rundle's evidence is to show the game known as 'Rubik's Cube' has received substantial sales and press coverage in the UK and around the world. Ms Triest is Associate General Counsel, Europe, at Spin Master International B.V., which is a company related to the opponent. She provides further evidence as to the sales and marketing of Rubik's Cube games. Ms Triest also provides some evidence about the use of one of the earlier trade marks registered in class 16 (UK915518971) on packaging.

THE SECTION 5(2) GROUNDS OF OPPOSITION

Proof Of Use Of The Earlier Trade Marks Registered In Class 16

10. Each of the four comparable trade marks on which the opponent relies for the purposes of the opposition based on section 5(2) of the Act (UK908371379, UK00915292287, UK00915518971 and UK00915519036), are subject to proof of use in accordance with section 6A of the Act, which is as follows:

“6A Raising of relative grounds in opposition proceedings in case of non-use

(1) This section applies where—

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (aa) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and (c) the registration procedure for the earlier trade mark was completed before the start of the relevant period .

(1A) In this section “the relevant period” means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if—

(a) within the relevant period the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

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

(4) For these purposes—

(a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and (b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.”

11. Paragraph 7 of Schedule 2A to the Act states that:

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

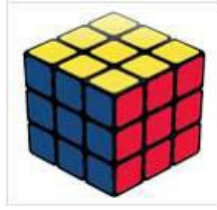
(2) Where the relevant period referred to in section 6A(3)(a) (the “five-year period”) has expired before IP completion day—

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

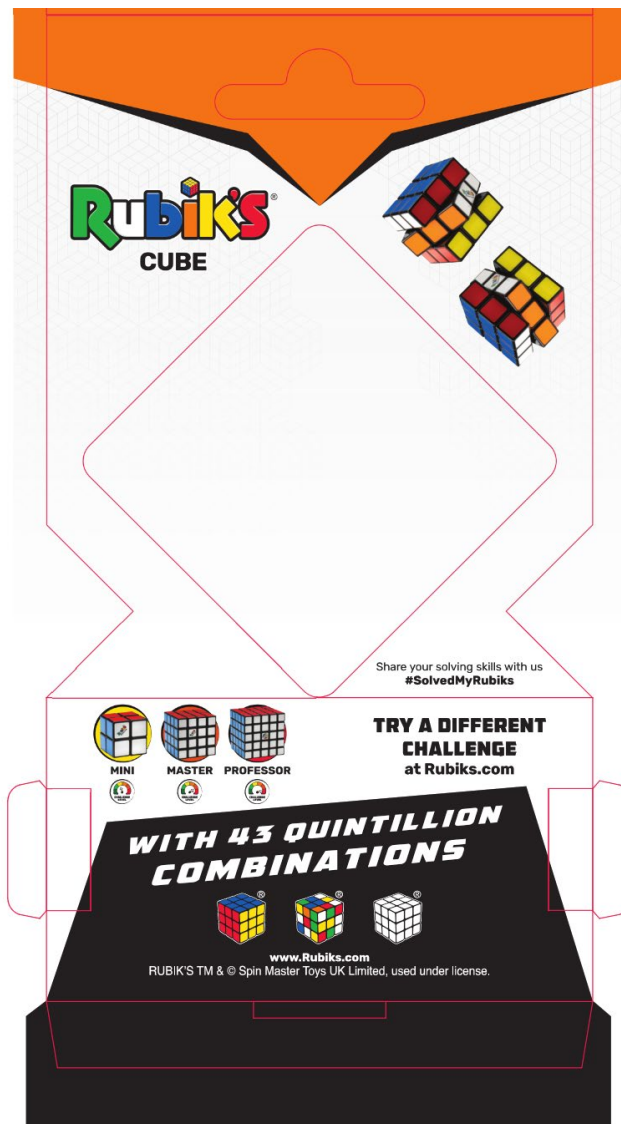
(b) the references in section 6A(3) and (4) to the United Kingdom include the European Union.”

12. As noted above, all four of the comparable marks the opponent relies on were registered in 2016 or before. The relevant period for showing genuine use of these marks is, therefore, 15th February 2017 to 14th February 2022.

13. Ms Triest says that trade mark UK915518971 has been used on packaging. The trade mark looks like this:



14. According to her statement, “*the approximate value of packaging bearing this mark*” sold by the opponent’s UK distributor (Toy Brokers Holdings Limited, trading as John Adams) during 2021- 2022 was at least £712,000, representing more than 3.7 million units. Exhibit CSvT-02 to Ms Triest’s statement provides an example of the packaging in question. It looks like this:



15. So far as I can see, this is the only evidence the opponent has provided claiming to show use of the earlier trade marks in relation to packaging. The applicant disputes

that this shows use of the earlier trade mark “*in relation to*” packaging. Rather, the applicant says, this shows use of the mark in relation to the product inside the packaging, i.e. the puzzle game.

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

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark.

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark.

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality.

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns. Internal use by the proprietor does not suffice. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter.

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark.

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use.

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule.

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use.

17. I accept the applicant's submission that the use of the mark shown on packaging for a puzzle game would be perceived by consumers as use of the mark in relation to the puzzle in the packaging rather than use of the mark in relation to the packaging itself. Such use was clearly not intended to create or preserve a market for packaging. The value of the packaging used to pack the opponent's puzzle games is therefore irrelevant. I find there is no evidence of genuine use of any of the earlier marks in relation to the registered goods/services in classes 16 and 39. Consequently, the opponent's grounds of opposition under section 5(2)(b) of the Act fall at the first hurdle.

THE SECTION 5(3) GROUNDS OF OPPOSITION

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

19. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Adidas-Salomon*, Case C-487/07, *L'Oreal v Bellure*, Case C-323/09, *Marks and Spencer v Interflora* and Case C383/12P, *Environmental Manufacturing LLP v OHIM*. The law appears to be as follows.

- (a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.
- (b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.
- (c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.
- (d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42
- (e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the

section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77* and *Environmental Manufacturing, paragraph 34*.

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

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

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

Proof of use of the IRs

20. The opponent's reliance on the IRs is also subject to proof of use under section 6A of the Act. However, more is required in order to establish a case under section 5(3) of the Act: the opponent must also show that the earlier marks have a reputation in the UK. A mark with a qualifying reputation is almost certain to have been put to genuine use during the 5 year period preceding the relevant date. I will therefore start by considering whether the IRs have acquired a qualifying reputation for the purposes of section 5(3).

Reputation

21. The opponent must show that the IRs have a reputation in the UK in relation to the goods relied on in class 28, i.e. games and playthings. As the IR W1248803 is marginally the more similar of the two IRs relied on by the opponent under this ground, it is only necessary to consider if that mark had a qualifying reputation at the relevant date. In order to qualify the earlier mark must be shown to have been known to a significant proportion of the relevant public. This is a knowledge threshold.²

22. It is clear from the evidence of Mr Rundle and Ms Van Triest, that the opponent markets a number of puzzle games of different appearance under the brand name Rubik. These include a 2 x 2 cell version called the 'Mini' cube, as well as 4 x 4 and 5 x 5 cell versions called the 'Master' and 'Professor' cubes. However, the evidence shows that 3 x 3 cell version represented in the IR is the original cube. Further, the weight of the evidence indicates that this is the still the version most often covered in media coverage of Rubik's Cube.

23. Much of the opponent's evidence is about the world-wide popularity of the game. This does not assist me in assessing the reputation of IR W1248803 in the UK. However, some of the evidence is UK-specific. Mr Rundle provides a BBC report of the UK Rubik's Cube Championships from 2017³ and various press articles from 2014 – 15.⁴ He also provides a copy of an affidavit by David Kremer of Seven Towns Ltd

² See paragraph 69 of Judge Hacon's analysis of the law on this point in *Burgerista Operations GmbH v Burgista Bros Limited* [2018] EWHC (IPEC), with which I respectfully agree.

³ See exhibit TRR-05

⁴ See exhibit TRR-10

dated 22nd August 2019.⁵ Seven Towns is the sole licensee and manufacturer of Rubik-branded products. Although it is not included in Mr Rundle's evidence,⁶ he says that exhibit 3 to Mr Kremer's affidavit showed that UK sales of Rubik-branded products in the period 2014 – 2018 amounted to 2.8 million units, generating income of £17m.

24. Ms Van Triest says she has access to the opponent's books and records and she endorses Mr Rundle's evidence. Further, she provides records from the opponent's UK distributor showing that it spent around £470k marketing Rubik's products in the UK in 2021, including TV advertising.⁷ It is clear from the information provided that the Rubik Cube, including the 3 x 3 cell version depicted in the IR, formed a substantial part of this spend.

25. As noted above, the applicant originally required the opponent to provide proof that the earlier IRs have a reputation in the UK. I note that after the opponent filed the evidence described above, the applicant's position as set out in its final written submissions, was that the reputation of the IRs was neither admitted nor denied.

26. The opponent's evidence could have been better. However, I find that it is sufficient for me to find that, on the balance of probability, at the relevant date, the 3 x 3 cell version of the Rubik Cube was known to a significant proportion of the UK public concerned with games and playthings. The same applies to consumers concerned with the applicant's goods/services.

27. The Rubik Cube is a three-dimensional game. IR W1248803 is a two-dimensional representation of the game. It shows the product after the puzzle has been solved with cells of the same colour on each face of the cube. Therefore, I must consider whether recognition of the 3-dimensional product is sufficient to endow the two-dimensional representation of it with a qualifying reputation. The CJEU has dealt with a number of cases in which it was necessary to decide whether a 2D representation of a 3D product should be treated in the same way. In *Storck v OHIM*⁸ the court upheld the refusal to register a figurative 2D mark representing a wrapper for a confectionery product on the basis that (3D) wrappers on that kind

⁵ See exhibit TRR-09

⁶ He says this is because it contains commercially sensitive information relating to royalty payments.

⁷ See exhibit CST03

⁸ Case C-25/05 P

were non-distinctive. In *Yoshida Metal Industry Co. Ltd v EUIPO*⁹ the CJEU decided that the exclusion of signs consisting of shapes which are necessary to achieve a technical result applied irrespective of whether such shapes are represented in two or three dimensions. By extension of the same logic, I find that a 2D representation of the 3 x 3 cell version of the Rubik's Cube is capable of acquiring a qualifying reputation as a result of the recognition by the relevant public of the product depicted in the 2D trade mark.

28. The actual products often look different from IR W1248803 because the position of the individual coloured cells depends on the degree of progress the user has made in solving the puzzle. Thus, on many occasions the product is shown with a variety of different coloured cells on each visible face of the cube. However, the relevant public will understand that this is the result of the stage of the game rather than any material difference between the mark in solved or unsolved form. Consequently, I do not regard the difference between the positioning of the individual cells of the puzzle in 3D form and the mark represented by IR W1248803 in 2D form (with cells of a uniform colour on each visible face), as a reason to deny that the reputation of the 3D product extends to IR W1248803.

29. I also note that the packaging in which the 3D product is marketed bears a trade mark closely resembling IR W1248803 in 2D form. I earlier found that this was use of the 2D mark in relation to the puzzle game. The only difference between IR W1248803 and the mark shown on packaging at the bottom of paragraph 14 above, is that the former has the yellow face on the top whereas the latter has the blue face on the top. However, the relevant public will understand that this simply depends on which way up the product is represented on the packaging, rather than a distinctive difference between the mark shown and the protected IR.

30. I therefore conclude that IR W1248803 had a qualifying reputation in the UK at the relevant date.

⁹ Case C-421/15

Proof of use conclusion



31. I accept that the use shown, including use of a closely similar mark on the packaging of the goods (as described at paragraph 29 above), constitutes use of the earlier mark to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin. I am therefore satisfied that the use shown constitutes genuine use of the earlier mark during the relevant period.

Link

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

The degree of similarity between the conflicting marks

33. For ease of reference the marks at issue are shown below:

Contested mark	IR W1248803
	 <p data-bbox="810 1601 1007 1630"><i>Mark description</i></p> <p data-bbox="810 1664 1362 1877">The figurative mark is a cube containing 3*3 small, colour rectangles on each side whereby each side contains rectangles with the same colour, namely blue on the top, red at the left side below and yellow at the right side below, further the edges are in black; the cube is shown partially from above symmetrically.</p> <p data-bbox="810 1908 1002 1937"><i>Colours claimed</i></p> <p data-bbox="810 1971 1374 2020">The mark contains the colours blue, red, yellow and black.</p>

34. The applicant relies on differences of colour, and a difference in the shape of the cells making up the cubes depicted in the marks, as points which distinguish them. According to the applicant, the latter results in the contested mark having a “*soft, curvy appearance*” in contrast to the straight lines of the earlier mark. The applicant further argues that the shape of the contested mark would prevent the puzzle from working in the same way as the puzzle depicted in the earlier mark. The applicant submits this amounts to a conceptual difference.

35. The opponent disputes that the detailed difference described above would prevent the puzzles from working in the same way, or that this is a point of conceptual difference. According to the opponent, the colour differences are irrelevant and the marks are similar “*to a fairly high degree.*”

36. As both marks are applied for, or registered, in colour, the differences in colour are relevant. However, in my view, they distinguish the marks to only a limited extent. This is because (a) one of the three visible faces of both cubes is blue (albeit different shades of blue), (b) there is no stark difference between the red colour on the top side of the contested mark and the red/brown colour shown on the left side face of the cube shown in the IR,¹⁰ (c) although the yellow and green faces are more noticeably different, the difference does not represent a major difference in the visual appearance of the marks as wholes, and (d) the fact that the colours blue and red or red/brown are applied to different faces of the cubes is easy to miss, and of no real significance to consumers for the reason explained in paragraph 29 above.

37. The applicant has not explained why the difference between the shapes of the cells making up the respective cubes would prevent the puzzles they represent from working in the same way. I therefore reject this submission, and the suggested conceptual distinction. I find that the difference in the shape of the cells is a minor point of detail in the overall appearance of the marks that is unlikely to make much (if any) impression on average consumers of the goods/services at issue.

38. I therefore accept the opponent’s submission that the respective marks are similar “*to a fairly high degree.*” Given that the goods/services at issue are likely to selected

¹⁰ IR W1248803 is recorded in the international register as being in the colours red, blue, yellow and black.

by consumers paying a reasonable (but still only average) degree of attention, there is a real risk that the contested mark will be mistaken for the earlier mark as a result of imperfect recollection.

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

39. I find that all the goods/services covered by the application are dissimilar to the games and playthings covered by the earlier mark. Wrapping/packaging goods in class 16, and the provision of packaging for transportation in class 39, could be used to package games and playthings, e.g. to give as presents.. Therefore, these goods/services are not entirely distant from one another. Masking tape in class 17 appears more distant from games/playthings than the applicant's goods/services in classes 16 and 39. However, it is possible that masking tape could also be used for packaging for games/playthings, e.g. to obscure out-of-date information, such as an old address. So even though the respective goods/services are dissimilar overall, there is a certain degree of overlap between the users of them.

The strength of the earlier mark's reputation

40. The earlier mark appears to be reasonably well-known.

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

41. The earlier mark depicts the game/plaything for which it is registered. Although there is nothing to suggest that the appearance of the opponent's game/plaything is generic, this is inherently likely to affect the strength of the public's perception of it as a trade mark. The evidence indicates that the inherent level of distinctive character may have been enhanced through use. However, for present purposes I will assume only that the mark has the minimum degree of distinctive character I must afford it simply on the basis that it is a protected trade mark in the UK, the validity of which has not been challenged. This means that the mark distinguishes the goods of a particular undertaking to at least a significant part of the UK public.

Whether there is a likelihood of confusion

42. Given the differences between the respective goods/services, I find that there is no likelihood of confusion that the marks designate the goods/services of the same undertaking.

Overall assessment of link

43. Taking all of the above not account, I find that a significant proportion of the relevant public are likely to make a link between the marks.

Unfair advantage

44. The opponent's pleaded case is that:

"The applicant is exploiting the distinctive character or repute of the earlier mark to the benefit of its own marketing efforts and is effectively using the reputed mark as a vehicle for promoting its own goods/services. This is unfair because the reward for promoting, maintaining and enhancing a trade mark should belong to the owner, and only the owner, of the earlier reputed mark."

45. The applicant's answer to this in its counterstatement and written submissions consists of bare denials, and an argument that the public are unlikely to make any link between the marks because of the differences and distance between the respective goods/services. However, I have found that a significant proportion of the public concerned with the applicant's goods/services are likely to make a link with the earlier mark.

46. It is not obvious to me whether the reputation of the earlier mark for games/playthings has characteristics which would readily transfer to the goods/services covered by the application. However, in the absence of any evidence from the applicant explaining why it chose the contested mark, I accept the opponent's case that the applicant appears to have chosen it in order to exploit the reputation of the earlier mark for marketing purposes. This strongly suggests that the applicant sees a marketing advantage for its own goods/services from using a mark that calls the earlier mark to mind. I therefore accept the opponent's claim that use of the contested

mark would give the applicant's mark a commercial advantage that has not been paid for. In deciding whether this is unfair, I consider it relevant that the applicant appears to intend to profit from choosing a mark that calls the earlier mark to mind.¹¹ In these circumstances, I find that use of the contested mark in respect of all the goods/services covered by the application would take unfair advantage of the earlier mark.

47. The applicant has not pleaded that it has 'due cause' to use the contested mark. Therefore, the opposition under section 5(3) succeeds on the basis that use of the contested mark would, without due cause, take unfair advantage of the earlier mark.

Detriment to distinctive character

48. The opponent's pleaded case is that use of the contested mark would result in dilution of the distinctive character of the earlier mark. According to the opponent, this means that it will no longer be capable of arousing the public's immediate association with the goods for which the earlier mark is registered and used. This, in turn, will reduce the capacity of the earlier mark to attract new customers and retain existing ones.

49. The serious risk of a change in the economic behaviour of consumers of games/playthings identified in *Environmental Manufacturing LLP v OHIM* must be founded on "*an analysis of the probabilities and by taking account of the normal practice in the relevant commercial sector as well as all the other circumstances of the case.*" A change in consumers' economic behaviour can therefore be inferred from the inherent probabilities of the situation.¹²

50. In my view, there is a clear and serious risk that use of the contested mark in relation to the goods/services covered by the application, without the opponent's consent, will encourage the public to perceive the earlier mark as a generic representation of a game/plaything. This will undermine the origin function of the earlier trade mark as a sign which distinguishes the games/playthings of one undertaking from those of other undertakings. Such a perception is inherently apt to

¹¹ See paragraph 80 of the judgment of Arnold J. (as he then was) in *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch)

¹² See paragraph 133 of the judgment of Henderson J. in *32Red Plc v WHG (International) Limited and others* [2011] EWHC 665 (Ch).

lose customers for goods marketed by the opponent under the earlier mark. Therefore, I find that use of the contested mark is liable to alter the economic behaviour of consumers of the opponent's goods, and damage the distinctive character of the earlier mark.

51. Therefore, the opposition under section 5(3) also succeeds because use of the contested mark would be detrimental to the distinctive character of the earlier mark.

Detriment to reputation

52. The third strand of the opponent's section 5(3) case is based on use of the contested mark in relation to goods/services of potentially low quality, adversely affecting the reputation of the earlier mark. In the absence of a likelihood of confusion as to the origin of the applicant's goods/services, I regard this risk as theoretical and speculative rather than 'serious'. I therefore reject this aspect of the opponent's section 5(3) case.

Overall outcome

53. The opposition under section 5(2) fails.

54. The opposition under section 5(3) succeeds in respect of all the goods/services covered by the application, which will therefore be refused.

COSTS

55. The opponent has been successful. Therefore, it is entitled to a contribution towards its costs. I assess this as follows:

- £200 for the official fee for filing a notice of opposition;
- £400 for preparing the statement of grounds;
- £800 for preparing evidence;
- £300 for filing written submissions in lieu of a hearing.

56. I therefore order Actionpoint Group Ltd to pay Spin Master Toys (UK) Ltd the sum of £1700. This sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated 18th August 2023

Allan James

For the Registrar