O/092/21

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION No. 3346649
IN THE NAME OF WAN ERIC GUANGYU

AND IN THE MATTER OF INVALIDATION No. 502624 THEREOF
BY WORLDWIDE BRANDS, INC.

AND IN THE MATTER OF AN APPEAL TO THE APPOINTED PERSON
BY THE REGISTERED PROPRIETOR
AGAINST A DECISION OF MR ARRAN COOPER
DATED 14 MAY 2020

DECISION

Background

1. This is an appeal against a decision of Mr Arran Cooper, acting for the Registrar, dated 14 May 2020, BL O/282/20, in which he declared invalid in its entirety Registration number 3346649 standing in the name of Wan Eric Guangyu ("the Registered Proprietor").

2. On 18 October 2018, the Registered Proprietor applied under number 3346649 for registration of the designation CAMEL for use as a trade mark in the UK in relation to:

   Class 25
   Clothing, footwear, headgear; underwear; shirts; trousers; overcoats; knitwear [clothing]; coats; skirts; sports jerseys; topcoats; jackets [clothing]; tee-shirts; layettes [clothing]; shoes for babies; swimsuits; football shoes; ski boots; footwear; boots; sandals; shoes; sports shoes; track and field shoes; mountaineering shoes; climbing shoes; footwear for women; hats; gloves [clothing]; neckties; hosiery; leather belts [clothing]

3. The Registered Proprietor's trade mark was accepted for registration and entered on the UK Register on 15 March 2019.

4. On 28 May 2019, Worldwide Brands, Inc. ("the Applicant") applied under Section 47(2)(a) and Section 5(2)(b) of the Trade Marks Act 1994 to declare invalid in full Registration number 3346649.

5. Section 47(2)(a) of the Act provided:

"47. –[…]

(2) The registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, …"

6. According to Section 5(2)(b):

"5. –[…]

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

[…]

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

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

7. The Applicant relied under Section 47(2)(a) and Section 5(2)(b) on its designations first, in the UK and second, in the EU of the Applicant's International Registration number 814414, which constituted earlier trade marks under Section 6(1)(a) of the Act as represented below:

8. Protection was granted to the Applicant's International Trade Mark 814414 in the UK on 11 December 2004 and in the EU on 30 January 2018 in respect of *inter alia* the following goods:

Class 25
Clothing, footwear, headgear

9. The Registered Proprietor took issue with the ground of invalidation in a Notice of defence and counterstatement dated 28 August 2019, wherein the Registered Proprietor put the Applicant to proof of use of International Registration number 814414.

10. Only the Applicant filed evidence.

11. Neither party requested an oral hearing. Both parties filed written submissions in lieu of a hearing and Mr Cooper decided the invalidation on the basis of the papers before him.

Hearing Officer's decision

12. The Hearing Officer's decision under Section 5(2)(b) was, in brief:

Proof of use

1) The Applicant's EU designation for CAMEL ACTIVE figurative was not subject to proof of use because it was under 5-years old. For the avoidance of any doubt, the Hearing Officer would have found on the Applicant's evidence that the Applicant had made genuine use of its mark in the EU during the relevant period[1] (decision, paras. 18 – 21).

Guiding principles

2) The Hearing Officer would be guided by the Registrar's list of applicable principles gleaned from the case law of the Court of Justice of the European Union ("CJEU") (decision, para. 27).

Comparison of goods

3) The respective goods in Class 25 were largely identical. *Neckties* and *leather belts* in the contested mark were highly similar to the Applicant's goods (decision, paras. 28 – 45).

Average consumer

4) The average consumer of the goods at issue was the general public. The selection of the goods would primarily be visual although aural considerations could play a part. The average consumer would pay a medium degree of attention to the purchase act (paras. 46 – 51).

Distinctiveness of earlier trade mark

5) The Applicant's claim that its earlier trade mark was entitled to enhanced distinctive character in the UK was not made out on the evidence (decision, paras. 54 – 56).

6) Overall, the Applicant's mark was inherently distinctive to a higher than medium degree. I set out below the Hearing Officer's reasoning on this aspect since it was controversial on appeal:

> "57. The applicant submits that:
>
> > "The Earlier Mark consists, of two elements, CAMEL and ACTIVE. The first element of the mark, "CAMEL", is identical to the Registration. The second element "ACTIVE", is descriptive of the products for which it is registered and as such, is of low distinctive character. At **Annex 1** we attach

[11] The Hearing Officer proceeded to decide the invalidation on the basis of the Applicant's IR(EU) without mentioning that the Applicant had also relied on its IR(UK) which was subject to proof of use.

extracts taken from the online Cambridge Dictionary, which defines the word "ACTIVE" as meaning an adjective for "*busy*". When the word "ACTIVE" is used in relation to class 25 goods, namely clothing, it is commonly reffered to as "ACTIVEWEAR" which is defined as "*clothes that a worn for sports or other physical activities*" **(Annex 1)**. It follows, that the element ACTIVE is common place in relation to class 25 goods and as such, is of low distinctive character and/or descriptive.

58. The proprietor submits that "CAMEL ACTIVE has a different meaning when compared to the element CAMEL alone. This is because the combination of two words that do not typically go together creates a degree of unusual distinctive character."

59. The applicant's mark is made up of two elements, being the word element and the coloured outline. The mark contains the words 'CAMEL ACTIVE' in a black, slightly stylised font. While the word 'CAMEL' is placed above the word 'ACTIVE', the words will still be read as 'CAMEL ACTIVE'. The outline element of the mark consists of two lines in black at the top and yellow at the bottom. The lines are not connected and act as a curved framing device for the words 'CAMEL ACTIVE'. Within the registration of the applicant's mark, the background to the mark is specified as being white.

60. The word 'CAMEL' will be seen by a significant proportion of average consumers to be a reference to the large desert animal and will be neither descriptive nor allusive to the type of goods protected by the applicant's mark. When used on the applicant's goods, the word 'CAMEL' will be seen as unusual by a significant proportion of the average consumer. It will therefore have at least a medium degree of inherent distinctiveness.

61. The word 'ACTIVE' means someone who moves around a lot or does a lot of things [f/n to: https://www.collinsdictionary.com/dictionary/english/active]. When displayed on the applicant's goods I agree with the applicant's submissions that it will be seen by a significant proportion of average consumers to be a reference to active wear. It will, therefore, be descriptive of the type of goods for which the applicant's mark is registered. On goods that are not worn for sports or physical activity, the word 'ACTIVE' will be given its ordinary meaning and will, therefore, not be considered by a significant proportion of average consumers to be allusive or descriptive to the goods for which the applicant's mark is registered.

62. While noticeable, I am of the view that the stylisation of the words 'CAMEL ACTIVE' and the black and yellow curved lines contribute slightly to the inherent distinctive character of the mark. Further, while the background is specified in the registration as being white, I

do not consider that this will have any effect on the distinctive character of the applicant's mark. Overall, I consider the applicant's mark to have a higher than medium degree of inherent distinctive character."

Comparison of marks

7) The marks to be compared were (para. 66):

Earlier trade mark	**Contested trade mark**
	CAMEL

8) The overall impressions of the marks on the public were paramount (decision, paras. 63 – 65, 68 - 69).

9) The marks were visually similar to a medium degree (decision, paras. 70 – 72):

> "72. Visually, the marks coincide in that they share the words CAMEL. The marks differ in the word 'ACTIVE', that is present in the applicant's mark but absent in the proprietor's mark. The marks also differ in that the wording of the applicant's mark is slightly stylised and it also has a black curved line at the top and a yellow curved line at the bottom. I have found that the outline plays a lesser role in the applicant's mark, however, it still constitutes to the visual differences between the marks. I note that the proprietor's mark is a word only mark and can be used in any standard typeface and registration in black and white will cover the use of the mark in different colours. Taking all of this into account, I find that the marks are similar to a medium degree."

10) The marks were either aurally identical or similar to a medium degree depending on whether the public took the step of pronouncing "active" in the earlier trade mark (decision, paras. 73 – 75):

> "74. Aurally, the applicant's mark consists of four syllables that will be pronounced 'KAMUL-ACK-TIV'. The proprietor's mark consists of two syllables, being 'KA-MUL'. The outline element of the applicant's mark will not be pronounced. The similarities, therefore, include the entirety of the aural element of the proprietor's mark. The marks different aurally with the inclusion of the last two syllables of the applicant's mark. In respect of those goods for which 'ACTIVE' would be considered allusive of the goods, I conclude that it is unlikely to be produced [sic] (because it is simply viewed as the type of goods for which the applicant's mark is registered). In those circumstances, the marks will be aurally identical. However, if the word 'ACTIVE' is

> pronounced, then the marks will be aurally similar to a medium degree."

11) Conceptually, the marks were similar to at least a medium degree (decision, paras 75 – 78):

> "78. The only element of the applicant's mark that might convey a conceptual message is the word element, being 'CAMEL ACTIVE'. The average consumer of will view the word 'CAMEL' in both marks as a large, desert animal and will, therefore, be conceptually identical. However, I recognise that the word 'ACTIVE' in the applicant's mark will act as a point of conceptual difference between the marks. The word 'ACTIVE' will be given its ordinary meaning. On goods associated with active wear, the word 'ACTIVE' will be descriptive of the goods for which the mark is registered. Overall, I find that the conceptual meaning conveyed by the marks as a whole will be similar to at least a medium degree."

Likelihood of confusion

12) Globally assessed there was no likelihood of direct confusion due to the presence of ACTIVE and/or the figurative elements in the earlier trade mark (para. 81).

13) There was however a likelihood of indirect confusion, in that (decision, paras. 82 – 83):

> "83. … the presence of the word 'CAMEL' in each of the marks will lead the average consumer to view them as alternative marks used by the same or economically linked undertakings. I therefore consider there to be a likelihood of indirect confusion."

Costs

14) The Registered Proprietor would be ordered to pay to the successful Applicant discounted costs on the scale in the sum of £1,100 (decision, paras. 85 – 86):

> "85. As the applicant has been successful, it is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. I acknowledge that the applicant filed evidence in relation to proof of use of the mark in the European Union. For the reasons set out above, proof of use was not an issue that was relevant to this decision. However, I recognise that part of the evidence did go to the issue of enhanced distinctive character within the UK market and I have, therefore, made an award of costs in respect of the evidence filed, albeit with an appropriate reduction applied …"

The appeal

13. On 30 July 2020, the Registered Proprietor filed Notice of appeal to the Appointed Person under Section 76 of the Act against the Hearing Officer's decision to declare Registration number 3346649 invalid pursuant to Sections 47(2)(a) and 5(2)(b).

14. There were 3x grounds of appeal:

    1) The Hearing Officer erred in assessing the meaning of ACTIVE in the earlier trade mark.

    2) As a consequence of *inter alia* 1), the Hearing Officer erred in his finding of a likelihood of indirect confusion.

    3) The Hearing Officer erred in ordering the Registered Proprietor to make a costs contribution to the preparation of the Applicant's evidence.

15. The Applicant filed a Respondent's Notice, dated 21 August 2020. The Applicant's position was that the appeal was groundless, and that the Hearing Officer's decision should be upheld.

16. At the appeal hearing, which was held by video conference, the Registered Proprietor was represented by Mr Julius Stobbs of Stobbs. The Applicant was represented by Ms Kelly Saliger of CMS Cameron McKenna Nabarro Olswang LLP.

Standard of review

17. There was no dispute that this appeal was by way of review and not rehearing, and that I should be reluctant to interfere in the absence of error on the part of the Hearing Officer (*REEF Trade Mark* [2002] EWCA Civ 763, para. 28).

18. Ms Saliger referred me to the summary of applicable principles set out by Mr Daniel Alexander QC sitting as the Appointed Person in *TALK FOR LEARNING Trade Mark*, BL O/017/17 at paragraph 52, which were reviewed more recently by Lord Hodge in *Actavis Group PTC v. Icos Corporation* [2019] UKSC 15, at paragraphs 78 – 81.

19. I have borne these principles firmly in mind.

Merits of the appeal

20. The first ground of appeal as I understood it was that the Hearing Officer wrongly treated the word ACTIVE in the earlier trade mark as a noun. This was said to have followed on from (and/or to be supported by) the Hearing Officer's allegedly wrongful setting out of the definition of "active" as: "*someone who moves around a lot or does a lot of things*" (decision, para. 61).

21. I purposely set out the surrounding context for that statement at paragraph 12 sub-paragraph 6) above. In the criticised passage at paragraph 61 the Hearing Officer was clearly picking up on (and agreeing with) the Applicant's argument he had just

referred to in his earlier paragraph 57, that is, that "active" was an adjective for "busy" but in the context of casual/sports clothing could indicate active wear.

22. The Hearing Officer footnoted his criticised statement to the following definition in the Collins online dictionary:

> "1. ADJECTIVE
>
> Someone who is **active** moves around a lot or does a lot of things.
>
> *Having an active youngster about the house can be quite wearing.*
> *...a long and active life.*
>
> **Synonyms**: busy, involved, occupied, engaged …"

23. I do not think that the Hearing Officer was doing anything more sinister here than including the first part of that definition albeit truncated in his own words.

24. The Registered Proprietor argued that carrying on from that the Hearing Officer wrongly held that ACTIVE in the earlier trade mark when viewed in the context of casual/sporting clothes would indicate active wear to the average consumer, or in other words would allude to the nature of the goods, particularly in the absence of evidence to this effect.

25. There are four points to make here. First, I do not agree that that finding followed on from (in the sense of being the consequence of) the Hearing Officer's allegedly wrong definition of the meaning of "active" in the earlier trade mark. Second, it seems to me that judicial notice could be taken of the practice in marketing of noun adjectival use to convey abbreviated marketing messages. Third, the Hearing Officer was entitled to rely on his own experience as a purchaser of clothing including casual/sporting clothing (*esure Insurance Ltd v. Direct Line Insurance plc* [2008] EWCA 842, paras. 52 – 56). Fourth, the Registered Proprietor's evidence itself showed the use of CAMEL ACTIVE figurative for casual/sporting/outdoor pursuits clothing, footwear, and headgear.

26. The Registered Proprietor argued that the Hearing Officer's wrongful interpretation of ACTIVE in the earlier trade mark skewed the Hearing Officer's findings regarding the degrees of visual, aural, and conceptual similarities in the marks.

27. Since, however, the Hearing Officer recognised that: (a) the word ACTIVE and figurative elements in the earlier trade mark created visual differences; (b) the word ACTIVE if pronounced in the earlier trade mark created an aural difference; and (c) the word ACTIVE in the earlier mark created a conceptual difference (arguably less of a conceptual difference if the word ACTIVE did not suggest active wear to the consumer), it is difficult to see where the Registered Proprietor was going with this argument. Indeed in aural submissions I understood Mr Stobbs to accept at least the Hearing Officer's finding of a medium degree of visual similarity in the marks (transcript, para. 14).

28. Instead, as Mr Stobbs emphasised the end point of the above was to challenge the Hearing Officer's finding of indirect confusion between the marks, because the word ACTIVE and the presentational features of the earlier trade mark were likely to be seen by the average consumer as creating a further mark in the same stable as CAMEL indicating a range of active wear clothing.

29. There can be no doubting that there was a mistake in this part of the decision which reads at paragraph 83:

> "83. I must now consider the possibility of indirect confusion and whether average consumers would believe that there is an economic connection between the marks or that they are variant marks from the same undertaking as a result of the shared common elements of the marks. If I am wrong in my finding that the marks will be misremembered or mistakenly recalled as each other by the average consumer, because the word 'ACTIVE' and the presentational differences will be recalled, they are likely to be seen as an extension of a brand (being a variant mark that identifies a range of active wear clothing). Taking all of the above factors into account, the presence of the word 'CAMEL' in each of the marks will lead the average consumer to view them as alternative marks used by the same or economically linked undertakings. I therefore consider there to be a likelihood of indirect confusion."

30. It appears from the second sentence of the above passage that the Hearing Officer may initially have been minded to make a finding of direct confusion between the marks.

31. However, since: (a) the Hearing Officer's actual finding of no direct confusion was not appealed; and (b) at paragraph 83, the Hearing Officer made a clear finding of indirect confusion, the obvious mistake in paragraph 83 was immaterial to the present appeal

32. Mr Stobbs intimated that there could be no indirect confusion in this case because the circumstances did not fall into any of the situations set out by Mr Iain Purvis QC sitting as the Appointed Person in *L.A. SUGAR Trade Mark*, BL O/375/10, paragraph 17.

33. First, as Mr Purvis himself acknowledged, the situations he put forward in *L.A. SUGAR* were not intended to be exclusive. Second, the average consumer's perception of marks deriving from the same stable is a long-recognised form of indirect confusion (*Wagamama Ltd v. City Centre Restaurants plc* [1995] FSR 713, paras. 720 – 721, 730 – 733, Joined Cases T-117/03 – T-119/03 and T-171/03, *New Look v. OHIM* EU:T:2004:293, paras. 51 and see also para. 33).

34. I have seen no reason to interfere with the Hearing Officer's finding of indirect confusion.

35. Regarding the third ground of appeal, the Hearing Officer made a reduction in the scale costs he ordered to take account of the fact that the Applicant's EU designation of CAMEL ACTIVE figurative was not subject to proof of use.

36. Accordingly, I find that there is no substance to the third ground of appeal.

Respondent's Notice

37. The Respondent's Notice expressed difficulty in ascertaining the basis of challenge, arguing that the Registered Proprietor merely sought re-appraisal of its case contrary to the standard of review.

38. Certainly, many of the points the Registered Proprietor sought to impress on me, especially concerning the comparison/distinctiveness of the marks, mirrored those previously advanced before the Hearing Officer.

39. It struck me that, in the words of Mr Geoffrey Hobbs QC sitting as the Appointed Person in *NICO LONDON Trade Mark*, BL O/338/20, paragraph 36, were I to have considered those points afresh:

> "… the Decision would end up being re-taken by this Tribunal under the guise of reviewing it for error. However, it is necessary in order to maintain the required distance between the role of decision taker at first instance and the role of decision taker on appeal for this Tribunal to proceed on the basis that the Decision below should stand unless the matters on which the Opponent relies are by force of what they reveal sufficient to establish that the Decision is vitiated by error."

40. As stated above, I was unpersuaded that the Hearing Officer's decision under Section 5(2)(b) was vitiated by error.

Conclusion and costs

41. In the result, the appeal was unsuccessful.

42. The Hearing Officer ordered the Registered Proprietor to pay to the Applicant costs of the invalidation in the sum of £1,100. I will order the Registered Proprietor additionally to pay to the Applicant costs of the appeal in the sum of £700. The total sum of £1,800 is to be paid by the Registered Proprietor to the Applicant within 28 days of this decision.

Professor Ruth Annand, 3 February 2021

Mr Julius Stobbs of Stobbs appeared for the Registered Proprietor/Appellant

Ms Kelly Saliger of CMS Cameron McKenna Nabarro Olswang LLP appeared for the Applicant/Respondent