

O/1005/23

TRADE MARKS ACT 1994

**IN THE MATTER OF
APPLICATION NO. UK00003696073
BY FIFTYTWO AS
TO REGISTER THE FOLLOWING MARK:**

VARSIY HEADWEAR

IN CLASSES 25 AND 35

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 432758
BY VARSITY SPIRIT LLC**

Background and pleadings

1. These proceedings concern the opposition to an application to register **VARSIITY HEADWEAR** as a trade mark in the UK. The application was filed by Fiftytwo AS (“the applicant”) on 16 September 2021, pursuant to Article 59 of the Withdrawal Agreement between the UK and the EU which enabled applications pending at the European Union Intellectual Property Office (“EUIPO”) on IP Completion Day (31 December 2020) to be filed as applications in the UK and retain the EU filing and priority date. The priority date for this application is therefore **31 August 2016**.

2. The application was published for opposition purposes on 21 January 2022 and seeks registration for the following goods and services:

Class 25: *Headgear; headwear; caps [headwear]; baseball caps; knitted caps; golf caps; bucket caps; children's headwear; leather headwear.*

Class 35: *Retail services for headgear; wholesale services for headgear; retail store services relating to headgear; wholesale store services relating to headgear; online retail store services relating to headgear; online wholesale store services relating to headgear.*

3. On 20 April 2022, the application was opposed by Varsity Spirit LLC (“the opponent”) based upon Section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opponent relies upon the following trade marks:¹

UK00908616179

VARSIITY

Filing date: 14 October 2009; Registration date: 05 August 2010

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

Relying upon some of the goods and services for which the mark is registered, namely:

Class 25: *athletic tops, bodysuits, dresses, hats, jackets, jerseys, jumpers, shorts, shirts, skirts, t-shirts, uniforms for cheerleaders; footwear, namely, athletic shoes, cheerleader shoes, and shoes.*

Class 35: *Online retail store services featuring school supplies; mail order catalogue services in the fields of cheerleader uniforms; providing an on-line database in the field fashion.*

UK00909464736

VARSITY SPIRIT FASHIONS

Filing date: 21 October 2010; Registration date: 01 April 2011

Relying upon some of the goods for which the mark is registered, namely:

Class 25: *Athletic wear, including, sports shirts, sports shorts, vests, tops, skirts, jumpers, sweaters, sweat shirts, T-shirts, athletic shorts, leotards, jackets, hats, outerwear, sports bras; uniforms for cheerleaders; footwear, including, athletic shoes, cheerleading shoes and dance shoes.*

4. The opponent claims that the marks are similar and that the goods and services are identical or similar, meaning that there is a likelihood of confusion.

5. The applicant filed a counterstatement in which he denied the claims made and put the opponent to proof of use.

6. The applicant is represented by Stobbs and the opponent is represented by Finnegan Europe LLP.

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

THE EVIDENCE

8. The opponent filed evidence in the form of the witness statement of Dr Jan Becker dated 10 January 2023, which is accompanied by 9 exhibits (Exhibits JB1-JB9). Dr Becker is the CEO of Varsity Brands Europe GmbH, a company in which the opponent has full control. Dr Becker's evidence goes to the use of the earlier marks.

EU LAW

9. 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 Trade Marks 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.

DECISION

Section 5(2)(b)

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

“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”.

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

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

Proof of use

12. By virtue of their earlier filing date, the trade marks upon which the opponent relies qualify as earlier trade marks pursuant to Section 6 of the Act. As the earlier marks had completed their registration process more than five years before the priority date of the application in question, they are both subject to proof of use pursuant to Section 6A of the Act.

13. I will therefore begin by assessing whether there has been genuine use of the earlier marks. The relevant statutory provisions are as follows:

“Section 6A:

(1) This section applies where

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

(b) there is an earlier trade mark of a kind falling within section 6(1)(a),
(aa) or (ba) in relation to which the conditions set out in section 5(1),
(2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed
before the start of the relevant period.

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

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

(3) The use conditions are met if –

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

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

(4) For these purposes –

(a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5)-(5A) [Repealed]

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

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

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

15. As the earlier marks are comparable marks, paragraph 7 of Part 1, Schedule 2A of the Act is also relevant. It reads:

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

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

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

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

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

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

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

16. Pursuant to Section 6A of the Act, the relevant period for assessing whether there has been genuine use of the earlier marks is the five-year period ending with the priority date of the application in issue i.e. **1 September 2011 to 31 August 2016**. By virtue of the above provisions, use in the EU will be relevant throughout the relevant period because the latter falls before IP Completion Day i.e. 31 December 2020.

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

“114. [...] The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundervsvereinigung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29];

Centrotherm at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at

[22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

18. Proven use of a mark which fails to establish that “*the commercial exploitation of the mark is real*” because the use would not be “*viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services protected by the mark*” is not, therefore, genuine use.

Assessment of proof of use

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

- Dr Becker is the CEO of **Varsity Brands Europe GmbH**. The company was originally called **Elite Cheerleading GmbH** and changed its name to **Elite Brands GmbH** in 2006. As I understand it, the company started selling cheerleading outfits, sportswear and related goods in the EU under other brands and was appointed as the sole distributor for ‘**VARSITY**’ products in the EU in 2007. In 2015 the company changed its name to **Varsity Brands Europe GmbH** (i.e. the current name) having been acquired by the Varsity company group in 2012. This setup ensured that Dr Becker’s company could focus all of

its efforts on promoting and selling VARSITY-branded products in the EU. Dr Becker says that his company has been enjoying sales and customer growth year on year under the brand 'VARSITY' and continues to sell and promote VARSITY-branded products throughout the EU;

- 'VARSITY' was first founded in 1979 in the USA and is a cheerleading brand offering a range of clothing, sports equipment and uniforms. The brand runs the world's top cheerleading and dance events, trainings and competitions, where it is common for participants to wear 'VARSITY' and 'VARSITY SPIRIT FASHIONS' branded products and where such products are offered for sale. No details of events held in the EU are given;
- In order to meet the growing customer demands, Varsity Europe UK Limited was incorporated on 20 March 2015 with the objective of handling the UK business which was growing substantially in sales and customers. Dr Becker confirms that Varsity Europe UK Limited is a wholly owned subsidiary of his company;
- Dr Becker says that annual sales of 'VARSITY' and 'VARSITY SPIRIT FASHIONS' branded clothing, footwear and accessories in the EU and UK have been growing steadily year after year with the exception of the years 2020-2021 due to the impact of the global Covid-19 pandemic. He says that *"in 2010 total European/UK sales were **several hundreds of thousands**"* and that *"sales since then grew substantially year on year in regular increments reaching **several millions annually**, with the exception of decreases in 2020 and 2021 due to the global pandemic"*. Whilst I note that no specific sales figures for the relevant period have been given, I also note that total annual EU sales figures were previously provided in the first version of Dr Becker's witness statement dated 2 December 2022 and that following the refusal of a confidentiality request they were removed from the amended version dated 10 January 2023, which refers, in more general terms, to the turnover being in the region of hundreds of thousands in 2010 increasing to millions in the following years with the exception of 2020-2021;

- Dr Becker provided the following:

(a) the annual accounts (Exhibit JB2) of Varsity Europe UK Limited filed at Company's House for the year ending 31 December 2016. The accounts show (i) profit/income amounting to just over £3,000, (ii) trade debtors amounting to £83,168 and (iii) creditors, including deferred income, amounting to £249,965;

(b) sample invoices demonstrating sales of various clothing items under the 'VARSITY' brand. Dr Becker provides a table with the following summary amounting to a total of EUR 22,650 – the summary also contains references to invoices dated after the relevant period which I have not reproduced:

Invoice Date	Invoice No.	Customer Location	Invoice Total Amount	Relevant Goods Sold
8 May 2012	120100890	Germany	64.95 EUR	Shoes
1 October 2013	130101115	Germany	3,690.50 EUR	Bodyliners (a bodyliner is an athletic top/ t-shirt); skirt
29 July 2014	VSF000395	Germany	731.68 EUR	Top
19 January 2015	VSF000695	Germany	6,006.25 EUR	Top; skirt; briefs (underwear/shorts; hair bow
14 January 2016	AT0278	Germany	4,121.00 EUR	Bodyliner (a bodyliner is an athletic top/ t-shirt); skirt; cheerleading uniform
14 January 2016	2016-000099	Germany	4,121.00 EUR	Bodyliners (a bodyliner is an athletic top/ t-shirt); skirts; the invoice also refers to Uniform packages (which should be considered as sales for an athletic top/ t-shirts/ shorts/ jumper/ jacket)
3 August 2016	48600885	Germany	1,894.97 EUR	Bodyliners (a bodyliner is an athletic top/ t-shirt); skirts
20 September 2016	016901078	UK	2,753.86 GBP	Bodyliners (a bodyliner is an athletic top/ t-shirt); skirts; jackets; pants (this should be considered as sales of trousers/shorts - more info below)

(c) The 'VARSITY' and/or 'VARSITY SPIRIT FASHIONS' marks are always displayed either in the description of the goods, or within the name of the company² or in the logo form shown below:³

² The first invoice using the company name Varsity Brands Europe GmbH is dated 14 January 2016

³ The first invoice using the logo is dated 29 July 2014



- Dr Becker says that the first EU territory on which they concentrated was Germany, although goods have also been sold in the UK and in Scandinavia (Norway, Sweden, Finland, Iceland and Denmark). Sales are made through sales representatives who are very well connected in the cheerleading scene and via VARSITY's online clothing store accessible via the link <https://shop.varsity-europe.com>. Dr Becker provides screenshots from the websites www.elite-cheerleading.de, www.varsity-europe.com and www.vasity.com all dated within the relevant period and all featuring the mark VARSITY. Whilst some of the screenshots appear to refer to webpages targeting the USA, I have reproduced below some examples that appear to target German and EU consumers:

28 May 2013 and 24 May 2014 (www.elite-cheerleading.de)





4 August 2014 (www.varsity-europe.com)

The brandnew Varsity-Shop-APP

Android iTunes

check out the app

Uniforms

Catalogs

Wenige Schritte zum perfekten Outfit!

Produktberater

Shop on Tour

Meisterschaft

I also note that one of the pages from www.varsity-europe.com dated 11 March 2015 provides a historical background to Dr Becker's company corroborating the fact that Varsity is "*the world market leader in cheerleading events and clothing*" and stating other facts which are not mentioned by Dr Becker, including that Dr Becker's company was founded in 2002 with the specific aim of making cheerleading known and respected in Germany.

4 December 2015 (www.shop.varsity.com)



LONDON NEW YEAR'S PARADE COLLECTION

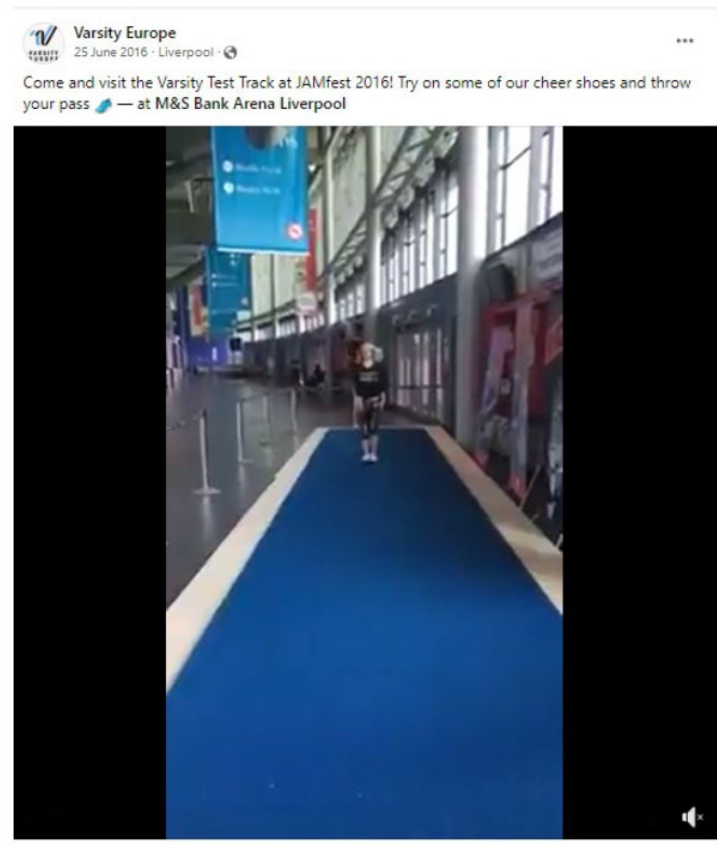
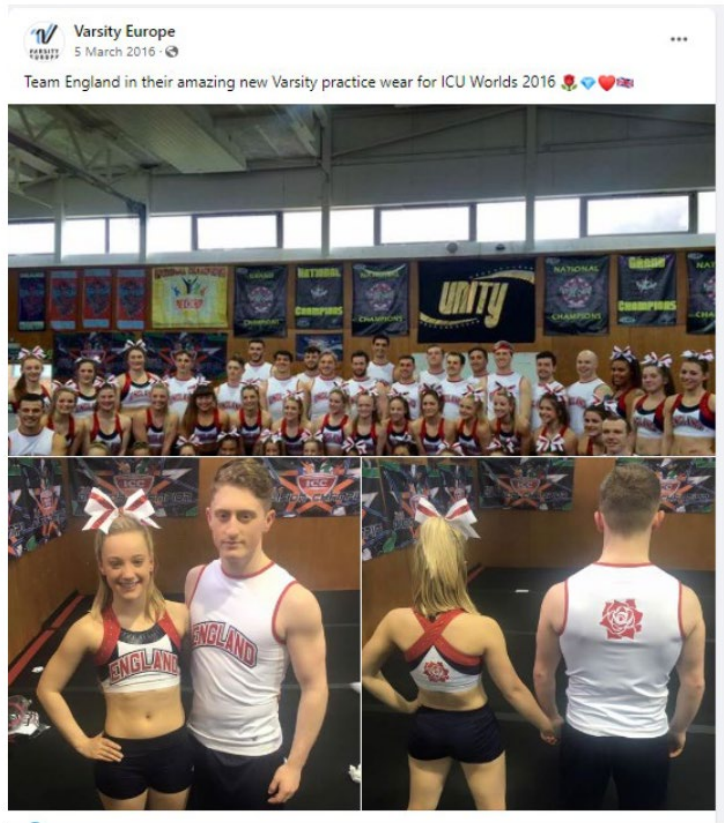
Getting ready for your Varsity All-American per...

- Dr Becker says that sales are made through sale representatives and via 'VARSITY' catalogues available on the website at <https://shop.varsity-europe.com/en/uniform-teamwear/catalogs/>, copies of which are sent directly to the company's EU customers. The catalogues are said to be the same as the US catalogues and show the prices in US dollars. According to Dr Becker, European customers will telephone or email their local sales representatives and refer to the products ID code to find out the relevant prices in their territory

and place an order. Extracts of catalogues from 2015 (Exhibit JB5), 2016 (Exhibit JB6), and 2016-2017 (Exhibit JB7) are provided. Below is reproduced the front page of the 2015 catalogue:



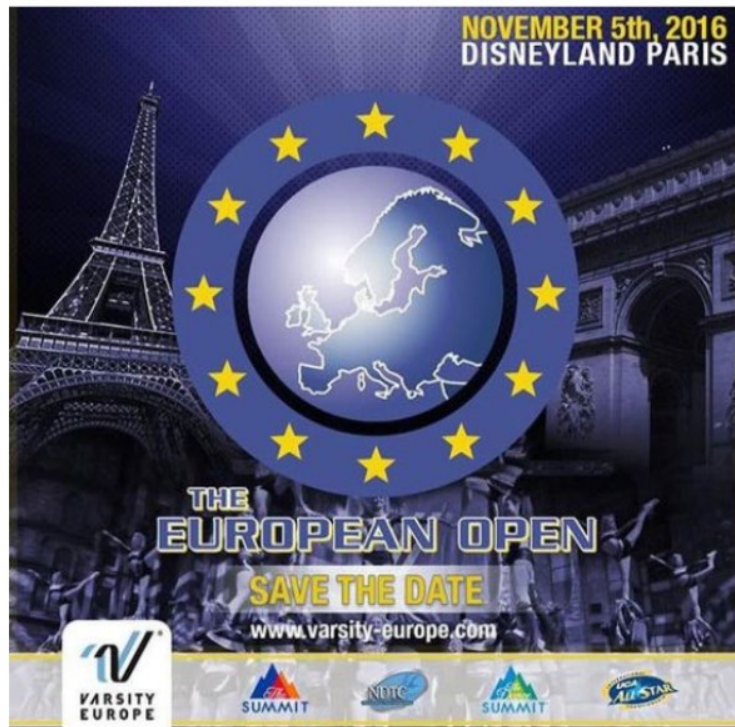
- The brand is advertised through, inter alia, social media, with the Instagram accounts having the following numbers of followers: @varsityfashions with 54.7K followers; @varsity.uk with 6,956 followers; @varsityeurope with 23.4K followers; @varsityallstar with 223K followers and @varsityspirit with 153K followers. The European Varsity Facebook Page has 19,276 followers. Dr Becker states that the majority of the followers were accumulated during the relevant period, although no details are provided on the exact number of individuals who followed Varsity's social media accounts during the relevant period. Nevertheless, there is evidence of Facebook posts dated within the relevant period which show use of the brand 'VARSITY' in the UK and the EU as shown below:



*** TEAM ENGLAND SHOWCASE *** Please come and show your support for Team England Cheer at their final UK practice and showcase before Worlds 2016!! The showcase will start at 7:30pm and finished approx 9pm at the Harris Academy, Morden. Tickets are £5 on the door on a first come first serve basis 🍷❤️🇬🇧



*** COMP DATES ANNOUNCED *** The European Open will be on the 5th November 2016. Save the date everyone and start planning your trip to Disneyland Paris with us for a truly memorable experience for your athletes.



ASSESSMENT OF PROOF OF USE

20. Overall, the exhibits are consistent with Dr Becker's evidence that the earlier marks have been used in relation to a business selling cheerleading uniforms and related goods in the UK and the EU.

21. The brand 'VARSITY' originated in 1979 in the USA where cheerleading was (and it still is) much more popular than in the EU. Dr Becker's company was founded in 2002 with the specific aim of making cheerleading known and respected in Germany. In 2007, it started selling 'VARSITY' branded product in the EU as a distributor. By 2012, the Varsity company group formally acquired Dr Becker's company and in 2015 a UK company was created to handle the UK side of the business selling Varsity goods.

22. Dr Becker said that in 2010 the annual sales in the EU and the UK were in the order of several hundreds of thousands, and that since then the turnover increased substantially year on year reaching several millions by 2020. Whilst I note that no specific turnover figures are provided, it is because the opponent made a confidentiality request which was refused and opted to re-file the figures in more general terms. Hence, whilst in other circumstances, I would question the accuracy and reliability of turnover figures provided in such general terms, in this case I have no reason to disbelieve Dr Becker's statement that the value of the opponent's annual sales in the EU amounted to hundreds of thousands of euros in the period between 2010 and 2020.

23. I also bear in mind that the applicant has not challenged the opponent's evidence, and that Dr Becker's account is corroborated by a variety of documents, including sample invoices, annual accounts, historic screenshots from the opponent's European website and from social media accounts, and extracts from the opponent's clothing catalogues distributed in the EU, all of which are dated within the relevant period and appear to target EU and UK consumers. Finally, whilst Dr Becker did not give any details of cheerleading events held in the EU, there are multiple references in the exhibits to the brand 'VARSITY' being promoted at an event in London (2015-2106)

and at events in Disneyland in Paris, and to the opponent providing uniforms to the English team competing at the EU World championship 2016.

24. In terms of the form in which the earlier marks have been used, there is plenty of evidence of use of the mark 'VARSITY' as registered. Turning to the mark 'VARSITY SPIRIT FASHIONS', although it appears to be used in conjunction with a logo device, and with a degree of stylisation, that is acceptable use which does not alter the distinctive character of the mark.⁴

25. Overall, I am satisfied that both earlier marks have been put to genuine use in relation to cheerleading uniforms and shoes. The catalogues and the rest of the evidence also shows use in relation to variety of athletic/dance clothes, including tops, t-shirts, shorts, leggings, jackets, dresses, caps, skirts and sport bra. Accordingly, I consider that use in relation to these goods enables the opponent to rely on all of the registered goods in class 25 (in relation to both earlier marks) and on *mail order catalogue services in the fields of cheerleader uniforms* in class 35. However, I find that the evidence does not establish any use in relation to the remaining services in class 35, namely *online retail store services featuring school supplies* and *providing an on-line database in the field fashion*, and that the opponent cannot rely on these services.

Section 5(2)(b) – case law

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

⁴ *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

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

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

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

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

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

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

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

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

Comparison of goods and services

27. When making the comparison, all relevant factors relating to the goods and services in the specifications should be taken into account. In *Canon Kabushiki Kaisha*, the Court of Justice of the European Union (“CJEU”) stated that:

“23. In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or complementary.”

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

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

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

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

- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found, or likely to be found, in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

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

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

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

31. In *Sanco SA v OHIM*, Case T-249/11, the GC indicated that goods and services may be regarded as ‘complementary’ and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different, i.e. *chicken* against *transport services for chickens*. The purpose of examining whether there is a complementary relationship between the goods/services is to assess whether the relevant public are liable to believe that the responsibility for the goods/services lies with the same undertaking or with economically connected

undertakings. As Mr Daniel Alexander Q.C. noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL-0-255-13:

“It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes.”

Whilst on the other hand:

“.....it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together”

32. Whilst the opponent relies on two earlier marks, the first earlier mark provides the opponent with the best prospect of success. This is on the basis that it has a broader specification and is closer in terms of comparison of marks, because the second earlier mark contains additional verbal element that introduces additional differences. Hence, from now on I will focus on the first earlier mark.

33. The goods and services to be compared are as follows:

The applicant’s goods and services	The opponent’s goods and services
<p>Class 25: <i>Headgear; headwear; caps [headwear]; baseball caps; knitted caps; golf caps; bucket caps; children's headwear; leather headwear.</i></p> <p>Class 35: <i>Retail services for headgear; wholesale services for headgear; retail store services relating to headgear; wholesale store services relating to headgear; online retail store services relating to headgear; online wholesale store services relating to headgear.</i></p>	<p>The first earlier mark</p> <p>Class 25: <i>athletic tops, bodysuits, dresses, hats, jackets, jerseys, jumpers, shorts, shirts, skirts, t-shirts, uniforms for cheerleaders; footwear, namely, athletic shoes, cheerleader shoes, and shoes.</i></p> <p>Class 35: <i>mail order catalogue services in the fields of cheerleader uniforms.</i></p>

Class 25

34. The specification of the earlier marks includes *athletic hats*, which would either encompass or be encompassed by the applicant's terms *headgear; headwear; caps [headwear]; baseball caps; golf caps; children's headwear*. These goods are identical on the principle outlined in *Meric*. Even where the applicant's terms cover goods other than athletic hats, there will be an overlap in user, method of use, purpose, nature and distribution channels, and therefore the goods will be highly similar.

35. The applicant's *knitted caps; bucket caps; leather headwear* and the opponent's *athletic hats* are highly similar as they have the same nature, all being hats. Although the goods might be worn for different purposes, i.e. fashion, playing sport, protection from the sun, and might be made from different materials, they have the same method of use and will be sold through the same trade channels. However, the goods are neither complementary nor in competition.

Class 35

36. The applicant's services in class 35 are all retail and wholesale services connected with the sale of headgear. In *Oakley, Inc v OHIM*, Case T-116/06, at paragraphs 46-57, the GC held that although retail services are different in nature, purpose and method of use to goods, retail services for particular goods may be complementary to those goods, and distributed through the same trade channels, and therefore similar to a degree. In this case, the applicant's retail and wholesale services can relate to the sale of the opponent's athletic hats. Applying the guidance from *Oakley*, I find that the services are similar to a medium degree.

Average consumer

37. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods and services. I must then determine the manner in which the goods and services are likely to be selected by the average consumer. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*,

[2014] EWHC 439 (Ch), Birss J. (as he then was) described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

38. The average consumer of the goods and services at issue is the general public. The goods are likely to be self-selected from the shelves of a retail outlet or their online equivalent. Consequently, visual considerations are likely to dominate the purchasing process. The same goes for the services, which will be selected from signage outside retail premises, or from websites and marketing material. However, I do not discount aural considerations entirely as it is possible that the purchasing of these goods and services will involve discussions with sale assistants and word of mouth recommendations. Although consumers who select the goods and services might consider factors such as colour, material and price (for the goods) and accessibility (for the services), the goods and services are relatively low in price and the degree of attention is likely to be no more than medium.

Comparison of marks

39. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

40. It would be wrong, therefore, to artificially dissect the trade marks, although it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. The respective marks are shown below:

The applicant’s mark	The opponent’s mark
VARSITY HEADWEAR	VARSITY

41. The opponent’s mark comprises the word ‘VARSITY’ presented in standard upper-case letters without any stylisation. The overall impression of the mark resides in this single element.

42. The applicant’s mark consists of the words ‘VARSITY’ and ‘HEADWEAR’, both presented in standard upper-case letters. The word ‘HEADWEAR’ is entirely descriptive in relation to the goods and services for which the mark seeks registration and has no distinctiveness in the overall impression of the mark.

43. The marks coincide in the dominant and distinctive element ‘VARSITY’ and differ only in the presence of the word ‘HEADWEAR’ in the applicant’s mark which, due to its distinctiveness, will have little or no impact on the consumer’s perception and recollection of the mark. In my view, the marks are visually and aurally similar to a high degree. Conceptually, various online dictionaries indicate that the word ‘VARSITY’ is an American word used to describe *“sports teams at schools or colleges that are at*

the most skilled level of play” and that in the UK the word is used in informal English to mean “*university*”. However, there is no evidence as to how common the use of this word is in the UK. Consequently, for those who perceive ‘varsity’ as an invented word the marks are conceptually neutral, whereas for those who understand ‘varsity’ as an informal way of referring to university, the marks are conceptually identical.

Distinctive character of earlier mark

44. 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).”

45. Registered trade marks possess various degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as

invented words which have no allusive qualities. The distinctiveness of a mark can be enhanced by virtue of the use made of it.

46. The earlier mark consists of the word 'VARSITY'. For those consumers who perceive 'varsity' as an invented word the mark is inherently distinctive to a high degree. For those consumers who understand 'varsity' as an informal way of referring to university, the mark is neither descriptive nor allusive of the goods which I have found to be similar, and it is inherently distinctive to a medium degree.

47. The opponent has demonstrated use in the UK, however, the evidence does not contain specific sales or marketing figures in respect of the UK and is far from establishing that the distinctiveness of the mark has been enhanced through use in the UK.

Likelihood of confusion

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

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

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it

is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: "The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark."

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

- (a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right ("26 RED TESCO" would no doubt be such a case).
- (b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as "LITE", "EXPRESS", "WORLDWIDE", "MINI" etc.).
- (c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension ("FAT FACE" to "BRAT FACE" for example)."

50. Earlier in this decision I found that:

- The applicant's goods are identical or highly similar to the goods of the earlier mark, whilst the services are similar to a medium degree;

- The average consumer would be a member of the general public who would pay a medium degree of attention during the purchasing process. The purchasing process would be predominantly visual, although aural considerations cannot be excluded entirely;
- The marks are visually and aurally similar to a high degree. Conceptually, the position is either neutral or of high similarity depending on whether the average consumer will perceive 'VARSITY' as an invented word or an informal way of referring to university;
- The earlier mark is inherently distinctive to a high degree or a medium degree depending on whether the average consumer will perceive 'VARSITY' as an invented word or an informal way of referring to university.

51. Bearing in mind the principle of imperfect recollection, I consider that the marks are likely to be directly confused one for the other. The only difference between the marks is introduced by a descriptive word, HEADWEAR, which merely indicates the types of goods offered under the mark. The descriptive word appears at the end of the applicant's mark, which would be easily overlooked, especially as the beginning of the marks tend to make more of an impact than the ends. There is a likelihood of direct confusion.

Conclusion

52. The opposition has been successful. Subject to any appeal against my decision, the applicant's mark will be refused.

COSTS

53. As the opponent has been successful, it is entitled to a contribution towards its costs. Awards of costs in opposition proceedings are governed by Tribunal Practice Notice 2 of 2016. I award costs to the opponent on the following basis:

Filing a notice of opposition £300

Preparing evidence: £800

Submission in lieu: £400

Opposition fee £100

Total £1,600

54. I therefore order Fiftytwo AS to pay Varsity Spirit LLC the sum of £1,600. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of the proceedings if any appeal against this decision is unsuccessful.

Dated this 26th day of October 2023

Teresa Perks

For the Registrar