

O-175-04

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NOS 2259175 AND 2259176
BY CLOSET CLOTHING CO LTD
TO REGISTER THE TRADE MARKS:**

CLOSET

CLOSET CLOTHING

IN CLASSES 16 AND 25

AND

**THE OPPOSITIONS THERETO
UNDER NOS 90983 AND 90982
BY LIPPINCOTT AG**

BASED UPON THE TRADE MARK:

CLOSED

Trade Marks Act 1994

**In the matter of application nos 2259175 and 2259176
by Closet Clothing Co Ltd
to register the trade marks:
CLOSET
and
CLOSET CLOTHING respectively
in classes 16 and 25 and the oppositions thereto
under nos 90983 and 90982 respectively
by Lippincott AG**

Background

1) On 25 January 2001 Closet Clothing Co Ltd, which I will refer to as CCC, applied to register the trade marks **CLOSET** and **CLOSET CLOTHING**. The applications were published for opposition purposes in the “Trade Marks Journal” on 15 May 2002 with the following specification in class 25 of the “International Classification of Goods and Services” (the oppositions only concern class 25):

clothing

2) On 15 August 2002 Lippincott AG , which I will refer to as Lippincott, filed notices of opposition to the applications. Lippincott is the owner of United Kingdom trade mark registration 1164159 for the trade mark **CLOSED** which is registered for the following goods in class 25 of the “International Classification of Goods and Services”:

jackets, trousers, shorts, bathing suits, shirts, blouses, hats, shoes, stockings, windcheaters, coats, scarves, ski-pants, boots, jumpers, skirts, slacks, suits, sweaters, articles of underclothing; jeans, swimwear, socks, belts and headgear, all being articles of clothing.

3) Lippincott claims that the respective goods are identical and that the respective trade marks are similar. Consequently, there is a likelihood of confusion and registration of the trade marks would be contrary to section 5(2)(b) of the Trade Marks Act 1994 (the Act).

4) Lippincott seeks the refusal of the applications as far as the class 25 goods are concerned and an award of costs.

5) CCC filed a counterstatement. It does not deny that the respective goods are substantially similar, if not identical. However, it is denied that the respective trade marks are similar. Consequently, CCC denies that registration of the trade marks would be contrary to section 5(2)(b) of the Act.

6) CCC claims that it first used its trade marks in relation to clothing in class 25 in the United Kingdom in 1996. CCC states that to its certain knowledge there has never been confusion in respect of its trade marks and the trade mark of the applicant during the five years prior to its applications.

7) CCC requests that the opposition should be rejected and seeks an award of costs.

8) Both sides filed evidence.

9) A hearing was held in relation to the oppositions on 8 June 2004. CCC was represented by Ms Iona Berkeley of counsel, instructed by Maguire Boss. Lippincott was represented by Mr Marsh of Wilson Gunn Gee.

10) The same evidence has been furnished in relation to each opposition. These are clearly cases that should have been consolidated once proceedings had been joined. I can see no reason why they were not consolidated. I will deal with them as if they had been.

EVIDENCE

Evidence of Lippincott

11) This consists of a witness statement by Gunther W Giers. Mr Giers is an officer of Lippincott, he does not state what his exact capacity is. As part of his witness statement he exhibits a witness statement on 20 September 2000 in relation to another opposition. At that time he was making the statement as managing director of Bellini Warenvertriebsgesellschaft mbH, the then owner of United Kingdom registration no 1164159.

12) An Italian assignment document is exhibited which relates to the assignment of certain CLOSED trade marks. However, the enclosures which identify the specific trade marks are not exhibited. The document also refers to the trade marks being assigned before the Italian Patent and Trade Mark Office; consequently I cannot see what this document can tell me about the position in the United Kingdom. The assignment is from Bellini Warenvertriebsgesellschaft mbH to Lippincott. The United Kingdom registration upon which Lippincott relies is in its name and shows an effective date of assignment of 15 December 2001. Exhibited is a copy of a decision of the registrar dated 19 June 2001. The opponent was Bellini Warenvertriebsgesellschaft mbH and the applicant Eurodream Limited. The trade marks under consideration were CLOSED and CLOSER, the goods involved were clothing. The applicant was unrepresented at the hearing and furnished no evidence. Bellini Warenvertriebsgesellschaft mbH succeeded under section 5(2)(b) of the Act.

13) The turnover figures for goods sold under the trade mark CLOSED from June 2000 to May 2003 are given in Mr Giers' witness statement. However, all the periods either cross the date of application or are after it and so are of no assistance to me. In the witness statement of 20 September 2000 (the exhibited witness statement), Mr Giers

states that clothing under the trade mark CLOSED has been sold through licensees in various towns in England, Scotland, Wales and Northern Ireland. He does not identify the licensees nor any of the retail/wholesale outlets. He does, however, identify various specific towns.

14) Ball Srl (Ball) of Italy was the predecessor in title to Bellini Warenvertriebsgesellschaft mbH. Ball was formed in Italy in 1975. It subsequently changed its name to Ball Spa and then to CFM International Spa. In June 1991 an official receiver was appointed to CFM International Spa. By a decree of transfer of the Rimini Court dated 29 March 1993, the assets of CFM International Spa, including all its trade marks and goodwill, were transferred to Bellini Warenvertriebsgesellschaft mbH.

15) Mr Giers states that the trade mark has been used in relation to jeans, trousers, jackets, blouses, shirts, jerseys, skirts, raincoats, and t-shirts. Mr Giers' exhibited witness statement refers to an exhibit showing examples of labels and invoices. This has not been adduced into these proceedings and so neither I nor CCC have any way of knowing how the trade mark has been used. Between 1979 and 1993 total sales of clothing under the trade mark were £1,666,666. It is not stated if this represents wholesale or retail values. Figures for sales of clothing from 1993 are given as follows:

1993	over £175,000
1994	over £175,000
1995	over £175,000
1996	over £131,500
1997	over £131,500
1998	over £87,500.

16) Bellini Warenvertriebsgesellschaft mbH attended various trade exhibitions in Germany, Italy and Belgium. Mr Giers states that buyers from the United Kingdom visited these exhibitions. In his exhibited witness statement Mr Giers refers to exhibits showing various promotional material. None of this has been exhibited in this case.

17) Mr Giers in the exhibited witness statement refers to various registrations in other jurisdictions. I cannot see that they have any bearing upon the case before me.

Evidence of CCC

18) This consists of a witness statement by Mohammed Sajjad Baig. Mr Baig is the sole shareholder and director of CCC. CCC was incorporated on 1 September 1996. It was set up by Baig to trade as a wholesaler of clothing, mainly women's fashion clothing. Since incorporation the name Closet Clothing Limited has been used on all of CCC's stationery, including invoices and business cards. All items of clothing sold by CCC bear the trade mark CLOSET. Three examples of ladies clothing bearing the trade mark CLOSET are exhibited at MSB2. The word CLOSET in a non-stylised form is clearly shown on the labels attached to the garments and on swing tickets. There is no indication that this clothing emanates from before the date of application. Invoices from September

1996 show use of the name Closet Clothing Co Ltd and later Closet Clothing Ltd and later still CLOSET and Closet Clothing Co Ltd; the last invoices all emanate from 2002 (so after the date of application). The first invoices are on blank paper, with the name being handwritten, the later invoices are on headed paper. Invoices for goods supplied to CCC are displayed, as is a VAT return dated 25 March 1997 and a copy of a cheque from CCC to HM Customs & Excise. A director's report and financial statement for the period ending 31 August 1997 for CCC is exhibited at MSB3. This shows a turnover of £103,636. For the years ending 31 August 1998 to 2000 the turnover figures were, respectively, £110,730, £129,381 and £466,156. Mr Baig goes on to exhibit material that emanates from well after the date of application. I will just note that the turnover of CCC has continued to increase, and quite dramatically. Mr Baig also makes various submissions which I see no need to comment upon, as they do not represent evidence of fact.

19) Exhibited at MSB7 are details of the trade mark CLOSE THINGS in the name of GUS Home Shopping Limited. This is for sleepwear and underwear. Also exhibited are pages downloaded from the Marshall Ward website on 10 September 2003. This shows use of the trade mark CLOSE THINGS for bras, briefs and breast enhancers.

DECISION

Likelihood of confusion – section 5(2)(b) of the Act

20) According to section 5(2)(b) of the Act a trade mark shall not be registered if because:

“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.”

The term ‘earlier trade mark’ is defined in section 6(1) of the Act as follows:

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

The registration upon which Lippincott bases its opposition under this ground is an earlier right within the meaning of section 6(1) of the Act.

21) In determining the question under section 5(2)(b), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77 and *Marca Mode CV v Adidas AG and Adidas Benelux BV* [2000] ETMR 723.

22) Ms Berkeley accepted that the respective goods are identical. I, therefore, go on to consider the similarity of the respective trade marks.

23) The trade marks to be compared are:

Earlier registration:

Application:

CLOSED

CLOSET

Owing to the other trade mark containing the additional, if not distinctive for the goods, word CLOTHING, I cannot see that Lippincott could be in any better position in relation to that trade mark. If it fails in relation to CLOSET on its own, a fortiori it will fail in relation to CLOSET CLOTHING.

24) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Sabel BV v Puma AG* page 224). The visual, aural and conceptual similarities of the marks must, therefore, be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components (*Sabel BV v Puma AG* page 224). I take into account the matter must be judged through the eyes of the average consumer of the goods/services in question (*Sabel BV v Puma AG* page 224) 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 (*Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* page 84, paragraph 27).

25) Mr Marsh argued that the respective trade marks have “a shared significance”. He submitted that the words have the same etymological root, the verb close. There is no evidence to this point. Even if there were I cannot see that sharing an etymological root gives conceptual similarity. Mr Marsh argued that closed means finished, complete, shut. I have no difficulty with this. He then argued that the word closet invokes something “closed away” or secret. I would state that the first and most obvious meaning of CLOSET is a cupboard for clothes. The second meaning relates to a characteristic of an individual which is hidden from the public or others generally as in “closet liberal”. I cannot see how CLOSET and CLOSED based upon these definitions share a conceptual similarity. One does not talk about “CLOSED liberals”, one does not see the sign CLOSET on the doors of shops that are shut. I consider that the average consumer will, like myself, have very different conceptual associations in relation to the two words. Contrary to Mr Marsh’s submissions, I consider that the respective trade marks are conceptually different.

26) Phonetically the respective trade marks share the CL sound. Mr Marsh made much of the common beginning and its importance. Recognition of trade marks is often considered to be “front loaded”. However, I do not consider that the commencement with the same CL sound has any overwhelming effect; there are a lot of words in English

that start with CL. The o sound is normally pronounced differently; o in CLOSET and oh in CLOSED. In CLOSET the s sound has a strong sibilant sound while in CLOSED it has a z sound. The e in CLOSED will not be pronounced unlike in CLOSET and the T sound will be reinforced by the spoken vowel before it. CLOSED will be spoken as one syllable whilst CLOSET will be spoken as two. Mr Marsh argued that owing to variations of regional and ethnic accents the two words could be pronounced virtually identically. I cannot concur. I consider that the average consumer will pronounce the two words very differently. Mr Marsh seemed to confuse orthography with pronunciation. English has a perversely anti-phonetic orthography and so words with very similar lettering can sound very different, as CLOSED and CLOSET, and words with very different orthography can sound identical, as WAIT and WEIGHT.

27) Visually there is only one letter difference. However, the visual impact of words with meanings cannot be divorced from those meanings. As the jurisprudence states, the average consumer perceives a trade mark as a whole. He/she does not remove the meaning from common words for the sake of a visual comparison. Words exist for their meanings, not for trade mark lawyers to practice bizarre vivisections upon them. The basis of language is that one can differentiate words by small differences in script, the appearance of a word is inextricably linked to its meaning. The average consumer is not going to confuse visually two words which may have many similarities but have very different meanings and which are well-known to him/her.

28) The European Court of First Instance in *Phillips-Van Heusen Corp v Pash Textilvertrieb und Einzelhandel GmbH* Case T-292/01 held:

“54. Next, it must be held that the conceptual differences which distinguish the marks at issue are such as to counteract to a large extent the visual and aural similarities pointed out in paragraphs 49 and 51 above. For there to be such a counteraction, at least one of the marks at issue must have, from the point of view of the relevant public, a clear and specific meaning so that the public is capable of grasping it immediately. In this case that is the position in relation to the word mark BASS, as has just been pointed out in the previous paragraph. Contrary to the findings of the Board of Appeal in paragraph 25 of the contested decision, that view is not invalidated by the fact that that word mark does not refer to any characteristic of the goods in respect of which the registration of the marks in question has been made. That fact does not prevent the relevant public from immediately grasping the meaning of that word mark. It is also irrelevant that, since the dice game Pasch is not generally known, it is not certain that the word mark PASH has, from the point of view of the relevant public, a clear and specific meaning in the sense referred to above. The fact that one of the marks at issue has such a meaning is sufficient - where the other mark does not have such a meaning or only a totally different meaning - to counteract to a large extent the visual and aural similarities between the two marks.”

In this case there are clear aural differences. In considering the respective trade marks one has to consider the similarities and the differences. Mr Geoffrey Hobbs QC, sitting

as the appointed person in BL O/120/04, *Lee Alexander McQueen v Nicholas Steven Croom*, stated:

“The differences and the similarities had to be given as much or as little significance as the average consumer would have attached to them at the date of the opposed application for registration.”

and

“My difficulty is that in these passages of his decision the Hearing Officer has concentrated on the similarities to the exclusion of the differences between the marks in question. That might not have mattered if the marks differed only in respect of elements to which the average consumer would have attached little, if any, significance.”

29) The conceptual and phonetic differences stand out clearly and definitely. As I have already noted the visual comparison cannot be divorced from the conceptual associations of the words. Words exist because of their meanings and have significance and are recalled because of their meanings. In oral use, where words are phonetically similar, the meaning can be changed or lost owing to how the word is heard or misheard. Phonetic similarity can obviously affect the hearing of the word and so its meaning; the listener may hear a different word to the one actually spoken. (In this case I have decided that the respective trade marks are not phonetically similar.) The visual impression is not likely to suffer the same potential fate. There is no intermediary between sign and consumer. The consumer sees the sign with no third party intervening. In coming to my conclusion as to the similarity of the trade marks I have borne in mind that according to Mr Simon Thorley QC, sitting as the appointed person, in *React Trade Mark* [2000] RPC 285 the “primary use of the trade marks in the purchasing of clothes is a visual act”. I do not consider that imperfect recollection will have any real effect upon the issue. The respective trade marks are too different. In relation to imperfect recollection the conceptual associations of the two words also come into play. The consumer has the hook of meaning to hang his/her recollection upon, to identify and differentiate. Mr Marsh submitted that the average consumer is more interested in the look of clothes than the brand. I accept that the average consumer will be interested in the appearance. However, I consider that in purchasing clothing the average consumer will also look at the brand. I know of few areas of trade where brand consciousness is of greater importance. Many purchasers of clothing seem to believe that they obtain vicarious kudos from the act of wearing certain branded clothing, hence the number of undertakings that put the trade mark on the outside as well as on the inside. I am of the view that in the purchasing of clothing, the average consumer makes a reasonably careful purchasing decision. It is well beyond the bag of sweets purchasing behaviour.

30) Taking into account the above, I find that the respective trade marks are not similar.

Conclusion

31) To succeed under section 5(2)(b) of the Act the trade marks have to be similar; that is what the Directive states, it is what the Act states. It is what is pointed out in *Sabel*:

“it is to be remembered that Article 4(1)(b) of the Directive is designed to apply only if by reason of the identity or similarity both of the marks and of the goods or services which they designate, “there exists a likelihood of confusion on the part of the public”.”

The identity of the goods and the distinctiveness of the earlier trade mark cannot change the dissimilar into the similar, neither can reputation (see *Marca Mode CV v Adidas AG and Adidas Benelux BV* re the limits of the effects of reputation). Mr Marsh claimed a reputation for Lippincott’s trade mark. I consider that he was being remarkably optimistic. The turnover figures for the United Kingdom clothing market are very small. In addition there are no exhibits showing use or promotion. I do not consider that the evidence supports the claim for the sort of reputation that would assist within the context of *Sabel BV v Puma AG* and *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*. As Mr Simon Thorley QC, sitting as the appointed person, in *Duonebs* BL 0/048/01, 2001 WL 395219, stated in relation to *Sabel BV v Puma AG*:

“In my judgment, I believe what the ECJ had in mind was the sort of mark which by reason of extensive trade had become something of a household name so that the propensity of the public to associate other less similar marks with that mark would be enhanced. I do not believe that ECJ was seeking to introduce into every comparison required by section 5(2), a consideration of the reputation of a particular existing trade mark.”

It was, anyway, not disputed that CLOSED for the goods of the registration was an inherently distinctive trade mark. I have borne in mind that the distinctiveness of the earlier trade mark is to be taken into account when considering the likelihood of confusion. Of course, in *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* the importance of reputation went to the issue of when there is only a limited similarity between conflicting goods/services. In this case the respective goods are identical.

32) Ms Berkeley drew my attention to the fact that CCC had sold clothing in certain of the towns where Lippincott had sold its goods. (The invoices exhibited by CCC show this coincidence.) I don’t think that any conclusion can be drawn from the absence of evidence of confusion in the market place. The turnover of Lippincott is small, that of CCC is not large for the clothing industry. There is no clear indication which parts of the clothing market that the two sides occupy, or that they even sell goods to the same gender. It is quite possible that they have never crossed in trade. I certainly have nothing before me to even show how Lippincott uses its trade mark.

33) Ms Berkeley also submitted that CLOSET CLOTHING had quite a different visual effect to CLOSET on its own. I am aware of recent decisions which dealt with what

might be considered non-distinctive elements (*Reed Executive plc and Reed Solutions plc v Reed Business Information Ltd and Reed Elsevier (UK) Ltd, totaljobs.com Ltd* [2004] EWCA Civ 159 and *Lee Alexander McQueen v Nicholas Steven Croom*). However, taking into account the goods, clothing, I am of the view that the presence of the word CLOTHING would have had no determinative effect in the outcome of the case. The dominant and distinctive component of the trade mark is CLOSET, the addition of CLOTHING for clothing would not have shifted the scales in favour of CCC; if I had found that CLOSET and CLOSED were similar.

34) The respective trade marks not being similar, the ground of opposition under section 5(2)(b) of the Act against both applications is dismissed.

Costs

35) All the submissions, evidence, statements and counterstatements for the two cases has been identical; with the exception of minor differences arising from the differences between CCC's two trade marks. As I stated at the beginning these two cases should have been consolidated once the counterstatements had been received. I intend, therefore, to make an award of costs as if there had just been one consolidated case before me. Closet Clothing Co Ltd has been successful in this opposition and so is entitled to a contribution towards its costs. I order Lippincott AG to pay Closet Clothing Co Ltd the sum of £1750. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 15th day of June 2004

**David Landau
For the Registrar
the Comptroller-General**