

O/179/12

TRADE MARKS ACT 1994

**APPLICATIONS 83532, 83533, 83539 & 83540 BY CROWN LOCKERS LIMITED
TO INVALIDATE AND/OR PARTIALLY REVOKE TRADE MARKS 1389624 &
2353862 IN THE NAME OF E L HEAD LIMITED**

AND

**CONSOLIDATED OPPOSITION 99368 BY E L HEAD LIMITED
TO TRADE MARK APPLICATION 2505792A
BY CROWN LOCKERS LIMITED**

BACKGROUND AND MATTERS IN DISPUTE

1. On 8 July 1989, E.L.Head Limited (“Head”) applied to register the trade mark CROWN for ‘Furniture; all included in Class 20’.
2. The trade mark was entered in the register on 12 November 1993 under No. 1389624 (“the 624 mark”).
3. On 20 January 2004, Head applied to register the trade mark shown below for ‘Furniture and parts and fittings therefor included in Class 20’.



4. The trade mark was entered in the register on 25 June 2004 under No. 2353862 (“the 862 mark”).
5. On 4 January 2009, Crown Sports Lockers (UK) Limited (“Lockers”) applied to register the trade mark CROWN LOCKERS for:

Class 06:

Clothes hooks (single and multiple) made of metal; clothes hangers made of metal; shelves made of metal.

Class 20:

Furniture, mirrors, picture frames; clothes hooks (single and multiple) made of wood or plastics; clothes hangers made of wood or plastics; clothes racks (fixed, mobile and free-standing) made of wood, plastics or metal; hat and coat stands made of wood, plastics or metal; benches (fixed and free-standing) made of wood, plastics, or metal; shelves made of wood or plastics; lockers made of wood, plastics, or metal; locker room furniture made of wood, plastics, or metal; parts and fittings for the aforementioned goods.

Class 37:

Repair, installation and maintenance service for furniture, locker room furniture and lockers.

6. The trade mark was published in the Trade Mark Journal on 1 May 2009. On 28 July 2009, Head opposed the registration of Lockers' mark citing grounds under sections 5(2)(b), 5(3) and 5(4)(a) of the Act.

7. On 6 August 2009, Lockers applied for Head's 624 and 862 marks to be declared invalid on the grounds that it had an earlier right to the mark Crown and/or revoked for non-use, except for furniture relating to fitted bedrooms and fitted kitchens and additionally, in the case of the 862 mark, for parts and fittings for such furniture.

8. Lockers asked for Head's 624 mark to be partially revoked at the earliest of 13 November 1998, 4 January 2009 or 10 July 2009, and for the 862 mark to be similarly revoked from the earliest of 26 June 2009 or 10 July 2009.

9. Lockers filed a counterstatement defending its own application to register CROWN LOCKERS. The main factual point raised in that statement is that Lockers is the successor in title to M & P Nixon (Torquay) Limited, which traded as Crown Furnishings between 1987 and 1990, when the business and goodwill were transferred to Lockers. Since 1990, Lockers has used the mark CROWN LOCKERS on goods such as sports lockers, changing room furniture and locker room furniture.

10. In defence of the opposition, Lockers also put Head to proof of use of its earlier 624 and 862 marks.

11. Head filed counterstatements denying the grounds for invalidation and stating that it had used the 624 and 862 marks in the relevant periods of alleged non-use and therefore defending those registrations as registered.

THE HEARING

12. These matters came to be heard on 6 March 2012 when Head was represented by Mr Simon Malynicz, instructed by Marshall Law, and Lockers was represented by Mr Hugo Cuddigan, instructed by Bromhead Johnson.

13. It was apparent from Mr Cuddigan's skeleton argument that Lockers was abandoning its applications to invalidate Head's marks and focusing on the partial non-use attack against Head's earlier marks and a proposed restriction to its own application; namely, that the claim to register the CROWN LOCKERS mark for the broad term 'furniture' in class 20 should be deleted.

14. With the requested adjustments to the earlier marks and to its own application, Lockers submitted that there was no likelihood of confusion between the marks of the parties, and the opposition should be rejected accordingly.

15. For his part, Mr Malynicz sensibly conceded that the s.5(3) ground added nothing to Head's s.5(2)(b) ground of opposition, and the same would apply to the s.5(4)(a) ground if Head's earlier marks (as shown in paragraphs 1 and 3 above) survived the revocation application described above. However, on behalf of Head, he maintained

that the evidence justified Head retaining its marks for all the goods for which they are registered and that, on that footing, there was a likelihood of confusion between the marks. Lockers' later mark should therefore be refused registration. With that submission in mind, I turn to the evidence.

THE EVIDENCE

16. Head's evidence comes from two witness statements by Barry Head, who has been a Director of the company since 1995. Mr Head says that the 624 and 862 marks have been used during the period 4 January 2004 to 9 July 2009, with Head's consent, by Crown Products (Kent) Limited. The marks have been used in relation to "furniture" including "furniture and parts and fittings therefor for use in kitchens, bedrooms, living areas, offices and for storage purposes".

17. Mr Head provides sales figure for the period stated above. It is clear from these that Head has a significant business in the UK. Annual sales under the mark are in the £20-25m region. Mr Head provides a breakdown of the turnover¹. This shows that in the period 2004-2009, 87.5% of the sales related to kitchen furniture, 10% related to bedroom furniture, and 2.5% to "others".

18. Mr Head provides copies from the web site of Crown Products (Kent) Limited² explaining the history of the company. The company was formed in 1946 and initially made wooden children's toys and nursery furniture. Sometime later it became mainly a manufacturer of furniture for government. In 1980 the government placed a moratorium on the purchase of furniture. At that point the company became a manufacturer of flat pack kitchen furniture. The Crown Imperial mark was introduced in 1995 when the company adopted the industry standard height for the plinths of its kitchen units. Mr Head explains that the company had two outlets for its furniture. The majority was sold to a distributor called Allied manufacturing, which used its own brand name on the furniture. However, around 10-15% was sold through the company's own retail store in Canterbury called 'Crown Kitchens'. All the furniture sold through this store was branded CROWN. The shop opened in 1981 and closed "in the 1990s".

19. In 2000, the company opened a showroom in Daventry, which was open to the public (by appointment). The showroom has 50 fitted kitchen styles and 15 bedroom furniture styles. Customers can choose what they like, but cannot order directly. Instead customers have to order via local retailers. Mr Head explains that since the early 1990s his company has produced the marketing materials used by distributors and retailers for its products. Consequently, it produces catalogues promoting its furniture that it gives to intermediaries for use with the public. In the period 2004 to July 2009, between £600k and £1.3m was spent each year promoting the marks.

¹ See exhibit BH9 to Mr Head's second statement

² See exhibit BH6 to Mr Head's first statement. The address of the site is crown-imperial.co.uk

Further, Head also operates at least four trailers through which it distributes its goods to retailers etc. These trailers carry the Crown mark, or more recently, the Crown Imperial mark³.

20. Examples of the promotional catalogues from dates prior to 9 July 2009 are in evidence⁴. These show that in addition to fitted kitchen and bedroom furniture, the company sold a wide range of storage equipment for use as fittings with its kitchens and bedrooms, including such things as shoe racks for wardrobes. It also shows that some of its bedroom furniture was not fitted, eg bedside tables, stools and dressing tables. Further, it shows that the company also sold home office furniture, including stand alone desks⁵, and other fitted furniture for the home, including shelving units.

21. Lockers' evidence includes a witness statement by Philip Nixon who says that he was the Managing Director of a company called M & P Nixon Limited which traded from 1987 as Crown Furnishings and sold tables, chairs, beds, bedroom furniture and associated soft furnishings under the mark CROWN.

22. This claim is supported by witness statements from Nick Gilmore and Brian Male, who were a customer and a competitor, respectively, of M & P Nixon Limited during the period 1987-1998.

23. Mr Nixon says that M & P Nixon Limited was the predecessor in title to Crown Sports Lockers (UK) Limited.

24. Locker also filed two witness statements by Richard Downing, the company's Managing Director. Mr Downing states that Crown Furnishings began trading in 1993 as CROWN LOCKERS in relation to sports lockers, locker room furniture and changing room furniture.

25. According to Mr Downing, Crown Furnishings business was transferred to the business now known as Crown Sports Lockers (UK) Limited in 1998, and this included the goodwill under the mark CROWN.

26. Mr Downing provides turnover figures for sales made under the mark CROWN LOCKERS. These show that sales in the years 1999-2009 varied between around £400k and £1.5m per annum.

27. In his second witness statement, Mr Downing states that the only confusion that has arisen since 1990 is the occasional enquiry from people looking for Crown paints and one enquiry from someone looking for Crown Sports, who are golf club

³ See BH16 and BH17 to Mr Head's second statement.

⁴ See exhibits BH2 to BH5 to Mr Head's first statement.

⁵ See pages 35 and 39 of BH3.

operators. Mr Downing therefore states that *“I do not believe there is any confusion with EL Head products since we operate in distinctly different sectors of the market”*.

28. Lockers also filed four witness statements by its trade mark attorney, Mr Michael Spencer of Bromhead Johnson. Mr Spencer’s first statement exhibits a copy of a print from a web archive showing that the web site www.crownlockers.co.uk existed in 2000.

29. Mr Spencer’s second statement exhibits an example of Crown Furnishings mark as used prior to 1995. This shows that the word Crown was the dominant element of the mark.

30. Mr Spencer’s third statement exhibits three pages from Golf Club Management magazine showing that Crown Furnishings was trading in sports lockers during the period April 1993-July 1997.

31. Mr Spencer’s fourth statement exhibits⁶ the results of *“two contemporary Google internet searches and contemporary extracts of selected websites found by those searches”* and *“extracts from the same selected websites from dates preceding the filing date of the contested trade mark application...”*. The first results are limited to the initial ‘hits’ pages and are therefore quite meaningless without the context provided by the pages behind the individual ‘hits’. The second results include pages from particular websites which appear to show that a company called Crown Furniture Limited has traded in oak furniture under that name since 1993, and that another business traded in kitchen and bedroom furniture since 2007 under a logo incorporating the words Crown Cabinets. I take Mr Spencer’s evidence to mean that these websites are the only ones he could find which show use of Crown by third parties from dates which pre-date the filing date of the contested application.

32. Mr Spencer also provides some opinion evidence about whether consumers would consider that Crown designated a single undertaking, but evaluating the evidence is my responsibility and not a matter for opinion evidence.

LOCKER’S APPLICATION TO PARTIALLY REVOKE HEAD’S 624 AND 862 REGISTRATIONS

33. The relevant parts of Section 46 are shown below:

“(1) The registration of a trade mark may be revoked on any of the following grounds-

(a) that within the period of five years following completion of the registration procedure it has not 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, and

⁶ See exhibit MDS5

there are no proper reasons for non-use;

(b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;...

(2) For the purposes of subsection (1) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it is registered, and use in the United Kingdom includes affixing the trade mark to goods or the packaging of goods in the United Kingdom solely for export purposes.

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after expiry of the five year period and before the application for revocation is made.

Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.

(4) -

(5) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.

(6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from-

(a) the date of the application for registration;

(b) if the registrar or the court is satisfied that the grounds for revocation existed at an earlier date, that date.”

34. Section 100 is also relevant. It states that:

“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 it.”

35. The relevant five year periods so far as the 624 mark is concerned, are those ending on 12 November 1998, 3 January 2009 and 9 July 2009. So far as the 862 mark is concerned the relevant periods are those ending on 26 June 2009 and 9 July 2009. However, it is clear from s.46(3) that the applications must be rejected if Head has shown genuine use of the marks in the 5 year period prior to the date of the

applications. Therefore, in practice, it is only necessary to consider the position in the period 10 July 2004 - 9 July 2009.

36. At the hearing, Mr Cuddigan submitted that as Lockers had not expressly relied on s.46(3) to defend the 624 mark, the relevant period for considering the use made of that mark should be taken as the five years ending on 12 November 2008. I reject that submission for these reasons. Firstly, the wording of s.46(3) is mandatory (there being no suggestion that use was resumed within 3 months of the applications for revocation) and therefore applies whether or not a party has expressly relied upon in the counterstatement. Secondly, Head did plead that the 624 mark had been used in the period 10 July 2004 to 9 July 2009. In so doing it implicitly relied upon s.46(3) as a defence to the allegation of non-use in the earlier 5 year periods, as well as directly denying the non-use claim for the most recent 5 year period.

37. The law on partial revocation has been considered at length. The objective must be to arrive at a fair specification taking account of the use shown. In arriving at a fair specification the tribunal is not constrained by the existing wording of the specification. The exercise should strike a fair balance between the respective interests of the proprietor, other traders, and the public having regard to the protection afforded by a registered trade mark. None of this is controversial. However, there is some debate as to how a fair specification should be arrived at. Mr. Geoffrey Hobbs QC, sitting as a deputy judge of the High Court in *Daimler AG v. Sany Group Co Ltd* [2009] EWHC 1003 (Ch), noted at paragraph 9 of his judgment that:

“The required degree of precision [with which the goods/services of the registration in suit may need to be redefined] has not yet been authoritatively defined by the European Court of Justice (it was touched upon obliquely in Case C418/02 *Praktiker Bau-und Heimwerkermärkte* [2005] ECR I-5873 at paragraphs 49 to 52). In three decisions of the Court of First Instance (Case T-256/04 *Mundipharma AG v. OHIM* [2007] ECR II-449; Case T-483/04 *Armour Pharmaceutical Co v. OHIM* [2006] ECR II-4109; Case T-126/03 *Reckitt Benckiser (España) SL v. OHIM* [2005] ECR II-2861) it has been indicated that the outcome should be a specification expressed in wording which covers no independent sub-category or sub-categories of goods other than the one(s) within which the relevant trade mark can be taken to have been used. In the most recent of these decisions (Case T-256/04 *Mundipharma AG* at paragraphs 27 to 36) it was emphasised that the chosen wording should reflect the purpose and intended use of the relevant goods. I have previously expressed the view that the aim should be to arrive at a fair specification by identifying and defining not the particular examples of goods for which there has been genuine use, but the particular categories of goods they should realistically be taken to exemplify (*WISI Trade Mark* [2006] RPC 13, p. 580 at paragraphs 11 to 18; *DATASPHERE Trade Mark* [2006] RPC 23, p. 590 at paragraphs 19 to 25). That appears to me to be consistent with the case law in England (analysed by Mr. Richard Arnold QC sitting as the Appointed Person in *NIRVANA Trade Mark* (BL O/262/06) at paragraphs 36 to 59) and also with the case law of the Court of First Instance. However it is possible,

that the case law in England may not fully accord with the case law of the Court of First Instance, as noted in the decision of Mr. Richard Arnold QC sitting as the Appointed Person in *EXTREME Trade Mark (Pan World Brands Ltd v. Tripp Ltd* [2008] RPC 2, p. 21 at paragraphs 51 to 56; see also Bently and Sherman *Intellectual Property Law* 3rd Edn (2009) pp 906, 907) ...”

38. In *Penn Fishing Tackle Manufacturing Co. v. Fox International Group (EXTREME)*, BL O/217/10, Professor Ruth Annand, sitting as The Appointed Person sounded a note of caution about the category/sub-category approach. She said:

“In *NIRVANA*, Mr. Arnold identified that the main difference between the approaches of the English courts and the General Court was that the former based a fair description of the use that had taken place on the perception of the average consumer whereas the latter provided no clear yardstick for determining when a sub-category of products cannot be further divided. To my mind, a danger with the category/sub-category approach is that invites sub-division according to the product(s) concerned. A tribunal may be seduced into equating a fair description with actual use shown.”

39. I did not detect any real dispute between the parties as to the law. I will keep in mind Professor Annand’s warning about not sub-categorising goods and services until I am left with only descriptions of the precise goods shown in the evidence. Basing a fair description on the perception of an average consumer of the goods/services also has its risks. Consumers usually have no reason to think about what would make a fair specification for a trade mark registration. In order to address this difficulty the courts deem the average consumer to know something that real consumers would neither know nor care about; namely, the legal purpose of the description⁷. Therefore it is important to consider whether an average consumer would perceive the proposed descriptions of goods/services to be a “fair” characterisation of the use shown bearing in mind their collective purpose as the specification for a trade mark registration, and not just whether those are the terms that the consumer him or herself would naturally use⁸.

40. Mr Malynicz submitted that the existing specifications were fair. He pointed out that Head sometimes describes its products as ‘furniture’, that not all of Head’s furniture was fitted, and that it extended beyond kitchen and bedroom furniture.

41. Mr Cuddigan conceded that Head had shown some use of the marks in relation to fitted home office furniture. However, he pointed out that there were many categories of furniture, such as bathroom furniture, upholstered furniture, garden furniture and indeed locker and changing room furniture, for which Head had shown no use. He therefore submitted that a fair specification for the 862 mark would be

⁷ See paragraph 20 of the judgment in *Animal TM* [2004] FSR 19 (HC)

⁸ See paragraph 24 of the judgment in *Gima (UK) Limited v. Euro Gida Sanayi Ve Ticaret Limited*, BL O/345/10

'Fitted kitchen, fitted bedroom and fitted office furniture for the home.' In line with the pleading point I recorded earlier, Mr Cuddigan considered that none of the use shown was relevant to the 624 mark because it was all after what he considered to be the only really relevant period, which ended in 1998.

42. For the reasons I gave earlier, I consider that the more recent use shown by Head is relevant to both marks. Although most of Head's furniture is fitted, and I accept that fitted furniture is a sub-category of furniture, not all of Head's furniture is fitted. Further, there is evidence of use of the mark in relation to a wide range of parts and fittings for kitchen and bedroom furniture. Therefore I consider that a fair specification should include 'kitchen and bedroom furniture' (unqualified). Head has also shown use of the marks in relation to home office furniture. Further still, there is some relevant use of the marks in relation to fitted shelving units for the home, which is not office, kitchen or bedroom furniture. Thus there is use of the marks in relation to a range of mostly fitted furniture for the home⁹. A fair specification would therefore be:

'Kitchen and bedroom furniture; home office furniture; fitted furniture for the home.'

43. And in the case of the 862 mark, which is also registered for parts and fittings for furniture, the additional description, 'parts and fittings for the aforementioned goods'. I believe that these specifications adequately reflect the purposes and uses of the goods, and that an average consumer would perceive the specifications to fairly reflect the use shown in the evidence from the relevant 5 year period ending in 2009.

44. The 624 and 862 marks will be partially revoked so as to leave them registered for only the goods described above.

45. As to the dates of revocation, there is no evidence that Head has used its marks in relation to any other goods since 1980. Therefore the conditions for partial revocation of the 624 existed at 13 November 1998 and the conditions for partial revocation of the 862 mark existed at 26 June 2009. In accordance with s.46(6), the marks will be partially revoked from these dates.

HEAD'S OPPOSITION TO LOCKERS' APPLICATION

46. Section 5(2)(b) is as follows:

- 5 (2) A trade mark shall not be registered if because -
- (a) -
 - (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the

⁹ The use of the mark in relation to a range of specific goods falling within a more general description of goods may justify the use and retention of the more general description: See *Animal TM* [2004] FSR 19 (HC)

likelihood of association with the earlier trade mark.

47. The following part of Section 6A is also relevant.

“(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 period of five years ending with the date of publication of the application 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.”

48. The 624 mark will be partially revoked for non-use from a date that is earlier than the filing date of Lockers’ trade mark application. It follows that my starting point for this comparison should be the specification of the earlier mark as it will be post revocation, and the specification of the opposed mark as published, but taking into account the concession made at the hearing, i.e. without the general description ‘furniture’.

49. The date of revocation of the 862 mark (26 June 2009) is the first possible date for revocation on non-use grounds following the completion of the registration procedure five years earlier. It is later than the filing date of Lockers’ application (4 January 2009) and later than the date of publication of the opposed mark (21 May 2009). Consequently, Head’s mark was not liable to revocation at these dates and Head can therefore rely on the 862 mark as an earlier trade mark for all the goods for which it was registered at the material dates. The specification of the 862 mark should therefore be considered as it was at the dates of filing and publication of Lockers’ mark¹⁰.

50. In my consideration of whether there is a likelihood of confusion between Lockers’ mark and Head’s earlier 624 and 862 marks, I take into account the guidance from the settled case law of the CJEU 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 B.V.* [2000] F.S.R. 77, *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, and *Shaker di L. Laudato & C. Sas v OHIM C-334/05 P (Limoncello)*. It is clear from these cases that:

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors: *Sabel BV v Puma AG*.

¹⁰ See my decision in *Riviera Trade Mark* [2003] RPC 883, the judgment of the Court of First instance in *Group Lottuss Corp., SL v OHIM*, Case T-161/07, at paragraphs 47-50, and more recently, *Cadila Healthcare Ltd v OHIM*, Case T-288/08.

(b) the matter must be judged through the eyes (and ears) of the average consumer of the services in question; *Sabel BV v Puma AG*, 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 B.V.*.

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details: *Sabel BV v Puma AG*.

(d) 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: *Sabel BV v Puma AG*.

(e) 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: *Limoncello*.

(f) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa: *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*

(g) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it: *Sabel BV v Puma AG*.

(h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2): *Sabel BV v Puma AG*.

Comparison of goods and services

51. In comparing the respective goods, I take account of the judgment of the CJEU in *Canon* where the court stated at paragraph 23 of its judgment that:

“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 are complementary”.

52. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T- 325/06, the General Court restated that

“complementary” means:

“... 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”.

53. Class 6 of Lockers’ application covers:

“Clothes hooks (single and multiple) made of metal; clothes hangers made of metal; shelves made of metal.”

And Class 20 covers:

“Mirrors, clothes hooks (single and multiple) made of wood or plastics; clothes hangers made of wood or plastics; clothes racks (fixed, mobile and free-standing) made of wood, plastics or metal; hat and coat stands made of wood, plastics or metal; shelves”.

54. Head’s 862 mark covers parts and fittings for furniture included in class 20. All the goods named above could be parts or fittings for bedroom furniture (clothes hooks, hangars, shelves, mirrors, clothes racks, hat and coat stands) or kitchen and home office furniture (shelves). Consequently, these goods are identical so far as non-metallic parts and fittings are concerned in class 20, and virtually identical so far as their metallic equivalents are concerned in class 6 (Head’s earlier mark not covering metal parts and fittings as such).

55. As these descriptions of goods cover parts and fittings for bedroom, kitchen and home office furniture, they are also complementary to complete bedroom, kitchen and home office furniture and as such have a medium degree of similarity to these goods covered by the earlier 862 and 624 marks.

56. Locker’s application also covers the following services in class 37:

“Repair, installation and maintenance service for furniture”.

57. I think it is obvious that installation services for fitted furniture are complementary to a trade in the goods themselves. I can take judicial notice of the fact that companies who sell fitted kitchens and bedrooms often offer installation services. That Head itself does not appear to offer such services is neither here nor there. I therefore find that these services are highly similar to the goods themselves. Furniture is relatively expensive and consumers are therefore likely to expect the provider of such goods to also offer after sale services in the nature of maintenance and repair. I am therefore prepared to accept that consumers would see repair and maintenance services for particular kinds of furniture as complementary to a trade in the furniture itself (in the sense that they would think it natural for one undertaking to

provide both). I therefore find that there is a medium degree of similarity between these services and Head's furniture.

58. Lockers' application also covers:

Class 20: Picture frames, benches (fixed and free-standing) made of wood, plastics, or metal; lockers made of wood, plastics, or metal; locker room furniture made of wood, plastics, or metal; parts and fittings for the aforementioned goods.

And

Class 37: Repair, installation and maintenance service for locker room furniture and lockers.

59. At the material dates, Head's 862 mark covered 'furniture'. Benches, lockers and locker room furniture falls within this term and must therefore be considered to cover identical goods. By extension of the above reasoning, 'installation of locker room furniture and lockers' must be considered to be highly similar to 'furniture' and 'repair and installation of locker room furniture and lockers' must also be considered to be similar to 'furniture'.

60. Collins English Dictionary defines furniture as "*the movable, generally functional, articles that equip a room, house etc.*" I do not think that one would normally talk of a picture frame as being an article of furniture or as a part or fitting for furniture. Nor do I think that picture frames have the same purpose as furniture or are in competition or are complementary to furniture (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). On the other hand, the respective goods are similar in nature: both could be made from the same materials and both are articles for the room or the home. Further, they may be sold through the same trade channels and to the same users. Overall, I find that there is a low degree of similarity between 'furniture' and 'picture frames'.

61. At the material dates, the 624 mark was protected for 'bedroom and kitchen furniture, home office furniture and fitted furniture for the home'. Lockers and locker room furniture are used when visiting a place to which people outside the user's control have access, such as a changing room for a gym. Locker room furniture is not therefore in competition with bedroom and kitchen furniture, home office furniture or fitted furniture for the home. The respective goods are similar in nature, all being articles of furniture. At a high level of generality, the purpose of locker room furniture is similar to bedroom furniture: both may be used to store clothes. However, bedroom furniture also serves an aesthetic purpose and at a functional level is designed to store clothes so that they are kept in a ready-to-wear condition, whereas locker room furniture is only intended as a temporary place of storage for clothes and other items. The respective users are likely to be mostly different. Furniture for the

home is likely to be marketed to the general public whereas locker room furniture is likely to be marketed to businesses such as sports clubs and gyms. Bedroom furniture could also be marketed at businesses, such as hotels who sometimes also provide gym or spa facilities, and who may therefore also be users of locker room furniture. The users of some of the goods could therefore overlap, but for the most part they are likely to be different. Overall, I find that there is a modest degree of similarity between 'locker room furniture made of wood, plastics or metal and parts and fittings for the aforementioned goods', and 'bedroom and kitchen furniture, home office furniture and fitted furniture for the home'.

62. I see no similarity between 'Repair, installation and maintenance services for locker room furniture and lockers' and 'bedroom and kitchen furniture, home office furniture and fitted furniture for the home'.

Distinctive Character of the Earlier Marks

63. I am not impressed by Mr Spencer's evidence that Crown is a word used in third party trade marks and therefore of limited distinctiveness. Properly analysed, the evidence only shows two other such users before the date of Locker's application, and there is no evidence as to the extent of their use.

64. Mr Cuddigan submitted that Crown is, in any event, a word of low distinctive character because it is laudatory. However, I find that although the word undoubtedly has connotations of Royalty, it has no more than a vague allusive reference to quality. It could not be used to directly describe the quality of the goods or services. I therefore find that it is a mark with an average degree of inherent distinctiveness.

65. I do not consider that the use made of 624 and 862 marks prior to the date of Locker's application has materially enhanced the distinctive character of the marks. It is true that the marks had been used for many years and the turnover of £20-25m per annum seems quite high. However, the goods are mostly fitted kitchens and (to a lesser degree) bedrooms with a high unit cost. I have not been told the average cost of Head's goods, but if it was £5k then the turnover may represent 4-5k sales per annum. I have not been given the market share either, but I would not have thought that this represents a large share of the total UK market for kitchens and bedrooms. This is consistent with Head distributing its products via "at least four" trailers, which suggests no more than a medium size business.

66. Further, the marketing seems quite low profile. It appears to rely mainly on brochures distributed via retail stockists. There is no evidence of national advertising on television or in the press/media. And the Daventry showroom is only open to the public by appointment and not for sales, and so is unlikely to have attracted many thousands of visitors from the general public.

Average Consumer

67. The average consumer for locker room furniture, parts and fittings for such furniture and repair, installation and maintenance services for such goods is likely to be businesses providing gym and sports facilities. Such a consumer is likely to pay a relatively high degree of attention when selecting the goods/services. The average consumer for picture frames and for repair, installation and maintenance services for furniture in general is the general public, although businesses may also be users. This consumer is likely to pay only an average degree of attention when buying a picture frame, but is likely to pay a relatively higher degree of attention when selecting repair, installation and maintenance services for high cost items like furniture.

Similarity of Marks

68. The 624 mark is highly similar to Lockers' mark to the eye, to the ear, and conceptually. The only difference is the additional the word LOCKERS in the opposed mark, which although part of the mark (as opposed to being a purely descriptive non-trade mark addition) is nevertheless clearly descriptive of lockers and non-distinctive for other locker room furniture.

69. The 862 mark is also relatively highly similar to Lockers' mark, albeit a little less so than the 624 mark. The device of a crown does little to distinguish the marks to the eye and does nothing to distinguish them to the ear or conceptually. By contrast, the addition of the word 'Imperial' does distinguish the marks to some extent. However, the most dominant element of the 862 mark remains the word Crown, which is larger and more striking than 'Imperial'. The word Crown is also the element in Lockers' mark that does most to distinguish its goods and services.

Likelihood of Confusion

70. It is convenient to first consider the conflict between Lockers' mark and the 862 mark. In this case I find that the identity of the class 20 goods (except for picture frames), the high level of similarity between Lockers' class 6 goods and 'parts and fittings for furniture' in class 20, and between 'installation services for furniture, locker room furniture and lockers' and 'furniture', combined with the relatively high degree of similarity between the marks, is sufficient to create a likelihood of confusion despite the 'just average' degree of distinctiveness of the earlier mark (and the word Crown in particular) and the relatively high degree of attention paid by consumers for the goods and services at issue.

71. The position is a little more arguable for 'repair and maintenance services for furniture, locker room furniture and lockers' because these services are a little less similar to such furniture (compared to installation services) but, on balance, I find that there is also a likelihood of confusion here.

72. In the case of picture frames, which have only low similarity to furniture and associated parts and fittings, I find that the differences between the marks and goods are sufficient to exclude the likelihood of confusion.

Has the CJEU re-introduced an honest concurrent use exception?

73. Mr Cuddigan submitted that Lockers' application should be accepted because there had been longstanding concurrent use of the parties' marks with no apparent adverse effect on the functions of the earlier marks. In this connection he drew my attention to a recent judgment of the CJEU in *Budejovicky Budvar v Anheuser-Busch Inc.*¹¹ in which the court stated that:

"83. Article 4(1)(a) of Directive 89/104 must be interpreted as meaning that the proprietor of an earlier trade mark cannot obtain the cancellation of an identical later trade mark designating identical goods where there has been a long period of honest concurrent use of those two trade marks where, in circumstances such as those in the main proceedings, that use neither has nor is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods or services".

74. In order to understand this paragraph of the judgment it is necessary to examine paragraphs 75-82, which are as follows:

"75. In the present case, it is to be noted that the use by Budvar of the Budweiser trade mark in the United Kingdom neither has nor is liable to have an adverse effect on the essential function of the Budweiser trade mark owned by Anheuser-Busch.

76 In that regard, it should be stressed that the circumstances which gave rise to the dispute in the main proceedings are exceptional.

77 First, the referring court states that Anheuser-Busch and Budvar have each been marketing their beers in the United Kingdom under the word sign 'Budweiser' or under a trade mark including that sign for almost 30 years prior to the registration of the marks concerned.

78 Second, Anheuser-Busch and Budvar were authorised to register jointly and concurrently their Budweiser trade marks following a judgment delivered by the Court of Appeal (England & Wales) (Civil Division) in February 2000.

79 Third, the order for reference also states that, while Anheuser-Busch submitted an application for registration of the word 'Budweiser' as a trade mark in the United Kingdom earlier than Budvar, both of those companies have from the beginning used their Budweiser trade marks in good faith.

¹¹ Case C-482/09, at paragraph 84.

80 Fourth, as was stated in paragraph 10 of this judgment, the referring court found that, although the names are identical, United Kingdom consumers are well aware of the difference between the beers of Budvar and those of Anheuser-Busch, since their tastes, prices and get-ups have always been different.

81 Fifth, it follows from the coexistence of those two trade marks on the United Kingdom market that, even though the trade marks were identical, the beers of Anheuser-Busch and Budvar were clearly identifiable as being produced by different companies.

82 Consequently, as correctly stated by the Commission in its written observations, Article 4(1)(a) of Directive 89/104 must be interpreted as meaning that, in circumstances such as those of the main proceedings, a long period of honest concurrent use of two identical trade marks designating identical products neither has nor is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods or services.”

75. I note the following points. Firstly, the court’s statement that the use of the later mark “*neither has nor is liable to have an adverse effect on the essential function of the [earlier] trade mark*” is based on court’s assessment that throughout the period of concurrent use “*the beers of Anheuser-Busch and Budvar were clearly identifiable as being produced by different companies*”. The court therefore understood that there was no actual confusion and no likelihood of confusion. Secondly, the circumstances in the *Anheuser-Busch* case are “*exceptional*”. This must be so because under Articles 4(1)(a) and 5(1)(a) of the Trade Mark Directive¹² a likelihood of confusion is normally presumed where both the marks and the goods are identical.

76. On my reading of the judgment, *Anheuser-Busch* does not apply where there is a likelihood of confusion because that inevitably affects the functions of the earlier mark. Consequently, that judgement is not authority for proposition that an opposition based on s.5(2)(b) (or s.5(3) or s.5(4)) may be rejected purely on the basis of honest concurrent use as might have been the case under the Trade Marks Act 1938¹³. Rather it establishes that the presumption of confusion on which s.5(1) (and s.10(1)) is based can be set aside where it is established that, exceptionally, and as a result of long standing honest concurrent use there is no likelihood of confusion despite the double identity of marks and goods (or services).

77. This is not the first case in which the CJEU has accepted that concurrent use in the market place, without conflict, may be sufficient to justify a finding that there is no likelihood of confusion. In *Aceites del Sur-Coosur SA v OHIM* the CJEU accepted that “*the possibility cannot be ruled out that the coexistence of two marks on a*

¹² Council Directive 2008/95/EC. See also Article 16(1) of the TRIPS Agreement.

¹³ See *Pirie’s Application* 50 (1933) RPC 147: the level of confusion was just one of the factors to be considered.

*particular market might, together with other elements, contribute to diminishing the likelihood of confusion between those marks on the part of the relevant public*¹⁴.

78. Whether a likelihood of confusion exists is ultimately a question of fact. In order to test whether the likelihood of confusion has diminished over time as a result of the concurrent use of the marks it is necessary for the possibility of confusion to have been properly tested. In the *Anheuser-Busch* case both marks had been used for many years on the product for which the marks were registered – beers. This case is different because although the 862 mark is entitled to protection for ‘furniture and parts and fittings therefore in class 20’, the mark had only in fact been used in relation to a sub-category of those goods; namely, ‘kitchen and bedroom furniture; home office furniture; fitted furniture for the home; parts and fittings for the aforementioned goods’. This means that the earlier mark was protected for all types of furniture, including locker room furniture, but the likelihood of confusion arising from the concurrent use of the marks in relation to furniture of this type had not been tested, and could not have diminished over time. It may seem strange that a trade mark enjoys protection for goods for which it has never been used. However, this is an inevitable consequence of a system of protection based on registration.

79. In *Compass Publishing BV v Compass Logistics Ltd*¹⁵ Laddie J noted that :

"22. It is frequently said by trade mark lawyers that when the proprietor's mark and the defendant's sign have been used in the market place but no confusion has been caused, then there cannot exist a likelihood of confusion under Article 9.1(b) or the equivalent provision in the Trade Marks Act 1994 ("the 1994 Act"), that is to say s.10(2). So, no confusion in the market place means no infringement of the registered trade mark. This is, however, no more than a rule of thumb. It must be borne in mind that the provisions in the legislation relating to infringement are not simply reflective of what is happening in the market. It is possible to register a mark which is not being used. Infringement in such a case must involve considering notional use of the registered mark. In such a case there can be no confusion in practice, yet it is possible for there to be a finding of infringement. Similarly, even when the proprietor of a registered mark uses it, he may well not use it throughout the whole width of the registration or he may use it on a scale which is very small compared with the sector of trade in which the mark is registered and the alleged infringer's use may be very limited also. In the former situation, the court must consider notional use extended to the full width of the classification of goods or services. In the latter it must consider notional use on a scale where direct competition between the proprietor and the alleged infringer could take place."

80. Consequently, if I am right so far, I do not think that the concurrent use of the marks assists Lockers so far as the conflict with the 862 mark is concerned. My

¹⁴ See Case 498/07P, at paragraph 82.

¹⁵ [2004] RPC 41

prima facie finding that there is a likelihood of confusion between Lockers' mark and the 862 mark (except for picture frames) therefore stands. This means that Lockers' application will be refused for all goods and services, except for picture frames in class 20.

81. Strictly speaking, there is no point in making findings on the further s.5(2)(b) ground based on the 624 mark, except in relation to the registration of Lockers' mark for picture frames. However, in case I am found to be wrong about the scope of protection to be afforded to the 862 mark, I will briefly indicate what the outcome of the objection based on the 624 mark would have been.

82. Although the 624 mark is a little more similar to Lockers' mark than is the 862 mark, the more limited post revocation specification of goods means that there is very little similarity between the goods for which it is protected at the relevant date and 'picture frames'. In view of this and the difference between the marks, i.e. the additional word LOCKERS (which is not descriptive or non-distinctive for picture frames), I would have found that there was no likelihood of confusion.

83. The following goods and services could be parts and fittings for bedroom, kitchen furniture or home office furniture, or kitchen furniture (benches) or repair, installation and maintenance services for kitchen and bedroom furniture etc.

Class 06:

Clothes hooks (single and multiple) made of metal; clothes hangers made of metal; shelves made of metal.

Class 20:

Mirrors, clothes hooks (single and multiple) made of wood or plastics; clothes hangers made of wood or plastics; clothes racks (fixed, mobile and free-standing) made of wood, plastics or metal; hat and coat stands made of wood, plastics or metal; benches (fixed and free-standing) made of wood, plastics, or metal; shelves made of wood or plastics.

Class 37:

Repair, installation and maintenance service for furniture.

84. Given that the 624 mark is a little more similar to Lockers' mark than the 862 mark, I would have found that there was a likelihood of confusion notwithstanding the fact that the 624 mark (unlike the 862 mark) does not cover parts and fittings. This is because parts and fittings for bedroom, kitchen furniture etc. are plainly complementary to the complete products¹⁶ (which are protected by the 624 mark) and are self evidently likely to come from the same trade source. Therefore although

¹⁶ See the judgment of the Court of First Instance in *Ford Motor Co. v OHIM*, Case T-67/07 at paragraph 43.

the goods in class 6, and many of the goods in class 20, are not identical to the goods protected by the 624 mark, they are similar.

85. I would have rejected the opposition so far as the remaining following goods and services are concerned.

Class 20:

Lockers made of wood, plastics, or metal; locker room furniture made of wood, plastics, or metal; parts and fittings for the aforementioned goods.

Class 37:

Repair, installation and maintenance service for locker room furniture and lockers

86. This is because there is no similarity between the class 37 services and 'kitchen and bedroom furniture; home office furniture; fitted furniture for the home' and only a moderate degree of similarity between these goods and 'lockers made of wood, plastics, or metal; locker room furniture made of wood, plastics, or metal; parts and fittings for the aforementioned goods'.

87. This appears to be consistent with the evidence of Mr Downing that despite the parties using their marks concurrently for 10 years there has been no confusion. This is because the parties' goods are in different sectors of the furniture market and mostly sold to different users through different channels. Evidence of peaceful co-existence is a factor that can be taken into account in the course of assessing the likelihood of confusion¹⁷ provided that the respective specifications accurately reflect the actual and potential uses of the marks and the opportunity for confusion has been properly tested.

Section 5(4)(a) Ground of Opposition

88. It is not necessary to say very much about this. The only part of the application that has survived the s.5(2)(b) opposition based on the 862 mark is the application to register CROWN LOCKERS for 'picture frames'. At the date of Lockers' application, Head plainly had a protectable goodwill under the name Crown in relation to its' business as a supplier of bedroom, kitchen and home office furniture. However, the differences between the marks and goods make it unlikely that Lockers' proposed use of its mark for picture frames would have constituted a misrepresentation. Consequently, I reject this ground of opposition against the application to register the mark for 'picture frames'. The s.5(4)(a) ground would not have succeeded to any greater extent than the s.5(2)(b) ground based on the 624 mark in relation to the other goods and services in the application.

¹⁷ See the judgment of Alan Steinfield QC, sitting as a deputy judge of the High Court, in *Fiorelli Trade Mark* [2007] RPC 18

Overall Outcome

89. Head's 624 mark will be partially revoked for non-use with effect from 13 November 1998 for all goods except for:

'Kitchen and bedroom furniture; home office furniture; fitted furniture for the home.'

90. Head's 862 mark will be partially revoked for non-use with effect from 26 June 2009 for all goods except for:

'Kitchen and bedroom furniture; home office furniture; fitted furniture for the home; parts and fittings for the aforementioned goods.'

91. Locker's application 2505792A will be refused for all goods except 'picture frames'.

Costs

92. Mr Malynicz asked for a costs award, including the cost of the abandoned invalidation applications. In relation to those proceedings, Mr Malynicz submitted that they should have been dropped after Mr Head's first witness statement was served, which contained pages from a web site showing that Head was the senior user of Crown marks. Consequently, Head should be entitled to compensatory costs for Mr Head's second witness statement, which contained a lot more information about Head's historical use of Crown marks and had been costly to produce.

93. Mr Cuddigan resisted the claim for compensatory costs on the grounds that the information provided in the first witness statement was not complete and it was therefore reasonable for Lockers to pursue its invalidation applications until the second more complete statement from Mr Head was considered.

94. I accept Mr Cuddigan's submission on this point. Mr Head's first statement said little about Head's historic use of the Crown marks. It was mainly intended to resist the applications for revocation for non-use. It did contain an exhibit which explained the history of the company, but stories on web sites are not necessarily accurate and complete. Lockers was entitled to maintain its claim until the senior user claim was made good in Mr Head's second statement. It is true that the invalidation applications could and should have dropped before the hearing. However, the hearing was required to deal with the other applications and it is not therefore clear that the delay caused any significant wasted costs.

95. I will therefore award costs from the Registrar's usual scale. The revocation applications did not succeed in limiting the 624 and 862 registrations to the extent that Lockers claimed. On the other hand, Head defended those registrations for all the goods they covered, and the marks were partly revoked. I therefore consider the

result to be a 'score draw'. Each side should bear its own costs for the revocation applications.

96. Head is entitled to normal scale costs for the invalidation applications, including part of the cost for the hearing for which it had to prepare unnecessarily. Head is also entitled to an award of costs for the mostly successful opposition. Some costs were avoided because the proceedings were consolidated. Taking this into account, I order Crown Lockers Limited to pay E L Head Limited the sum of £3700. This is made up of:

£600 - for filing opposition 99368 (including the official fee) and considering Lockers' counterstatement.

£600 - for considering Lockers' applications for invalidation and revocation and filing counterstatements.

£1500 - for filing evidence and considering Lockers' evidence.

£1000 - for preparing for and attending the hearing.

97. This sum to be paid within 7 days of the end of the period allowed for appeal.

Dated this 30th Day of April 2012

Allan James

For the Registrar