

TRADE MARKS ACT 1994

IN THE MATTER OF UK TRADE MARK APPLICATION No 3468254

IN THE NAME OF YI CHANG LANQUIER GARMENT CO. LTD

AND OPPOSITION No. 421327

IN THE NAME OF A&H SPORTSWEAR CO. INC.

DECISION

INTRODUCTION

1. This is an appeal from Decision No. O-625-21 of Hearing Officer CJ Bowen dated 28 August 2021 (“the Decision”). The Hearing Officer rejected the opposition brought under ss.5(2), (3) and (4) of the 1994 Act.
2. The mark applied for in the name of the Applicant, Yi Chang Lanquier Garment Co. Ltd, in classes 5, 10, 18, 20, 21, 22, 24, 25, 28 & 35 is:



3. The Opposition relates only to the Class 25 goods applied for, namely:

Class 25

Babies' pants [underwear]; bath robes; bibs, not of paper; boots; aprons [clothing]; bathing suits; caps [headwear]; chasubles; clothing; footwear; shoes; gabardines [clothing]; hats; hosiery; ponchos; pyjamas; scarves; shawls; trousers; turbans; socks; sandals; sarongs; dressing gowns; girdles; skirts; skorts; valenki [felted boots]; neck scarves [mufflers]; mittens; layettes [clothing] .

4. The marks relied on as the basis for the opposition by the Opponent, A&H Sportswear Co. Inc., are UK no. 2019409 (series of two), filed on 3 May 1995 and entered in the register on 23 August 1996:

MIRACLESUIT

Miraclesuit

Class 25 - Underwear; hosiery; swimwear.

and EUTM no. 43018 for the trade mark MIRACLESUIT which was filed on 1 April 1996 and entered in the register on 12 June 2001:

Class 25 - Clothing, namely swimwear, various items of underclothing and hosiery and shapewear, namely, girdles and other shape-controlling apparel; bodysuits, leotards and leggings.

5. At the hearing of the appeal before me the Opponent/Appellant was represented by Charlotte Blythe, instructed by Potter Clarkson LLP. The Applicant/Respondent did not appear, although a written counterstatement was filed on its behalf by BKIP Ltd.

STANDARD OF APPEAL

6. There was no dispute as to the standard of appeal. The principles are well established. See the decision of Daniel Alexander QC, sitting as the Appointed Person, in *TT Education Ltd v Pie Corbett Consultancy* [2017] RPC 17 at [52]. See also in the context of appeals under s.5(2) Ian Purvis QC, sitting as the Appointed Person, in *ROCHESTER Trade Mark (O-079-17)* at [33]-[34].

THE APPEAL

Comparison of Marks

7. At the hearing Ms. Blythe focussed on the s.5(2) objection, sensibly conceding that if the Appellant could not succeed under that ground then ss.5(3) and (4) could not succeed either.
8. The main attack made by the Appellant related to the Hearing Officer's comparison of the marks. The Hearing Officer addressed the Opponent's marks first in §50 of the Decision as follows:
 50. The opponent relies on the three trade marks shown above. The first trade mark in trade mark no. 1 and trade mark no. 2 consist of the words "MIRACLE" and SUIT" presented in upper case letters in a standard typeface with the two words conjoined. Both words and their meanings will be very well-known to the average consumer. The second trade mark in trade mark no. 1 contains the same two conjoined words presented in title case in a slightly stylised script. However, the degree of stylisation is minimal and adds very little to the overall impression conveyed. Although the word

“SUIT” will contribute to the overall impression conveyed, when used in relation to, for example, “swimwear” and “bodysuits” in its specifications, the word “SUIT” is likely to be regarded as descriptive in nature. That, however, may not be the case in relation to, for example, hosiery. Regardless, given the well-established use of the word “SUIT” in relation to clothing generally (with which I am satisfied the average consumer will be very familiar), even though the laudatory word “MIRACLE” appears first in the opponent’s trade marks, the overall impression they convey and their distinctiveness lies in the totalities created.

9. Ms. Blythe made a number of criticisms of this paragraph. She focussed on the Hearing Officer’s finding that SUIT is likely to be regarded as descriptive, at least for swimwear and bodysuits. In her submission this meant that the only distinctive part of the mark was MIRACLE. She went on to submit that as a result of this, the Hearing Officer should have found that the two marks were highly similar because of the dominance of the MIRACLE element in both.
10. She then turned to the Hearing Officer’s findings in relation to the mark applied for, which are set out in §§51-52 of the decision:

51. The applicant’s trade mark consists of three components. The first, is a rectangular box in which the second and third components can be found. Acting as it does as a background, it has no distinctive character and will make very little contribution to the overall impression conveyed. The second component consists of a device which the opponent describes as “comprising three human figures”, adding that as the goods “are meant for human use”, it is of low distinctive character. Although stylised, I agree that the opponent’s reference to “three human figures” is a not unreasonable characterisation. However, given its size, positioning and the degree of stylisation/shading present, it is a moderately distinctive component and will make a not-insignificant contribution to the overall impression the applicant’s trade mark conveys. The third component consists of the words “miracle” and “baby” presented in black in a slightly stylised but unremarkable lower case script. The meaning of the word “baby” will be well-known to the average consumer. In its submissions, the opponent argues that the word “baby” is:

“9...“descriptive of the contested goods, as it will be understood as informing customers that the goods in question are directed at infants.”

52. When considered in relation to goods for babies that is a reasonable submission. However, even when not for goods for babies and for the same reasons mentioned above in relation to the word “SUIT” in the opponent’s trade marks, I reach the same conclusion. As the word “miracle” qualifies the word “baby” and as the totality creates a unit (the meaning of which is likely to be known to many average consumers – see

paragraph 56), neither word dominates the other. The unit created will make an important contribution to both the overall impression conveyed and the trade mark's distinctiveness.

11. Ms. Blythe made similar criticisms of these paragraphs. Again, she focussed on the descriptive nature of the word BABY, particularly for the goods which would be sold expressly for babies. She submitted that based on the Hearing Officer's own findings as to the descriptiveness of SUIT in relation to clothing, the dominant element of the mark was MIRACLE and this meant it was highly similar to the Opponent's mark.
12. Finally, Ms. Blythe criticised the Hearing Officer's findings on the conceptual differences between the marks. She submitted that the Hearing Officer was wrong to hold that the mark applied for was likely to convey the concept of a baby that has been born or survived against the odds. She said that even if this was the case in relation to some average consumers (e.g. parents), it would not be the case for all of them, and there was no evidence to support the Hearing Officer's findings.

Assessment

13. Although I accept that each of the individual points made are arguable, they are insufficient to justify me interfering with the decision of the Hearing Officer. Further, the points made do not reflect the overall findings of the Hearing Officer. In particular, they ignore the two parallel findings of the Hearing Officer made at the end of his paragraphs 50 and 52. First, in relation to the Opponent's marks, that "*the overall impression they convey and their distinctiveness lies in the totalities created*". And then, in relation to the Applicant's mark "*the totality creates a unit...neither word dominates the other. The unit created will make an important contribution to both the overall impression conveyed and the trade mark's distinctiveness*". In other words, although the Hearing Officer correctly noted the descriptive nature of the SUIT/BABY elements of the respective marks, he still assessed those parts of the marks within the totality. I therefore consider that the Appellant is wrong to the extent that it is suggested that based on his own findings, the Hearing Officer should have ignored the SUIT/BABY elements completely when making the comparison.
14. The observations of the Hearing Officer in relation to the totalities of the marks are obviously correct as a matter of law. He correctly cited the following four principles of law earlier in his decision at §11, and none of them was criticised as being incorrect by Ms. Blythe:
 - (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;
15. As to the facts, the Hearing Officer was entitled to find as he did that the SUIT and BABY elements of the respective marks, albeit descriptive in nature for some of the goods, would still contribute to the overall impression conveyed, even for those goods. There are a number of reasons for this. First, even if descriptive, the skilled person would not ignore completely these elements of the respective marks. They make up a significant aspect of the signs as a whole.
16. Second, the elements are not wholly descriptive, and the Hearing Officer did not find them to be. Clearly there is an allusive quality to each of the words when used for the particular goods which they most closely describe, but the Hearing Officer correctly held that it is the overall impression that is most important.
17. Third, MIRACLE itself is a laudatory word, and cannot therefore dominate the marks either. It is correct that MIRACLE is the first element that the consumer will see, but its own descriptive nature in terms of quality means that the only way to consider the marks as a whole is as a unit, as the Hearing Officer did. The distinctiveness of each mark depends on its overall impression: MIRACLESUIT and MIRACLE BABY (plus device) respectively.
18. Accordingly, I consider that the Hearing Officer was correct to conclude that the marks had low to medium visual similarity (when adding in the device element of the mark applied for) and medium aural similarity. I decline to interfere with the conclusions of the Hearing Officer in this regard.
19. I also decline to interfere with his findings on conceptual similarity. As Ms. Blythe correctly conceded, evidence is not necessary for a tribunal to reach a finding as to the conceptual impression made by a mark. The Hearing Officer placed emphasis on the device element of the mark applied for (which he recorded had not been

mentioned by the Opponent) in reaching his conclusion that it conveyed the concept of a baby that had been born or survived against the odds. I am not prepared to find that he was wrong to do so – and indeed Ms. Blythe did not address the device part either.

20. For all these reasons I therefore dismiss the submissions of the Appellant that the Hearing Officer fell into error when comparing the respective marks.

Comparison of Goods

21. Ms. Blythe accepted that this attack was only helpful if the Appellant could succeed in relation to the comparison of the marks, because some of the goods were found to be identical yet the Hearing Officer held that there was still no likelihood of confusion. I agree. There is therefore no need to deal with this point.

Likelihood of Confusion – indirect confusion

22. This argument is also dependent on success on the first ground, the comparison of the marks. It was said that had the Hearing Officer properly analysed the marks, he would have found the conceptual, oral and visual similarity to be higher, and a finding of indirect confusion would have followed. The argument cannot succeed because I have rejected the criticisms of the Hearing Officer's comparison of the marks. Nevertheless, I would have also rejected the argument even if I had found the marks to have greater similarity than the Hearing Officer.
23. Ms. Blythe submitted on the basis of the Appellant's approach to the comparison of the marks that "Miracle" was distinctive for clothing, and that the use of MIRACLE BABY in the light of MIRACLESUIT would have suggested commercially connected brands. In particular, she suggested that MIRACLE BABY would be seen by the average consumer as the children's brand of MIRACLESUIT. She attributed the case to somewhere between categories b and c in Mr Purvis QC's categorisation of indirect confusion cases in *LA Sugar O-375-10*. Here, he explained in the oft-cited passage at §§16-17:

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).

24. However, as Mr James Mellor QC pointed out in *Duebros O-547-17*:

81. I remind myself of paragraphs [16]-[17] in the Decision of Mr Iain Purvis Q.C. as the Appointed Person in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10. These paragraphs are frequently cited by Hearing Officers. Whilst I agree with the central reasoning, some caution is required lest these paragraphs start being applied akin to a statutory test. In particular, it is important that the detail of each of the sub-paragraphs does not provoke the tribunal into too detailed an analysis of what I believe should be an emulation of an instinctive reaction in the mind of the average consumer when encountering the later mark with an imperfect recollection of the earlier mark in mind.

81.1. First, whilst the CJEU has discussed or adverted to the concept of indirect confusion in many judgments relating to EU trade mark law, the Court has never explained indirect confusion in as detailed a way as Mr Purvis’ three categories. The furthest the Court appears to have gone is to indicate that a likelihood of indirect confusion exists where the average consumer forms the view that the goods come from economically linked undertakings. As the EUIPO Guidelines indicate, the Court has only explained what it means by economically linked undertakings in the context of cases on free movement of goods.

81.2. Second, in my view it is important to keep in mind the purpose of the whole exercise of a global assessment of a likelihood of confusion, whether direct

or indirect. The CJEU has provided a structured approach which can be applied by tribunals across the EU, in order to promote a consistent and uniform approach. Yet the reason why the CJEU has stressed the importance of the ultimate global assessment is, in my view, because it is supposed to emulate what happens in the mind of the average consumer on encountering, for example, the later mark or the mark applied for with an imperfect recollection of the earlier mark in mind. It is not a process of analysis or reasoning, but an impression or instinctive reaction.

81.3. Third, when a tribunal is considering whether a likelihood of confusion exists, it should recognise that there are four options:

81.3.1. The average consumer mistakes one mark for the other (direct confusion);

81.3.2. The average consumer makes a connection between the marks and assumes that the goods or services in question are from the same or economically linked undertakings (indirect confusion);

81.3.3. The various factors considered in the global assessment lead to the conclusion that, in the mind of the average consumer, the later mark merely calls to mind the earlier mark (mere association);

81.3.4. For completeness, the conclusion that the various factors result in the average consumer making no link at all between the marks, but this will only be the case where either there is no or very low similarity between the marks and/or significant distance between the respective goods or services.

81.3.5. Accordingly, in most cases, it is not necessary to explicitly set out this fourth option, but I would regard it as a good discipline to set out the first three options, particularly in a case where a likelihood of indirect confusion is under consideration.

81.4. Fourth, I think it is important to stress that a finding of indirect confusion should not be made merely because the two marks share a common element. When Mr Purvis was explaining in more formal terms the sort of mental process involved at the end of his [16], he made it clear that the mental process did not depend on the common element alone: ‘Taking account of the common element in the context of the later mark as a whole.’ (my emphasis).

25. From these passages I emphasise the following. The extract from *LA Sugar* does not amount to a statutory test. This is not only because it has not been expressly endorsed by the CJEU, but also because the categories of case where indirect confusion may arise are not strictly limited to the three examples given by Mr Purvis QC. Each case turns on its own facts and in the end the question is simply whether

there is a likelihood of confusion as a result of the use of the respective marks on the respective goods. As to this, where the later mark merely calls to mind the earlier mark (i.e. there is mere association) or there is no link between the marks, there can be no confusion, indirect or otherwise. Further, a finding of indirect confusion should not be made merely because the two marks share a common element – they both need to be looked at as a whole.

26. Parties to proceedings in the Registry do not appear to be taking the *Duebros* advice to heart and wrongly seek to rely on *LA Sugar* in every case in which there is a common element between the marks. However, the notion of indirect confusion (as opposed to mere association) is likely to apply in only limited factual circumstances and should be kept firmly in its place. Otherwise, there is a danger of a proliferation of arguments and appeals which amount to naught and which only serve to waste the resources of the parties and the Registry.
27. In the present case, even if I had been persuaded that the Hearing Officer should have found a greater level of similarity between the marks, I still doubt whether the average consumer would have been confused about the origin of MIRACLE BABY branded goods. The average consumer might well have been reminded of the MIRACLESUIT mark, but that is not enough for the opposition to succeed. The notion in the present case that consumers presented with the MIRACLE BABY mark (including device) would think that it a sub- or connected brand to that represented by the MIRACLESUIT marks is one that I find difficult to accept, even if the marks are deemed to be more similar than found by the Hearing Officer.
28. My opinion is not shaken by the decision in cancellation proceedings No 48 226 C in EUIPO whereby the Cancellation Division upheld an objection to the MIRACLE BABY mark on the basis of indirect confusion (in spite of also pointing out that the distinctiveness of the MIRACLESUIT mark was below average). I am not asked to review that decision and instead need only focus on the decision of the Hearing Officer. I am satisfied that the Hearing Officer's decision was correct. If I had been asked to review the Cancellation Division decision I would have wanted to examine whether all of the *Duebros* factors had been taken into account, in particular the requirement to compare the marks as a whole and not just their common element, and also the requirement that there be confusion as to origin, not mere association between the marks.
29. For all these reasons I dismiss the appeal. As Ms. Blythe recognised, a failure to succeed under s.5(2) means that the appeals under ss.5(3) and (4) could not succeed either.

Costs

30. As for costs, the Respondent played little part in the proceedings, aside from submitting a Counterstatement to the Grounds of Appeal. I will award costs of £300 to represent the costs of having to review the Grounds of Appeal and the costs of drafting the Counterstatement, to be added to the £300 awarded below, all to be paid within 21 days of the date of this decision.

7th day of March 2022
Thomas Mitcheson QC
The Appointed Person