

O-224-17

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 3174401 BY
ROYALE TIMEPIECES LTD
TO REGISTER:**



ROYALE
TIMEPIECES

AS A TRADE MARK IN CLASSES 14, 35 & 42

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 407528 BY MANUFACTURE ROYALE SA, (MANUFACTURE
ROYALE AG) (MANUFACTURE ROYALE LTD)**

BACKGROUND & PLEADINGS

1. On 13 July 2016, Royale Timepieces Ltd (“the applicant”) applied to register the trade mark shown on the cover page of this decision for the goods and services shown in paragraph 10 below. The application was published for opposition purposes on 29 July 2016.

2. On 29 September 2016, the application was opposed in full by Manufacture Royale SA, (Manufacture Royale AG) (Manufacture Royale Ltd) (“the opponent”) under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opponent is the owner of the following International Registration designating the EU (“IREU”) No. 1051629:



The IR designated the EU on 14 September 2010 (claiming an International Convention priority date of 17 March 2010 from an earlier filing in Switzerland) and protection was granted in the EU on 23 August 2011. It is protected for, and the opponent relies upon, the goods shown in paragraph 10 below.

3. The opponent states:

“The respective trade marks both contain the word ROYALE as the dominant and distinctive word element.

The opposed mark consists of the words ROYALE and TIMEPIECES presented in the form of a logo including a graphical representation of a swan. The word

ROYALE appears in the opposed mark in the identical font and size as it appears in the earlier mark. It also appears in a significantly larger size to the word TIMEPIECES and is the dominant element of the mark. The additional word “TIMEPIECES” in the opposed mark is descriptive and non-distinctive for the goods and services at issue and is likely to go unnoticed. The graphical features of the opposed mark are not similar to those of the earlier mark but are also not sufficiently dominant and distinctive to convey that the mark originates from a different undertaking.

The opposed mark also resembles the earlier mark in terms of its overall composition i.e. the respective marks both consist of two words, one being the word ROYALE. In each case presented beneath the graphical element of the mark, and the other being a verbal element of no or lesser distinctiveness, all of broadly similar proportions.

In summary, the opposed mark reproduces the dominant and distinctive element of the earlier mark in the identical font and size as the dominant and distinctive element of the mark applied for. It has also been applied for in respect of goods and services which are identical and highly similar to the goods covered by the earlier mark. There is therefore a likelihood of confusion.”

4. The applicant filed a counterstatement (amended on two occasions) in which the basis of the opposition is denied. As these are the only comments I have from the applicant, they are reproduced below verbatim:

“We agree that both marks have the same phrase “ROYALE” and that there are similarities in how this element is represented. We disagree with claims that the similarity in compositional elements would lead to confusion. The Large logo of a swan is very different from a sword featured in [the opponent’s trade mark] and does not contain any lettering. The word “timepieces” which is non-existent in [the opponent’s trade mark] is placed after and not before the word ROYALE

which highlights a distinct difference in composition. In addition, the word sizes, position, text spacing and placement are all alternate.

We agree that the word “ROYALE” is Larger than the word Timepieces, but the length is the same and set-up this way to ensure both words are the same length. We disagree that the font is the same size and we note that the letter spacing is different. We agree that there are similarities in the font used but disagree this font is identical. We also disagree that the word “timepieces” is likely to go un-noticed. Timepieces is a unique term with particular historical context that directly relates to the style of watches distributed by [the applicant]. We also disagree that the proportions are similar for this “secondary” word.

In summary we agree there to be a similarity in the word “ROYALE”. However, due to the extensive differences in every other element of the Trademark such as composition, accompanying words, word placement, letter spacing and accompanying logo; we disagree with claims that the similarities could lead to confusion. We suggest that the trademark should be viewed in its entirety and not individual elements and so disagree the mark would be confusing.”

5. In these proceedings, the opponent is represented by Haseltine Lake LLP; the applicant has represented itself. Neither party filed evidence nor did they elect to attend a hearing; the opponent filed written submissions in lieu of attendance.

DECISION

6. The opposition is based upon section 5(2)(b) of the Act which reads as follows:

“5 (2) A trade mark shall not be registered if because -

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

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

7. An earlier trade mark is defined in section 6 of the Act, which states:

“6. - (1) In this Act an “earlier trade mark” means –

(a) a registered trade mark, international trade mark (UK), Community trade mark or international trade mark (EC) 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,

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

8. In these proceedings, the opponent is relying upon the trade mark shown in paragraph 2 above which qualifies as an earlier trade mark under the above provisions. As this trade mark had not been protected in the EU for more than five years at the date when the application was published, it is not subject to proof of use, as per section 6A of the Act. As a consequence, the opponent is entitled to rely upon all of the goods it has identified.

Section 5(2)(b) – case law

9. The following principles are gleaned from the decisions of the courts of the European Union in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-*

Goldwyn-Mayer Inc, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles:

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

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

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

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

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

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

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

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

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

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

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

Comparison of goods and services

10. The competing goods and services are as follows:

The opponent's goods	The applicant's goods and services
Class 14 - Precious metals and their alloys and goods made of these materials or coated therewith included in this class; jewelry, precious stones; timepieces and chronometric instruments and their parts	Class 14 - Precious metals and their alloys; jewellery, precious stones and semi-precious stones; horological and chronometric instruments; jewellery and imitation jewellery; watches; clocks; digital

<p>included in this class.</p>	<p>clocks and watches with automatic timers; badges; key rings; ornaments made of precious metal; watch straps; leather watch straps; watch straps of plastic; watch straps of nylon; watch straps made from precious metals, semi-precious metals or imitations of precious metals, parts and fittings for all the aforesaid goods, watches.</p> <p>Class 35 - Retail services connected with precious metals and their alloys, jewellery, precious stones and semi-precious stones, horological and chronometric instruments, jewellery and imitation jewellery, watches, clocks, timers, badges, key rings, ornaments made of precious metal, watch straps, leather watch straps, watch straps of plastic, watch straps of nylon, watch straps made from precious metals, and parts and fittings for all the aforesaid goods.</p> <p>Class 42 - Jewellery design services; design of watches; advisory and consultancy services in relation to all of the aforesaid.</p>
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11. In the judgment of the Court of Justice of the European Union (“CJEU”) in *Canon*, Case C-39/97, 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”.

12. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

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

13. In *Gérard Meric v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* case T-133/05, the General Court (“GC”) stated:

“29 In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 Institut für Lernsysteme v OHIM – Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 Oberhauser v

OHIM – Petit Liberto (Fifties) [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 Vedral v OHIM – France Distribution (HUBERT) [2002] ECR II-5275, paragraphs 43 and 44; and Case T-10/03 Koubi v OHIM – Flabesa (CONFORFLEX) [2004] ECR II-719, paragraphs 41 and 42).”

14. In *Oakley, Inc v OHIM*, Case T-116/06, at paragraphs 46-57, the GC held that although retail services are different in nature, purpose and method of use to goods, retail services for particular goods may be complementary to those goods, distributed through the same trade channels, and therefore similar to a degree. In *Tony Van Gulck v Wasabi Frog Ltd*, Case BL O/391/14, Mr Geoffrey Hobbs Q.C. as the Appointed Person reviewed the law concerning retail services v goods. He said (at paragraph 9 of his judgment) that:

“9. The position with regard to the question of conflict between use of **BOO!** for handbags in Class 18 and shoes for women in Class 25 and use of **MissBoo** for the Listed Services is considerably more complex. There are four main reasons for that: (i) selling and offering to sell goods does not, in itself, amount to providing retail services in Class 35; (ii) an application for registration of a trade mark for retail services in Class 35 can validly describe the retail services for which protection is requested in general terms; (iii) for the purpose of determining whether such an application is objectionable under Section 5(2)(b), it is necessary to ascertain whether there is a likelihood of confusion with the opponent’s earlier trade mark in all the circumstances in which the trade mark applied for might be used if it were to be registered; (iv) the criteria for determining whether, when and to what degree services are ‘similar’ to goods are not clear cut.”

15. However, on the basis of the European courts’ judgments in *Sanco SA v OHIM*¹, and *Assembled Investments (Proprietary) Ltd v. OHIM*², upheld on appeal in *Waterford*

¹ Case C-411/13P

² Case T-105/05, at paragraphs [30] to [35] of the judgment

*Wedgewood Plc v. Assembled Investments (Proprietary) Ltd*³, Mr Hobbs concluded that:

i) Goods and services are not similar on the basis that they are complementary if the complementarity between them is insufficiently pronounced that, from the consumer's point of view, they are unlikely to be offered by one and the same undertaking;

ii) In making a comparison involving a mark registered for goods and a mark proposed to be registered for retail services (or vice versa), it is necessary to envisage the retail services normally associated with the opponent's goods and then to compare the opponent's goods with the retail services covered by the applicant's trade mark;

iii) It is not permissible to treat a mark registered for 'retail services for goods X' as though the mark was registered for goods X;

iv) The General Court's findings in *Oakley* did not mean that goods could only be regarded as similar to retail services where the retail services related to exactly the same goods as those for which the other party's trade mark was registered (or proposed to be registered)."

16. I begin by noting that in none of the versions of its counterstatement does the applicant take any issue with the conclusion reached by the opponent in its Notice of opposition i.e. that the application has been applied for "in respect of goods and services which are identical and highly similar to the goods covered by [the opponent's specification]".

Class 14

³ Case C-398/07P

17. The vast majority of the applicant's goods in this class are either (i) literally identical to goods in the opponent's specification in this class, (ii) identical as they represent alternative ways of describing the same goods or (iii) are identical on the principle outlined in *Meric* i.e. they are included in a more general term which appears in the opponent's specification. Although a number of the applicant's goods in this class fall into categories (ii) and (iii), as it is sufficient that they fall into category (iii), it is upon that category that I have concentrated.

Literally identical

The terms "precious metals and their alloys", "jewellery" and "precious stones" appear in both parties' specifications and are literally identical.

Alternative ways of describing the same goods

The term "horological and chronometric instruments" in the application and "timepieces and chronometric instruments" in the opponent's specification.

Included in a broad term in the opponent's specification

The term "imitation jewellery" in the application is encompassed by the term "jewelry" in the opponent's specification;

The terms "watches; clocks; digital clocks and watches with automatic timers" in the application are encompassed by the term "timepieces and chronometric instruments" in the opponent's specification;

The terms "badges; key rings" and "ornaments made of precious metal" in the application are encompassed by the term "goods made of precious metals and their alloys or coated therewith" in the opponent's specification;

The terms “watch straps; leather watch straps; watch straps of plastic; watch straps of nylon; watch straps made from precious metals, semi-precious metals or imitations of precious metals” and “parts and fittings for all the aforesaid goods” in the application are encompassed by the term “parts of timepieces and chronometric instruments included in this class” in the opponent’s specification.

18. Finally, in relation to “semi-precious stones”, in its submissions, the opponent states:

“26. The only goods which are not identical [i.e. the above], are highly similar to the goods “precious stones” and may in fact be indiscernible from the latter goods in the eyes of the average consumer. They are therefore highly similar to those goods.”

19. If one compares, for example, the overlap in the nature, users, intended purpose, method of use and trade channels of “semi-precious stones” with “precious stones” in the opponent’s, specification, the opponent’s conclusions are, in my view, quite clearly correct.

Class 35

20. In this class the applicant has applied for services relating to the retailing of the goods in its class 14 specification; goods which I have already concluded are identical or highly similar to the opponent’s goods in that class. In its submissions, the opponent states (by reference to the case law mentioned at paragraphs 14 and 15 above):

“31. In this case, the services are complementary to the goods at issue to a high degree; the average consumer will be used to jewellers not only selling other companies’ products which fall within the description of goods covered by the application and the registration in class 14, but also such goods under their own brands. The average consumer would therefore associate the services in class 35 with the goods at issue.

32. For this reason, there is a reasonably high degree of similarity between the services in class 35 of the application and the goods in class 14 of the registration.”

21. By the date of the application, the average consumer would have become very familiar with the well-established manner in which the retail services for which registration is sought are provided. I have no doubt that the provision of the applicant’s retail services is complementary to the opponent’s goods in class 14 and, as a consequence, similar to at least a medium degree.

Class 42

22. In its submissions, the opponent states:

“33. Finally, with regard to the services in class 42 of the application..., these are also very similar to the goods protected by registration. These services will share the same trade channels as jewellery and watches and will be in direct competition because, particularly in respect of high-end products, consumers may choose between an off-the-shelf, item of jewellery or watch or instead pay to have a piece of jewellery or a watch designed for them...”

34. For this reason, the services in class 42 are very similar to those protected by the earlier trade mark in class 14.”

23. As these submissions are, once again, likely to reflect the average consumer’s view of the matter, they are, in my view, uncontroversial. There is, as a consequence, at least a medium degree of similarity between both the design services in this class and the advisory and consultancy services in relation to them and the opponent’s goods.

The average consumer and the nature of the purchasing act

24. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods and services; I must then determine the manner in which these goods and services are likely to be selected by the average consumer in the course of trade. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

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

25. In its submissions, the opponent states:

“35. The average consumer will include members of the public as well as retailers.

36. The goods and services covered by the opposed application range from those that are inexpensive and so would not be those over which care would be taken (such as inexpensive imitation jewellery items) to those where great care would be taken, such as watch design services.”

26. The average consumer of the vast majority of the goods and services at issue in these proceeding is a member of the general public. I say vast majority, because the average consumer of “precious metals and their alloys”, “precious stones” and “semi-

precious stones” is more likely than not to be a business user involved in the production of, for example, jewellery. As to how the goods and services will be selected, absent evidence or submissions to assist me, I conclude that for the most part the goods will be obtained by self-selection i.e. from the shelves of a bricks and mortar retail outlet or from the equivalent pages of a website or catalogue; visual considerations are, as a consequence, likely to dominate the selection process. That said, as such goods may also be the subject of, for example, word-of-mouth recommendations or oral requests to sales assistants, aural considerations must not be forgotten. Similar considerations apply in relation to the selection of the services at issue which are most likely to be selected having considered, inter alia, websites, advertisements and signage on the high street but may also, for example, be the subject of word-of-mouth recommendations.

27. I now go on to consider the degree of care the average consumer will display when selecting such goods and services. As the opponent points out, the cost of the goods and services can vary considerably; this inevitably impacts on the degree of attention the average consumer will pay during the selection process. For example, one would expect an average consumer to pay a high degree of attention to the selection of a luxury chronograph and a relatively low degree of attention to the selection of an inexpensive piece of costume jewellery.

28. In relation to the selection of the retail services at issue, the average consumer is likely to be mindful of a range of considerations such as the breadth of goods/brands stocked, customer reviews, delivery times/costs and in relation to a bricks and mortar outlet, proximity to their home, opening times, parking etc. all of which suggests at least a normal degree of attention will be paid to the selection of such services. Finally, as commissioning the design of a bespoke piece of jewellery or watch is likely to be a relatively complex process involving what is likely to be a not inconsiderable financial outlay, I would expect the average consumer to pay a high degree of attention.

Comparison of trade marks

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

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

30. It would be wrong, therefore, artificially to dissect the trade marks, although, it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions they create. The trade marks to be compared are:

The opponent's trade mark	The applicant's trade mark
	

31. The applicant's views in this regard can be found in paragraph 4 above. Although I do not intend to repeat the opponent's submissions in this respect here, I will, of course, keep both parties' views in mind in reaching a conclusion. Suffice to say that in the

opponent's view, the competing trade marks are visually and conceptually similar to a relatively high degree and aurally similar to at least a medium degree.

32. The opponent's trade mark consists of a number of components, the first of which is the device of a hilt of a sword below which appears the two letter monogram "MR". Given their size and positioning at the top of the trade mark, these components will make a significant distinctive contribution to the overall impression it conveys. Directly below these components appears the word "MANUFACTURE" presented in block capital letters. Although this component will contribute to the overall impression conveyed, I agree with the opponent's submission to the effect that this word "may convey no more than the products to which it has been applied have been made"; any distinctiveness this word may possess is, as a consequence, at best, limited. Below this word appears the word "ROYALE" presented in bold in an unremarkable font; it is considerably larger than the word "MANUFACTURE" which appears above it. Given its obvious similarities to the word "ROYAL", the word "ROYALE" conveys, to use the opponent's words, "a regal impression" (paragraph 21 of its written submissions refer). Such a word has obvious laudatory connotations for a wide range of goods, but particularly in relation to many of the goods in the opponent's specification. Although this word will make an important contribution to the overall impression conveyed by the opponent's trade mark it, is possessed of a low degree of inherent distinctive character.

33. The applicant's trade mark also contains a number of components. The first is a stylised device of a swan presented in black; it is a distinctive component which, given its size and positioning, will make an important contribution to the overall impression conveyed. Below this device appears the word "ROYALE" also presented in bold in an unremarkable font. It plays the same role in the applicant's trade mark as it does in the opponent's trade mark. Below this word appears the word "TIMEPIECES" presented in block capital letters in a font which is much smaller and finer than the word which appears above it. In its submissions, the applicant states that this word "is a unique term with particular historical context...". The opponent disagrees, as do I. The word "TIMEPIECES" is an ordinary word, so ordinary that it even appears in the opponent's

specification as a description of its goods. In relation to those goods and services in the applicant's specifications which are timepiece related, it has no distinctive character and will play little or no part in the overall impression the applicant's trade mark conveys. Given its obvious descriptive significance, I reach the same conclusion in relation to the other goods and services in the application, even though they are not timepiece related. Finally, the two horizontal lines which appear above and below the word elements in the application are likely to go largely unnoticed; they have no distinctive character and will make little or no contribution to the overall impression the trade mark conveys.

34. I will bear the above conclusions in mind when comparing the trade marks from the visual, aural and conceptual standpoints. The distinctive device components in the competing trade marks are completely different and the distinctive monogram in the opponent's trade mark is alien to the applicant's trade mark. Although of low distinctive character, the applicant accepts that there are similarities in the font in which the word "ROYALE" in the competing trade marks is presented; earlier I concluded that this component will make an important contribution to the overall impression conveyed by both trade marks. Although both trade marks contain additional components which may contribute to the overall impression conveyed i.e. the words "MANUFACTURE" and "TIMEPIECES", I have already concluded that these words have at best a low degree of distinctiveness and no distinctiveness respectively. Balancing the similarities and differences I have identified, I consider there to be a low to medium degree of visual similarity between the competing trade marks (rather than relatively high as the opponent suggests).

35. It is well established that when trade marks consist of a combination of words and figurative components, it is most likely that they will be referred to by the word components. The opponent argues that its trade mark will be referred to as "MANUFACTURE ROYALE" and the applicant's trade mark as "ROYALE TIMEPIECES". Although it is possible that the opponent's trade mark may also be referred to as "M-R MANUFACTURE ROYALE", I agree with the opponent that its view of the matter is much more realistic. As to the applicant's trade mark, once again, the

opponent's view is not unreasonable. However, as many of the goods and services for which the applicant seeks registration are timepieces or related to timepieces, it is equally likely that it will be referred to by the word "ROYALE" alone. I agree with the opponent's submission to the effect that the first scenario leads to at least a medium degree of aural similarity. The second scenario (I have suggested) leads to a somewhat higher degree of aural similarity; a degree I would pitch as above medium (but not high).

36. Finally, the conceptual comparison. As I mentioned above, the opponent states that the presence of the word "ROYALE" in both trade marks conveys a "regal impression". The opponent further states that this impression is "reinforced by the heraldic device of a sword [in the opponent's trade mark] and a swan [in the applicant's trade mark]"; I agree with the first submission. While I understand the basis of the second submission, I am less certain the average consumer will accord the device components in the competing trade marks the conceptual significance the opponent suggests. However, even if they don't, the conceptual message conveyed by the word "ROYALE" in both trade marks (a meaning which is not modified by any other components in the competing trade marks) is, in itself, sufficient to lead to the relatively high degree of conceptual similarity the opponent suggests.

Distinctive character of the earlier trade mark

37. The distinctive character of a trade mark can be appraised only, first, by reference to the goods in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods for which it has been registered as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

38. As the opponent has not filed any evidence of the use it may have made of its earlier trade mark, I have only its inherent characteristics to consider. Balancing the conclusions I have reached above, the opponent's trade mark is possessed of an average degree of inherent distinctive character. That is not, of course the end of the matter as it is the distinctiveness of the shared component i.e. "ROYALE" which is key; I will return to this point below.

Likelihood of confusion

39. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of the opponent's trade mark as the more distinctive it is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods and services, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind. Earlier in this decision I concluded that:

- the competing goods in class 14 are identical or similar to a high degree;
- the applicant's services in class 35 and 42 are similar to the opponent's goods to at least a medium degree;
- the average consumer of the vast majority of the goods and services at issue is a member of the general public;
- while the goods and services at issue will be selected by predominantly visual means, aural considerations will also play their part;

- the degree of care the average consumer will pay during the selection of the goods and services at issue will vary from relatively low to high;
- the competing trade marks are visually similar to a low to medium degree, aurally similar to at least a medium degree and conceptually similar to a relatively high degree;
- absent use, the opponent's earlier trade mark is possessed of an average degree of inherent distinctive character.

40. As I mentioned earlier, it is the distinctive character of the shared element that is key. This approach was confirmed in *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, when Mr Iain Purvis Q.C. as the Appointed Person pointed out that the level of 'distinctive character' is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the trade marks that are identical or similar. He stated:

"38. The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that 'the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion'. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it."

41. In other words, simply considering the level of distinctive character possessed by the earlier mark is not enough. It is important to ask "in what does the distinctive character of the earlier mark lie?" Only after that has been done can a proper

assessment of the likelihood of confusion be carried out. Earlier in this decision, I concluded that the shared component i.e. the word “ROYALE” has only a low degree of inherent distinctive character. That, of course, does not preclude a likelihood of confusion. In *L’Oréal SA v OHIM*, Case C-235/05 P, the CJEU found that:

“45. The applicant’s approach would have the effect of disregarding the notion of the similarity of the marks in favour of one based on the distinctive character of the earlier mark, which would then be given undue importance. The result would be that where the earlier mark is only of weak distinctive character a likelihood of confusion would exist only where there was a complete reproduction of that mark by the mark applied for, whatever the degree of similarity between the marks in question. If that were the case, it would be possible to register a complex mark, one of the elements of which was identical with or similar to those of an earlier mark with a weak distinctive character, even where the other elements of that complex mark were still less distinctive than the common element and notwithstanding a likelihood that consumers would believe that the slight difference between the signs reflected a variation in the nature of the products or stemmed from marketing considerations and not that that difference denoted goods from different traders.”

42. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one trade mark for the other, while indirect confusion is where the average consumer realises the trade marks are not the same but puts the similarity that exists between the trade marks/goods and services down to the responsible undertakings being the same or related.

43. In its submissions, the opponent states:

“39. In particular, the average consumer will either imperfectly recall the earlier mark and think that the opposed mark is the same trade mark or he or she will think that the earlier mark has been modified, as the variations are relatively minor and so could be of the type that one might expect to see.”

44. I begin by reminding myself of (i) the degree of similarity in the competing goods and services and (ii) the degree of similarity in the competing trade marks, including the other components present in the competing trade marks, their distinctiveness and the role they play in the overall impression the respective trade marks convey. Having done so and notwithstanding the low to medium degree of visual similarity between the competing trade marks and the low degree of inherent distinctive character the shared component possesses, the significant role this shared component plays in the overall impression the trade marks convey will, in my view, lead to a likelihood of confusion. In its submissions, the opponent suggests that the competing trade marks will be mistaken for one another i.e. there will be direct confusion. While I cannot rule this out (particularly in relation to, for example, low cost goods where the average's consumer's level of attention will be low, thus making them more prone to the effects of imperfect recollection), even in relation to such goods the various differences between the competing trade marks is, in my view, more likely that not to militate against direct confusion. That conclusion is even stronger in relation to goods and services where the average consumer will pay a normal to high degree of attention rendering them less prone to the effects of imperfect recollection.

45. However, even if there is no direct confusion, the identity/similarity in the competing goods and services combined with the similarities in the competing trade marks are still, in my view, likely to lead the average consumer (even one paying a high degree of attention) to assume that the competing goods and services come from the same or related undertakings i.e. there will be indirect confusion.

Conclusion

46. The opposition succeeds and, subject to any successful appeal, the application will be refused.

Costs

47. As the opponent has been successful, it is entitled to a contribution towards its costs. Awards of costs in proceedings commenced after 1 July 2016 are governed by Annex A of Tribunal Practice Notice (“TPN”) 2 of 2016. Using that TPN as a guide, I award costs to the opponent on the following basis:

Preparing a statement and considering the applicant’s statement: £200

Written submissions: £300

Official fee: £100

Total: £600

48. I order Royale Timepieces Ltd to pay to Manufacture Royale SA, (Manufacture Royale AG) (Manufacture Royale Ltd) the sum of £600. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 11th day of May 2017

C J BOWEN

For the Registrar

The Comptroller-General