

O-235-10

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 2494509**

**BY**

**BIOERA SPA**

**TO REGISTER THE TRADE MARK:**

**BIOERA**

**IN CLASSES 3 AND 5**

**AND**

**THE OPPOSITION THERETO**

**UNDER NO 98723**

**BY**

**KAO KABUSHIKI KAISHA (ALSO T/A KAO CORPORATION)**

## **Trade Marks Act 1994**

**In the matter of application no 2494509  
by Bioera SPA  
to register the trade mark:  
BIOERA  
in classes 3 and 5  
and the opposition thereto  
under no 98723  
by Kao Kabushiki Kaisha (also t/a Kao Corporation)**

1) Under Article 108 of Council Regulation 40/94 of December 20, 1993, Bioera SPA (SPA) requested the conversion of part of a Community trade mark application into a United Kingdom application. Under rule 10 of The Community Trade Mark Regulations 1996<sup>i</sup> the conversion is treated as a United Kingdom application. The Community trade mark application was filed on 28 February 2005 with an international priority date (from Italy) of 6 December 2004. It was published, for opposition purposes, on 21 November 2008 with the following specification:

*bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices;*

*pharmaceutical and veterinary preparations; sanitary preparations for medical purposes; dietetic substances adapted for medical use, food for babies; plasters, materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides; food supplements for medical purposes; dietetic food supplements; mineral food supplements; vitamins and vitamin preparations; dietetic beverages and foods adapted for medical purposes; dietetic and energy-giving foods adapted for medical purposes.*

The above goods are in classes 3 and 5 (respectively) of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

2) On 11 February 2009 Kao Kabushiki Kaisha (also t/a Kao Corporation) (Kao) filed a notice of opposition to the registration of the trade mark. The opposition is based upon sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (the Act). Under each ground of opposition it seeks the refusal of the application in respect of all of its goods.

3) In relation to sections 5(2)(b) and 5(3) of the Act Kao relies upon the following trade mark registrations:

United Kingdom registration no 1399823 of the trade mark BIORE. The application for registration was filed on 27 September 1989 and the registration process was completed on 22 February 1991. It is registered for the following goods:

*non-medicated toilet preparations; non-medicated cleansing preparations; body and facial cleansing foams; all included in Class 3.*

United Kingdom registration no 2159488 of the trade mark BIORE Qualité. The application for registration was filed on 27 February 1998 and the registration process was completed on 28 August 1998. It is registered for the following goods in class 3:

*skin care creams, skin care milk, skin care lotions, skin care products, cleansing milks, make-up removers, soaps, facial washes, hair shampoos, body shampoos, facial masks, beauty masks, cosmetics, anti-perspirants, deodorants, all non-medicated; non-medicated toilet preparations; non-medicated cleansing preparations; body and facial cleansing foams.*

Community trade mark registration no 1896034 of the trade mark BIORE. The application for registration was made on 11 October 2000 and the registration process was completed on 29 November 2001. It is registered for the following goods in class 3:

*cosmetics, skin care cream, skin care milk, skin care lotion, cleansing milk, make-up remover, beauty mask, soap, facial wash, body shampoo and anti-perspirant (toiletries).*

Community trade mark registration no 1947514 of the trade mark:

**Bioré**

The application for registration was made on 9 November 2000 and the registration process was completed on 29 October 2003. It is registered for the following goods in class 3:

*cosmetics, skin care cream, skin care milk, skin care lotion, cleansing milk, make-up remover, beauty mask, soap, facial wash, body shampoo and anti-perspirant (toiletries).*

All of the trade mark registrations upon which Kao relies had been registered for more than five years at the date of the publication of SPA's application, consequently, they are subject to proof of use<sup>ii</sup> and SPA has requested this proof. **In its written submissions Kao states that it relies upon all of the goods of its registrations with the exception of *hair shampoos, antiperspirants and deodorants*. This is not the pleaded case. The pleaded case, in relation to all of the grounds of opposition, is that Kao has used its trade marks in relation to *non-medicated skin care preparations* and it bases its opposition on this claimed use. It is upon the basis of the pleaded case that the opposition has been defended. As there has been no request to amend the grounds of opposition, it is on this basis that the opposition will be considered.**

4) All of Kao's trade marks are earlier trade marks.

5) Section 5(2)(b) of the Act states that a trade mark shall not be registered if because:

“it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

Kao claims that its trade marks and that of SPA are similar and that the respective goods are identical or similar. Consequently, there is a likelihood of confusion. (In its statement of grounds Kao states that the absence of the acute accent on the block capital versions of its trade marks arises from the French linguistic convention according to which accents are omitted from capital letters. Kao claims that this is, therefore, not a difference that alters the distinctive character of the versions of the trade marks in upper and lower case lettering.)

6) Section 5(3) of the Act states:

“(3) A trade mark which is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark or international trade mark (EC) in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

Kao claims that it has the requisite reputation in relation to all four of its trade marks in respect of *non-medicated skin care preparations*. Kao claims that use of SPA's trade mark would take unfair advantage of and/or be detrimental to the distinctive character or the repute of its earlier trade marks.

7) Section 5(4)(a) of the Act which states:

“4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented——

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade”.

In relation to section 5(4)(a) of the Act Kao relies upon the trade marks the subject of its registrations (on the opposition form Kao identifies BIORÉ as the earlier sign upon which it relies, however, in paragraph 8 of the grounds of oppositions it refers to its earlier trade marks). Kao states that it has used this sign in the United Kingdom in relation to *non-medicated skin care preparations* since 2000 and that use of SPA’s trade mark is liable to be prevented under the law of passing-off.

8) Spa filed a counterstatement in which it denies the grounds of opposition and puts Kao to proof in relation to the claims that it makes.

9) It states that Kao, of its own volition, has identified the goods upon which it claims there has been use as *non-medicated skin care preparations* and so, subject to the proof of use requirement being satisfied, this should be taken as a fair description of the goods upon which Kao relies.

10) Spa states that the only element of similarity between the trade marks is the common prefix BIO. It states that even to the most casual observer the element BIO will be understood to suggest that the respective goods are biological or natural and that they respect the environment. Spa claims that BIORE would be likely to be pronounced BI-O-RE or BI-O-RAY or BEE-O-RE or BEE-O-RAY and in each case contain three syllables. Spa claims that its trade mark would be pronounced BY-O-E-RA, containing four syllables. Spa claims that the respective trade marks are substantially different visually. Spa states that no national office undertaking official searches during the examination process, including the United States of America, Japan and the United Kingdom, raised the trade mark BIORE against the applications for BIOERA. Spa states that evidence will be submitted to show that the Institut National de la Propriété Industrielle (INPI) of France rejected, at first instance, a similar opposition from Kao. Spa states that INPI held that the respective trade marks are not similar. (No evidence in relation to this matter was filed by Spa.)

11) Spa states that if it is established that Kao has used the trade marks upon which it relies in respect of *non-medicated skin care preparations*, it is acknowledged that there is “a degree of identity” between these goods and *soaps and cosmetics*.

12) Kao also claims that its trade marks are well-known trade marks in the United Kingdom and seeks refusal of the application under section 5(2)(b) of the Act on this basis also. As Kao has registered trade marks the claim in relation to well-known trade marks adds nothing to its case and so no more will be said about this aspect of this case.

13) SPA's specification, in class 5, includes the following goods:

*veterinary preparations; sanitary preparations for medical purposes; dietetic substances adapted for medical use, food for babies; plasters, materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides; food supplements for medical purposes; dietetic food supplements; mineral food supplements; vitamins and vitamin preparations; dietetic beverages and foods adapted for medical purposes; dietetic and energy-giving foods adapted for medical purposes.*

Kao has put forward neither evidence nor argument in support of the claim that these goods are similar to those for which it has claimed use, or how use of SPA's trade mark in relation to such goods would take unfair advantage of and/or be detrimental to the distinctive character or the repute of its earlier trade marks, or how use in relation to such goods use of SPA's trade mark would be prevented under the law of passing-off. Owing to the clear distance between *non-medicated skin care preparations* and the goods rehearsed above, and the absence of argument or evidence in support of the claims of Kao, the opposition in respect of the above goods is dismissed. (In the main evidence for Kao, Ms Ashby only refers to a risk of confusion and association with skincare and toiletry products, categories that do not include the goods referred to above.)

14) Both sides filed evidence. Kao filed written submissions. Spa filed observations in relation to the initial evidence of Kao.

### ***Material dates***

15) Under section 6A of the Act Kao must demonstrate genuine use of its registered trade marks in the five year period ending with the date of publication of SPA's application ie for the period from 22 November 2003 to 21 November 2008.

16) SPA's trade mark has an international priority date of 6 December 2004. Section 35(2) of the Act states:

“(2) If the application for registration under this Act is made within that six-month period-

(a) the relevant date for the purposes of establishing which rights take precedence shall be the date of filing of the first Convention application, and

(b) the registrability of the trade mark shall not be affected by any use of the mark in the United Kingdom in the period between that date and the date of the application under this Act.”

Article 4(4) of Directive 2008/95/EC of the European Parliament and the Council of 22 October 2008 (the Directive) states:

“Any Member State may, in addition, provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where, and to the extent that:

.....

“(b) rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed for the application for registration of the subsequent trade mark, and that non-registered trade mark or other confers on its proprietor the right to prohibit the use of a subsequent trade mark”.

Taking into account the above section of the Directive, section 35(2) of the Act is to be interpreted as meaning that the material date for establishing rights for the purposes of sections 5(3) and 5(4)(a) of the Act must be prior to the international priority date of the application. Any later date would defy the logic and purpose of an international priority date, as that date would then no longer apply. Consequently, a reputation, in respect of section 5(3) of the Act, and a goodwill, in respect of section 5(4)(a) of the Act (see below re further comment on material date in relation to the law of passing-off), must be established prior to 6 December 2004.

### ***Evidence***

17) Both parties have furnished evidence. Part of the evidence from both parties emanates from after the both the date of publication and after the international priority date. Evidence from after the date of publication will only have relevance where it may be considered to reflect on matters prior to this date or which may not be date specific eg marketing practices.

### ***Evidence of Kao***

18) Leone Ashby has furnished two witness statements. Ms Ashby is the Senior Brand Manager, Skincare for Kao Brands Europe Limited (KBE). KBE is an

English subsidiary of Kao Brands Company, a Delaware corporation, which is in turn a subsidiary of Kao. Ms Ashby's witness statements were signed on 8 October 2009 and 11 March 2010. Throughout her witness statements Ms Ashby refers to BIORÉ, ie without any reference to an acute accent over the letter e. In this decision reference will generally also be made to BIORÉ but this is not an acceptance that this is the trade mark as used.

19) Ms Ashby states that the BIORÉ range includes skin washes and cleansers, moisturisers, exfoliating scrubs, cleansing wipes, skin toners, cleansing nose and facial strips and facial cleansing and exfoliating masks. She states that these goods "fall within the category of skincare products designed to cleanse pores and treat or prevent acne and blemishes", "the Pore Cleansing Category". BIORÉ products retail for between £3.99 and £7.99. She states that Kao's main competitors are Clean and Clear and Clearasil; other competitors include L'Oreal Purezone, Neutrogena, Witch and T-Zone. The competitors' products typically retail for between £2.99 and £4.99. BIORÉ products are towards the top end of the off-shelf pore cleansing category but not at the very highest end of skincare, which is made up of premium brands such as Lancôme. BIORÉ products are in the band that is referred to as "masstige", meaning that the goods are mass market goods but have a prestige image within that grouping. The BIORÉ range targets women aged between 18 and 35, with an emphasis on women in their early 20s. In April 1997 the BIORÉ range was launched in the United Kingdom by The Andrew Jergens Company, a United States division of Kao. Initially the BIORÉ range was only sold in Boots but in about a year the goods were being sold by Superdrug, as well as being sold through independent chemists and retailers. Ms Ashby states that the launch of BIORÉ products was accompanied by a "wave of publicity including interviews, articles and reviews in beauty magazines, press releases, reader giveaways in consumer magazines, radio competitions, sample giveaways in cinemas, and demonstrations at the Clothes Show Live in December 1997 and the Cosmopolitan Show in April 1998". 600,000 samples were given out to promote the BIORÉ launch in the United Kingdom. References to BIORÉ were made in television programmes such as *The Big Breakfast* on Channel 4 and *Style Challenge* on the BBC. There were reviews in national newspapers, including *The Financial Times*.

20) Until 2004 the BIORÉ range was sold in the United Kingdom and Ireland through local distributors. In 2004 KBE began to sell the range directly in these countries. The BIORÉ range continued to be available in high street chains throughout the United Kingdom and Ireland. In 2004 the BIORÉ range was expanded into the "grocery sector" through Tesco, Sainsbury, Asda and Morrison. A list of BIORÉ products is given: facewash, mild daily cleansing scrub, deep pore wash, hydrating moisturiser, gel patches, self-heating mask, cleanser, toner, cleansing cloths, face strips, nose strips, ultra nose strips, deep cleansing pore strips, shine control clay mask, shine control cream wash, ultra deep cleansing pore strips, facial deep cleansing pore strips, blemish fighting ice wash, warming blackhead fighting cream wash, pore unclogging scrub and daily

deep pore cleansing wipes. There is no indication as to when these various products came on to the market, as Ms Ashby is writing on 8 October 2009 these products are not tied to the proof of use period.

21) At LA2 examples, undated, of BIORÉ packaging are exhibited. The use shown is not of BIORÉ but that of Community trade mark no 1947514.

22) Ms Ashby states that BIORÉ products are sold in around 2,400 stores in the United Kingdom, she is again writing this in October 2009 so this does not advise of the historic position. Exhibited at LA3 are a number of invoices from KBE, the first one is for 22 December 2005 and the last one for 16 October 2008. The invoices are to Boots, Tesco and Allegro Ltd (in Ireland). (Allegro is KBE's distributor in Ireland.) On the invoices various products are identified as being BIORÉ (in upper case without an acute accent) products: shine control clay, shine control moist, deep pore cleansing wipe, shine control cream cleanser, warm blackhead fighting cream wash, self heating mask, ultra strips, deep cleansing facial strips, pore exfoliating, pore unclogging. Other products appear on the invoices but there is nothing to indicate that they are sold under the BIORÉ name.

23) Ms Ashby states that she knows from her experience as a brand manager, and as a shopper, that retailers in the United Kingdom typically stock BIORÉ products in eye-catching displays where the prominent word BIORÉ on the product and the accompanying point-of-sales materials are clearly visible to the customer. Skincare products like those in the BIORÉ range are typically displayed on self-service shelves in chemists and supermarkets and, Ms Ashby states, customers make their selection based on what they see. KBE regularly supplies retailers with prominent stand-alone product tiers and signage to support the BIORÉ brand. KBE runs roughly five promotions a year at each of its major retailers in the United Kingdom and Ireland, where it pays for prominent displays in the middle and at the end of aisles. In the United Kingdom KBE pays around £35,000 per month for these promotions plus £10,000 - £20,000 "for trays". The same promotions are run in Ireland, where the costs are not so high. Exhibited at LA4 are images on these in-store displays, this consists of 8 pages. On page 6 there is a design date of 13 July 2007, page 8 refers to October/November 2004 and January 2005. The images on pages 6 and 8 indicate how the campaigns should look, rather than showing the campaign in situ. The images in situ show use in Boots and Sainsbury and a store that it is not possible to identify. All of the products bear the trade mark the subject of registration no 1947514. The trays all show use of Bioré. A Sainsbury shelf sign shows use of Bioré.

24) The wholesale value of sales of the BIORE brand in the United Kingdom were as follows (in £ millions):

2000	2001	2002	2003	2004	2005	2006	2007	2008
3.2	2	1.6	1.53	1.497	1.922	2.281	1.979	1.546

25) Ms Ashby states that the market in skincare products in the United Kingdom and Ireland is crowded; it is dominated by big players such as Olay, Nivea and L'Oreal. She states that in the pore cleansing category, however, the BIORE range competes primarily with two major brands which together have 40% of the market, CLEAN AND CLEAR and CLEARASIL. Ms Ashby reiterates the demographic group at which the BIORE brand is aimed and that it is a "masstige" brand. Ms Ashby states that the overall facial skincare market in the United Kingdom is worth around £377million per annum. The market share figures for BIORE products have been calculated by Kao, the figures for 1998-2003 relate to the share of the overall facial skincare market, the figures after this relate to the pore cleansing category.

	Market share %	Value £ millions
1998	3.6	7.3
1999	3.6	7.7
2000	2.1	4.8
2001	1.3	3
2002	0.9	2.5
2003	0.9	2.3
2004	2.5	2.2
2005	3.9	3.5
2006	4.4	4.1
2007	3.5	3.3
2008	3.2	2.9

26) BIORE is number 6 in the overall market share rankings in the pore cleansing category. CLEAN & CLEAR has 22% of the market, CLEARASIL 19%, NEUTROGENA 10%, WITCH 8%, GARNIER 7% and BIORE 4%, T-ZONE also has 4%.

27) Promotional and advertising expenditure for the United Kingdom and Ireland<sup>iii</sup> is as follows:

2004 £675,000  
 2005 £1,158,000  
 2006 £739,000  
 2007 £107,000

Until 2004 most of the advertising for the BIORE range was carried out by local distributors and retailers.

28) There was a poster campaign promoting BIORÉ products on the London Underground in 2006. Exhibited at LA6 are press releases. Page 1 refers to a re-launch of the Bioré skincare range under the name of Bioré Pore Perfect in September 2004, page 2 refers to the introduction of a range of oily skin products in January 2006. Included in this press release is the following:

“Biore’s last major drive was in 2004, when it ran its first UK TV ads to back the launch of its Pore Perfect line, intended to boost the brand’s mainstream appeal.”

The final press release, from 7 March 2006, relates to the launch of “the new Bioré skin care website”. Exhibited at LA22 is copy of a presentation given internally in January 2005. This presentation refers to a press event at Sketch in May 2004, at which 71 journalists were present and a Ms Arabella Weir, whom Ms Ashby describes as “a celebrity”. Parts of messages of gratitude from some of the journalists who attended are included in the presentation. Also included in the presentation are copies of advertorials (or similar) from various publications (some of the copies are undated but as the presentation was made in January 2005 they must emanate in or before January 2005):

- *Star* (which describes itself as the “The world’s greatest celeb weekly”) of 23 August 2004. Reference is made to Bioré Pore Perfect Blemish Fighting Cream Cleanser, which will be available from September.
- *Daily Mail* of 1 November 2004. Biore self heating mask is shown.
- *Daily Express* of 27 September 2004. Reference is made to Biore Pore Perfect, which is in the part of the advertorial which deals with skin products for those in their 20s.
- *Cosmo Girl* for October 2004. Bioré Pore Perfect daily deep pore cleansing wipes can be seen.
- *More* (undated). References are made to two products: Bioré Warming Blackhead Fighting Cream Cleanser and Bioré Pore Unclogging Scrub.
- *Bliss* (undated). Reference is made to Bioré Blemish Fighting Ice Cleanser.
- *Now* of 8 December 2004. Reference is made to Bioré Blemish Fighting Ice Cleanser.
- *Star* of 23 August 2004. Reference is made to Bioré launching “seven ways to perfect skin”. The seven new products include warming blackhead fighting cream cleanser, pore unclogging scrub and blemish fighting ice cleanser.
- *Take a Break* (which describes itself as “WORLD’S FAVOURITE TRUE LIFE WEEKLY”, the article is undated). In response to a reader’s question about spots a number of products are recommended including Bioré Pore Perfect products. The response advises that the products are available at Boots, Superdrug and Sainsbury.
- *Black Beauty & hair* (undated). The range of Bioré Pore Perfect products can be seen.

- *Beauty* for November 2004. Reference is made to Bioré Blemish Fighting Ice Cleanser.
- *Pure Beauty* for October 2004. Bioré Pore Perfect is a winner of a 2004 award for best skin care re-launch. The part of the article dealing with this includes the following:

“Bioré Pore Perfect is a skin cleansing collection that focuses of superior deep pore cleansing.... There are seven products in the range: Warming Blackhead Fighting Cream Cleanser, Blemish Fighting Ice Cleanser, Pore Unclogging Scrub, Triple Action Toner, Deep Cleansing Pore and Face Strips, Self-Heating Mask and Daily Deep Pore Cleansing Wipes....”

- *The Pure Beauty Book 2004*. The beginning of the part of the article is missing. The part that is reproduced identifies “... Action Toner, Custom Fit Deep Cleansing Pore and Face Strips, the one-minute Self-Heating Mask and Daily Deep Pore Cleansing Wipes”.
- *Spirit* of December 2004. Reference is made to “The new range from Bioré Pore Perfect”.
- *Health and Beauty* for October/November of an unknown year. This is marked as a Boots publication. Reference is made to Bioré Warming Blackhead Fighting Cream Cleanser.
- *Spirit* of October 2004. There is promotion for the giving away of “50 BIORÉ® DEEP-CLEANSING BEAUTY” sets. The presentation also advises that there was a “sponsored shoot”.
- *Now* of 8 December 2004. Reference is made to Bioré Pore Perfect Warming Blackhead Fighting Cleanser.
- *Sugar* of November 2004 (it describes itself as “BRITAIN’S No 1 TEEN MAG). Reference is made to the Bioré skincare line.
- *Celebs* of 14 October 2004. Reference is made to various Bioré products, in order to effect a “pore blitz”.
- *Daily Mail* of 1 November 2004. Reference is made to Biore Daily Deep Pure Cleansing Wipes.
- *OK* (undated). Reference is made to Bioré Self-Heating Mask.
- *New Woman* of December 2004. Reference is made to Bioré Pore Perfect Ultra Deep Cleansing Pore Strips.

Also included in the presentation are details of a subscription offer which would appear in *Glamour* in February 2005, persons subscribing to the magazine will receive a free gift from Bioré. Another subscription offer for February 2005 can be seen for *B*, those subscribing by direct debit will receive the “NEW BIORÉ PORE PERFECT SKIN COLLECTION WORTH £23”.

29) Exhibited at LA7 are examples of print promotions. In *More* for 5-18 June 2007 there is a promotion of several pages for Bioré products: Bioré Self Heating Mask, Bioré Deep Cleansing Pore Strips, Bioré Shine Control Moisturiser, Bioré

Pore-Unclogging Scrub, Bioré Warming Blackhead Fighting Cream, Bioré Ultra Deep Cleansing Pore Strips. In *Glamour* for May 2006 promotion there is a promotion for: Bioré Shine Control Cream Wash, Shine Control Clay Mask, Unclogging Scrub, Shine Control Moisturiser, Blemish Fighting Ice Cleanser, Ultra-Deep Cleansing Pore Strips, Warming Anti-Blackhead Cleansing Cream, Triple Action Toner, Deep Pore Cleansing Wipes and Shine Control Moisturiser are promoted. A number of full page advertisements are included in the exhibit:

- *Closer* for 25-31 March 2006. Advertisement for Bioré Shine Control range. The advertisement advises that the user of the products will “achieve instant shine control for a light, fresh, healthy-looking complexion”.
- *Closer* for 15-21 April 2006. Advertisement for Bioré Shine Control products.
- *Cosmopolitan* for April 2006. Advertisement for Bioré Shine Control products.
- *Cosmopolitan* for June 2006. Advertisement for Bioré Shine Control products.
- *Glamour* for April 2006. Advertisement for Bioré Shine Control products.
- *Glamour* for July 2006. Advertisement for Bioré Shine Control products.
- *Heat* for 17-23 March 2006. Advertisement for Bioré Shine Control products.
- *Heat* for 8-14 April 2006. Advertisement for Bioré Shine Control products.
- *Heat* for 18-24 March 2006. Advertisement for Bioré Shine Control products. (It is difficult to conceive that there were editions of the magazine for both the 17-23 March and 18-24 March. The dates are entered by hand.)
- *InStyle* for April (no year given). Advertisement for Bioré Shine Control products.

The exhibit contains various other full page advertisements for Bioré Shine Control products from magazines which are primarily aimed at women. A constant in the promotions and the advertisements is the use of Bioré, with the e acute. Ms Ashby states that KBE also promoted the BIORÉ range with material similar to that exhibited at LA7 prior to 6 December 2004, a point that she makes in both her statements. She states, however, that copies of such advertisements have not been kept. She states that exhibit LA22 refers to this. LA22 does not contain evidence of conventional advertisements but of promotion through press events and advertorials. At page 42 of exhibit LA22 there is a results summary which reads as follows:

“58 pieces of coverage  
30,223,336 people reached  
£51,709 equivalent advertising rate  
£155,127 perceived editorial value  
21% increase on coverage achieved 2003.”

Exhibited at LA23 is a copy of an e-mail from Ms Nina Flintham of Beauty Screen PR to Ms Ashby. The e-mail advises "There are 148 specific UK articles featuring Biore". The e-mail that gave rise to this response is not exhibited. The 148 articles appeared between 1994 and 2004. The e-mail relates to worldwide figures as well as United Kingdom figures, hence the apparent discrepancy with the date of launch of the product in the United Kingdom (1997). Included in LA23 is a list of sources of the promotion. The United Kingdom sources that can be identified are either newspapers or trade publications. The exhibited evidence in relation to newspaper promotion, shows use in advertorials rather than stand alone advertisements.

30) Exhibited at LA8 are copies of what Ms Ashby describes as independent reviews. These are what are normally described as advertorials. The reviews/advertorials are from *Look* for 28 April 2008 and 25 August 2008, *Top Santé* for May 2008, *You* for 30 November 2008, *Vogue* for January 2008, *Essentials* for July 2008, *More* for 14-27 March 2006, *Newwoman* for June 2006. Included in the exhibit at page 7 are examples of advertorials that have appeared in *Cosmopolitan*, *Reveal*, *Star Magazine*, *The Mirror* and *Metro*. The dates without the years of the advertorials are given. Also included in the exhibit is a promotion in *More* for 9-22 May 2006 and *Sugar* for May 2008. The products promoted have all been referred to before. The BIORE range has also won awards in 2005, 2006 and 2008. The 2005 award was from *Beauty* and was for "Best New Skincare Launch". Page 19 of LA22 reproduces an article from *Beauty*, the heading of the page is "trade coverage".

31) Ms Ashby states that television has been a significant and effective advertising channel for BIORÉ products. Ms Ashby states that she knows through Kao's United Kingdom advertising agency and the DDS television audience data tracking system that television advertising for BIORÉ products has reached 75% of all women in the age category 18-65. Ms Ashby states that data indicates that in the category of women aged 18 to 65 in the United Kingdom, 22 million of them have seen BIORÉ advertisements on an average of three times. She states that approximately 78.7% of women aged 16-34 saw advertisements for the BIORÉ range at some point during 2004 or 2005. She states that this equates to about 5.6 million women who saw BIORÉ advertisements on television. Ms Ashby states that BIORÉ advertisements typically lasted 20 or 30 seconds. She states that there were aired 179 times in 2004 and 399 times in 2005, and were seen on 13 channels. Ms Ashby states that in 2004 United Kingdom television spots for BIORÉ reached 59% of all women aged 16-34 and that in 2005 the reach figure was 70%. Ms Ashby states that 65.9% of BIORÉ advertisements aired during peak time in 2004 and 49.6% during peak time in 2005. Exhibited at LA10 are details of the broadcasting of the advertisements. These show that in 2004 all of the advertisements took place in November, in 2005 all of the advertisements took place in July. The 2004 advertisements were broadcast on Carlton, LWT3, Central3, North3, C4TV, FiveTV, ITV2, E4, E4+1, Living and Living +1. Popular prime time television programmes are listed during

which BIORÉ advertisements were broadcast. Exhibited at LA11 is an electronic copy of the advertisement that was broadcast in the United Kingdom and Ireland in 2005. In the advertisement BIORÉ is pronounced as bee-or-ay. The trade mark that is seen is that of registration no 1947514. KBE sponsored a season of the programme *Will & Grace* between 30 March 2005 and 31 December 2005. The nature of the oral and visual use is as for the television advertisement.

32) Since 2004 the BIORÉ range has been promoted on KBE's website [biore.co.uk](http://biore.co.uk). The BIORÉ range has been promoted on independent websites, including [handbag.com](http://handbag.com) and [getlippy.com](http://getlippy.com). Exhibited at LA15 are documents showing images of BIORÉ advertisements that appeared on these websites in 2005. Exhibited at LA16 and LA17 are pages downloaded from the Internet on 23 September 2009 which refer to BIORÉ products. Included in LA17 are pages from chat rooms. The earliest reference to BIORÉ products in these chat rooms is 28 February 2005.

33) Ms Ashby gives an estimate of brand awareness for women between 18 and 35 years of age. This is effectively a guess and it is not tied to a material date and so is not of assistance.

34) KBE also co-branded the BIORÉ product line through a collaboration with the skincare company Beiersdorf. Through this collaboration BIORÉ facial cleansing strips were sold from April 1998 to October 2004 in France, Germany, Austria, Italy, Spain, the Netherlands, Portugal, Greece, Sweden, Finland, Denmark, Belgium, Czech Republic, Poland, Hungary, Slovenia, Slovak Republic, Lithuania, Latvia and Estonia. No figures for turnover are given. Pictures of the packaging are exhibited at LA18 and LA19. The packaging bears the trade marks NIVEA VISAGE and kao bioré.

35) Ms Ashby states she has a detailed knowledge of the retailing of skincare products in the United Kingdom and Ireland. She states that most mass market skincare products, including those in the pore cleansing category like BIORÉ, are typically sold in self-service outlets like chemists and supermarkets. The products are stocked on shelves and selected by customers on the basis of visual identification. She states that certain prestige cosmetic brands are sold through franchise counters within shops where products are requested by name. This is not the case for mass market and "masstige" products like BIORÉ. Ms Ashby states that although BIORÉ products are at the high end of their category, they are not expensive and the selection process is not usually a long one. She states that first time customers may spend a few minutes looking at packaging when deciding on a brand to try. Ms Ashby states that customers in the pore cleansing category are typically loyal to a particular skincare range as they identify with a particular brand image and because of perceived risks that other products might not be so effective or could have an irritant effect. Ms Ashby states that the customers return to the same brand and repeat the purchase at fairly regular, relatively short intervals of a few weeks or months, at that point the

customer typically selects the brand previously used on the basis of the visual recognition of the brand name. She states that because the products are not expensive and the purchases are regular, the visual selection process is normally very brief.

36) Ms Ashby states that skincare products such as cleansers, toners, moisturisers, and the like are typically displayed in close proximity to other personal beauty products such as cosmetics, make-up, fragrances, hair care products and toothpastes. She states that many personal care product companies, such as KBE, manufacture all or many of these types of products. Other prominent and well-known manufacturers with wide personal care product portfolios include Unilever, Colgate-Palmolive and Procter & Gamble.

37) Ms Ashby states that the BIO element of the trade mark is not intended to denote organic or natural characteristics. She states that she is only aware of one other skincare product on the market in the United Kingdom that uses bio as part of its brand name, Bio-Oil. She states that this product is a specialist product used mainly to reduce skin stretch marks in pregnancy, and so not in competition with the BIORÉ range of products. Exhibited at LA20 are photographs of skincare brands (with the exception of BIORÉ, Boots and Superdrug products) displayed on the open shelves at the Superdrug and Boots stores in Oxford Street and purchased by Kao's trade mark attorneys on 26 September 2009. Ms Ashby states that apart from the Bio-Oil product, not a single product included the prefix Bio, including the Boots and Superdrug products.

38) Ms Ashby states that Kao has educated the public, through television advertisements, to pronounce the trade mark BEE-ORR-RAY. She states that on packaging and advertising the trade mark is normally shown with an accent upon the final e, to denote how the final syllable is enunciated.

39) A witness statement has been furnished by Ms Christina Lee Cornwell. Ms Cornwell is "Global Face Care Leader" for Kao Brands Company in the United States of America. Ms Cornwell comments upon the image that Kao has tried to develop for BIORÉ branded products. Her evidence includes submissions and opinions. She refers to matters in the United States of America. There is an absence of hard fact and, in particular, hard fact in relation to the position in the United Kingdom on 6 December 2004. Consequently, it is not necessary to say anything further about the evidence.

40) Mr Roberto Kunz-Hallstein has filed a witness statement in which he adduces a copy of a decision in an opposition before the German Patent and Trademark Office, and a part translation thereof. The opposition was against the trade mark BIORA, based on BIORÉ trade marks. Mr Kunz-Hallstein considers that it is relevant as it considers the impact of the bio element of the respective trade marks. It is necessary to consider the matter in relation to the position in the

United Kingdom market and on the basis of the Anglophone. Consequently, the decision is not relevant to these proceedings.

41) Witness statements were submitted by Ms Hana Elizabeth Watt, Ms Nicola Urmenyi and Ms Emma Quann.

42) Ms Watt worked as a part-time sales assistant at Superdrug in Aberdeen between 2003 and 2005 and between 2006 and 2008. Ms Watt states that the skincare section was near the cosmetics area. She states that the skincare aisle was divided into sections for teen skincare, lip balms, general skincare and premium bands. Within these sections the products were further subdivided by brand and by type of skincare product. She states that she does not believe that customers tended to study the labels for skincare products or ask for advice, except where they were not sure what they wanted to buy. Ms Watt states that she buys face wipes, toners, moisturisers and hand cream regularly and that she tends to stick to one brand. Ms Watt gives her opinion that if she were in a hurry there would be a chance that she might accidentally pick up BIOERA by mistake, thinking it was BIORE; especially if the packaging were similar or if BIOERA skincare products and BIORE were placed together on the shelves.

43) Between 1999 and 2002 Ms Quann worked for Boots in Colchester. She states that skincare products were stocked on open shelves accessible to the customers. She states that the skincare section would have signage reading "Skincare". Skincare products were grouped together by product type, then by brand. She states that in her experience people would not normally need any assistance in purchasing skincare products; they would just go to the shelves, scan the display, pick out what they wanted and put it in their basket. Ms Quann states that she normally sticks to one brand of skincare product. She states that if she were going into a shop looking for a skincare product, she would look for the skincare section, look for the relevant product section, for instance moisturisers, cleansers or facial cleansers, and then pick up the item with the brand name of the skincare product she wanted. She states that if she were familiar with the shop layout it would be a quick process. Ms Quann gives her opinion as to the similarity between BIORE and BIOERA, which is that one could be picked up for the other by mistake.

44) Between 1995 and 2002 Ms Urmenyi worked for Boots in Amersham and Chesham. She states that skincare products were stocked on shelves and displays that were directly accessible to customers. The skincare products were normally arranged in groups by product type and brand, so that, for instance, all L'Oreal moisturisers would appear together. Ms Urmenyi states that it was not common for customers to ask for advice on skincare products or to ask for a specific brand by name. They would normally just go to the shelves, pick up what they wanted, pay for it and go. Ms Urmenyi states that Boots stocked its skincare products in the vicinity of other personal care and grooming products such as nail care products, deodorants and the like. Ms Urmenyi states that if

she were buying personal care products in a shop the process would not take a lot of time and she would pick out the product by eye. Ms Urmenyi gives her view on the potential for confusion between BIORE and BIOERA.

45) In its written submissions Kao considers weight should be given to the opinions of Ms Hana Elizabeth Watt, Ms Nicola Urmenyi and Ms Emma Quann as to the likelihood of confusion. Comparison is made to the decision in BL O/326/06 where the hearing officer took into account survey evidence in relation to confusion. In that case the basis and criteria for the survey were given, 140 people were surveyed. In this case three persons have given evidence. There is no indication as to how they were chosen. A cohort of three persons is not going to be representative of the average consumer for the products in the United Kingdom or of the trade. It is to be noted that since the above decision the Court of Appeal (in *esure Insurance Limited v Direct Line Insurance Plc* [2008] EWCA Civ 842) has commented upon the difficulties on producing reliable surveys. There is, of course, no survey here. Kao has chosen three persons and got them to give their opinions. No weight is given to the three witnesses in relation to their views as to similarity or the likelihood of confusion. The experience of these witnesses in relation to the layout of the stores in which they worked is of relevance and is taken into account. Caution must be exercised in relation to their views as to how customers make their purchases of skincare products. When they were working in the stores they would not have been consciously analysing the purchasing processes of customers for skincare products.

### ***Evidence of SPA***

46) This consists of a witness statement by Mr James Maxwell Stacy. Mr Stacy is a registered trade mark attorney who is acting for SPA in this case. He exhibits various matter downloaded from the Internet in October 2009:

- An article referring to a product called BIO SKIN CARE. The article is dated 28 June 2006 and the product is described as being new. There is no indication as to where the product is available.
- A page from the website biotherm.co.uk which refers to the product BIOTHERM.
- A page downloaded from facefactsskincare.com. There is a reference to a product called BIO-ULTIMATE PLATINUM, which is described as being a facial toning treatment from Bio-Therapeutic. It is an anti-aging product.
- Pages from yourhealthfoodstore.co.uk. The pages give details of BIO HEALTH vitamin E cream, it is described as a moisturiser and a nourishing night cream.
- A page from shiseido.co.uk. This gives details of a product called BIO-PERFORMANCE, which is an anti-aging product.
- Pages from ukhairdressers.com. 10 BIO COL skin care products are shown.

- Pages from stylecanteen.net. An article from 16 March 2009 “Beauty Musts.. REN Bio Skincare. The product is actually referred to as REN No 1 Purity Cleansing Balm.

47) Mr Stacy's evidence does not give any idea as to the use of the prefix bio as of 6 December 2004. Beyond this, none of the examples are on a par with the trade marks in consideration in this case, in all but one of the examples the bio element is separate from the end of the trade mark. It is not considered that the evidence of Mr Stacy has a bearing upon the outcome of this case.

### ***Findings of fact***

48) In the pleadings Kao claims use and reputation in relation to *non-medicated skin preparations*, so the case cannot be considered in any wider parameter than that term. In her evidence Ms Ashby states the goods in relation to which use is claimed fall “within the category of skincare products designed to cleanse pores and treat or prevent acne and blemishes”. She then goes on to define further the goods upon which there is a claim of use as falling within “the Pore Cleansing Category”. These are the categories that Ms Ashby has defined, and Ms Ashby states that she knows the trade. In this respect she can be considered, in the absence of challenge, as an expert witness. Ms Ashby then further qualifies the products as being aimed at women between the ages of 18 and 35 and as being “masstige” products. The products cannot objectively be defined in terms of the age group at which they are primarily marketed. The products of themselves are not limited by their nature to an age group, they are not used solely by a particular age group. “Masstige” is a marketing term that identifies products as being mass market and being prestigious. This is a nebulous and highly subjective term and cannot be used to define a category or sub-category of goods. It may be helpful to an opponent when claiming a reputation to reduce the category of goods, as the smaller the category the greater the possibility of showing that the trade mark is known by a significant part of the public concerned by the category of goods covered<sup>iv</sup>. Ms Ashby begins by defining the market share in terms of the facial skincare market in the United Kingdom, she then defines the market share by reference to the pore cleansing category. So Kao has a bigger market share in relation to the latter rather than the former. (The quid pro quo of the reduction of the category or sub-category of goods is that there may be less chance of a link being made with the goods of an applicant owing to the possible distancing of the goods.)

49) Reputation must be established at a fixed point in time, in this case the international priority date of 6 December 2004. Ms Ashby states that prior to 2004 Kao left advertising and promotion primarily to its distributors. In 2004 £674,000 was spent on promotion. In relation to print media advertising Ms Ashby states that the nature of the advertising prior to 6 December 2004 was similar to that exhibited at LA7, which all post dates this. In support of this she exhibits material at LA22. This material is not on a par with the material LA7, it is

promotion via advertorials and press events, there is no indication of full page advertisements and magazine promotions, as shown at LA7. LA22 refers to 58 pieces of coverage, it refers to **equivalent** advertising rate and to **perceived** editorial value. The e-mail exhibited at LA23 refers to articles featuring BIORE, not to advertisements. All of this indicates that the promotion has been primarily by advertorials.

50) Mr Arnold QC, sitting as the Appointed Person in *EXTREME Trade Mark* BL O/161/07 stated:

"Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness's evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness's evidence.

In this case observations were made by SPA in relation to the absence of material prior to the date of application. Ms Ashby filed evidence in reply and as part of this exhibited the material at LA22 and LA23. This evidence shows promotion by advertorial rather than stand-alone advertisements. Appearing in an advertorial gives less prominence to a product, which is jostling with many others. If there were full page advertisements and promotions there is no indication as to the extent or frequency. In none of the evidence, in relation to pre or post 6 December 2004 is there an indication as to how many times advertisements appeared in publications. There are no circulation figures of the publications supplied.

51) The figures supplied by Kao show that it had a high point in terms of sales in 1999, of £7.7 million. In 2004 the sales had fallen to £2.2 million, in 2005 they climbed up to £3.5 million, the re-launch of the brand took place in 2004. So in 2004 BIORE had 2.5% of the pore cleansing products, in 2005 this had risen to 3.9%. (The figures will have be based on entire years and so market share could have been greater at a particular point in the year.) Ms Ashby states that BIORE is joint number 6 in terms of market share for pore cleansing products with 4% of the market, this presumably relates to the position as of 2010. With 2.5% of the market in 2004 and 3.9% in 2005, it is reasonable to assume that its position was certainly no better as of 6 December 2004.

52) In November 2004 there was a television advertising campaign for BIORE products. Such a campaign could have an effect upon the knowledge of the public concerned. It could be mean that at 6 December 2004 there was an enhanced knowledge of the product. The products are (or were) clearly aimed at females and so it is reasonable to consider females as the public concerned. As

stated above it is not possible to restrict this to the age range to which Kao aims its marketing; pore cleansing products can be used by females of all ages. Ms Ashby states that of women between 18 and 65 in the United Kingdom, 22 million had seen BIORE advertisements on average 3 times. This figure relates to the effect of both television promotions and so does not identify the position in November 2004, the July 2005 campaign had over twice as many spots. (A copy of the advertisement used in November 2004 has not been exhibited.) Such figures are anyway by their nature approximations and estimations. The appearance of advertisements on television cannot be equated with public awareness or memory of what is being advertised. Cups of tea are made during advertisement breaks, programmes are recorded and the advertisements are fast forwarded, viewers talk, they take no notice. In this case there were 179 television spots in November 2004, some of 20 seconds and some of 30 seconds. It is estimated that many women would have been watching programmes in which they advertisements appeared on three separate occasions. The fact of advertising is not indicative of the success of the advertising; there is no evidence as to actual impact of the advertising or the awareness of the advertising. Kao could have put into turnover figures to demonstrate the effectiveness of its November 2004 advertising, ie showing whether there had been an increase in sales in December compared to previous Decembers and the previous months. It did not. Ms Ashby considers that it is of significance that BIORE products won an award in 2005 from *Beauty*, being indicative that the products must have had a reputation as of 6 December 2004. *Beauty* is a trade magazine and so does not reflect the position of the average consumer. The award is not for the product but for “Best New Skincare Launch”. The award has no significance in relation to the claim to reputation.

53) The European Court of Justice (ECJ) in *General Motors Corporation v Yplon SA* stated how a party would establish this reputation:

“27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.”

The market share in 2004 was 2.5%, the brand was a long way behind, and still is, the market leaders. The figures of sales show that the turnover was dropping from 1999 onward, indeed 2004 was the low point in terms of turnover. The primary form of promotion, prior to the television advertising, was by advertorial. In 2004 the products were available in major retailers in the United Kingdom, however, being sold by the major retailers does not of itself give rise to reputation; many niche products are sold by major retailers. In its written submissions Kao refers to 13 years of use and to building up a reputation prior to the date of the filing of the opposition. Such submissions ignore the material date for the establishment of reputation, they are based on the position in 2010.

**54) Kao has not established that as of 6 December 2004 the trade marks upon which it relies were known to a significant part of the public concerned for pore cleansing products for females, consequently, its claim under section 5(3) of the Act fails.**

**55) The evidence of use does not substantiate the claim that as of 6 December 2004 that the trade marks upon which Kao relies had through use enhanced their distinctiveness.**

56) The form of use shown by Kao is essentially that of Community trade mark registration no 1947514 or Bioré. There is use of BIORE on invoices to third parties.

57) During the proof of use period Kao has shown use by reference to the trade mark the subject of Community trade mark registration no 1947514 or Bioré in relation to the following goods: deep pore cleansing wipes, ultra deep cleansing pore strips, shine control cream wash, shine control clay mask, shine control cream cleanser, deep cleansing pore strips, self heating mask, deep cleansing facial strips, warming anti-blackhead cleansing cream, shine control moisturiser, unclogging scrubs, blemish fighting ice cleanser, triple action toner, pore exfoliating, facial strips, warming cream cleanser, ice cleaner, warming cleanser, ultra pore strips and pore unclogging scrubs.

58) In *Reckitt Benckiser (España), SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-126/03* the General Court (GC) :

45 It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition proceedings, only for the sub-category or sub-categories relating to which the goods or services for which the trade mark has actually been used actually belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not possible to make any significant sub-divisions within the category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.

Ms Ashby has identified the sub-category of goods herself, pore cleansing products, she speaks with her unchallenged experience in the industry. The products shown and the manner in which their use is shown give rise nothing to gainsay this sub-categorisation by Ms Ashby. Ms Ashby also identifies the products as being for females. The goods under consideration do have a gender

split, they are marketed separately and differently according to gender. Consequently, the appropriate sub-category of goods is *pore cleansing products for females*.

59) Kao has claimed use in relation to four trade mark registrations which encompass 3 trade marks. There is no evidence of use of the trade mark BIORE Qualité and so it cannot rely upon this trade mark. The vast majority of the evidence shows use of the trade mark the subject of Community registration no 1947514.

60) The question arises, in relation to the Community trader mark registration, as to whether it encompasses all of the goods in relation to which use has been shown. It lists specific goods and the general term cosmetics. In “construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade<sup>v</sup>”. Words should be given their natural meaning within the context in which they are used, they cannot be given an unnaturally narrow meaning<sup>vi</sup>. The *New Oxford Dictionary of English* defines cosmetics as being products applied to the body, especially the face, to improve its appearance. The goods of Kao cleanse and clean and so improve the appearance and they are applied to the face. As this relates to a matter of trade and the meaning and significance of specifications it is instructive to look at how the classification database of the Intellectual Property Office views the terms cosmetic and cosmetics. The database includes the following terms in class 3 (and others of the same nature):

moisturising lotions [cosmetic];  
facial lotions [cosmetic];  
face masks [cosmetic];  
cosmetics preparations for skin care;  
cosmetic preparations for cleansing the skin.

It is considered, therefore, that the term cosmetics includes *pore cleansing products for females*.

61) Reference is made to use in Ireland and there are invoices in relation to this. There is also sketchy evidence of use in a number of countries of the European Union in relation to the co-branding with Beiersdorf (see paragraph 33). The weight of the evidence of use relates to the United Kingdom. There is no legal precedent as to whether use in one member state (or two if Ireland is included) is sufficient to maintain the use of a Community trade mark. However, the decision of the Fourth Board of Appeal of the Office for Harmonization in the Internal Market in *ILG Ltd v Crunch Fitness International Inc* [2008] ETMR 17 is noted:

“11 The relevant period is October 1998 to October 2003. Use in one country of the Community, such as Italy, is sufficient (Joint Statements by the Council and the Commission entered in the Minutes of the Council

meeting at which the CTMR was adopted, No.B.10, OH OHIM 1996, 607, 613), provided that is it [ *sic.* ] genuine.”

In *PAGO International GmbH v Tirol Milch registrierte Genossenschaft mbH* Case C-302/07 the ECJ considered the requirements for establishing a reputation in respect of a Community trade mark:

“30 The answer to the first question referred is therefore that Article 9(1)(c) of the regulation must be interpreted as meaning that, in order to benefit from the protection afforded in that provision, a Community trade mark must be known by a significant part of the public concerned by the products or services covered by that trade mark, in a substantial part of the territory of the Community, and that, in view of the facts of the main proceedings, the territory of the Member State in question may be considered to constitute a substantial part of the territory of the Community.”

It would be anomalous if reputation in one member state may be enough to satisfy the requirement of Article 9(1)(c) but use in one (or two) member state(s) could not satisfy the use requirement. The use shown is not token use and it is external use. In considering whether genuine use is established it is necessary to consider, within the context of the European Union as a whole, the sector of the industry in which Kao operates and the nature of the goods, whether the use is warranted in the market place and if the use creates and preserves an outlet for the goods in the marketplace<sup>vii</sup>. Use might be of a scale that could be considered warranted in a single jurisdiction but not the European Union as a whole; something that is reflected in Article 108(2)(a) of Council Regulation 40/94 of December 20, 1993 which is based on the premise that use of the trade mark may be sufficient to maintain registration in one jurisdiction but not the European Union as a whole:

“(a) where the rights of the proprietor of the Community trade mark have been revoked on the grounds of non-use, unless in the Member State for which conversion is requested the Community trade mark has been put to use which would be considered to be genuine use under the laws of that Member State”.

**62) Taking into account the extent of use between 22 November 2003 and 21 November 2008, including in terms of both sales and promotion, and the consistency of use during the five year period, Kao has established genuine use of its Community trade mark in respect of *pore cleansing products for females*.**

63) Taking into account the findings below, Kao would not be in a better position in relation to the BIORE trade mark and so it is not necessary to decide whether use of this trade has been established.

64) A similar provision to section 5(4)(a) of the Act is to be found in Article 8(4) of Council Regulation 40/94 of December 20, 1993. This was the subject of consideration by the GC in *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Joined Cases T-114/07 and T-115/07. In that judgment the CFI stated:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.”

I apply the reasoning of the CFI, *mutatis mutandis*, in relation to the Act. So the material date is the date of the international priority claim. How goodwill is to be established has been dealt with in several judgments<sup>viii</sup>. *Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* [2007] RPC 5 establishes that one cannot just follow a formula or demand certain predetermined requirements to be met. In this case there is clear objective evidence of a business which is undertaken by reference to the sign the subject of Community trade mark registration no 1947514 as of the material date. **Kao has established that at the material date of 6 December 2004 it enjoyed a goodwill in relation to pore cleansing products for women by reference to the sign the subject of Community trade mark registration no 1947514.**

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

#### ***Average consumer, nature of purchasing decision and standard for likelihood of confusion***

65) Kao has put in evidence from Ms Hana Elizabeth Watt, Ms Nicola Urmenyi and Ms Emma Quann who comment upon the purchasing process being mainly visual. They have experience in working in undertakings selling the products that Kao sells. They cannot be considered to be a statistically representative group. (When receiving evidence from persons, where there is no indication as to how they were chosen, a question is always left open as to whether other evidence was received that was not filed.) SPA has not challenged their evidence and there is nothing surprising in what they say about how the goods are purchased. Ms Ashby can be considered to be an expert in the field. She may be an expert employed by the opponent but SPA has not put in any evidence to challenge her

comments about how Kao's goods are normally purchased, or called her to be cross-examined. It is accepted that *pore cleansing products for females* are normally purchased by self-selection without recourse to oral use of the trade mark. The average consumers are females at large. Ms Hana Elizabeth Watt, Ms Nicola Urmenyi and Ms Emma Quann refer to brand loyalty in relation to skin care goods. Ms Ashby states that first time customers may spend a few minutes looking at packaging when deciding on a brand to try. Ms Ashby states that customers in the pore cleansing category are typically loyal to a particular skincare range as they identify with a particular brand image and because of perceived risks that other products might not be so effective or could have an irritant effect. Ms Ashby states that the customers return to the same brand and repeat the purchase at fairly regular, relatively short intervals of a few weeks or months, at that point the customer typically selects the brand previously used on the basis of the visual recognition of the brand name. She states that because the products are not expensive and the purchases are regular, the visual selection process is normally very brief. There is nothing to gainsay the statement of Ms Ashby and her statement seems perfectly reasonable and logical. It is to be borne in mind that the average consumer is deemed to be reasonably well informed and reasonably circumspect and observant<sup>x</sup>. Owing to the nature of the purchasing process the possible effects of imperfect recollection are increased.

66) In *New Look Ltd v Office for the Harmonization in the Internal Market (Trade Marks and Designs)* Joined cases T-117/03 to T-119/03 and T-171/03 the GC stated:

“49 However, it should be noted that in the global assessment of the likelihood of confusion, the visual, aural or conceptual aspects of the opposing signs do not always have the same weight. It is appropriate to examine the objective conditions under which the marks may be present on the market (*BUDMEN*, paragraph 57). The extent of the similarity or difference between the signs may depend, in particular, on the inherent qualities of the signs or the conditions under which the goods or services covered by the opposing signs are marketed. If the goods covered by the mark in question are usually sold in self-service stores where consumer choose the product themselves and must therefore rely primarily on the image of the trade mark applied to the product, the visual similarity between the signs will as a general rule be more important. If on the other hand the product covered is primarily sold orally, greater weight will usually be attributed to any aural similarity between the signs.”

Consequently, the visual similarity or dissimilarity will, potentially, have greater effect than the oral similarity or dissimilarity.

### **Comparison of goods**

67) Consideration should be given as to how the average consumer would view the goods<sup>x</sup>. The class of the goods in which they are placed may be relevant in determining the nature of the goods<sup>xi</sup>. In assessing the similarity of goods it is necessary to take into account, inter alia, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary<sup>xii</sup>. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T- 325/06* the General Court (GC) explained when goods are complementary:

“82 It is true that goods are complementary if 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 (see, to that effect, Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 *P Rossi v OHIM* [2006] ECR I-7057; Case T-364/05 *Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL)* [2007] ECR II-757, paragraph 94; and Case T-443/05 *El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños)* [2007] ECR I-0000, paragraph 48).”

In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J also gave guidance as to how similarity should be assessed<sup>xiii</sup>.

68) 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<sup>xiv</sup>.

69) Consequent to paragraph 13, the goods of the application that are to be considered are:

*bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices;*

*pharmaceutical preparations.*

Consequent upon the findings in relation to proof of use, the above goods are to be compared to:

*pore cleansing products for females*

It is to be noted that the comparison of goods undertaken by Kao is not based on the pleaded use but on much wider specifications. The fair specification that has been decided, in turn, is more limited than the pleaded case.

70) *Cleaning preparations, soaps and cosmetics* of the application will encompass *pore cleansing products for females* and so the respective goods must be considered to be identical.

71) The evidence of Ms Hana Elizabeth Watt, Ms Nicola Urményi and Ms Emma Quann establishes that skincare products have their own discrete areas of shops.

72) Kao makes submissions in relation to the similarity of goods on the basis that certain large conglomerates produce skin care and cosmetic products as well as household cleaning products. Such an argument for similarity does not fall within the parameters of the case law. The large supermarkets and department stores brand goods across the spectrum by reference to their name, this can hardly give rise to a view that all their goods and services are similar. Elf-Aquitaine owns (or owned) the Yves Saint Laurent Groupe, this does not mean that oil and clothing are similar. Kao refers, inter alia, to Unilever and Procter & Gamble, respectively the owners of Hellmann's and Pringles, this can hardly mean that washing powder is similar to mayonnaise and potato snacks. The issue of similarity needs to be considered in relation to the comparison of the goods, not the portfolio of interests of large multinational companies.

73) *Bleaching preparations and other substances for laundry use* are all, clearly, for laundering. A normal reading of *polishing, scouring and abrasive preparations* is that these are products for use on objects. None of the goods under consideration in this paragraph are for use on the person, unlike the goods of the earlier registration. Their purposes are different, one set of goods is to cleanse the skin, the other to clean objects. They will be sold in discrete areas of shops. The respective goods are not fungible, they are not in competition. The respective goods do not have a symbiotic or mutually dependant relationship, they are not complementary. The users are different, one set of users wants to cleanse their bodies, the other to clean an object. The goods under consideration in this paragraph are not similar to the goods of the earlier registration.

74) *Pharmaceutical preparations* will include medicated versions of the goods of the earlier registration and so the respective goods are highly similar.

75) *Dentifrices* are solely for cleaning the teeth. The goods of the earlier registration are solely for cleaning the skin. So both sets of goods serve the purpose of cleaning a part of the body, however, very different parts of the body. The respective goods are neither fungible, nor do they have a mutually dependent (or simply dependent) relationship; they are neither in competition nor complementary. *Dentifrices* have their own areas of shops, they are distinctly discrete products. The users of one set of goods wish to cleanse the skin, the users of the other to clean the teeth; they are different users. (Of course, if an ad absurdum logic was followed, virtually all objects have the same users as they

are used by humans.) That goods may have a similarity, in this case both being for cleaning a party of the body, does not make them similar<sup>xv</sup>. *Dentifrices* are not similar to the goods of the earlier registration.

76) Included in class 3 are essential oils for the care of the skin (as per the Intellectual Property Office classification database). Such goods share the same purpose as the goods of Kao, they could be sold in the same area of undertakings, they are fungible and so in competition. The end users will be the same, persons wanting to take care of their skin. Consequently, there is a high degree of similarity between *essential oils* and *pore cleansing products for females*.

77) *Perfumery* gives an odour to the wearer, it does not cleanse or clean and so has a different purpose to the goods of Kao. *Perfumery* is not fungible with *pore cleansing products for females*, the respective goods are not in competition. There is no symbiotic or mutually dependent relationship between the respective goods, they are not in competition. There are different end users; one set of end users is seeking a product to produce a scent, the other to cleanse. As shown by the evidence of Ms Hana Elizabeth Watt, Ms Nicola Urmenyi and Ms Emma Quann the respective goods will be in discrete areas of shops. *Perfumery* is not similar to *pore cleansing products for females*.

78) *Hair lotions* are to improve the hair. In that they are put on part of the body they share a similarity with *pore cleansing products for females*. The respective goods are neither fungible, nor do they have a mutually dependent (or simply dependent) relationship; they are neither in competition nor complementary. *Hair lotions* have their own areas of shops, they are distinctly discrete products. The users of one set of goods wish to cleanse the skin, the users of the other to improve the hair; they are different users. That goods may have a similarity, in this case applied to part of the body; but very different parts. *Hair lotions* are not similar to the goods of the earlier registration.

### ***Outcome of comparison of goods***

79) The following goods of the application are not similar:

***bleaching preparations and other substances for laundry use; polishing, scouring and abrasive preparations; perfumery, hair lotions; dentifrices;***

***veterinary preparations; sanitary preparations for medical purposes; dietetic substances adapted for medical use, food for babies; plasters, materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides; food supplements for medical purposes; dietetic food supplements; mineral food supplements; vitamins and vitamin preparations; dietetic***

***beverages and foods adapted for medical purposes; dietetic and energy-giving foods adapted for medical purposes.***

**The following goods are identical:**

***cleaning preparations, soaps and cosmetics.***

**The following goods are highly similar:**

***pharmaceutical preparations;***

***essential oils.***

### ***Comparison of trade marks***

80) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details<sup>xvi</sup>. The visual, aural and conceptual similarities of the marks must, therefore, be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components<sup>xvii</sup>. Consequently, there cannot be an artificial dissection of the trade marks, although it is necessary to take into account any distinctive and dominant components. The average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he/she has kept in his/her mind and he/she is deemed to be reasonably well informed and reasonably circumspect and observant<sup>xviii</sup>. The assessment of the similarity of the trade marks must be made by reference to the perception of the relevant public<sup>xix</sup>.

81) The trade marks to be compared are:

**Bioré**

**BIOERA**

82) It is difficult to envisage that the average consumer will indulge in the dissection of Kao's trade mark into separate elements. The trade mark is very much a unified whole and there is no dominant and distinctive element. SPA's trade mark can be split into two parts; the prefix BIO and the word ERA. However, it is again difficult to envisage the average consumer for the respective goods indulging in etymological dissection of the trade mark. As a whole the trade mark has no meaning. The distinctiveness lies in the trade mark as a whole.

83) Ms Ashby states that Kao has educated its customers in the way that its trade mark should be pronounced. As of 6 December 2004 that educative process had taken the form of a series of television advertisements. The print advertisements do not indicate the pronunciation. It is difficult to concede that the series of television advertisements will have educated the average consumer in relation to the pronunciation of Bioré. (Despite decades of use and fame the average Anglophone cannot pronounce Porsche with the e sounded or Mallorca with the Castellano ll sound.) In its statement of grounds Kao refers to the e acute. In English an e acute appears in the word café, however, this appearance cannot necessarily be extrapolated into a general understanding by the average consumer of the pronunciation of e acute. There will, no doubt, be many who are not even cogniscent of the e acute in café; it is noted that the spell check on Word™ allows for a spelling of café and of cafe, ie without the e acute. It is not accepted that the average consumer will be aware of the significance of the acute accent over the letter e, or that it is even an accent. The average consumer will be a monoglot Anglophone with little experience or knowledge of accents.

84) The average consumer is used to words that begin with bio: biology, biography, bionic, biodiversity, biopsy, biorhythm. There is a consistency in the bio being pronounced bye-oh. Era is a commonly used word. It is likely that the average consumer will pronounce SPA's trade mark bye-oh-ear-ah; so a four syllable word. It is likely, taking Kao's trade mark as a whole, that the average consumer, who has not been educated otherwise, would pronounce the trade mark BYE-OAR; this would seem the pronunciation that is likely to be formed by the brain and to most readily trip from the tongue. The respective trade marks commence with the same syllable but the rest of the trade marks differ and Kao's is of two syllables to the four syllables of that of SPA. If the average consumer had been educated in the pronunciation of Kao's trade mark to pronounce it BEE-ORR-AY, as claimed in its submissions, this is further away phonetically from the trade mark of SPA. **There is a very low degree of phonetic similarity between the respective trade marks.**

85) In *Phillips-Van Heusen Corp v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-292/01* the GC held that for there to be a conceptual counteraction to other similarities "at least one of the marks at issue must have, from the point of view of the relevant public, a clear and specific meaning so that the public is capable of grasping it immediately". As has been stated above neither trade mark has a clear and specific meaning. The average consumer does not go around indulging in philological analysis of trade marks, they are taken in their entirety and meaning is not sought in them. **The respective trade marks are treated as invented words with no conceptual hook. There is neither conceptual similarity nor conceptual dissimilarity.**

86) Both trade marks begin with BIO, they both contain the letters R and E, inverted in SPA's trade mark from the position in that of Kao. They are short words which contain five letters the same, two of which are juxtaposed. They are

invented words with no clear conceptual hook to guide the perception of the consumer. **The respective trade marks are visually similar to a high degree.**

***Conclusion in relation to likelihood of conclusion***

87) Where it has been found that the respective goods are not similar there cannot be a likelihood of confusion. Consequently, there is no likelihood of confusion in relation to:

***bleaching preparations and other substances for laundry use; polishing, scouring and abrasive preparations; perfumery, hair lotions; dentifrices;***

***veterinary preparations; sanitary preparations for medical purposes; dietetic substances adapted for medical use, food for babies; plasters, materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides; food supplements for medical purposes; dietetic food supplements; mineral food supplements; vitamins and vitamin preparations; dietetic beverages and foods adapted for medical purposes; dietetic and energy-giving foods adapted for medical purposes.***

88) In considering whether there is a likelihood of confusion various factors have to be taken into account. There is the interdependency principle – a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods, and vice versa<sup>xx</sup>. In this case, outwith the non-similar goods, the respective goods are either identical or highly similar. Visually the respective trade marks are highly similar; phonetically there is a very low degree of similarity.

89) It is necessary to consider the distinctive character of the earlier trade mark; the more distinctive the earlier trade mark (either by nature or nurture) the greater the likelihood of confusion<sup>xxi</sup>. The distinctive character of a trade mark can be appraised only, first, by reference to the goods or services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public<sup>xxii</sup>. In determining the distinctive character of a 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 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<sup>xxiii</sup>. Kao's trade mark is an invented word. There is no clear allusion to the goods in relation to which it has been used. Consequently, it has a greater capacity to identify the goods for which proof of use has been substantiated and so has a good deal of inherent distinctiveness.

90) As both trade marks are invented words there is no conceptual hook for the customer to latch upon, increasing the opportunity for imperfect recollection.

91) SPA has argued that use of bio prefixed trade marks for class 3 goods are common. It has not substantiated this with contemporaneous evidence and its non-contemporaneous evidence is sparse. SPA's argument is also based on the premise that the average consumer will indulge in an analysis of the elements of the respective trade marks; not a likely occurrence. Even if bio was commonly used this does not gainsay the visual similarity of the trade marks in their entirety, and the trade marks have to be considered in their entirety.

**92) The respective trade marks are visually highly similar, a matter of importance in the context of the goods. With the exception of the non-similar goods, the respective goods are identical or highly similar. The earlier trade mark enjoys a good deal of inherent distinctiveness. Taking these factors into account Kao's opposition under section 5(2)(b) of the Act succeeds in respect of the following goods:**

***cleaning preparations, soaps, cosmetics, essential oils (in class 3) and pharmaceutical preparations (in class 5)***

93) Taking into account that Kao would have been no better off in relation to its proof of use specification in relation to registration nos 1399823 and 1896034 it is not necessary to consider these trade marks.

***Passing-off – section 5(4)(a) of the Act***

94) The principles of the law of passing-off were summarised by Lord Oliver in *Reckitt & Colman Products Ltd v. Borden Inc* [1990] RPC 341 at page 406:

“The law of passing off can be summarised in one short, general proposition: no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. ... Thirdly he must demonstrate that he suffers, or in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.”

95) In paragraph 64 it was decided that Kao had established a goodwill in relation to *pore cleansing products for women* by reference to the sign the subject of Community trade mark registration no 1947514 as of 6 December 2004.

96) In *Harrods Ltd v Harrodian School* [1996] RPC 697 Millett LJ held:

“The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration.”

Passing-off does not require goods to be similar as is required in relation to likelihood of confusion. There are cases where the plaintiff can break out of the common field of activity in its case as in *Lego Systems A/S v Lego M Lemelstricht Ltd* [1983] FSR 155 and *Blazer Plc v Yardley & Co Ltd* [1992] FSR 501. However, the evidence in this case does not put Kao into such a position. *Perfumery* and *hair lotions* like *pore cleansing products for women* are personal care products. The public are used to brand expansion and diversification in relation to these goods. It is considered that *perfumery* and *hair lotions* are in a common field of activity with *pore cleansing products for women*. *Dentifrices* are personal care products, however, they have for a long time enjoyed a particularly discrete market. There is nothing to suggest that the public is use to brand expansion and diversification into dentifrices. The other goods that were found not similar also do not share a common field of activity. It is considered that, taking into account the similarity of the trade marks and the nature of the products, that the average consumer would consider that *perfumery* and *hair lotions* offered under the trade mark of SPA would be the goods of Kao and so there would be a misrepresentation.

97) Damage in passing-off can take a number of forms<sup>xxiv</sup>. In this case damage is likely to occur in relation to *perfumery* and *hair lotions* :

By the injury which is inherently likely to be suffered by any business when on frequent occasions it is confused by customers or potential customers with a business owned by another proprietor or is wrongly regarded as being connected with that business.

**98) The application is to be refused in respect of *perfumery* and *hair lotions* under section 5(4) of the Act.**

## **Overall Result**

**99) The application is to be refused in respect of the following goods:**

***cleaning preparations, soaps, cosmetics, essential oils, perfumery, hair lotions (in class 3) and pharmaceutical preparations (in class 5)***

## **Costs**

**100) Kao made a blanket attack on the goods of the application and the opposition has been rejected in respect of the majority of the goods. SPA put in very limited evidence and observations. Taking these factors into account it is considered that each party should bear its own costs.**

**Dated this 8 day of July 2010**

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

<sup>i</sup> “10.—(1) The provisions of this Regulation apply where the applicant for or the proprietor of a Community trade mark requests the conversion of his Community trade mark application or Community trade mark into an application for registration of a trade mark under the Act ("conversion application") pursuant to Article 108 of the Community Trade Mark Regulation.

(2) Where the registrar decides that a request for a conversion application is admissible pursuant to Article 108, it shall be treated as an application for registration of a trade mark under the Act.

(3) A decision of the registrar in relation to a conversion application shall be treated as a decision of the registrar under the Act.”

<sup>ii</sup> Section 6A of the Act reads:

“(1) This section applies where –

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

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

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

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(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.

(4) For these purposes –

(a) 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 was registered, and

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

(5) In relation to a Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

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

(7) Nothing in this section affects –

(a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4)(relative grounds of refusal on the basis of an earlier right), or

(b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration).”

Under Section 100 of the Act the onus is upon the proprietor of the earlier trade mark(s) to show genuine use:

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

<sup>iii</sup> The table is headed “Approximate U.K. Annual Promotional and Advertising Spend on BIORE Range”, however Ms Ashby states in paragraph 14 of her statement: “These figures also cover advertising activity in Ireland”.

<sup>iv</sup> *General Motors Corporation v Yplon SA* Case C-375/97 [2000] RPC 572.

<sup>v</sup> *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281.

<sup>vi</sup> *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267.

<sup>vii</sup> See *Ajax Brandbeveiliging BV v Ansul BV* Case C-40/01:

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“36. “Genuine use” must therefore be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin.

37. It follows that genuine use of the mark entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned. The protection the mark confers and the consequences of registering it in terms of enforceability vis-à-vis third parties cannot continue to operate if the mark loses its commercial *raison d'être*, which is to create or preserve an outlet for the goods or services that bear the sign of which it is composed, as distinct from the goods or services of other undertakings. Use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are under way, particularly in the form of advertising campaigns. Such use may be either by the trade mark proprietor or, as envisaged in Article 10(3) of the Directive, by a third party with authority to use the mark.

38. Finally, when assessing whether there has been genuine use of the trade mark, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, in particular whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark.

39. Assessing the circumstances of the case may thus include giving consideration, *inter alia*, to the nature of the goods or service at issue, the characteristics of the market concerned and the scale and frequency of use of the mark. Use of the mark need not, therefore, always be quantitatively significant for it to be deemed genuine, as that depends on the characteristics of the goods or service concerned on the corresponding market.”

and *MFE Marienfelde GmbH v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*:

“34 When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, particularly whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark (*Ansul*, paragraph 43).

35 Concerning the extent of the use made of the earlier mark, account must be taken, in particular, of the commercial volume of all the acts of use on the one hand and the duration of the period in which those acts of use occurred, and the frequency of those acts, on the other.

36 In order to examine, in a given case, whether use of the earlier mark is genuine, an overall assessment must be made taking account of all the relevant factors in the particular case. That assessment implies a certain interdependence between the factors taken into account. Thus, a low volume of goods marketed under that trade mark may be compensated for by a high intensity or a certain constancy in time of the use of that trade mark or vice versa. Moreover, the turnover achieved and quantity of product sales under the earlier mark cannot be assessed in absolute terms but must be assessed in relation

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to other relevant factors, such as the volume of commercial activity, the production or marketing capacities or the degree of diversification of the undertaking exploiting the mark, and the characteristics of the products or services on the market in question. For that reason, the Court has held that use of the earlier mark need not always be quantitatively significant for it to be deemed genuine (*Ansul*, paragraph 39).

37 However, the smaller the commercial volume of the exploitation of the mark, the more necessary it is for the party opposing new registration to produce additional evidence to dispel possible doubts as to its genuineness.”

<sup>viii</sup> *South Cone Inc v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19, *Loaded BL O/191/02, Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* [2007] RPC 5 and *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat).

<sup>ix</sup> *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77.

<sup>x</sup> *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 dealt with a non-use issue but are still pertinent to the consideration of the meaning and effect of specifications:

“In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under section 10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use”

<sup>xi</sup> *Altecnic Ltd's Trade Mark Application* [2002] RPC 34.

<sup>xii</sup> *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117.

<sup>xiii</sup> He considered that the following should be taken into account when assessing the similarity of goods and/or services:

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

<sup>xiv</sup> See *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-133/05 paragraph 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

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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 *Vedial 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).”

The above is a translation from the French. There is no variation in the judgment in French:

“29 En outre, des produits peuvent être considérés comme identiques lorsque les produits que désigne la marque antérieure sont inclus dans une catégorie plus générale visée par la demande de marque [arrêt du Tribunal du 23 octobre 2002, Institut für Lernsysteme/OHMI – Educational Services (ELS), T 388/00, Rec. p. II 4301, point 53], ou lorsque les produits visés par la demande de marque sont inclus dans une catégorie plus générale visée par la marque antérieure [arrêts du Tribunal du 23 octobre 2002, Oberhauser/OHMI - Petit Liberto (Fifties), T 104/01, Rec. p. II 4359, points 32 et 33 ; du 12 décembre 2002, Vedial/OHMI - France Distribution (HUBERT), T 110/01, Rec. p. II 5275, points 43 et 44, et du 18 février 2004, Koubi/OHMI - Flabesa (CONFORFLEX), T 10/03, Rec. p. II 719, points 41 et 42].”

This is also the position of Professor Annand, sitting as the appointed person in *Galileo International Technology LLC v Galileo Brand Architecture Limited* BL 0/269/04:

“13. I agree with Mr. Onslow that the issue raised by this appeal is whether, when considering the test of identity for section 5(1), it is sufficient that goods or services overlap or must they be co-extensive. Like Mr. Onslow, I am unaware of any authority supporting a co-extensive test. Kerly’s Law of Trade Marks and Trade Names, 13th Edition, states at para. 8-10:

“... the goods or services must be the same as those the subject of the earlier trade mark. Although not explicit, it would seem that this provision can only sensibly be interpreted as prohibiting registration where there is an overlap of goods or services.”

A footnote indicates that such interpretation is in accordance with Article 13 of Council Directive 89/104/EEC. Although not expressly included, it is well established that the TMA must be read subject to Article 13, which provides:

“Where grounds for refusal of registration or for revocation or invalidity of a trade mark exist in respect of only some of the goods or services for which that trade mark has been applied for or registered, refusal of registration or revocation or invalidity shall cover those goods or services only.”

14. The equivalent to section 5(1) in Council Regulation (EC) No. 40/94 on the Community trade mark (“CTMR”) is Article 8(1)(a). Mr. Onslow referred me to two decisions of the Opposition Division of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (“OHIM”) concerning Article 8(1)(a) of the CTMR where identity of goods and services was found to subsist through overlaps in specifications. In WALLIS, Decision No. 1978/2004, identity was found inter alia between Class 14 specifications even though the contested CTM application covered additional goods in that class. The Opposition Division said:

“There is identity between the goods or services that are subject to comparison if they either have the same wording or can be considered synonyms. The identity is also found if the specification of the earlier mark includes a generic term that covers the specific goods of the contested application. Similarly if the goods specifically designated in the earlier mark are covered by a generic term used in the contested application, such goods are identical, to the degree that they are included in the broad category. Finally, in case that the goods in question overlap in part they are also to be considered as identical.”

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A similar decision was arrived at in PACE, Decision No. 1033/2003. Again, the Class 41 services in the CTM application were wider than those in the earlier CTM registration. In addition, there was held to be identity between some of the applicant's Class 42 services namely, "computer programming; providing of expert opinion". The opponent's registration was in respect of "consulting services related to improving and expediting product development, industrial research services, computer programming services" in Class 42. The Opposition Division observed:

"In particular, the applicant's expression providing of expert opinion in class 42, is broad enough to encompass any consulting services registered by the opponent in class 42, which makes them equivalent to the extent that the one includes the other."

15. The overlap test for identity of goods and services is also applied by the OHIM in connection with priority and seniority claiming under Articles 29, and 34 and 35 of the CTMR respectively. Indeed, it is recognised that partial priority claiming (i.e. where the subsequent application is for a narrower or wider specification than in the application(s) from which priority is claimed) is a possibility under section 33 of the TMA, which speaks of a right of priority "for some or all of the same goods or services" in a Convention application.

16. I believe that overlapping specifications satisfy the test for identical goods or services in section 5(1) of the TMA. There is no necessity for such specifications to co-extend."

I do not consider that the judgment of Norris J is in *Budejovický Budvar, národní Podnik v Anheuser-Busch Inc* [2008] EWHC 263 (Ch) is in conflict with the above. In that case he stated: "41. There is however one respect in which this appeal succeeds. AB's application for a declaration of invalidity extended to the whole of BB's registration in respect of "beer ale and porter; malt beverages;" (although its own registration related only to "beer ale and porter"). In his decision the Hearing Officer regarded it as obvious that in respect of "beer, ale and porter" the respective specifications encompassed the same goods (and the contrary has not been argued before me). He said:-

"The only possible area of contention is the description "malt beverages" in the mark in suit. The term covers all beverages made with malt, including "malt beers" and the like. Accordingly the specification of the registration that is the subject of these proceedings is covered in its entirety by the specifications of [AB's] earlier mark"

This is a determination of a mixed question of fact and law which I must approach with caution. But in my judgement this passage discloses an error of principle. AB's earlier mark covered only "beer, ale and porter". BB's included "malt beverages". The specification of AB's earlier mark simply did not cover entirely the specification of the mark in suit. It is necessary to decide whether "malt beverages" can only be "beer ale and porter", or whether "malt beverages" can include goods which are not identical with or similar to "beer ale and porter".

42. I do not consider that "malt beverages" can only be (and are therefore identical with) "beer ale and porter". The form of the specification would indicate that "beer, ale and porter;" is one category and "malt beverages" another, with possibly an overlap between the two. One is not simply an alternative description for the other."

In the above judgment Norris J was considering whether the respective goods could be described as being identical, not whether they should be considered to be identical. There is a deal of difference between stating that goods **are** identical and stating that they are considered to be identical.

If one did not follow the principles laid down by the CFI and Professor Annand considering similarity of goods in certain cases would become virtually impossible. If, for example, an earlier registration was for wedding dresses and an application for clothing one would have to consider

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the degree of similarity between the former goods and every potential product covered by the term clothing as there would be varying degrees of similarity and the global appreciation of the likelihood of confusion requires consideration of the degree of similarity between goods and/or services.

An applicant has plenty of time to amend a specification which includes a portmanteau term so that the term list goods which are of specific interest. If the applicant does not do so then it must expect to bear the consequences.

<sup>xv</sup> See by way of analogy the judgment of the GC that wine and rum were not similar in *Bodegas Montebello, SA c Office de l'harmonisation dans le marché intérieur (marques, dessins et modèles) (OHMI)* Case T-430/07.

<sup>xvi</sup> *Sabel BV v Puma AG* [1998] RPC 199.

<sup>xvii</sup> *Sabel BV v Puma AG* [1998] RPC 199.

<sup>xviii</sup> *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77.

<sup>xix</sup> *Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02.

<sup>xx</sup> *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117.

<sup>xxi</sup> *Sabel BV v Puma AG* [1998] RPC 199.

<sup>xxii</sup> *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91.

<sup>xxiii</sup> *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

<sup>xxiv</sup> See *Sir Robert McAlpine Limited v Alfred McAlpine Plc* [2004] RPC 36 Mann J:

"20 When it comes to considering damage, the law is not so naïve as to confine the damage to directly provable losses of sales, or "direct sale for sale substitution". The law recognises that damage from wrongful association can be wider than that. Thus in *Ewing –v- Buttercup Margarine Limited* (1917) 34 RPC 232 Warrington L.J. said:

"To induce the belief that my business is a branch of another man's business may do that other man damage in all kinds of ways. The quality of the goods I sell; the kind of business I do; the credit or otherwise which I might enjoy. All those things may immensely injure the other man, who is assumed wrongly to be associated with me."

In so saying, he was not limiting the kinds of potential damage to those listed by him. Rather, he was indicating that the subtleties of the effect of passing off extend into effects that are more subtle than merely sales lost to a passing off competitor.

In *Associated Newspapers Limited –v- Express Newspapers* [2003] FSR 909 Page 929. Laddie J cited this passage, referred to other cases and went on to say:

"In all these cases [that is to say, the *Clock Limited* case referred to above and *Harrods –v- Harroddian School* [1996] RPC 679], direct sale for sale substitution is unlikely or impossible. Nevertheless the damage to the Claimant can be substantial and invidious since the Defendant's activities may remove from the Claimant his ability to control and develop as he wishes the reputation in his mark. Thus, for a long time, the common law has protected a trader from the risk of false association as it has against the risk of more conventional goods for goods confusion."

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The same Judge expressed himself more picturesquely, but equally helpfully, in *Irvine –v- Talksport Limited* [2002] 1 WLR 2355 at page 2366. Having pointed out the more familiar, and easier, case of a Defendant selling inferior goods in substitution for the Claimant's and the consequential damage, he went on to say:

"But goodwill will be protected even if there is no immediate damage in the above sense. For example, it has long been recognised that a Defendant cannot avoid a finding of passing off by showing that his goods or services are of as good or better quality than the Claimant's. In such a case, although the Defendant may not damage the goodwill as such, what he does is damage the value of the goodwill to the Claimant because, instead of benefiting from exclusive rights to his property, the latter now finds that someone else is squatting on it. It is for the owner of goodwill to maintain, raise or lower the quality of his reputation or decide who, if anyone, can use it alongside him. The ability to do that is compromised if another can use the reputation or goodwill without his permission and as he likes. Thus Fortnum and Mason is no more entitled to use the name FW Woolworth than FW Woolworth is entitled to use the name Fortnum and Mason ...

"The law will vindicate the Claimant's exclusive right to the reputation or goodwill. It will not allow others so to use goodwill as to reduce, blur or diminish its exclusivity." (at p 2368)

In *Taittinger SA –v- Allbev Limited* [1994] 4 All ER 75 Page 88, Peter Gibson L.J. acknowledged that:

"Erosion of the distinctiveness of the name champagne in this country is a form of damage to the goodwill of the business of the champagne houses."

The same view was expressed by Sir Thomas Bingham M.R. at page 93.

21 The damage which results must be as a result of a misrepresentation to a relevant part or section of the public. In the *Jif Lemon* case the relevant people were described as "prospective customers or ultimate consumers of the goods or services in question" by Lord Diplock and as the "purchasing public" by Lord Oliver. Mr Thorley realistically accepted that in this case the relevant public was not confined to people who are at the moment actually customers of Robert and Alfred. In doing so he acknowledged the possibility, which in my view exists in this case, that the misrepresentation, if any, would or might be received by a wider class than that. However, for Robert to succeed there must be people whose dealings in respect of Robert would somehow be affected by the alleged misrepresentation. Such people must be assumed to be "reasonably well informed and reasonably observant and circumspect". Per Chadwick L.J. in *Bach –v- Bach Flour Remedies Trademarks* [2000] RPC 513 and 534."