O/237/21

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO. 3404095
BY SOSPIRO LTD

TO REGISTER:



AS A TRADE MARK IN CLASS 3

AND

IN THE MATTER OF THE OPPOSITIONS THERETO
UNDER NOS. 417704 & 417705
BY XERJOFF GROUP S.p.A

BACKGROUND AND PLEADINGS

1. Sospiro Ltd ("the applicant") applied to register the mark shown on the cover page of this decision in the United Kingdom on 3 June 2019. The application was accepted and published on 14 June 2019 in respect of the following goods:

> *Class 3*
>
> *Perfumes; Perfume oils; Perfume oils for the manufacture of cosmetic preparations; Perfume water; Perfumed body lotions [toilet preparations]; Perfumed creams; Perfumed lotions [toilet preparations]; Perfumed oils for skin care; Perfumed potpourris; Perfumed powder; Perfumed powder [for cosmetic use]; Perfumed powders; Perfumed powders [for cosmetic use]; Perfumed sachets; Perfumed soap; Perfumed soaps; Perfumed tissues; Perfumed toilet waters; Perfumed water; Perfumeries; Perfumery; Perfumery and fragrances; Perfumery products; Perfumery, essential oils; Aromatic extracts; Perfumes; Perfumes for cardboard; Perfumes for ceramics; Perfumes for industrial purposes; Perfumes in solid form; Perfuming preparations for the atmosphere; Perfuming sachets; Amber [perfume]; Aromatics for perfumes; Soaps; Essential oils; Eau de Cologne; Perfume water; Fragrances for personal use; Oils for perfumes and scents; Scented oils used to produce aromas when heated; Perfumery; Perfumery; Perfumed soaps; Cosmetics; Cosmetic creams; Oils for cosmetic purposes; Deodorants; Hair care lotions; Air fragrance preparations; antiperspirants; Bases for flower perfumes; Body deodorants [perfumery]; Cushions filled with perfumed substances; Cushions impregnated with perfumed substances; Deodorants for personal use [perfumery]; Essential oils as perfume for laundry purposes; Extracts of flowers [perfumes]; Extracts of flowers being perfumes; Extracts of perfumes; Flower perfumes (Bases for -); Flowers (Extracts of -) [perfumes]; Fumigation preparations [perfumes]; Liquid perfumes; Musk [perfumery]; Natural oils for perfumes; Natural perfumery; Oils for perfumes and scents; Perfume oils for the manufacture of cosmetic preparations; Room perfume sprays; Room perfumes in spray form; Sachets for perfuming linen; Solid perfumes; Synthetic perfumery.*

2. This application was the subject of two oppositions by related companies, Xerjoff Group S.p.A. and Oud Road S.r.l, of both of which Mr Sergio Momo was the major shareholder. Following the assignment on 12 June 2020 to Xerjoff of the intellectual property belonging to Oud Road,[1] the proceedings were consolidated. Both oppositions were filed on 16 September 2019. I shall from now on refer to Xerjoff as "the opponent".

3. The oppositions are based on sections 5(2)(b), 5(3), 5(4)(a), 5(4)(b) and 3(6) of the Trade Marks Act 1994 ("the TMA") and concern all the goods listed in the application. For the purposes of the sections 5(2)(b) and 5(3) claims, the opponent is relying on the following EU Trade Marks (EUTMs):[2]

EUTM No. 018010229:

XERJOFF
ERBA PURA

Application date: 15 January 2019
Registration date: 1 June 2019

The opponent is relying on all the goods for which the EUTM is registered, namely:

Class 3
Essential oils and aromatic extracts; Scented oils used to produce aromas when heated; Perfume oils for the manufacture of cosmetic preparations; Perfumes; Air fragrancing preparations; Cosmetics; Cosmetic creams; Hair care lotions; Perfumery and fragrances.

[1] Exhibit SM-13 contains the deed of assignment.
[2] Although the UK has left the EU and the transition period has now expired, EUTMs and International Marks which have designated the EU for protection are still relevant in these proceedings given the impact of the transitional provisions of The Trade Marks (Amendment etc.) (EU Exit) Regulations 2019, SI 2019 No. 269, Schedule 5. Further information is provided in Tribunal Practice Notice 2/2020.

EUTM No. 013108592:



Application date: 23 July 2014
Registration date: 13 November 2014

The opponent is relying on all the goods for which the EUTM is registered, namely:

Class 3
Soaps; Essential oils; Eau de Cologne; Perfume water; Fragrances for personal use; Oils for perfumes and scents; Perfumery; Perfumery; Perfumed soaps; Cosmetics; Oils for cosmetic purposes; Deodorants and antiperspirants.

4. Under section 5(2)(b) of the TMA, the opponent claims that the applied-for goods are identical or similar to goods covered by its earlier marks and that the marks are similar so that there is a likelihood of confusion on the part of the public.

5. Under section 5(3) of the TMA, the opponent claims that it has a reputation in the EU and UK for all the goods covered by its earlier marks. Use of the contested mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier mark. In particular, the opponent claims that:

- the applicant would free-ride on, or exploit, the distinctive character, reputation, prestige and/or image associated with the earlier marks. The opponent claims that this would be unfair as it has invested "considerable" time and money in developing the brands (including the earlier marks) and growing their reputation and prestige. It asserts that its products are luxury goods, sold in exclusive

stores. Use of the mark would enable the applicant to take advantage of the reputation developed by the opponent without making any real investment;

- use and registration of the contested mark would tarnish the reputation of the earlier marks, in particular as the opponent would not be able to control the manner in which the contested mark would be used. It claims that the earlier mark denotes "high quality, high-end goods, with an aura of luxury and prestige" and that there is a real danger that the applicant's use could be in relation to lower-quality products that would damage the opponent's reputation; and

- use and registration of the contested mark would dilute the distinctive character of the earlier mark, in particular as the presence on the market of a similar mark would reduce the capacity of the earlier marks to produce an immediate association with the opponent's goods, and thus dilute their value and reputation. The opponent claims that there is a real danger that it would suffer a loss of sales and/or revenue as a result of the detriment caused to the distinctive character of the earlier marks, and that its brands would no longer be able to enjoy their current reputation for luxury.

6. Under section 5(4)(a) of the TMA, the opponent claims that it has used the following signs in the UK since 2019 (the first sign) and 2012 (the remaining signs) in connection with the sale of *Perfumes* and *creams*:

ERBA PURA

SOSPIRO



("the SOSPIRO figurative sign")



("the butterfly design"); and



("the ERBA PURA nameplate")

7. It asserts that it has extensively marketed and used the signs in the UK since those respective dates and that, as a result, it has accrued significant goodwill in them and is well known in the trade. Use of the contested mark for all the goods in the application would mislead the public into believing that those goods are provided by, endorsed by, connected with and/or in some way commercially linked to the opponent. It claims that this misrepresentation is likely to lead to considerable damage to the goodwill associated with the earlier signs and the opponent's business, and so use would be contrary to the law of passing off.

8. Under section 5(4)(b) of the TMA, the opponent claims that the butterfly design is an original artistic work for the purposes of the Copyright, Designs and Patents Act 1988 ("the CDPA"), and that the design meets the qualification criteria for protection under section 153 of the CDPA as the authors, Mr Sergio Momo and Ms Domenica Salvo, were both nationals of an EEA state (Italy) at the relevant time, which is the time of publication. The opponent asserts that the design was first published in the United Arab Emirates at least as early as 5 August 2011 and in the UK at least as early as 10 February 2012. It claims that on 1 July 2011, Mr Momo and Ms Salvo assigned their rights in the design to Oud Road S.r.l.

9. The opponent claims that the applicant's use of the butterfly design in the contested mark is an infringement of copyright, pursuant to section 16(1) of the CDPA. As use of the contested mark in the UK could be prevented by virtue of the law of copyright, the opponent submits that the mark falls foul of section 5(4)(b) of the TMA and should not be registered.

10. Under section 3(6) of the TMA, the opponent claims that the application was made in bad faith, as the applicant was aware of the opponent's use of the marks and signs. It claims that a Mr Firas Al-Assadi, the director and sole shareholder of the applicant, contacted Mr Momo in 2017 to propose a partnership arrangement for the manufacture, distribution and ownership of the Sospiro brand and the perfumes sold under it. No deal was agreed and in June 2019 the applicant began to file for trade marks that the opponent claims relate to key elements of its brands.

11. The applicant filed a defence and counterstatement denying the claims made. In relation to the individual grounds:

- the applicant denies the section 5(2)(b) claim and asserts that rights under the earlier mark belong to the applicant, that this application is an extension of earlier rights derived from a Middle East registration it claims is identical to the opponent's SOSPIRO EUTM,[3] and that the opponent had no right to register its mark and that any use of the unregistered marks was on behalf of the applicant;
- it denies the section 5(3) claim and asserts that the Middle East registration has a reputation and that there was an agreement with the opponent to design, procure and manufacture products, so the opponent was aware of this reputation;
- it denies the section 5(4)(a) and 5(4)(b) claims and asserts that the existence of an agreement between the parties dated 15 June 2011, along with a large amount of emails, between the applicant and opponent shows that the applicant owns the rights; and
- it denies the section 3(6) claim in its entirety and asserts that the opponent's registrations were made in bad faith.

[3] The details of this Middle East registration have not been given.

12. In these proceedings, the opponent is represented by Bird & Bird LLP and the applicant is unrepresented. Neither party requested a hearing and so I have taken this decision following a careful consideration of the papers.

EVIDENCE

13. Despite the assertions made in its counterstatement, the applicant opted not to file any evidence. The opponent's evidence comes in the form of a witness statement from Mr Sergio Momo, CEO of Xerjoff, with 49 exhibits. It is dated 30 September 2020. I have taken this evidence into account in making my decision. I shall not summarise it here, but will refer to it where appropriate during the course of this decision. Neither party made any written submissions.

DECISION

14. Although the UK has left the EU, section 6(3)(a) of the European (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the TMA relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

Section 5(4)(a)

15. I shall begin with the claim under section 5(4)(a) of the TMA, which states that:

> "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 or law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection 4(A) is met
>
> …"

16. Subsection 4(A) is as follows:

> "The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application."

17. In *Reckitt & Colman Products v Borden* [1990] RPC 341, HL, Lord Oliver described the so-called "classical trinity" that must be proved in order to reach a finding of passing off:

> "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 a 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 the 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."

18. *Halsbury's Laws of England* Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309, it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

> In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."

Relevant Date

19. My first task is to determine the relevant date. In *Advanced Perimeter Systems v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, sitting as the Appointed Person, quoted with approval the summary made by Mr Allan James, acting for the Registrar, in *SWORDERS Trade Mark*, BL O/212/06:

> "Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made."[4]

20. In its counterstatement, the applicant claims to be the owner of the Sospiro brand and to have appointed the opponent to procure, manufacture, develop, design and supply the products in Europe on its behalf by means of an agreement dated 15 June 2011. As I have already noted, it has adduced no evidence to substantiate this claim.

21. The opponent's Exhibit SM-47 contains screenshots from the applicant's website that show the contested mark in use. However, these have no date other than that of printing – 15 September 2020 – which is after the date of application. Therefore, the relevant date for the purposes of this ground is 3 June 2019.

[4] Quoted in paragraph 43 of BL O-410-11.

Goodwill

22. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217:

> "What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantages of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has the power of attraction sufficient to bring customers home to the source from which it emanates."

23. Mr Momo states that he created the Sospiro brand with Ms Salvo in 2007. It was used for marketing a range of high-end perfumes principally, but not exclusively, aimed at the Middle Eastern market. The company Oud Road was set up to pursue this business. The perfumes were launched in 2011 and the following extract from a price list of the time shows three examples from the range:[5]



[5] Exhibit SM-16.

24. Mr Momo claims to have acquired goodwill in relation to *Perfumes* and *Creams.* The evidence shows no use of any of the signs for *Creams*. The rest of my analysis under this section therefore relates to *Perfumes*.

25. The opponent gives no overall UK sales figures for goods sold under any of the earlier signs. However, there is a selection of invoices showing sales to four luxury retailers in the UK.[6] The opponent states that these are examples, rather than a complete collection. Only the invoices in Exhibit SM-31 show the SOSPIRO sign. However, Mr Momo confirms that the goods in Exhibit SM-17 are Sospiro perfumes, and the same product codes are shown in the remaining invoices. The details are as follows:

- 39 bottles of SOSPIRO ERBA PURA were sold to Fortnum & Mason between 25 June 2014 and 6 May 2016 for €3510; 18 bottles were sold to the same retailer on 13 February 2018 for £1362.60;
- 683 bottles of SOSPIRO ERBA PURA were sold to Harrods between 30 October 2014 and 18 April 2019 for £53,383.90; 100 bottles of XERJOFF V ERBA PURA were sold to the same retailer on 18 April 2019 for £6,190;
- 918 bottles of SOSPIRO ERBA PURA were sold to Selfridges between 15 September 2016 and 4 January 2019 for £68,850; 88 bottles of XERJOFF V ERBA PURA were sold to the same retailer on 31 May 2019 for £6,600;
- 77 bottles of SOSPIRO ERBA PURA were sold to Harvey Nichols between 17 July 2017 and 24 May 2018 for £6352.50;
- 170 SOSPIRO perfume products were sold to Fortnum & Mason between 25 June 2014 and 6 May 2016 for €17,940.96; 36 products were sold to the same retailer on 13 February 2018 for £3,220.20;
- 1880 SOSPIRO perfume products were sold to Harrods between 30 October 2014 and 18 April 2019 for £188,773.90;
- 2011 SOSPIRO perfume products were sold to Selfridges between 15 September 2016 and 4 January 2019 for £189,725.80; and
- 192 SOSPIRO perfume products were sold to Harvey Nichols between 17 July 2017 and 24 May 2018 for £19,830.

[6] Exhibits SM-17, SM-31, SM-35 and SM-38.

26. In its own promotional literature, Sospiro is described as “a niche luxury fragrance house” and “a brand collected by only the most sophisticated and discerning perfume collector”.[7] These are not products intended for the mass market, as shown by the price of the goods (see, for example, the image in paragraph 23 above) and the retail outlets in which they are sold. To purchase the goods, UK customers would need to visit one of the department stores listed above or the opponent’s website.

27. The images below show how the goods were displayed in Harrods in 2018 and Fortnum & Mason in 2017 respectively:[8]



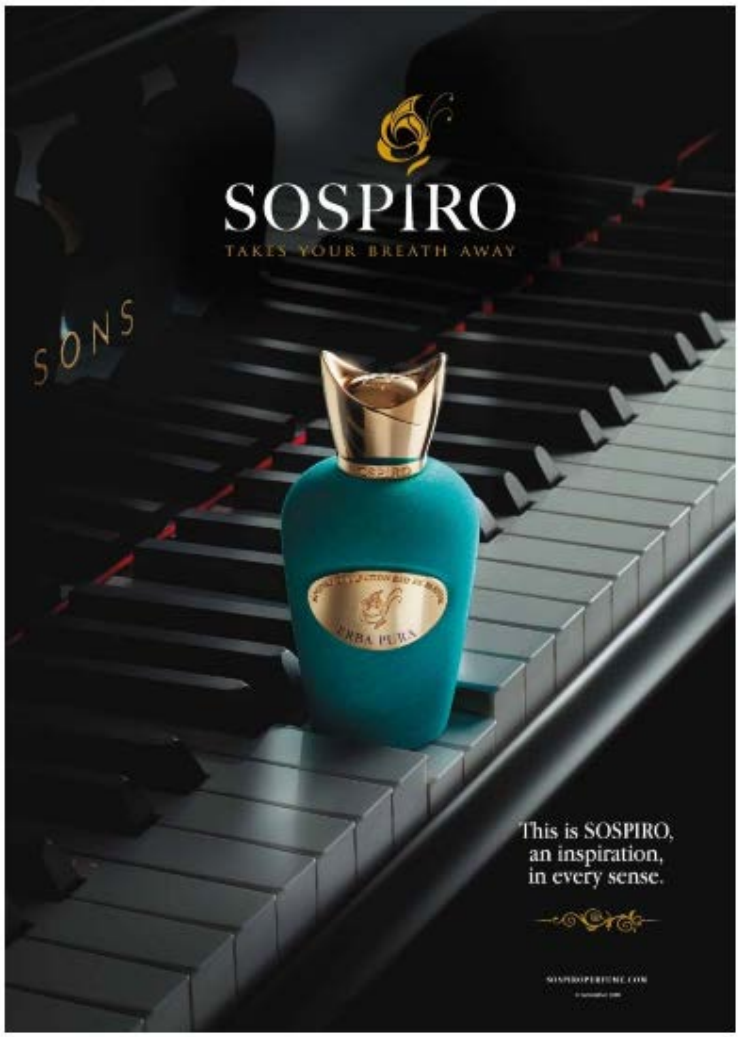


28. The majority of the flacons bear a nameplate and the packaging shows the SOSPIRO figurative sign. These can be seen more clearly in an undated article from the website fragrantica.com. ERBA GOLD is described as a limited edition for 2016.[9]

[7] Exhibit SM-20.
[8] Exhibit SM-18.
[9] Exhibit SM-18.



29. All the signs are shown in the advertisement below from 2017.[10] Mr Momo states that it was published on Oud Road's website.

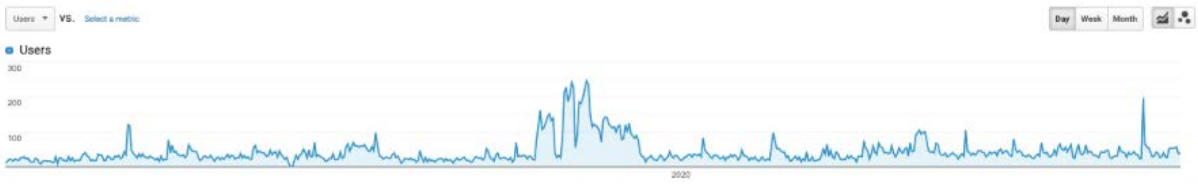


[10] Exhibit SM-22.

30. It is not known what proportion of the UK public would have been exposed to this and similar advertising, including the promotional videos on YouTube, screenshots of which are reproduced in Exhibits SM-21 and SM-26. Neither is it stated how much was spent on advertising or promoting the opponent's perfumes.

31. The perfumes have been discussed on websites such as fragrantica.com, described as "an online encyclopedia of perfumes, a perfume magazine and a community of perfume lovers", and ParfumPlus, a consumer magazine.[11] The evidence also includes screenshots from review videos on YouTube.[12] There is no information on how widely viewed these sites or videos are in the UK. There are also some mentions of the opponent's products in fashion and lifestyle magazines such as *Harper's Bazaar, Harrods Magazine* and *Elite Traveler*.[13]

32. A report containing web analytics shows that UK users have been accessing the opponent's website.[14] The report covers 1 January 2019 to 28 September 2020, so a good deal of it relates to a period after the relevant date. However, the early part of this graph does not suggest a large number of daily users before the relevant date.



33. The evidence indicates that the Sospiro brand has had some exposure in the UK, but it is not possible to tell exactly how much. Nevertheless, the sales figures are reasonable and I recall that it is not necessary for goodwill to be large to be protectable. In *Sutherland v V2 Music Ltd* [2002] EMLR 28, Laddie J said:

> "There is one other general matter to deal with before turning to the facts, namely the size of the claimant's reputation. At some point a reputation may be respected by such a small group of people that it will not support a

[11] Exhibits SM-24 and SM-25 provide information about these sites.
[12] See, for example, Exhibits SM-27 and SM-28.
[13] Exhibit SM-18.
[14] Exhibit SM-33.

> passing-off action. Neither Mr Purle nor Mr Speck were able to formulate a test for this bottom level. Mr Purle said it was a matter of fact and degree. I agree with that. The law of passing off protects the goodwill of a small business as much as the large, but it will not intervene to protect the goodwill which any reasonable person would consider trivial."[15]

34. The sales figures and the presence of the opponent's goods in high-prestige shops lead me to find that the goodwill is of a level sufficient to be protectable. There is one further point that I must address. Mr Momo states that from January 2019 his company's efforts were focused on developing fragrance collections under the Xerjoff brand.[16] It is not clear whether this means that the Sospiro range ceased to be sold, but even if this were the case any goodwill associated with use of that sign would normally survive for a period after the end of trading.

35. In *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pats), Floyd J said:

> "It is difficult to define any minimum threshold. It will all depend on the facts. How big was the reputation when use stopped? How lasting in the public eye are the goods or services to which the mark is applied? How, if at all, has the person asserting the existence of the goodwill acted in order to keep the reputation in the public eye? The greater each of these elements is, the longer, it seems to me, it will take for any goodwill to dissipate."[17]

36. The latest sale of Sospiro-branded ERBA PURA shown in the invoices was to Harrods on 18 April 2019, when 190 bottles were ordered. That is just over six weeks before the relevant date. Even if all those bottles had been sold as soon as they reached the store, it seems to me that this period would have been too short for the goodwill to have dissipated to any material extent. Consequently, I find that the opponent had a protectable goodwill and that the signs were distinctive of the opponent at the relevant date.

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[15] Paragraph 22.
[16] Witness statement, paragraph 51.
[17] Paragraph 15.

Misrepresentation

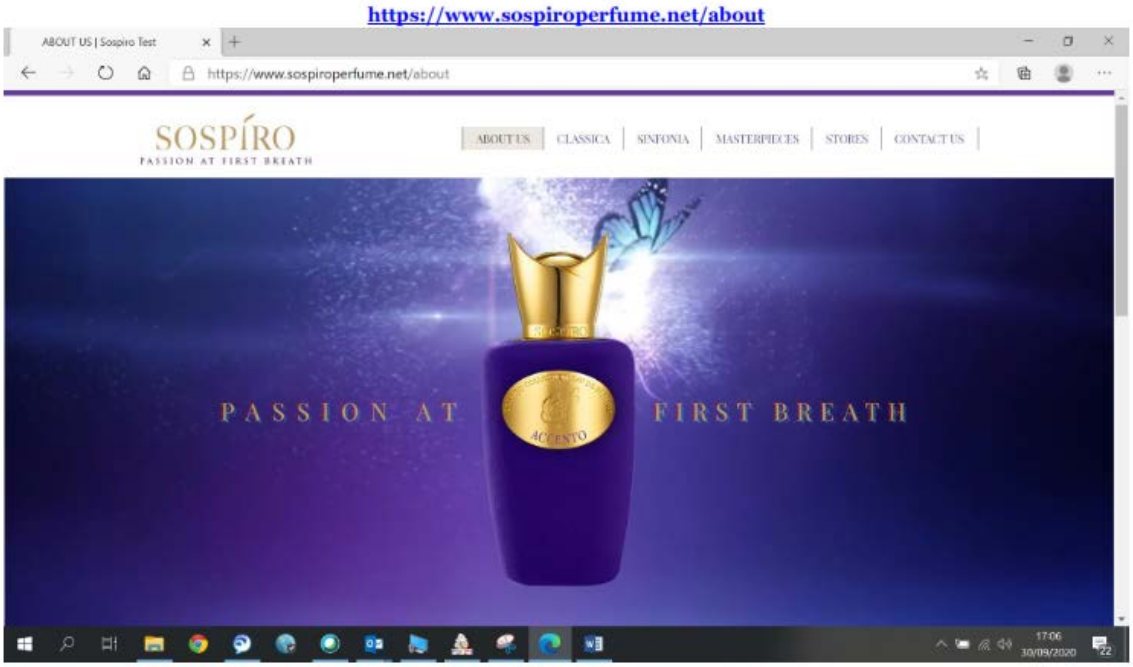
37. The relevant test was set out by Morritt LJ in *Neutrogena Corporation & Anor v Golden Limited & Anor* [1996] RPC 473 at [493]:

> "There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 at page 407 the question on the issue of deception or confusion is:
>
> > 'is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents' [product].
>
> The same proposition is stated in Halsbury's Laws of England 4th Edition Vol. 48 para. 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd v June Perfect Ltd* (1941) 58 RPC 147 at page 175; and *Re Smith Hayden's Application* (1945) 63 RPC 97 at page 101.
>
> This is the proposition clearly expressed by the judge in the first passage from his judgement which I quoted earlier. There he explained that the test was whether a substantial number of the plaintiff's customers or potential customers had been deceived for there to be a real effect on the plaintiff's trade or goodwill."

38. The contested mark appears to me to be identical to the nameplate used on the opponent's flacons, subject to possible slight variations in the colour: see the advertisement reproduced in paragraph 29 above. The butterfly design is also reproduced in the contested mark. The goods for which the application has been made are in the same field of activity as the opponent's *Perfumes*. They are either fragrances, fragranced goods, toiletries or cosmetics.

39. I shall deal with the intention of the applicant more fully when I come to the claim under section 3(6). For the moment, I note that it is not necessary for the applicant to have intended to deceive the public for me to find misrepresentation. Nevertheless, there are striking similarities in the get-up of the applicant's website to the get-up of the opponent's Sospiro range.

40. The following screenshot from the applicant's website shows the SOSPIRO figurative sign, the same violet colour, a conceptually similar strapline to the one used in the opponent's SOSPIRO EUTM ("PASSION AT FIRST BREATH" compared to the opponent's "TAKES YOUR BREATH AWAY"), identical flacons with the nameplate, and the use of a butterfly.[18]



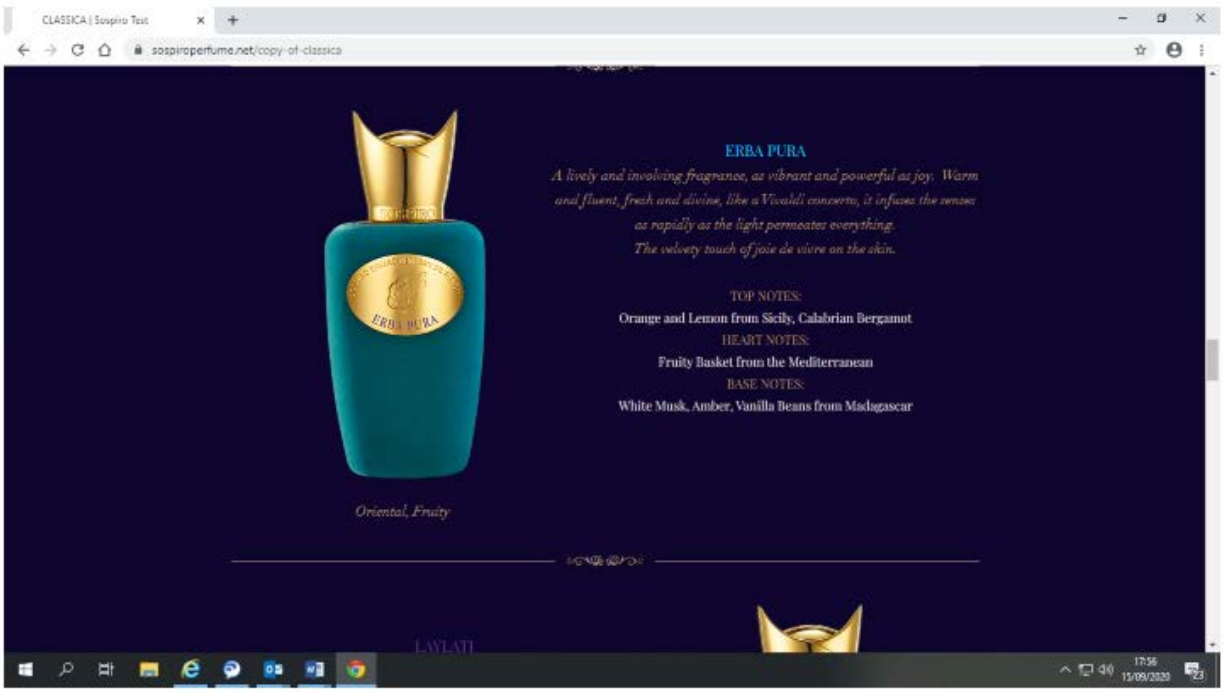
41. In an interview in 2014 on fragrantica.com, Mr Momo explained the importance of the butterfly to the brand:

> "The choice of these flacons is due to the butterfly – one of the Sospiro symbols. The story of the butterfly is also used in the little movie that we use in communication. The butterfly is the link between the perfume itself and the final client, it is considered a symbol of love, and flies from one place to

[18] Exhibit SM-42.

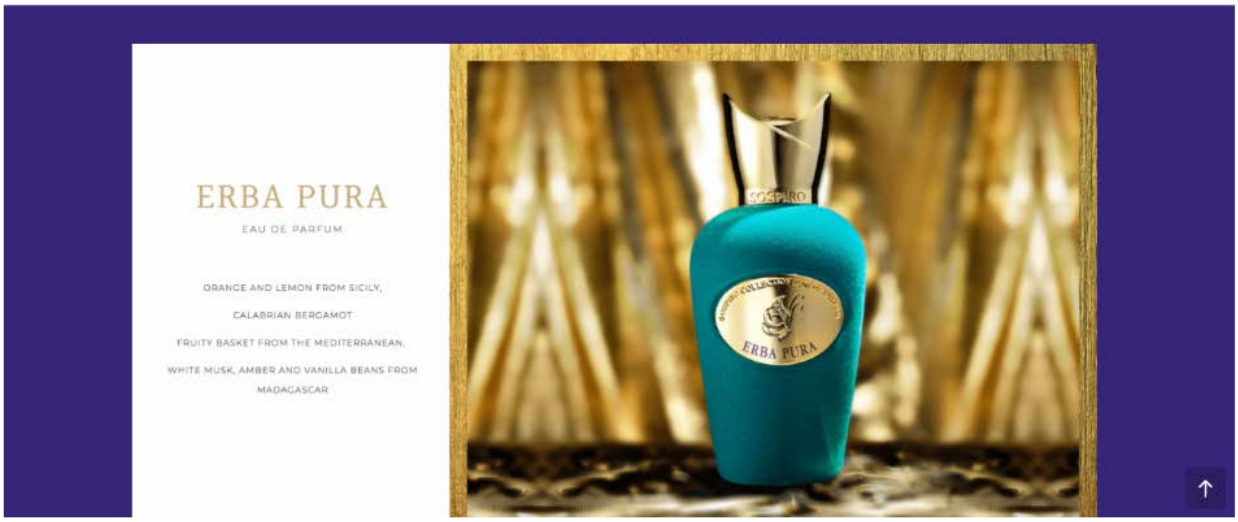
another carrying this kind of gold dust. So, the velvet surface of the flacon is an interpretation of butterfly wings that, when touched, give the same kind of soft velvety feeling. That is basically one of the reasons why this flacons' finishing was chosen."[19]

42. The applicant's ERBA PURA contains the same ingredients as the opponent's. The screenshot below is taken from the applicant's website:[20]



43. This screenshot can be compared with the following extract from the opponent's website on 2 April 2019, retrieved via the Internet Archive Wayback Machine.[21]

[19] Exhibit SM-19.
[20] Exhibit SM-47.
[21] Exhibit SM-23, page 11.



44. While the bottles are slightly different in shape, they are the same colour and the stoppers appear to be identically shaped with the word "SOSPIRO" at the bottom. The nameplates also appear to be identical. These last two images, in my view, clearly show that a significant proportion of the opponent's customers or potential customers will be deceived into thinking that the applicant's goods are those of the opponent. I find there to be misrepresentation.

Damage

45. The final element of the "classical trinity" is damage. In *Harrods Limited v Harrodian School Limited* [1996] RPC 697, Millett LJ described the requirements for damage in passing off cases as follows:

> "In the classic case of passing off, where the defendant represents his goods or business as the goods or business of the plaintiff, there is an obvious risk of damage to the plaintiff's business by substitution. Customers and potential customers will be lost to the plaintiff if they transfer their custom to the defendant in the belief that they are dealing with the plaintiff. But this is not the only kind of damage which may be caused to the plaintiff's goodwill by the deception of the public. Where the parties are not in competition with each other, the plaintiff's reputation and goodwill may be damaged without any corresponding gain to the defendant. In the *Lego*

case, for example, a customer who was dissatisfied with the defendant's plastic irrigation equipment might be dissuaded from buying one of the plaintiff's plastic toy construction kits for his children if he believed that it was made by the defendant. The danger in such a case is that the plaintiff loses control over his own reputation."[22]

46. If the applicant were to use the contested mark for perfumes, there is a risk that the opponent would lose customers or potential customers to the applicant.

47. The remaining goods share the same field of activity as the opponent's goods. I found that a significant proportion of the relevant public would believe them to come from the opponent. If, for example, a customer were unhappy with the applicant's cosmetics or room fragrances they would be unlikely to buy the opponent's perfumes. I find that damage is made out. The section 5(4)(a) ground succeeds in its entirety.

48. For the sake of completeness, I shall move on to consider the opponent's other grounds.

Section 5(4)(b)

49. Section 5(4)(b) of the TMA is as follows:

"A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

[…]

(b) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) or (aa) above, in particular by virtue of the law of copyright, or the law relating to industrial property rights.

[22] Page 715

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of 'an earlier right' in relation to the trade mark."

50. Section 1 of the CDPA states that:

"Copyright is a property right which subsists in accordance with this Part in the following descriptions of work –

(a) original literary, dramatic, musical or artistic works,
(b) sound recordings, films or broadcasts, and
(c) the typographical arrangement of published editions."

51. Section 4 of the CDPA is as follows:

"(1) In this Part 'artistic work' means-

(a) a graphic work, photograph, sculpture or collage, irrespective of artistic quality,
(b) a work of architecture being a building or a model for a building, or
(c) a work of artistic craftsmanship.

(2) In this Part –

…

'graphic work' includes –
(a) any painting, drawing, diagram, map, chart or plan, and
(b) any engraving, etching, lithograph, woodcut or similar work;

…"

52. The opponent claims that the butterfly design is an artistic work and that it meets the qualification criteria for protection in the UK under sections 153 and 154 of the CDPA. These are as follows:

“**153 Qualification for copyright protection**

(1) Copyright does not subsist in a work unless the qualification requirements of this Chapter are satisfied as regards -

(a) the author (see section 154), or
(b) the country in which the work was first published (see section 155), …

…

154 Qualification by reference to author

(1) A work qualifies for copyright protection if the author was at the material time a qualifying person, that is -

(a) a British citizen, a national of another EEA state, a British Dependent Territories citizen, a British National (Overseas), a British Overseas citizen, a British subject or a British protected person within the meaning of the British Nationality Act 1981, or

(b) an individual domiciled or resident in the United Kingdom or another EEA state or in the Channel Islands, the Isle of Man or Gibraltar or in a country to which the relevant provisions of this Part extend, or

(c) a body incorporated under the law of a part of the United Kingdom or another EEA state or in the Channel Islands, the Isle of Man or Gibraltar or in a country to which the relevant provisions of this Part extend.

(2) Where, or so far as, provision is made by Order under section 159 (application of this Part of countries to which it does not extend), a work also qualifies for copyright protection if at the material time the author was a citizen or subject of, an individual domiciled or resident in, or a body incorporated under the law of, a country to which the Order relates;

(3) A work of joint authorship qualifies for copyright protection if at the material time any of the authors satisfies the requirements of subsection (1) or (2) …

(4) The material time in relation to a literary, dramatic, musical or artistic work is-

(a) in the case of an unpublished work, when the work was made or, if the making of the work extended over a period, a substantial part of that period;

(b) in the case of a published work, when the work was first published or, if the author had died before that time, immediately before his death.

…"

53. I can accept that the butterfly design is an artistic work within the meaning of the CDPA. Mr Momo states that it was created by himself and Ms Salvo in 2007, and this date is shown on the drawings in Exhibit SM-40. He also states that both authors were nationals of Italy, an EEA state. The company registration information on Xerjoff and Oud Road (of which both were directors) confirms that they were born in Italy.[23] In 2007, both were living in Turin.[24]

54. Article 2 of The Trade Marks (Relative Grounds) Order 2007, SI 2007 No. 1976 provides that an opposition under section 5(4)(b) may only be brought by the proprietor of the earlier right. Neither Mr Momo nor Ms Salvo have brought this opposition. However, on 27 November 2007, they signed a declaration of intent to form a company to which the economic rights to exploit intellectual property including the butterfly design would be assigned.[25] Oud Road was incorporated in 2011.[26] The opponent states in the statement of grounds that Mr Momo and Ms Salvo assigned their rights in the butterfly design to Oud Road on 1 July 2011. The applicant has adduced no

[23] Exhibits SM-1 and SM-11 respectively.
[24] Exhibit SM-41.
[25] Exhibit SM-41.
[26] Exhibit SM-11.

evidence to challenge this account of events and provides no alternative explanation for the creation of the butterfly design. I find that Mr Momo and Ms Salvo assigned the rights to Oud Road, which then, as I have already noted, assigned its intellectual property to Xerjoff Group, which is the opponent. I am satisfied therefore that the opponent is entitled to bring this claim.

55. Section 16 of the CDPA concerns the infringement of copyright in a work. It reads as follows:

> "(1) The owner of the copyright in a work has, in accordance with the following provisions of this Chapter, the exclusive right to do the following acts in the United Kingdom –
>
> (a) to copy the work (see section 17);
> (b) to issue copies of the work to the public (see section 18);
> (ba) to rent or lend the work to the public (see section 18A);
> (c) to perform, show or play the work in public (see section 19);
> (d) to communicate the work to the public (see section 20);
> (e) to make an adaptation of the work or do any of the above in relation to an adaptation (see section 21);
>
> and those acts are referred to in this Part as the 'acts restricted by the copyright'.
>
> (2) Copyright in a work is infringed by a person who without the licence of the copyright owner does, or authorises another to do, any of the acts restricted by the copyright.
>
> (3) References in this Part to the doing of an act restricted by the copyright in a work are to the doing of it –
>
> (a) in relation to the work as a whole or any substantial part of it, and
> (b) either directly or indirectly;

and it is immaterial whether any intervening acts themselves infringe copyright."

56. In *Designers Guild Ltd v Russell Williams (Textiles) Ltd (t/a Washington DC),* [2000] 1 WLR 2416, Lord Millett set out the approach to assessing whether artistic copyright has been infringed at [2425]-[2426]. He said:

"The first step in an action for infringement of artistic copyright is to identify those features of the defendant's design which the plaintiff alleges to have been copied from the copyright work. The court undertakes a visual comparison of the two designs, noting the similarities and the differences. The purpose of the examination is not to see whether the overall appearance of the two designs is similar, but to judge whether the particular similarities relied on are sufficiently close, numerous or extensive to be more likely to be the result of copying than of coincidence. It is at this stage that similarities may be disregarded because they are too commonplace, unoriginal or consist of general ideas. If the plaintiff demonstrates sufficient similarity, not in the works as a whole but in the features which he alleges have been copied, and establishes that the defendant had prior access to the copyright work, the burden passes to the defendant to satisfy the judge that, despite the similarities, they did not result from copying.

…

Once the judge has found that the defendant's design incorporates features taken from the copyright work, the question is whether what has been taken constitutes all or a substantial part of the copyright work. This is a matter of impression, for whether the part taken is substantial must be determined by its quality rather than its quantity. It depends upon its importance to the copyright work. It does not depend upon its importance to the defendant's work, as I have already pointed out. The pirated part is considered on its own (see *Ladbroke (Football) Ltd v William Hill (Football) Ltd* [1964] 1 WLR 273, 293, *per* Lord Pearce) and its importance to the copyright work assessed. There is no need to look at the infringing work for this purpose."

57. I have reproduced the copyright work and the contested trade mark below:





58. The contested trade mark contains an almost identically-shaped butterfly. The only difference that I can see in the shape is that the head of the butterfly is not visible on the contested trade mark. However, I consider that this is a very minor point. I also note the difference in colour. It seems to me likely that the striking similarities in the shape are not down to coincidence. The applicant would have had the opportunity to see the opponent's work used on its website, packaging, flacons and in stores. The applicant claimed in its counterstatement that it owned the butterfly design, but there is no evidence to substantiate this claim. Consequently, I find that use of the trade mark would be prevented in the UK under the law of copyright, and so the opposition succeeds under section 5(4)(b) of the TMA.

Section 5(2)(b): Opposition based on the XERJOFF ERBA PURA mark

59. Section 5(2)(b) of the TMA is as follows:

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

60. An “earlier trade mark” is defined in section 6(1) of the TMA as:

> “(a) a registered trade mark, international trade mark (UK), a European Union trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,
>
> (b) a European Union trade mark or international trade mark (EC) which has a valid claim to seniority from an earlier registered trade mark or international trade mark (UK) even where the earlier trade mark has been surrendered or its registration has expired,
>
> (ba) a registered trade mark or international trade mark (UK) which –
>
> (i) has been converted from a European Union trade mark or international trade mark (EC) which itself had a valid claim to seniority within paragraph (b) from an earlier trade mark, and
>
> (ii) accordingly has the same claim to seniority, or
>
> (c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark.”

61. The registrations upon which the opponent relies qualify as earlier trade marks under the above provision. The opponent is relying upon all the goods for which these earlier marks are registered. As the marks were registered within the five years before the date on which the applicant’s mark was published, they are not subject to proof of use and the opponent is therefore entitled to rely on all the goods for which the marks stand registered.

62. In considering the opposition under this section, I am guided by the following principles, gleaned from the decisions of the Court of Justice of the European Union ("CJEU") in *SABEL BV v Puma AG* (Case C-251/95), *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* (Case C-39/97), *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* (Case C-342/97), *Marca Mode CV v Adidas AG & Adidas Benelux BV* (Case C-425/98), *Matratzen Concord GmbH v OHIM* (Case C-3/03), *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* (Case C-120/04), *Shaker di L. Laudato & C. Sas v OHIM* (Case C-334/05 P) and *Bimbo SA v OHIM* (Case C-519/12 P):

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

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

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

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

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

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

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

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

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

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

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

Comparison of goods

63. It is settled case law that I must make my comparison of the goods on the basis of all relevant factors. These may include the nature of the goods, their purpose, their users and method of use, the trade channels through which they reach the market, and whether they are in competition with each other or are complementary: see *Canon*, paragraph 23, and *British Sugar Plc v James Robertson & Sons Limited (TREAT Trade Mark)* [1996] RPC 281 at [296]. Goods and services are complementary when

> "… 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."[27]

64. In the course of his judgment in *Sky Plc & Ors v Skykick UK Ltd & Anor* [2020] EWHC 990 (Ch), Arnold LJ set out the following summary of the correct approach to the interpretation of terms in trade mark specifications:

"…the applicable principles of interpretation are as follows:

(1) General terms are to be interpreted as covering the goods or services clearly covered by the literal meaning of the terms, and not other goods or services.

(2) In the case of services, the terms used should not be interpreted widely, but confined to the core of the possible meanings attributable to the terms.

(3) An unclear or imprecise term should be narrowly interpreted as extending only to such goods or services as it clearly covers.

(4) A term which cannot be interpreted is to be disregarded."[28]

65. In *SEPARODE Trade Mark*, BL O-399-10, Mr Geoffrey Hobbs QC, sitting as the Appointed Person, stated:

"The determination must be made with reference to each of the different species of goods listed in the opposed application for registration; if and to the extent that the list includes goods which are sufficiently comparable to be assessable for registration in essentially the same way for essentially the same reasons, the decision taker may address them collectively in his or her decision."[29]

[27] *Boston Scientific Ltd v OHIM*, Case T-325/06, paragraph 82.
[28] Paragraph 56.
[29] Paragraph 5.

66. The goods to be compared are shown in the table below:

Earlier goods	Contested goods
Class 3 *Essential oils and aromatic extracts; Scented oils used to produce aromas when heated; perfume oils for the manufacture of cosmetic preparations; Perfumes; Air fragrancing preparations; Cosmetics; Cosmetic creams; Hair care lotions; Perfumery and fragrances.*	*Class 3* *Perfumes; Perfume oils; Perfume oils for the manufacture of cosmetic preparations; Perfume water; Perfumed body lotions [toilet preparations]; Perfumed creams; Perfumed lotions [toilet preparations]; Perfumed oils for skin care; Perfumed potpourris; Perfumed powder; Perfumed powder [for cosmetic use]; Perfumed powders; Perfumed powders [for cosmetic use]; Perfumed sachets; Perfumed soap; Perfumed soaps; Perfumed tissues; Perfumed toilet waters; Perfumed water; Perfumeries; Perfumery; Perfumery and fragrances; Perfumery products; Perfumery, essential oils; Aromatic extracts; Perfumes; Perfumes for cardboard; Perfumes for ceramics; Perfumes for industrial purposes; Perfumes in solid form; Perfuming preparations for the atmosphere; Perfuming sachets; Amber [perfume]; Aromatics for perfumes; Soaps; Essential oils; Eau de Cologne; Perfume water; Fragrances for personal use; Oils for perfumes and scents; Scented oils used to produce aromas when heated; Perfumery; Perfumery; Perfumed soaps; Cosmetics; Cosmetic creams; Oils for cosmetic purposes; Deodorants; Hair care lotions; Air fragrance preparations; antiperspirants; Bases for flower perfumes; Body deodorants [perfumery]; Cushions filled with perfumed substances; Cushions impregnated with perfumed substances; Deodorants for personal use [perfumery]; Essential oils as perfume for laundry purposes; Extracts of flowers [perfumes]; Extracts of flowers being perfumes; Extracts of perfumes; Flower perfumes (Bases for -); Flowers (Extracts of -) [perfumes]; Fumigation preparations [perfumes]; Liquid*

Earlier goods	Contested goods
	perfumes; Musk [perfumery]; Natural oils for perfumes; Natural perfumery; Oils for perfumes and scents; Perfume oils for the manufacture of cosmetic preparations; Room perfume sprays; Room perfumes in spray form; Sachets for perfuming linen; Solid perfumes; Synthetic perfumery.

67. The following goods are identical to goods in the specification for the XERJOFF ERBA PURA mark: *Perfumes; Perfume oils for the manufacture of cosmetic preparations; Perfumeries; Perfumery; Perfumery and fragrances; Perfumery products; Aromatic extracts; Perfuming preparations for the atmosphere;*[30] *Essential oils; Scented oils used to produce aromas when heated; Cosmetics; Cosmetic creams; Hair care lotions; Air fragrance preparations.*

68. Goods may also be considered as identical when the contested goods fall within a broader category covered by the earlier mark, or when the contested goods represent a general category which encompasses specific goods designated by the earlier mark: see *Gérard Meric v OHIM*, Case T-133/05, paragraph 29. In my view,

- The applicant's *Perfume oils* encompasses the opponent's *Perfume oils for the manufacture of cosmetic preparations*;
- The applicant's *Perfume water, Perfumed powder, Perfumed powder [for cosmetic use]; Perfumed powders, Perfumed powders [for cosmetic use]; Perfumed toilet waters, Perfumed water; Perfumes for cardboard, Perfumes for ceramics, Perfumes for industrial purposes, Perfumes in solid form, Amber [perfume], Eau de Cologne, Fragrances for personal use, Extracts of perfumes, Liquid perfumes, Natural perfumery, Solid perfumes* and *Synthetic perfumery* are included in the opponent's *Perfumery and fragrances*;
- The applicant's *Perfumed potpourris, Fumigation preparations [perfumes], Room perfume sprays* and *Room perfumes in spray form* are included in the opponent's *Air fragrancing preparations;*

[30] A synonym for "Air fragrancing preparations".

- The applicant's *Perfumery, essential oils; Aromatics for perfumes; Essential oils as perfume for laundry purposes* and *Musk [perfumery]* are included in the opponent's *Essential oils and aromatic extracts;* and
- The applicant's *Oils for cosmetic purposes* are included in the opponent's *Cosmetics*.

69. I shall now compare the applicant's *Perfumed body lotions [toilet preparations], Perfumed creams, Perfumed lotions [toilet preparations]* and *Perfumed oils for skin care* with the term from the opponent's specification that seems to me to be closest: *Cosmetics*. Cosmetics are products that are used in order to improve the appearance, and so would include goods intended to care for the skin. The contested goods fall within this category, so I find that they are identical per *Meric*.

70. *Perfumed sachets, Perfuming sachets, Cushions filled with perfumed substances, cushions impregnated with perfumed substances* and *Sachets for perfuming linen* contain scented material and are used, for example in chests of drawers, to impart a pleasing scent to the clothing or linen stored there. That they contain perfume does not necessarily make them similar to the opponent's fragrances, as the General Court ("GC") held in *Les Éditions Albert René v OHIM*, Case T-336/03:

> "The mere fact that a particular good is used as a part, element or component or another does not suffice in itself to show that the finished goods containing those components are similar since, in particular, their nature, intended purpose and the customers for those goods may be completely different."[31]

71. The applicant's goods are most likely to be made from fabric and sold through a variety of distribution channels, including general homeware stores, pharmacies and cosmetics and fragrance suppliers. They are purchased by the general public. The nature is therefore different from the opponent's creams and liquids, but there is some overlap in trade channels. To my mind there is no competition. A consumer is unlikely to use perfumes or air fragrancing preparations to keep their linen drawer fresh, while

[31] Paragraph 61.

a sachet or cushion ensures that the items in the drawer are clean and dry. I find, however, that there is some complementarity. Perfumery and fragrances are essential for the use of the applicant's sachets and cushions and it would not be unexpected for an undertaking to sell both goods. Taking all these factors into account, I find that there is a medium degree of similarity between the applicant's goods and the opponent's *Perfumery and fragrances*.

72. The applicant's *Perfumed tissues* will generally be made from paper that has been infused with a scent. Their nature is different from that of any of the opponent's goods. The consumers are members of the general public who will use them for sanitary purposes, for instance catching sneezes or cleansing or refreshing the skin. The purposes therefore overlap with those of the opponent's *Cosmetics*. There may also be overlapping trade channels, such as pharmacies, where the tissues are sold in the same store as perfumes or cosmetics. There may be some competition between them and the opponent's *Cosmetics*. While the opponent's *Perfumery and fragrances* are essential for the use of *Perfumed tissues*, the difference in the physical nature of the products means that the consumer is unlikely to expect the goods to come from the same or connected undertakings. I find that there is no complementarity between *Perfumed tissues* and the opponent's goods. Overall, I find that they are similar to a low degree.

73. Neither party has made any submissions on the interpretation of the terms *Oils for perfume and scents* and *Natural oils for perfumes*. In construing them, I have borne in mind the guidance given by Arnold LJ in *Skykick*, reproduced in paragraph 64 above. To my mind, these terms include oils that are used for the purpose of making perfumes and fragrances. On this basis, both would include the opponent's *Essential oils*, and so I consider the terms to be identical to the opponent's goods per *Meric*.

74. *Bases for flower perfumes; Extracts of flowers [perfumes]; Extracts of flowers being perfumes; Flower perfumes (Bases for -);* and *Flowers (Extracts of -) [perfumes]* are all ingredients that are used to make floral perfumes. Some of the opponent's *Essential oils* will be derived from flowers and used to make perfumes, so there is an overlap in purpose, method of use and users of the goods. It is also likely that there will be some shared trade channels. There is a degree of competition as the perfumier

has a range of ingredients to choose from. I find there to be no complementarity. To my mind, there is a medium degree of similarity between the applicant's goods and the opponent's *Essential oils*.

75. *Perfumed soaps, Perfumed soap* and *Soaps* are used to clean and maintain the appearance of the skin. They share the same users as the opponent's *Cosmetics* and the purposes overlap. Although the physical nature differs, the method of use is the same, with all the products being applied to the body. They will share similar trade channels and the goods would be sold in the same part of large stores such as supermarkets and department stores. I find *Perfumed soaps, Perfumed soap* and *Soaps* to be similar to *Cosmetics* to a medium degree.

76. The applicant's *Deodorants, Antiperspirants, Body deodorants [perfumery]* and *Deodorants for personal use [perfumery]* are used to prevent, or at least reduce the incidence of, unpleasant body odour. Some may also contain a fragrance. The physical nature and method of use will overlap with those of *Perfumery and fragrance*, as they are often sold in aerosol cans and are applied by spraying on the body. They share similar trade channels and are likely to be sold in fairly close proximity. There may be a degree of competition as the user may choose a perfumed deodorant over a fragrance. I find the goods to be similar to at least a medium degree.

Average Consumer

77. In *Hearst Holdings Inc & Anor v A.V.E.L.A. Inc & Ors* [2014] EWHC 439 (Ch), Birss J (as he then was) described the average consumer in these terms:

> "The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person.

The word ‘average’ denotes that the person is typical. The term ‘average’ does not denote some form of numerical mean, mode or median.”[32]

78. The average consumer of most of the goods is a member of the general public. While the evidence shows that perfume can be an expensive, luxury good, it is important that I keep in mind that the terms in the specifications should be taken to cover the whole range of goods for which the marks could be fairly used. In the case of perfume and fragrances, I find that these are not routine purchases, but I know from my own experience that such products can be bought relatively cheaply. In my view, therefore, the average consumer (who is, of course, a legal construct) would be paying an average degree of attention when buying perfume or fragrance. The same would apply for the cosmetics and household fragrance products.

79. These goods would be bought from physical shops, such as department stores, pharmacies and specialist retailers. They may also be bought online or from catalogues. However, the consumer is likely to want to be able to smell any fragranced product before purchase. In all these cases, the consumer will see the marks on the packaging, in-store signage, and may also have seen advertising in print media, on television or online. When buying online or from a catalogue, the consumer will also see the mark. This means that when I come to assess the likelihood of confusion, the visual aspects of the marks will be particularly important. I shall not, however, ignore the way the marks sound, as the average consumer’s choice may well be guided by discussions with sales staff.

80. The average consumer for those goods that are used to create perfumes and perfumed cosmetics will be a business or a hobbyist. For them, the goods will be regular purchases and are likely to vary in price, depending on factors such as the scarcity of the plants from which essential oils are extracted. The cosmetics and perfume businesses will have to comply with consumer protection regulations, so that the products are safe for end-consumers to use. Consequently, it is my view that the average consumer will be paying a higher than average degree of attention when selecting the ingredients that they use in their goods, which will be bought from

[32] Paragraph 60.

catalogues, websites or physical wholesalers. The visual element of the mark will be important, as will the aural element, given that orders may be made by telephone.

Comparison of marks

81. It is clear from *SABEL* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated in *Bimbo* that:

> "… it is necessary to ascertain in each individual case, the overall impression made on the target public by the sign for which the registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion."[33]

82. It would be wrong, therefore, artificially to dissect the marks, although it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

83. The respective marks are shown below:

Earlier mark	Contested mark
XERJOFF ERBA PURA	

[33] Paragraph 34.

Overall impressions of the marks

84. The contested mark is a gold oval on a teal background. In the centre of the oval is an image which appears to be a stylised butterfly. Above the butterfly are the words “SOSPIRO COLLECTION EAU DE PARFUM” shown in gold capitals in a standard font; below the butterfly are the words “ERBA PURA” in larger teal capital letters in what appears to be the same font. The size and colour of “ERBA PURA” and the size and central position of the butterfly lead me to find that each contributes equally to the overall impression of the mark. Lesser roles are played by the smaller words at the top of the mark, the oval shape and the colour arrangement.

85. The XERJOFF ERBA PURA mark consists of those three words laid out over two lines, with the first of those words at the top. “XERJOFF” is presented in large bold capital letters in a standard font, with the only stylisation being the absence of the vertical line in the letter “R”. The words “ERBA PURA” are shown on the line below, in the same font but smaller. Because of the size, bold font and stylised R, “XERJOFF” will make the greater contribution to the overall impression of this mark, although “ERBA PURA” is not negligible.

Visual comparison

86. The only element that is shared between the contested mark and the XERJOFF ERBA PURA mark is “ERBA PURA”. This represents half the earlier mark. Taking the contested mark as a whole, with its shape, colour, figurative element and words, I find that the marks are visually similar to a very low degree.

Aural comparison

87. The earlier mark is likely to be pronounced “ZER-JOFF-UR-BA-PUR-AH”. The butterfly device of the contested mark cannot be articulated, and in my view it is likely that the average consumer will only say the words “ERBA PURA”, articulated as “UR-BA-PUR-AH”. In that case, the marks will be aurally similar to a medium degree. If the remaining words are spoken, the marks will be aurally similar to a very low degree.

Conceptual comparison

88. “XERJOFF” is an invented word. The average consumer may think that the words “ERBA PURA” come from a foreign language, but they are unlikely to know what they mean. It is my view therefore that the contested mark will also have no meaning for the average consumer, and so there is no conceptual comparison to be made.

Distinctive character of the earlier mark

89. In *Lloyd Schuhfabrik Meyer*, the CJEU stated that:

> “22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Alternberger* [1999] ECR I-0000, paragraph 49).
>
> 23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered, the market share held by the mark, how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark, the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking, and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

90. Registered trade marks possess varying degrees of inherent distinctive character from the very low, because they are suggestive of, or allude to, a characteristic of the

goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities.

91. The opponent has not claimed that the distinctive character has been enhanced through use. As I found that the average consumer would see it as including invented words, the inherent distinctiveness of the mark is high.

Conclusions on likelihood of confusion

92. There is no scientific formula to apply in determining whether there is a likelihood of confusion. It is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle, i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods or vice versa. It is necessary for me to take account of the distinctive character of the opponent's mark, the average consumer and the nature of the purchasing process for the contested goods. In doing so, I must be aware that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them they have in their mind.

93. There are two types of confusion: direct and indirect. In *L.A. Sugar Limited v Back Beat Inc*, BL O/375/10, Mr Iain Purvis QC, sitting as the Appointed Person, explained that:

> "Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognised that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but analysed in formal terms, is something along the following lines: 'The later mark is different from the earlier mark, but also has something in common

with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.'"[34]

94. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor QC (as he then was), sitting as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. It is not sufficient that a mark merely calls to mind another mark. That would be mere association, not indirect confusion.

95. The contested mark is a composite mark, and so I must therefore consider the effect of *Medion* and the subsequent case law. In *Whyte and Mackay Ltd v Origin Wine UK Ltd & Anor* [2015] EWHC 1271 (Ch), Arnold J (as he then was) considered the impact of the CJEU's judgment in *Bimbo* on the court's earlier judgment in *Medion*. He said:

"18. The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19. The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks – visually, aurally and conceptually – as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

[34] Paragraph 16.

20. The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meaning of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21. The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors."

96. In my view, "ERBA PURA" has an independent distinctive role, but the number of other differences between the marks leads me to find that the average consumer would not mistake one for another, even taking into account imperfect recollection and the identity of some of the goods. I find no likelihood of direct confusion.

97. I turn now to consider whether there is a likelihood of indirect confusion. Where the goods are identical, I consider that this identity will outweigh the differences in the marks and that it is likely that the average consumer will think they are different brands of "ERBA PURA". Where the goods are merely similar, even to a high degree, it is my view that the differences between the marks are too great for there to be a likelihood of indirect confusion.

98. I have found a likelihood of indirect confusion under section 5(2)(b) based on the XERJOFF ERBA PURA mark for the following goods:

Perfumes; Perfume oils; Perfume oils for the manufacture of cosmetic preparations; Perfume water; Perfumed body lotions [toilet preparations]; Perfumed creams; Perfumed lotions [toilet preparations]; Perfumed oils for skin care; Perfumed potpourris; Perfumed powder; Perfumed powder [for cosmetic

use]; Perfumed powders; Perfumed powders [for cosmetic use]; Perfumed toilet waters; Perfumed water; Perfumeries; Perfumery; Perfumery and fragrances; Perfumery products; Perfumery, essential oils; Aromatic extracts; Perfumes; Perfumes for cardboard; Perfumes for ceramics; Perfumes for industrial purposes; Perfumes in solid form; Perfuming preparations for the atmosphere; Amber [perfume]; Aromatics for perfumes; Essential oils; Eau de Cologne; Perfume water; Fragrances for personal use; Oils for perfume and scents; Scented oils used to produce aromas when heated; Perfumery; Perfumery; Cosmetics; Cosmetic creams; Oils for cosmetic purposes; Hair care lotions; Air fragrance preparations; Essential oils as perfume for laundry purposes; Extracts of perfumes; Fumigation preparations [perfumes]; Liquid perfumes; Musk [perfumery]; Natural oils for perfumes; Natural perfumery; Oils for perfume and scents; Perfume oils for the manufacture of cosmetic preparations; Room perfume sprays; Room perfumes in spray form; Solid perfumes; Synthetic perfumery.

99. The opposition under section 5(2)(b) of the TMA and based on the XERJOFF ERBA PURA mark fails with respect to the following goods:

Perfumed sachets; Perfumed soap; Perfumed soaps; Perfumed tissues; Perfuming sachets; Soaps; Perfumed soaps; Deodorants; antiperspirants; Bases for flower perfumes; Body deodorants [perfumery]; Cushions filled with perfumed substances; Cushions impregnated with perfumed substances; Deodorants for personal use [perfumery]; Extracts of flowers [perfumes]; Extracts of flowers being perfumes; Flower perfumes (Bases for -); Flowers (Extracts of -) [perfumes]; Sachets for perfuming linen.

Section 5(2)(b): Opposition based on the SOSPIRO mark

Goods Comparison

100. The goods to be compared are shown in the table below:

Earlier goods	Contested goods
Class 3 *Soaps; Essential oils; Eau de Cologne; Perfume water; Fragrances for personal use; Oils for perfumes and scents; Perfumery; Perfumery; Perfumed soaps; Cosmetics; Oils for cosmetic purposes; Deodorants and antiperspirants.*	*Class 3* *Perfumes; Perfume oils; Perfume oils for the manufacture of cosmetic preparations; Perfume water; Perfumed body lotions [toilet preparations]; Perfumed creams; Perfumed lotions [toilet preparations]; Perfumed oils for skin care; Perfumed potpourris; Perfumed powder; Perfumed powder [for cosmetic use]; Perfumed powders; Perfumed powders [for cosmetic use]; Perfumed sachets; Perfumed soap; Perfumed soaps; Perfumed tissues; Perfumed toilet waters; Perfumed water; Perfumeries; Perfumery; Perfumery and fragrances; Perfumery products; Perfumery, essential oils; Aromatic extracts; Perfumes; Perfumes for cardboard; Perfumes for ceramics; Perfumes for industrial purposes; Perfumes in solid form; Perfuming preparations for the atmosphere; Perfuming sachets; Amber [perfume]; Aromatics for perfumes; Soaps; Essential oils; Eau de Cologne; Perfume water; Fragrances for personal use; Oils for perfumes and scents; Scented oils used to produce aromas when heated; Perfumery; Perfumery; Perfumed soaps; Cosmetics; Cosmetic creams; Oils for cosmetic purposes; Deodorants; Hair care lotions; Air fragrance preparations; antiperspirants; Bases for flower perfumes; Body deodorants [perfumery]; Cushions filled with perfumed substances; Cushions impregnated with perfumed substances; Deodorants for personal use [perfumery]; Essential oils as perfume for laundry purposes; Extracts of flowers [perfumes]; Extracts of flowers being perfumes; Extracts of perfumes; Flower perfumes (Bases for -); Flowers (Extracts of -) [perfumes]; Fumigation preparations [perfumes]; Liquid perfumes; Musk [perfumery]; Natural oils for perfumes; Natural perfumery; Oils for perfumes and scents; Perfume oils for the manufacture of*

Earlier goods	Contested goods
	cosmetic preparations; Room perfume sprays; Room perfumes in spray form; Sachets for perfuming linen; Solid perfumes; Synthetic perfumery.

101. Except for the goods considered below, I adopt the analysis in paragraphs 67-76 above.

102. Of the goods listed in paragraph 99 above, *Perfumed soap; Perfumed soaps; Soaps; Oils for perfumes and scents; Perfumed soaps; Deodorants; antiperspirants; Body deodorants [perfumery];* and *Deodorants for personal use [perfumery]* are identical to goods covered by the SOSPIRO mark, either self-evidently or through the *Meric* principle.

103. The applicant's *Perfumed potpourris* consist of dried plant materials, such as flowers, bark and leaves, to which have been added natural or synthetic perfumes, and are placed in a bowl in the home to provide a gentle scent in a room. The physical nature of the goods is different from that of any of the opponent's goods, as is the method of use. *Essential oils* may also be used as room fragrance, but they are usually evaporated in a burner, so the method of use is different. There is some competition between these goods and they are likely to share some trade channels. I do not find them to be complementary. Overall, in my view, *Perfumed potpourris* are similar to *Essential oils* to a low degree.

104. *Aromatic extracts* includes the opponent's *Essential oils* so I find them to be identical per *Meric.*

105. *Aromatics for perfumes* and *Musk [perfumery]* are ingredients that are used in making perfumes. There is an overlap with the opponent's *Essential oils* which can also be used for this purpose, although they have other applications, such as skincare. There is also an overlap in the users and method of use. It is likely that some trade channels will be shared and, as I noted with the group including *Extracts of flowers* above, there will be competition between the goods as the perfume creators decide

what they will use in each new fragrance. I find that there is a high degree of similarity between the applicant's *Aromatics for perfumes* and *Musk [perfumery]* and the opponent's *Essential oils*.

106. The applicant's *Hair care lotions* are used to cleanse and care for the hair, and to improve its appearance. The purpose of these goods is therefore similar to that of the opponent's *Cosmetics*. As the opponent's term would include cosmetics in the form of lotions, there is an overlap in the physical nature of the goods and they would be used in similar ways. They would also share trade channels, and be displayed in close proximity in supermarkets and general retailers. The goods are not in competition, nor are they complementary. Taking all these factors into account, I find that *Hair care lotions* are similar to *Cosmetics* to a medium degree.

Average consumer and the purchasing process

107. I adopt the analysis in paragraphs 77-80 above.

Comparison of marks

108. The marks to be compared are shown in the table below:

Earlier mark	Contested mark
SOSPIRO TAKES YOUR BREATH AWAY	

109. The earlier mark consists of a gold-coloured butterfly, which appears to be identical to the butterfly used in the contested mark. Underneath the butterfly is a gold wavy line, which looks like a puff of smoke rising from the letter "I" of "SOSPIRO". This

word appears in large dark blue capitals in a standard font, with the only stylisation being the absence of the top serif line on the “I”. Below “SOSPIRO” can be seen in smaller gold capitals the phrase “TAKES YOUR BREATH AWAY”. In my view, this phrase will be seen as a strapline. The overall impression of the mark lies in the mark as a whole, with the word “SOSPIRO” and the butterfly device making the greater (and equal) contribution, and the strapline playing a lesser role.

110. The overall impression of the contested mark is as I have described it in paragraph 84 above.

Visual comparison

111. The butterfly device is common to both marks. Indeed, earlier in my decision, I found that it was very nearly identical. They also share the word “SOSPIRO”, although the prominence of this word is greater in the earlier mark. The contested mark is a gold oval on a teal background, with gold and teal script. The earlier mark is gold and dark blue. Taking account of the similarities and differences, I find that the marks are visually similar to a low degree.

Aural comparison

112. In my view, the average consumer will only articulate the first word of the earlier mark, which will be pronounced “SOSS-PEER-OH”. The remaining text is likely to be seen as a strapline and be unspoken. Given the relative size of the text in the contested mark, I consider that “ERBA PURA” is likely to be what is spoken rather than “SOSPIRO COLLECTION EAU DE PARFUM”. Consequently I find that the marks are aurally dissimilar. If all the words in the contested mark are spoken, I would find the marks to be aurally similar to a low degree.

Conceptual comparison

113. “Sospiro” is Italian for “sigh”, but I do not consider that the average consumer would know this. They are likely to see it as a foreign or invented word, but not to give it any meaning. The conceptual message of the earlier mark is carried by the butterfly

and by the strapline. The butterfly is, of course, also to be found in the contested mark, but the strapline has no conceptual equivalent. I find that the marks are conceptually similar to at least a medium degree.

Distinctiveness of the earlier mark

114. The parts of the earlier mark that make the greatest contributions to its overall impression are the word “Sospiro” and the butterfly. These are not descriptive of the goods, neither do they allude to any quality to be found in them. I consider that the inherent distinctiveness of the earlier mark is high. The opponent has not pleaded that the distinctive character of the mark has been enhanced through use.

Conclusions on likelihood of confusion

115. As with the XERJOFF ERBA PURA mark, I consider that there are sufficient differences between the visual appearance of the marks for the average consumer not to be directly confused, even where the goods are identical.

116. I remind myself that indirect confusion involves the average consumer recognising that the marks are different, but also identifying that they have something in common. It is also the case that the average consumer will rarely have the chance to see the marks side by side.

117. Where the goods are identical, it is my view that the average consumer will, based on the common elements of the butterfly design and the word SOSPIRO, assume that the goods come from the same or connected undertakings. Where they are merely similar, the differences between the marks are too great for the average consumer to make such an assumption.

Outcome of section 5(2)(b) ground

118. The opposition under section 5(2)(b) succeeds in respect of the following goods:

Perfumes; Perfume oils; Perfume oils for the manufacture of cosmetic preparations; Perfume water; Perfumed body lotions [toilet preparations]; Perfumed creams; Perfumed lotions [toilet preparations]; Perfumed oils for skin care; Perfumed potpourris; Perfumed powder; Perfumed powder [for cosmetic use]; Perfumed powders; Perfumed powders [for cosmetic use]; Perfumed soap; Perfumed soaps; Perfumed toilet waters; Perfumed water; Perfumeries; Perfumery; Perfumery and fragrances; Perfumery products; Perfumery, essential oils; Aromatic extracts; Perfumes; Perfumes for cardboard; Perfumes for ceramics; Perfumes for industrial purposes; Perfumes in solid form; Perfuming preparations for the atmosphere; Perfuming sachets; Amber [perfume]; Aromatics for perfumes; Soaps; Essential oils; Eau de Cologne; Perfume water; Fragrances for personal use; Oils for perfumes and scents; Scented oils used to produce aromas when heated; Perfumery; Perfumery; Perfumed soaps; Cosmetics; Cosmetic creams; Oils for cosmetic purposes; Deodorants; Hair care lotions; Air fragrance preparations; antiperspirants; Body deodorants [perfumery]; Deodorants for personal use [perfumery]; Essential oils as perfume for laundry purposes; Extracts of perfumes; Fumigation preparations [perfumes]; Liquid perfumes; Musk [perfumery]; Natural oils for perfumes; Natural perfumery; Oils for perfumes and scents; Perfume oils for the manufacture of cosmetic preparations; Room perfume sprays; Room perfumes in spray form; Solid perfumes; Synthetic perfumery.

119. The opposition under section 5(2)(b) fails in respect of the following goods:

Perfumed sachets; Perfumed tissues; Perfuming sachets; Bases for flower perfumes; Cushions filled with perfumed substances; Cushions impregnated with perfumed substances; Extracts of flowers [perfumes]; Extracts of flowers being perfumes; Flower perfumes (Bases for -); Flowers (Extracts of -) [perfumes]; Sachets for perfuming linen.

Section 5(3)

120. Section 5(3) of the TMA is as follows:

"A trade mark which –

(a) 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 European Union trade mark or international trade mark (EU) in the European Union) 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."

121. The conditions of section 5(3) are cumulative:

a) the opponent must show that the earlier mark has a reputation;

b) the level of reputation and the similarities between the marks must be such as to cause the public to make a link between the marks; and

c) one or more of three types of damage (unfair advantage, detriment to distinctive character or repute) will occur.

122. It is not necessary for the goods to be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

Reputation

123. In *General Motors Corp v Yplon SA*, Case C-375/97, the CJEU held that:

"24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on

the product or services marketed, either the public at large or a more specialised public, for example traders in a specific sector.

25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

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.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it."

124. The evidence shows no use of the XERJOFF ERBA PURA mark in the form in which it is registered before the date of application for the contested mark. Even if I were to accept use of ERBA PURA alongside the name XERJOFF, I note that Mr Momo states that it was only in 2019 that the Sospiro perfumes (of which ERBA PURA was originally one) were brought under the XERJOFF name. Prior to that, the words would not have been associated together. In my view, there would have been insufficient time for XERJOFF ERBA PURA to have gained a reputation by the application date.

125. I move now to the SOSPIRO mark. When I considered goodwill of the business under section 5(4)(a), I noted some gaps in the evidence. There were no total sales

figures for goods sold, nor was there any information on how much the opponent had spent on promoting the mark. Under section 5(3), the relevant territory is the EU, as the mark is an EUTM, rather than the UK, but this does not help the opponent, as very little information has been provided for the EU, beyond a small number of invoices, some articles and lists of outlets. The evidence shows use of the mark on the website, in advertisements and on signage in retail outlets, but the reach of the advertising is unknown. Taking the evidence as a whole, I consider it insufficient for me to find that the SOSPIRO mark had a reputation at the relevant date.

126. The opposition under section 5(3) fails.

Section 3(6)

127. Section 3(6) of the TMA is as follows:

> "A trade mark shall not be registered if or to the extent that the application is made in bad faith."

128. While in everyday language the concept of "bad faith" involves a dishonest state of mind or intention, the concept of bad faith in trade mark law must be understood in the specific context of trade: see *Sky plc & Ors v Skykick UK Limited & Anor*, Case C- 371/18, paragraph 74. Trade marks serve to distinguish one undertaking's goods or services from others which have a different origin.

129. It is important to note that an allegation of bad faith is a serious allegation that must be distinctly proved. It is not enough to prove facts that are as consistent with good faith as bad: see *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch), paragraph 133.

130. The correct approach to the assessment of bad faith claims is to determine, first, in concrete terms, the objective that the applicant has been accused of pursuing; second, whether that was an objective for the purposes of which the contested application could not properly be filed; and third, whether the contested application was filed in pursuit of that objective: see *ALEXANDER Trade Mark*, BL O/036/18.

131. The applicant's intention is a subjective factor which must be determined objectively by the competent authority. An overall assessment is required, which must take account of all the factual circumstances relevant to the particular case: see *Chocoladefabriken Lindt & Sprüngli v Franz Hauswirth Gmbh*, Case C-529/07.

132. The matter must be judged at the relevant date, which is the date of the application for registration: see *Lindt*. It is necessary to ascertain what the applicant knew at the relevant date: see *Red Bull GmbH*. The relevant date here is 3 June 2019. Evidence about subsequent events may be relevant, if it cases light backwards on the position at the relevant date: see *Hotel Cipriani SRL & Ors v Cipriani (Grosvenor Street) Limited & Ors* [2009] RPC 9 (approved by the Court of Appeal [2010] RPC 16).

133. The opponent claims that the applicant knew of its activities and prior rights, and that the application was an attempt unlawfully to claim ownership of the Sospiro brand and related product names and disrupt the opponent's trade.

134. Mr Momo's account of events is as follows:

- In 2017, Mr Firas Al-Assadi contacted him to propose a partnership between Oud Road and a company called Fersan Al Sahaa Gen Trading, that he claimed to represent.
- They entered into discussions but these did not result in any agreement.
- On 18 April 2019, Mr Al-Assadi incorporated a UK company called Sospiro Limited. He was the sole director and shareholder of that company.[35]
- In the same month, Mr Al-Assadi, through a legal representative, contacted several of the opponent's commercial partners and alleged that Mr Momo had made unauthorised claims of brand ownership, used Mr Al-Assadi's trade secrets and perfume formulae to develop his own brands, including rebranding Sospiro perfumes as Xerjoff. These letters suggest that the partners work with Mr Al-Assadi instead.[36]

[35] Exhibit SM-12.
[36] Exhibit SM-49.

- The letters state that all correspondence relating to the dispute was sent to Mr Momo's lawyers in Italy. Mr Momo states that neither he nor his lawyers had at this point received any correspondence relating to a dispute with Mr Al-Assadi.
- On 3 June 2019, Sospiro Limited filed the contested trade mark application. Mr Momo asserts that the trade mark "clearly shows a section of a Sospiro Erba Pura perfume bottle".[37]
- Mr Al-Assadi filed further trade mark applications in the UK, EU and Switzerland on 3 June 2019 and 26 July 2019 for what Mr Momo describes as "key elements of the Sospiro brand". These include the butterfly design.[38]
- Mr Al-Assadi set up a website www.SospiroPerfume.net which has a highly similar look and feel to that of the Sospiro brand and Oud Road's advertising.[39]

135. Mr Momo states that the applicant also produced the following flyer for the TFWA World Exhibition in Cannes.[40] This is a trade show at which the opponent had exhibited in previous years. Reports of its events had appeared on the fragrantica.com website.[41] The flyer uses the opponent's SOSPIRO mark, highly similar colour palette, and butterflies. The applicant's website is shown at the bottom.



[37] Witness statement, paragraph 18.
[38] Exhibit SM-44.
[39] See, for example, the screenshot reproduced in Paragraph 40 above.
[40] Exhibit SM-43.
[41] See Exhibit SM-3.

136. The mere fact that the applicant knew that another party used the trade mark in the UK does not establish bad faith: see *Lindt* and *Koton Mağazacilik Tekstil Sanayi ve Ticaret AŞ v EUIPO*, Case C-104/18 P at paragraph 55. The applicant may have reasonably believed that it was entitled to apply to register the mark, for example where there had been honest concurrent use of the marks: *Hotel Cipriani*. As seen from the counterstatement, the applicant's defence is that it had prior rights and that the opponent was using the intellectual property on its behalf. It refers to a Design, Procure & Manufacture Agreement dated 15 June 2011 and "a large amount of emails" that would prove ownership. It has not, however, produced these.

137. The opponent has, under a statement of truth, provided evidence that points to the applicant attempting to register elements of the opponent's brand, while knowing that the opponent was the owner of those rights. The applicant has not challenged this evidence, nor has it supplied the evidence that in its counterstatement it claimed to exist.

138. In *Holzer y Cia de CV v EUIPO,* joined cases T-3/18 and T-4/18, the GC held (at paragraph 36 of the judgment) that although there is a presumption of good faith, the objective circumstances of a particular case may lead to the rebuttal of that presumption. In that event, it is for the applicant or proprietor of the trade mark to provide plausible explanations on the objectives and commercial logic pursued by the application for registration of the trade mark.

139. In my view, this is one of those cases. Mr Momo's evidence presents a set of facts that I do not find to be consistent with good faith. The applicant has not provided any plausible explanations of the commercial logic it was pursuing to rebut the prima facie case of bad faith. Consequently, I find that the application was made in bad faith.

140. The claim under section 3(6) succeeds.

OUTCOME

141. The oppositions succeed and the application no. 3404095 is refused.

COSTS

142. The opponent has been successful and is entitled to a contribution towards its costs in line with the scale set out in Tribunal Practice Notice (TPN) 2/2016. In the circumstances, I award the opponent the sum of £2300 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Preparing a statement and considering the other side's statement: £400
Preparing evidence: £1500
Official fees: £400 (2 x £200)

TOTAL: £2300

143. I therefore order Sospiro Limited to pay Xerjoff Group S.p.A. the sum of £2300, which should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this the 6th day of April 2021

Clare Boucher
For the Registrar,
Comptroller-General