

O/244/12

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS RELATING TO:

UK REGISTRATION 2373344 IN THE NAME OF ROX (UK) LIMITED:

ROX

**AND AN APPLICATION FOR REVOCATION THEREOF (NUMBER 84111)
BY ROLEX SA**

AND

**UK TRADE MARK APPLICATION NUMBER 2576618A
BY ROX (UK) LIMITED
TO REGISTER A SERIES OF TRADE MARKS:**

ROX

ROX

**AND OPPOSITION THERETO (NUMBER 102217A)
BY ROLEX SA**

THE BACKGROUND AND THE PLEADINGS

1) Rox (UK) Ltd (“Rox”) is the proprietor of UK trade mark registration 2373344 for the trade mark shown below:

ROX

The application for registration was filed on 18 September 2004 and it completed its registration procedure on 29 July 2005. It is registered in respect of:

Class 14: Jewellery, watches, clocks and horological instruments; key rings; parts and fittings for the aforesaid goods.

2) On 4 July 2011 Rolex SA (“Rolex”) filed an application for revocation of the registration in respect of:

“Watches, clocks and horological instruments; parts and fittings for the aforesaid goods”

Rolex bases this application on non-use under sections 46(1)(a) and (b) of the Trade Marks Act 1994 (“the Act”). The relevant time periods when Rolex claims non-use are:

i) Under section 46(1)(a): 30 July 2005 to 29 July 2010.
Revocation is sought with effect from 30 July 2010.

ii) Under section 46(1)(b): 4 July 2006 to 3 July 2011.
Revocation is sought with effect from 4 July 2011.

3) On 14 September 2011 Rox filed a counterstatement denying the allegation. In support of its contention that the mark has been put to genuine use it filed a witness statement of 14 September 2011 from Mr Kyron Keogh, Director of Rox; I will detail the content of this witness statement later.

4) On 28 March 2011 Rox filed UK trade mark application no. 2576618. The application was subsequently divided into application nos. 2576618A and 2576618B. Rolex opposes the registration of the marks covered by application no. 2576618A only; the series of two marks and the goods for which registration is sought can be seen below:

ROX

ROX

Class 14: Horological and chronometric instruments; watches and clocks; parts and fitting therefor.

Class 35: Retail services in connection with horological and chronometric, watches and clocks.

The mark was published in the Trade Marks Journal on 29 April 2011.

5) Rolex's opposition was filed on 28 July 2011 and is based on grounds under sections 5(2)(b) and 5(3) of the Act. Under both sections, two earlier marks are relied upon: UK trade mark numbers 2488795 and 52280. Both these earlier marks consist of the word ROLEX. Trade mark no. 2488795 had not been registered for more than five years as of the date of publication of the application, so there is no requirement under section 6A of the Act to show that it has been genuinely used. Section 6A does apply in respect of trade mark 522880, given that it completed its registration procedure in the early 1930s. Rolex claims use for all goods registered in Class 14. Rox did not require Rolex to provide proof of use.

6) On 7 October 2011 Rox filed a counterstatement denying the grounds of opposition. The revocation and opposition proceedings were then consolidated. Both parties filed evidence and written submissions in lieu of attendance at a hearing. I therefore give this decision after a careful review of all the papers before me.

ROLEX'S EVIDENCE

7) Mr Ian Crichton Starr, a solicitor and partner in the firm D Young & Co LLP, filed a witness statement of 14 December 2011 on behalf of Rolex. The facts and matters set out in this statement are based on a report which was commissioned on 20 June 2011 from a private investigation agency, Farncombe International ("Farncombe"). According to this report, none of the watches advertised on Rox's website www.rox.co.uk bear the brand name ROX, and historical versions of the website suggest that the mark has not been used on watches in the past. No third party internet, press or advertising records found indicated that the name ROX had been used on watches. On 28 June 2011 Farncombe had contacted personnel at Rox's retail shop in Argyll Arcade in Glasgow. Both (unnamed) employees said that Rox did not, and had not ever, produced its own range of ROX branded watches. Farncombe also reported that watches were not sold in ROX branded boxes but in boxes bearing the name of the third party manufacturer of the watch.

8) Rolex also filed a witness statement of 16 December 2011 by Mr David John Cutler. Mr Cutler states that he is the General Manager of the Rolex Watch Company Limited, which is a subsidiary of Rolex. ROLEX is such a famous name in connection with watches that I consider that judicial notice could have been taken of the fact that the mark has acquired a high degree of distinctiveness through use. In view of this, I give only a brief sketch of the points made in Mr Cutler's evidence and supporting exhibits:

- The trade mark ROLEX has been in use for over 100 years and extensively advertised for 90 years.

- Rolex owns an extensive number of trade mark registrations in the UK and globally.
- Rolex has appointed over 150 official Rolex retailers in the UK and the Republic of Ireland, including major national high street chains and famous “high-end” retailers.
- The Rolex Watch Company Limited had revenues in excess of £8 million in the year 2010, most of which derived from the sale of watches.
- The Rolex Watch Company Limited spent in excess of £1 million per annum on its advertising in the UK in the years 2009 and 2010.
- The ROLEX brand is also extensively promoted through sponsorship of a range of major, high-profile sporting and cultural events, institutions and individuals.
- ROLEX is frequently ranked as one of the most successful and prestigious brands in the world by independent third party publications; several recent examples are given.

It is helpfully conceded in paragraph 10 of Mr Keogh’s witness statement of 16 February 2012 (see below) that the ROLEX brand is well-established and reputed.

9) Mr Cutler states that ROLEX is an entirely made up word. He also makes some observations on the contention by Rox that the trade mark ROX is intended to be a play on words to indicate that Rox is a specialist in precious stones. He questions whether the relevant public would make this connection and attaches as **Exhibit 12** a number of different definitions of the word “rock”. He submits that the branding on the dial of a typical wristwatch is necessarily very small and that there are no watch manufacturers or retailers other than Rolex and Rox who manufacture or sell watches under a brand which includes the letters R and O at the beginning and end with X.

ROX’S EVIDENCE

10) In a witness statement of 14 September 2011 (“First Statement”) Mr Kyrion Keogh states that he is a director of Rox. Mr Keogh states that 30,000 watches were sold “under the Trade Mark” during the period 4 July 2006 – 4 July 2010. It should be noted that although Mr Keogh refers to this period as “the Relevant Period”, the actual proof of use period under section 46(1)(a) of the Act runs from 30 July 2005 to 29 July 2010, and the proof of use period under section 46(1)(b) of the Act runs from 4 July to 3 July 2011. The period specified by Mr Keogh overlaps the 46(1)(a) period and virtually mirrors the period under 46(1)(b). A number of exhibits were attached to Mr Keogh’s witness statement as follows:

- **Exhibit KK2** shows a swing tag bearing the ROX mark as registered together with a photograph of a swing tag attached to a watch. Mr Keogh states that such swing tags were attached to all watches sold through the websites

<http://www.roxjewellers.com> or <http://www.rox.co.uk> (“the Websites”) during the period he refers to.

- Copies of two point-of-sale receipts for watches are exhibited at **Exhibit KK3**. The ROX mark is shown at the top of each receipt. These date from 8 August 2006 and 11 August 2006 and describe the watches by third-party brand names (ARMANI and BOSS respectively).
- **Exhibit KK4** shows a “Thank You Wallet”. Mr Keogh explains that all sales receipts generated in store in the period specified by him were presented to customers in such a wallet. The mark is printed on the front flap of the wallet, together with “Caring for your Watch” instructions on the inside of the wallet.
- Mr Keogh states that Rox has stores in four shopping centre locations in the UK. During the period he refers to he states that each store prominently featured the mark above its entrance and in its window displays. This is illustrated in **Exhibit KK5**, which comprises photographs of two of the store fronts with respective timestamp images for 13 June 2007 and 12 December 2007.
- In **Exhibit KK6** extracts from the Internet Archive Wayback Machine (<http://web.archive.org>) show the mark being used on the homepage and the watches page of the Websites on 6 and 7 November 2007.
- **Exhibit KK7** is presented as an example of the watches page of the Websites in 2010. It bears the mark and is headed “Independent Retailer of the Year 2009/10”.
- **Exhibit KK8** comprises a promotional email sent to UK customers in 2009. The mark can be seen above pictures of watches.
- It is explained that goods sold in store would have been offered to customers in carrier bags bearing the mark. Stickers bearing the mark were used to seal the bags “from at least as early as the start of the Relevant Period until around February 2011”. These are shown in **Exhibits KK9 and KK10** respectively.
- Mr Keogh states that during the period he refers to Rox provided, and continues to provide, a watch repair and servicing service, including battery and strap replacement and fitting. Once a watch has been repaired or serviced, it is returned to the customer in a pouch bearing the mark. A photograph of such a pouch is attached as **Exhibit KK11**.

So far as they are visible, the window displays of watches seen in **Exhibit 5** appear to show third party brand names. All other watches shown or referred to in the above exhibits appear to be third party brands.

11) In his second witness statement of 16 December 2011 (“Second Statement”) Mr Keogh states that he has never received any enquiries asking if Rox is related to Rolex. He details a number of events sponsored by Rox and a number of awards

received by Rox in connection with its business of retailing jewellery and watches. His statements are supported by several exhibits to demonstrate the breadth of press coverage deriving from these events and awards, by which Rox gets its name as a retail jewellery business before the public. Several of the press cuttings in these exhibits contain references to the retailing of watches by Rox, and some include an image of the mark.

12) In his third witness statement of 16 February 2012 (“Third Statement”), consisting of evidence in reply, Mr Keogh accepts the statement in Mr Starr’s witness statement, and in Farncombe’s report, that none of the watches advertised on the Website bear or have borne the ROX mark on the watch face or strap. However, he reasserts that the mark has been used in relation to the goods as detailed in his First Statement. He disputes Mr Cutler’s assertion that the relevant public will fail to see the trade mark ROX as a play on words indicating that Rox is a specialist in precious stones. Mr Keogh attaches as Exhibit KK18 a press article referring to the origin of the ROX brand and company name. He points out that it is established practice for watches to be sold alongside jewellery, and attaches as Exhibit **KK17** an article from *Insider* magazine of 24 July 2010, equating watch brands with jewellery: “... Rox, which sells designer jewellery brands such as ToyWatch and Links of London ...”. He notes that Mr Cutler provides no further evidence for his statement that that there are no watch manufacturers or retailers who manufacture or sell watches under a brand which includes the letters R and O at the beginning and end with X.

APPLICATION FOR REVOCATION OF UK REGISTRATION 2373344

Legislation and case-law

13) The relevant parts of section 46 of the Act read:

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

(a) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;

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

(c)

(d)

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

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made: Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.

(4) An application for revocation may be made by any person, and may be made either to the registrar or to the court, except that –

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

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

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

(a) the date of the application for revocation, or

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

14) Section 100 is also relevant; it reads:

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

15) When considering whether genuine use has been shown, I bear in mind the leading authorities on the principles to be applied namely: the judgments of the Court of Justice of the European Union (“CJEU”) in *Ansul BV v Ajax Brandbeveiliging BV* [2003] R.P.C. 40 (“*Ansul*”) and *Laboratoire de la Mer Trade Marks* C-259/02 (“*La Mer*”). The position was helpfully summarized by Ms Anna Carboni, sitting as the Appointed Person, in BL O-371-09 *SANT AMBROEUS*:

“42. The hearing officer set out most of the key extracts from *Ansul* and *La Mer* in his decision, so I shall not reproduce them here. Instead, I try to summarise the “legal learning” that flows from them, adding in references to *Silberquelle* where relevant:

(1) Genuine use means actual use of the mark by the proprietor or a third party with authority to use the mark: *Ansul*, [35] and [37].

(2) The use must be more than merely “token”, which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22] - [23].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no *de minimis* rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25].”

Has there been genuine use of the mark?

16) Rox submits that its use of the mark – on, for example, swing tags attached to watches, receipts for watch sales, “thank you wallets” for receipts, pouches in which repaired watches are returned, website pages and emails promoting its sale of watches, and on its store fronts and in window displays – constitutes genuine use in relation to goods in respect of which Rolex seeks revocation. It submits that *Céline*

SARL v Céline SA (C-17/06) [2007] ETMR 80 (“*Céline*”) established that there is use in relation to goods where a sign is used in such a way that a link is established between the sign which constitutes the company, trade or shop name, and the goods marketed.

17) In *Céline* the CJEU stated: :

“21. The purpose of a company, trade or shop name is not, of itself, to distinguish goods or services (see, to that effect, Case C-23/01 *Robelco* [2002] ECR I-10913, paragraph 34, and *Anheuser-Busch*, paragraph 64). The purpose of a company name is to identify a company, whereas the purpose of a trade name or a shop name is to designate a business which is being carried on. Accordingly, where the use of a company name, trade name or shop name is limited to identifying a company or designating a business which is being carried on, such use cannot be considered as being ‘in relation to goods or services’ within the meaning of Article 5(1) of the directive.

22. Conversely, there is use ‘in relation to goods’ within the meaning of Article 5(1) of the directive where a third party affixes the sign constituting his company name, trade name or shop name to the goods which he markets (see, to that effect, *Arsenal Football Club*, paragraph 41, and *Adam Opel*, paragraph 20).

23. In addition, even where the sign is not affixed, there is use ‘in relation to goods or services’ within the meaning of that provision where the third party uses that sign in such a way that a link is established between the sign which constitutes the company, trade or shop name of the third party and the goods marketed or the services provided by the third party.

[...]

26. [...] the unauthorised use by a third party of a sign which is identical to a registered mark in relation to goods or services which are identical to those for which that mark is registered cannot be prevented under Article 5(1)(a) of the directive unless it affects or is liable to affect the functions of the mark, in particular its essential function of guaranteeing to consumers the origin of the goods or services.

27. That is the situation where the sign is used by the third party in relation to his goods or services in such a way that consumers are liable to interpret it as designating the origin of the goods or services in question. In such a case, the use of the sign is liable to imperil the essential function of the mark, since, for the trade mark to be able to fulfil its essential role in the system of undistorted competition which the EC Treaty seeks to establish and maintain, it must offer a guarantee that all the goods or services bearing it have been manufactured or supplied under the control of a single undertaking which is responsible for their quality (see, to that effect, *Arsenal Football Club*, paragraph 48 and the case-law cited, and paragraphs 56 to 59)”.

18) Jacob J considered a similar point in *Euromarket Designs Incorporated v Peters and Another* [2001] F.S.R. 201:

“57. In this connection it should be borne in mind that the Directive does not include an all-bracing definition of “use”, still less of “use in relation to goods”. There is a list of what may *inter alia* be specified as infringement (Article 5(3), corresponding to section 10(4)) and a different list of what may, *inter alia*, constitute use of a trade mark for the purpose of defeating a non-use attack (Article 10(2), equivalent to section 46(2)). It may well be that the concept of “use in relation to goods” is different for different purposes. Much may turn on the public conception of the use. For instance, if you buy Kodak film in Boots and it is put into a bag labelled “Boots”, only a trade mark lawyer might say that that Boots is being used as a trade mark for film. Mere physical proximity between sign and goods may not make the use of the sign “in relation to” the goods. Perception matters too. That is yet another reason why, in this case, the fact that some goods were sent from the *Crate & Barrel* United States shops to the United Kingdom in *Crate & Barrel* packaging is at least arguably not use of the mark in relation to the goods inside the packaging. And all the more so if, as I expect, the actual goods bear their own trade mark. The perception as to the effect of use in this sort of ambiguous case may well call for evidence”.

These cases, and others, were considered by Mr Daniel Alexander QC (sitting as the Appointed Person) in *The Light* BL/O/472/11 and he summed up by stating that:

“25. The effect of these authorities, both at EU and at national level, is therefore that this aspect of the non-use provisions requires the tribunal to consider whether, having regard to all the facts and circumstances, the mark been used to identify to the average consumer the proprietor as the origin of, including, having responsibility for, the particular goods or services in question.”

19) The mark does not necessarily have to be affixed to the goods. However, mere physical proximity between the sign and the goods will not necessarily suffice to make the use of the sign “in relation to the goods”. The crucial question is whether the mark is performing a role as an indication of trade origin in relation to the goods themselves or, for example, whether it is simply identifying the retailer by whom the goods are sold. Applying these principles to the facts of the present case, I think that where a third party brand is affixed to a watch, it is this affixed brand which will indicate trade origin. In other words, it is this third party brand which is performing the trade mark function in relation to the watch itself. This will counteract any impression that, for example, swing tags or carrier bags bearing the ROX mark indicate origin in relation to the third-party-branded watches they are used with. The consumer will perceive the ROX mark in these circumstances as identifying the provider of the retail service through which the watch is purchased.

20) In paragraph 6 of his Third Statement Mr Keogh accepts that none of the watches advertised on the Websites bear or have borne the ROX mark on the watch face or strap. According to Rolex’s evidence, its researches found no such use of the ROX mark on watches. The watches shown or referred to in **Exhibits KK2, 3, 6,**

7 and 8 all bear third-party brands, and therefore do not show genuine use of the ROX mark in relation to watches. Use of the ROX mark on shop fronts, carrier bags, bag seals and compliments wallets (**Exhibits KK5, 9, 10 and 4**) identifies Rox as the retailer. Use of the mark on the pouch for return of repaired watches (**Exhibit KK11**) might be seen as identifying Rox as the provider of the repair services, but not as an indication of origin of third-party-branded watches.

21) The position might have been different if the goods depicted and offered for sale were unbranded. In those circumstances consumers might reasonably think that Rox was identifying itself as the origin of the goods as well as the retailer of them. But there is no evidence that this is the case here. In all the evidence submitted by Rox I can find no example of Rox retailing a watch which does not bear a third party brand. The mark is, on my appraisal of the evidence, being used as the mark of a retail service for watches, but not of the underlying goods themselves. No evidence has been submitted demonstrating that Rox has retailed clocks or any horological instruments other than watches. My finding is, therefore, that no genuine use has been shown in relation to watches, clocks and horological instruments. In coming to this finding I have borne in mind that servicing and repair of watches is also claimed to have occurred. It could be argued (as was found in the *Ansul* case), that servicing of a product may maintain a registration for the product itself. However, in circumstances when genuine use has never been made of the product, this argument is not tenable; this is, in my view, in line with further comments made by Mr Daniel Alexander QC in *The Light* (paragraph 34).

22) I will touch upon the “parts and fittings” aspect of the specification and the use made. There is no evidence to establish whether parts and fittings (such as straps and batteries) were supplied under the Rox mark, a third party mark, or were unbranded. Indeed, there is only a brief reference in Mr Keogh’s First Statement to the watch repair and servicing service offered by Rox. Beyond the fact that repaired watches are returned to customers in a pouch bearing the Rox mark I have no further information about the service or the supply of parts. With such paucity of evidence I cannot hold that genuine use has been made for anything other than a watch repair/servicing service. Genuine use has not been established in respect of any parts and fittings.

23) Rox has thus failed to show genuine use of the mark in either relevant period in relation to the goods in respect of which Rolex seeks revocation of the registration: “*watches, clocks and horological instruments; parts and fittings for the aforesaid goods*”.

24) **The application for revocation has been successful.** The registration is hereby revoked under the provisions of section 46(6)(b) of the Act with effect from 30 July 2010 in respect of: “*Watches, clocks and horological instruments; parts and fittings for the aforesaid goods*” in Class 14. The specification left standing will read “*Class 14: Jewellery; key rings; parts and fittings for the aforesaid goods*”.

OPPOSITION TO UK TRADE MARK APPLICATION NUMBER 2576618A

Section 5(2)(b)

The law

25) Section 5(2)(b) of the Act reads:

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

(a)

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

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

26) In reaching my decision I have taken into account the guidance provided by the CJEU in a number of judgments: *Sabel BV v. Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* [2000] F.S.R. 77, *Marca Mode CV v. Adidas AG + Adidas Benelux BV* [2000] E.T.M.R. 723, *Case C-3/03 Matrazen Concord GmbH v GmbGv Office for Harmonisation in the Internal Market* [2004] ECR I-3657 *Medion AG V Thomson multimedia Sales Germany & Austria GmbH* (Case C-120/04) and *Shaker di L. Laudato & Co. Sas* (C-334/05). In *La Chemise Lacoste SA v Baker Street Clothing Ltd* (O/330/10) Mr Geoffrey Hobbs QC, sitting as the Appointed Person, quoted with approval the following summary of the principles which are established by these cases:

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

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

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

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

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

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite 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 great degree of similarity between the marks, and vice versa;

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

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

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

(k) if the association between the marks causes the public to wrongly believe that the respective goods [or services] come from the same or economically-linked undertakings, there is a likelihood of confusion."

The average consumer

27) According to the case-law, the average consumer is reasonably observant and circumspect (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27). The degree of care and attention the average consumer uses when selecting goods or service providers can, however, vary depending on what is involved (see, for example, the judgment of the General Court ("GC") in *Inter-Ikea Systems BV v OHIM* (Case T-112/06)).

28) The term horological and chronometric instruments may include items other than watches and clocks. However, in their submissions regarding the average consumer in this case both sides confined their discussion to watches. I shall do the same, coming back to other goods if it becomes necessary to do so. Rox submitted that the average consumer is the average consumer of luxury watches and other high quality goods. This is not the correct approach as it reflects the current marketing strategy rather than the inherent natures of the goods in question (see *Devinlec Développement Innovation Leclerc SA v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T- 147/03). The amount of time taken by a consumer in purchasing a watch will nevertheless be influenced by its price. If a consumer was purchasing a cheap watch he might be expected to take less care than if he was buying a more expensive watch. That said, I think that the average consumer might be expected to take at least an average degree of care

over purchasing a watch. The selection of a watch will be a predominantly visual process, though oral communication with sales staff will also normally play a role.

Comparison of the goods and services

29) When comparing the respective goods/services, if a term clearly falls within the ambit of a term in the competing specification then identical goods/services must be considered to be in play (see *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-133/05*) even if there may be other goods/services within the broader term that are not identical.

30) The goods/services for which Rox seeks registration are:

Class 14: Horological and chronometric instruments; watches and clocks; parts and fitting therefor.

Class 35: Retail services in connection with horological and chronometric instruments, watches and clocks.

31) As stated earlier, Rolex relies on two earlier marks which cover:

Registration no. 2488795:

Class 14: Horological instruments, namely watches, wristwatches, parts of clocks and watches and accessories for clocks and watches not included in other classes, alarm clocks, clocks and other chronometric instruments.

Class 35: Retail services connected with horological products, clocks, watches.

Registration no. 522880:

Class 14: Watches; Horological and chronometric instruments

32) The goods covered by the totality of the earlier marks include horological and chronometric instruments at large, certain goods falling within those terms, and parts of clocks and watches. All of the goods applied for by Rox fall within such terminology and are, therefore, identical. The only exception in the applied for goods may be parts and fittings of horological instruments other than watches and clocks. However, given that Rolex has coverage for horological instruments at large the goods are, if not identical, highly similar.

33) The terminology used in the Class 35 specifications is virtually identical. The applied for mark additionally covers the retailing of chronometric instruments but I consider this is simply an equivalent term to horological instruments, so the position is the same; the services are identical.

The distinctiveness of the earlier Rolex marks

34) The degree of distinctiveness of the earlier mark must be assessed. This is because the more distinctive the earlier mark (based either on inherent qualities or because of use made), the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). I accept that ROLEX is a made up word which possesses a high degree of inherent distinctiveness. I also find that the evidence provided in Mr Cutler’s witness statement confirms that the earlier ROLEX marks have acquired a high degree of enhanced distinctiveness in the UK through use in relation to watches. Taken together, these factors put ROLEX at the top end of the distinctiveness spectrum.

Comparison of the marks

35) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The visual, aural and conceptual similarities of the marks must be assessed by reference to their overall impressions, bearing in mind their distinctive and dominant components. The marks to be compared are:

The applied for marks	The earlier marks
	

36) Both Rolex’s earlier marks consist simply of the word mark ROLEX, this being the mark’s only component. Stylisation in the applied for marks is limited, amounting to not much more than the use of a particular typeface. The dominant and distinctive element of the applied for marks is the word component ROX which, like ROLEX, will be perceived as a single word.

37) From a visual perspective, both marks begin with RO and end with X. However, I think very significant differences flow from the fact that ROX is a very short and simple word. Additions to such a short word may make more difference and be more noticeable. This is just a rule of thumb, but in this instance the addition of two letters to the three-letter word here increases its length substantially and noticeably; ROLEX is an appreciably longer and more complex word visually than ROX. The degree of visual similarity is very low.

38) Aurally, although the marks begin and end with the same letters, the words will sound quite different when spoken. ROX is a short, monosyllabic word with one short vowel, and will be pronounced like “rocks”. ROLEX consists of two syllables. The initial vowel is pronounced as a diphthong, giving the O a different sound. The word is pronounced “roh-lex”. The pronunciation of both words will be simple and straightforward for the average consumer, making the differences apparent and memorable. The degree of aural similarity between the two words is very low.

39) On the issue of conceptual comparison, I have borne in mind the submissions and evidence of the parties, especially as regards the play on words said to have influenced the choice of the name Rox. I note that, as one might expect, British journalism's obsession with punning is evident in the press coverage of Rox's activities. An example can be seen in the item from the *Scottish Sun* on page 16 in Exhibit KK12 to Mr Keogh's Second Statement. However, I do not think this degree of sensitivity to potential word-play is necessarily shared by the average consumer. The pun may be seen in relation to jewellery in the narrow sense, but in relation to watches and the sale of watches it may not be immediately perceived. In my view, the average consumer will see both ROLEX and ROX as made-up words with no evocative meaning. The average consumer will therefore see neither conceptual similarity nor dissimilarity between the marks.

40) I should add that Rolex's reference to there being no watch manufacturers or retailers other than Rolex and Rox who manufacture or sell watches under a brand which includes the letters R and O at the beginning and end with X does not alter my views on the level of similarity of the marks.

Likelihood of confusion

41) The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.

42) I have found the goods and services specified in the application to be identical or highly similar to the goods and services covered by the earlier marks. I have found the earlier marks to possess a high degree of inherent distinctive character and to have acquired a high degree of distinctiveness through use. I have found the marks to have only very low degrees of both visual and aural similarity, and to be neither similar nor dissimilar conceptually. Bearing all this in mind, together with my assessment of the nature of the average consumer and their purchasing process, and having regard to the interdependency principle, I do not consider there is a likelihood that the average consumer will be directly confused. This is so even bearing in mind the concept of imperfect recollection and, also, that a low degree of similarity between the marks may be offset by a high (in this case identical) degree of similarity between the goods and services. The differences in the marks are sufficiently acute for the average consumer to differentiate between them even when identical goods/services are considered. This is so even bearing in mind use on watch faces, which, in any event, is not the only way in which the marks are likely to be used. In terms of indirect confusion, whereby the average consumer believes, despite being able to see the differences between the marks, that the goods are the responsibility of the same or an economically linked undertaking, I see no reason for coming to such a conclusion. Accordingly, there is no likelihood of confusion in respect of any of the goods and services for which Rox seeks registration. **The opposition on the basis of section 5(2)(b) of the Act fails in its entirety.**

Section 5(3)

43) Section 5(3)¹ of the Act reads:

“5-(3) 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 Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

44) In order to succeed under this ground the earlier mark(s) must have a reputation. In *General Motors Corp v Yplon SA (Chevy)* [1999] ETMR 122 and [2000] RPC 572 Chevy the CJEU stated:

“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.”

45) I have little hesitation in concluding that the ROLEX marks possessed the requisite reputation at the material date. Indeed, it had a particularly strong reputation.

46) In addition to having a reputation, a link must be made between the respective marks. In *Adidas-Salomon*, the CJEU stated:

“The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23). The existence of such a link must, just like a likelihood of confusion in the context of Article 5(1)(b) of the Directive, be appreciated globally, taking into account all factors relevant to the circumstances of the case (see, in respect of the likelihood of confusion, *SABEL*, paragraph 22, and *Marca Mode*, paragraph 40).”

47) In *Intel Corporation Inc v CPM (UK) Ltd* (C-252-07) (“Intel”), the CJEU provided further guidance on the factors to consider when assessing whether a link has been established. It stated:

“41 The existence of such a link must be assessed globally, taking into account all factors relevant to the circumstances of the case...”

¹ Section 5(3) was amended by The Trade Marks (Proof of Use, etc) Regulations 2004 (SI 2004 No. 946) giving effect to the judgments of the ECJ in *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd* (C- 292/00) and *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* (“*Addidas-Salomon*”) (C-408/01)).

42 Those factors include:

- the degree of similarity between the conflicting marks;
- the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;
- the strength of the earlier mark’s reputation;
- the degree of the earlier mark’s distinctive character, whether inherent or acquired through use;
- the existence of the likelihood of confusion on the part of the public”.

48) Having assessed the matter against the above criteria, I come to the view that a link will not be made. Although the goods/services are identical and the reputation of the earlier mark is strong, I take the view that the relevant public will not bring ROLEX to mind if they encounter ROX as a trade mark in relation to watches. The degree of similarity between the marks is simply not strong enough for such a bringing to mind.

49) Even if I am wrong on the above, there are further problems with Rolex’s claim. Rolex’s argument is based on the taking of an unfair advantage. In Case C-487/07, *L’Oreal SA and others v Bellure NV and others* the CJEU defined what is meant by “unfair advantage”:

"41 As regards the concept of 'taking unfair advantage of the distinctive character or the repute of the trade mark', also referred to as 'parasitism' or 'free-riding', that concept relates not to the detriment caused to the mark but to the advantage taken by the third party as a result of the use of the identical or similar sign. It covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation.

50 In the light of the above, the answer to the fifth question is that Article 5(2) of Directive 89/104 must be interpreted as meaning that the taking of unfair advantage of the distinctive character or the repute of a mark, within the meaning of that provision, does not require that there be a likelihood of confusion or a likelihood of detriment to the distinctive character or the repute of the mark or, more generally, to its proprietor. The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an advantage taken unfairly by that third party of the distinctive character or the repute of the mark where that party seeks by that use to ride on the coat-tails of the mark with a reputation in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image."

50) The opponent has to establish not only that there would be an advantage, but also that it is unfairly taken. It is to be noted that the CJEU refers to the third party seeking to take advantage, ie a conscious decision being made. The question of the unfair aspect was considered by Lloyd LJ in *Whirlpool Corporations and others v Kenwood Limited* [2009] EWCA Civ 753:

"136. I do not consider that Kenwood's design involves anything like a transfer of the image of the KitchenAid mark, or of the characteristics which it projects, to the goods identified by Kenwood's sign (see *L'Oréal v Bellure* paragraph 41). Of course, as a newcomer in a specialist market of which KitchenAid had a monopoly, and being (necessarily) in the basic C-shape of a stand mixer, the kMix would remind relevant average consumers, who are design-aware, of the KitchenAid Artisan. That, however, is a very different phenomenon, in very different commercial circumstances, from the situation considered in *L'Oréal v Bellure*. I find the Court's judgment instructive, but it does not seem to me to lead to the conclusion in favour of Whirlpool for which Mr Mellor contends. On the contrary, having rejected his radical submission that the word "unfair" could just as well have been left out of the article, it seems to me that the decision points away from, rather than towards, liability under the article on the facts of the present case. It is not sufficient to show (even if Whirlpool could) that Kenwood has obtained an advantage. There must be an added factor of some kind for that advantage to be categorised as unfair. It may be that, in a case in which advantage can be proved, the unfairness of that advantage can be demonstrated by something other than intention, which was what was shown in *L'Oréal v Bellure*. No additional factor has been identified in this case other than intention."

51) This matter was also considered by Mann J in *Specsavers International Healthcare Limited & Others v Asda Stores Limited* [2010] EWHC 2035 (Ch):

"160. Thus something more than mere advantage is required. It must be an unfair advantage. Lloyd LJ seems to state that an advantage is rendered unfair if it is intended. He also leaves open the possibility that unintended advantage may have a sufficient quality of unfairness about it to qualify."

52) There is no evidence that the applicant was seeking to take an advantage. Indeed, it is explained that the mark was chosen as a play on words with ROCKS. Whilst an unfair advantage may be assumed in some cases, this is not the position here, particularly given that I struggle to see what leg-up is being gained. Whilst ROLEX has a reputation for quality, I do not consider that such an image or reputation will attach itself to ROX. It will simply be seen as a competing brand. I do not consider that ROX will benefit from the fame of ROLEX. **The ground of opposition under section 5(3) is dismissed.**

COSTS

53) Both parties have achieved a measure of success in these consolidated proceedings. I therefore consider that each side should bear its own costs and I make no award of costs.

Dated this 25th day of June 2012

**Martin Boyle
For the Registrar,
The Comptroller-General**