

O-271-17

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION No. 3138295
IN THE NAME OF CHICV HOLDING LIMITED

AND IN THE MATTER OF OPPOSITION No. 406004 THERETO
BY WE BRAND S.A.R.L

AND IN THE MATTER OF AN APPEAL TO THE APPOINTED PERSON
BY THE OPPONENT
AGAINST A DECISION OF MS. TERESA PERKS
DATED 4 JANUARY 2017

DECISION

Introduction

1. This is an appeal from a decision of Ms. Teresa Perks, acting for the Registrar, dated 4 January 2017, BL O/002/17, in which she rejected an opposition brought by WE Brand S.a.r.l (“the Opponent”) against Application number 3138295 in the name of ChicV Holding Limited (“the Applicant”).

Application No. 3138295

2. On 28 November 2015, the Applicant applied to register the designation STYLEWE for use as a trade mark in the UK in relation to the following services:

Class 35

Online retail store services connected with clothing; provision of an on-line marketplace for sellers and buyers of goods and/or services; provision of an on-line marketplace connected with clothing.

Opposition No. 406004

3. The Application was published for opposition purposes on 8 January 2016.
4. On 11 February 2016, the Opponent filed Notice of opposition and statement of grounds against the Application under Section 5(2)(b) of the Trade Marks Act 1994, which states:



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

[...]

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

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

5. The Opponent relied on 3 earlier figurative trade marks belonging to the Opponent within the meaning of Section 6(1)(a) of the Act, namely:

Registration No.	Mark	Class
EUTM 11312667		35
IREU 1223927	WE FASHION	25.35
IREU 1213402		35

6. The Applicant took issue with the grounds of opposition in a Notice of Defence and counterstatement filed on 26 April 2010.
7. Both sides filed evidence and 2 sets of written submissions but neither side wished to be heard in person.
8. The Hearing Officer therefore decided the case on the papers before her.

Summary of the Hearing Officer’s decision

Best case

9. Earlier trade marks EUTM 11312667 and IREU 1223927 (neither of which were subject to proof of use and could be relied upon in respect of all the goods/services claimed) represented the Opponent’s best chances of success.

Guiding principles

10. The Hearing Officer would be guided by the Registrar’s standard summary of principles arising out of the relevant case law of the Court of Justice of the EU in her application of Section 5(2)(b).

Comparison of goods/services

11. Some of the parties’ services overlapped, e.g. *online retail store services connected with clothing* (applied for) versus *retail business services and the bringing together of*

clothing, the aforesaid services also offered via electronic channels, including the Internet (EUTM 11312667) and retail business services relating to, and the bringing together (excluding transport) of clothing, the aforesaid services also provided via electronic channels, including the internet (IREU 1223927). Identity of services represented the Opponent's best case and the opposition would be considered on that basis.

Average consumer/purchasing act

12. The average consumer of the parties' online retail services relating to clothing was a member of the general public, who would select the services with an average degree of attention primarily visually, but there may be word of mouth recommendations.
13. The applied for online marketplace services relating to clothing would be consumed by the businesses, and the general public as end users. The level of attention would be average for end users but higher for businesses. Again selection was predominantly visual although verbal considerations could not be discounted.

Distinctive character of earlier marks

14. EUTM 11312667 would be seen as the first person plural word "we", which was common in the English language. The stylisation contributed to the distinctiveness of the mark, which was not descriptive of the registered services. In all, the mark was possessed of a moderate degree of inherent distinctiveness.
15. The phrase WE FASHION in IREU 1223927 was allusive of retail business services relating to clothing and was possessed of a low to moderate inherent distinctive character¹.

Comparison of marks – overall impression

16. Overall, STYLEWE would be perceived as a one-word mark. Contrary to the Opponent's submission, the word "we" did not play an independent distinctive role in the Applicant's mark. Overall, the mark in suit would be regarded as a meaningless word and its distinctiveness for the applied for services lay in its totality.
17. The overall impression of EUTM 11312667 was dominated by recognition of the first person plural signification of the pronoun "we". The stylisation contributed to the overall impression but to a lesser extent.
18. IREU 1223927 WE FASHION could be perceived in relation to the registered clothing retail services concerned as: (1) an allusive slogan in which case its distinctiveness lay in the mark as a whole; or (2) a company or trading name WE plus the descriptor FASHION in which case the distinctive component of the mark was WE. The first alternative was more likely.

Visually

19. There was a visual coincidence between STYLEWE and EUTM 11312667 because the letters WE were discernible in the latter and appeared at the end of the former. However, the differences in appearance (stylisation of WE fig./respective lengths of the marks) cancelled out any visual similarity in the marks.

¹ Enhanced distinctiveness through use was not asserted for any of the earlier trade marks.

20. There was a low degree of visual similarity between STYLEWE and IREU 1223927 WE FASHION since both contained the element WE. However the words STYLE and FASHION bore no visual similarity, the beginnings of the marks were visually different, the shared WE element was placed at opposite ends of the respective marks and they were presented as one-word versus two-word marks.

Aurally

21. Aurally, EUTM 11312667 would be pronounced as WEE, and IREU 1223927 as WEE FASHION. In the Hearing Officer's view, STYLEWE would be pronounced STYLE-YOU, in which case there was no phonetic similarity with either of the earlier trade marks.
22. On the other hand, if the mark applied for was pronounced STYLE-WEE, there would be a medium degree of aural similarity with EUTM 11312667 (WE fig.), and a low degree of aural similarity with IREU 1223927 (due to the noticeable phonetic differences between STYLE and FASHION).

Conceptually

23. Regardless of whether STYLEWE was regarded as an invented word or, as advocated by the Opponent, STYLE and WE which together sent no clear message in relation to clothing retail services, there was no conceptual similarity with: (1) EUTM 11312667 that would be understood in the sense of the first person plural pronoun "we"; or (2) IREU 1223927 which was likely to be taken as a slogan allusive to the area of trade concerned. Overall there was no conceptual similarity in the marks.

Likelihood of confusion

24. Globally assessed taking account of the interdependent circumstances of the case, there was no likelihood of direct, or as argued by the Opponent, indirect confusion with either EUTM 11312667 or IREU 1223927.

Costs

25. The opposition failed and, subject to the outcome of any appeal, the Opponent was ordered to pay to the Applicant the sum of £450 towards the Applicant's costs of the opposition.

The appeal

26. On 1 February 2017, the Opponent filed Notice of appeal to the Appointed Person under Section 76 of the Act against the Hearing Officer's decision.
27. The Statement of grounds indicated that the appeal covered the Hearing Officer's decision as a whole, that is, the Hearing Officer's rejection of the opposition based on both of the earlier trade marks EUTM 11312667 and IREU 1223927.
28. However, it later became apparent from the Opponent's skeleton argument, and was confirmed to me by the Opponent at the appeal hearing, that the Opponent no longer challenged the Hearing Officer's decision in relation to EUTM 11312667 (WE fig.). This part of the decision stands and I say no more about it.

29. The appeal therefore proceeded solely on the basis of IREU 1223927 WE FASHION (earlier trade mark) versus STYLEWE (applied for), and the alleged reasons why the Hearing Officer was wrong in finding no likelihood of confusion existed between them under Section 5(2)(b). It was (at least impliedly) acknowledged by the Opponent that its best case rested with the parties' identical services.
30. At the appeal hearing, Mr. Malcolm Chapple of Counsel instructed by Nucleus IP Limited appeared for the Opponent. Ms. Katarzyna Eliza Binder-Sony of LegalForce RAPC Worldwide appeared for the Applicant.

Standard of review

31. The case law on the appellate function was reviewed, and the emerging principles summarised by Mr. Daniel Alexander QC sitting as the Appointed Person in *TALK FOR WRITING Trade Mark*, BL O/017/17 (paras. 16 – 52).
32. Mr Chapple reminded me that this appeal was by way of review, and not rehearing, and that I should be reluctant to interfere with the decision of the Hearing Officer in the absence of a distinct and material error on her part (*REEF Trade Mark* [2002] EWCA Civ 763, paras. 17 – 29).
33. As to what constitutes a sufficient "error of principle", Mr Chapple relied on the following passage from the judgment of Lindsay J. in *esure Insurance Limited v. Direct Line Insurance plc* [2007] EWHC 1557 (Ch), especially as highlighted:

"12. I shall not be ambitious enough to attempt a full definition of what is, for present purposes, an error of principle such as to justify or require departure from the decision below save to say that it includes the taking into account of that which should not have been, the omission from the account of that which should have been within it and the case (explicable only as one in which there must have been error of principle) where it is plain that no tribunal properly instructing itself could, in the circumstances, have reasonably arrived at the conclusion that it reached."

Grounds of appeal

34. As I have said the Opponent no longer pursued its appeal against the decision based on EUTM 11312667 (WE fig.). Argument therefore proceeded only on the footing of conflict with earlier trade mark IREU 1223927 WE FASHION for identical services.
35. The Opponent argued that the Hearing Officer was wrong to find that STYLEWE would be recognised as a meaningless word. The average consumer would instead break it down into known elements that were STYLE and WE. Even if the mark were not fully broken down, the beginning of the mark was recognisably the word "style" which had a clear meaning related to fashion and clothing. Further its 2-syllable construction meant that a conceptual meaning was more easily ascribed to STYLEWE concerning (1) fashion and clothing, and (2) the first person plural.
36. Therefore, the Opponent said that whether broken down into 2 words or not, STYLEWE essentially acquired the meaning of, in Mr Chapple's words: "We being a

group [being a quasi club] of well dressed individuals have a sense of up to date style”, which had the same meaning as IREU 1223927 WE FASHION.

37. Accordingly, contended the Opponent, the marks had a high degree of conceptual similarity and the decision contained a material error of principle.
38. Moving on to the global assessment of likelihood of confusion, the Opponent argued that (1) given the Hearing Officer’s findings of low degrees of visual and aural similarity between the marks, when (2) coupled with a high degree of conceptual similarity between the marks and identity of services, there (3) must be a likelihood of confusion, (4) contrary to the Hearing Officer’s determination at paragraph 38 of the decision.

Discussion

39. I accept that the reasonably well informed and reasonably observant and circumspect average consumer may break down a word mark into elements that are known to him or her (see e.g. Case T-351/14, *Construlink - Tecnologias de Informação, SA v. EUIPO*, EU:T:2017:101, para. 65 and the cases referred to therein).
40. However, that does not mean that 2 known elements cannot be combined into a single invented word mark in which distinctiveness resides in the mark as a whole (Case C-273/05, *OHIM v. Celltech R&D Ltd* [2007] ECR I-2883, paras. 73 – 79).
41. The Hearing Officer was in my view entitled to conclude that perceived overall in relation to the services concerned, STYLEWE would be regarded as a meaningless word by the average consumer.
42. In any event, as the Opponent appeared to recognise but only in relation to the visual and aural aspects, the Hearing Officer conducted her comparison of the marks from each of the required visual, aural and conceptual standpoints on the alternative basis advanced by the Opponent that the relevant public would understand STYLEWE as STYLE and WE.
43. Thus in relation to the conceptual aspect, the Hearing Officer said:

“30. For a conceptual message to be relevant it must be capable of immediate grasp by the average consumer. The assessment must be made from the point of view of the average consumer. I have already found that the relevant public will see STYLEWE as an invented word with no meaning. Even if I were to accept the possibility that the average consumer would identify in the mark two elements, STYLE and WE, the combination of these elements does not send a clear conceptual message.

31. In the 11312667 mark, I have already found that the sequence WE is likely to be perceived as the first person plural pronoun “we” and that in the mark 1223927 the phrase WE FASHION is likely to be taken as a form of slogan clearly allusive of the area of trade. Overall, there is no conceptual similarity between the marks.”

44. Again, it seems to me that the Hearing Officer was perfectly entitled to conclude that overall there was no conceptual similarity between the marks.
45. In my judgment, the suggested interpretation put forward by Mr Chapple in order to find that the marks have a high degree of conceptual similarity was contrived and involved a process of reasoning that the average consumer simply would not engage in.
46. I am therefore unpersuaded that the Hearing Officer was in error in finding that there was no likelihood of confusion, direct or indirect, and rejecting the opposition based on IREU 1223927 under Section 5(2)(b).

Conclusion

47. In the result, the appeal fails.
48. In addition to the costs of £450 awarded by the Hearing Officer to the Applicant in respect of the opposition, I will order the Opponent to pay to the Applicant the sum of £500 as a contribution to the Applicant's costs of this appeal. The total sum of £950 is to be paid by the Opponent to the Applicant within 28 days of the date of this decision.

Professor Ruth Annand, 5 June 2017

Mr. Malcom Chapple of Counsel instructed by Nucleus IP Limited appeared for the Opponent/Appellant

Ms. Katarzyna Eliza Binder-Sony of LegalForce RAPC Worldwide appeared for the Applicant/Respondent