

O/304/21

IN THE MATTER OF THE TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO 3,114,196 IN THE NAME OF BAREFACE COSMETICS LIMITED

AND IN THE MATTER OF A REQUEST FOR A DECLARATION OF INVALIDITY THERETO UNDER NO 503,052 BY SHISEIDO AMERICAS CORPORATION

AND IN THE MATTER OF AN APPEAL FROM THE DECISION OF G W SALTHOUSE (O/060/21) DATED 25 JANUARY 2021.

DECISION

Introduction

1. This is an appeal by Shiseido Americas Corporation (**SAC**) from decision O/060/21 of George Salthouse (**Decision**) in which he refused SAC's application for a declaration of invalidity in respect of Bareface Cosmetics Limited's (**BCL**) registered mark 3,114,196, details of which are as follows:

| Mark | Number | Filing & registration date | Class | Specification |
|-------------------|---------|----------------------------|-------|--|
| BareFace minerals | 3114196 | 20.06.15 04.12.15 | 3 | Cosmetics for personal use; Facial makeup. |

2. SAC relied upon the following registrations:

| Mark | Number | Filing & registration date | Class | Specification RELIED UPON |
|---|------------|----------------------------|-------|---|
| BAREMINERALS bareMinerals A series of two marks | UK 2371897 | 31.08.04 06.05.05 | 3 | Cosmetic skin creams, lotions and gels, perfumes, essential oils used as cosmetics, body lotions, creams and gels, bath lotions, hair shampoos and hair conditioners, colognes and toilet waters, and cosmetic powders for the skin and eyes. |
| BAREMINERALS | EU 4001558 | 31.08.04 07.12.05 | 3 | Cosmetic skin creams, lotions and gels, perfumes, essential oils used as cosmetics, body lotions, creams and gels, bath lotions, hair shampoos and hair conditioners, colognes and toilet waters, and cosmetic powders for the skin and eyes. |

| | | | | |
|--------------|-------------|----------------------|---|---|
| bareMinerals | EU 4001566 | 31.08.04 07.12.05 | 3 | Cosmetic skin creams, lotions and gels, perfumes, essential oils used as cosmetics, body lotions, creams and gels, bath lotions, hair shampoos and hair conditioners, colognes and toilet waters, and cosmetic powders for the skin and eyes. |
| BAREMINERALS | EU 11286812 | 23.10.12 06.03.13 | 3 | Cosmetics and non-medicated skin care preparations. |

3. SAC contended that:

- a) The goods are highly similar and/or identical, there is a high degree of visual, phonetic and conceptual similarity between the marks, and there is a likelihood of confusion; and
- b) SAC's marks have a reputation in respect of the goods for which they are registered in the UK. The marks and goods are similar, and use of BCL's mark will cause an association in the public's mind with the marks of SAC, which will erode their distinctiveness.

4. BCL did not put SAC to proof of use.

5. Only SAC filed evidence, and neither side requested an oral hearing, with both parties instead filing written submissions in lieu. In his Decision, George Salthouse for the Registrar rejected the application for a declaration of invalidity.

6. On 22 February 2021 SAC filed a Notice to Appeal to the Appointed Person against the Decision under Section 76 of the Trade Marks Act 1994.

The Hearing Officer's decision

7. The Hearing Officer held as follows (in summary):

- a) The average consumer for the goods in issue will be the public at large. The selection process is likely to be predominantly a visual one, although aural considerations will also play their part. The average consumer is likely to pay an average level of attention to the selection of the goods;
- b) All of SAC's marks are registered for goods which are identical to the specification of BCL's mark, and the first three of SAC's mark also have goods which are highly similar to BCL's specification;
- c) SAC's marks are inherently distinctive to a low degree. The Hearing Officer rejected SAC's evidence of use, and accordingly SAC's marks cannot benefit from enhanced distinctiveness through use;
- d) The average consumer would view SAC's marks as being two distinct and separate words "bare" and "minerals" which have simply been jammed together;

- e) The word “bare” in BCL’s mark will not be viewed as a separate independent word as the two words “bare” and “face” when put together form a recognisable term for an uncovered or unconcealed face;
- f) BCL’s and SAC’s marks are, overall, similar to a low degree;
- g) Whereas SAC’s mark appears in full in BCL’s mark, the presence of the word “face” changes the meaning of the other words. The marks are so different in their conceptual meanings that there is no likelihood of confusion, whether direct or indirect;
- h) The evidence relied upon by SAC does not establish that its marks have a reputation for the goods relied upon;
- i) In any case, the difference in their conceptual meaning will mean that BCL’s mark will not cause the public to call SAC’s mark to mind.

Grounds of Appeal

8. SAC contended that the Hearing Officer made the following errors of principle in his assessments:
 - a) A failure to take into account that the identity of goods means that a lesser degree of similarity in the marks will still lead to a likelihood of confusion.
 - b) Misinterpreting the sales figures provided by SAC in its evidence, leading to the erroneous conclusion that SAC’s marks do not have an enhanced reputation.
 - c) A flawed analysis of the average consumer. A presumption of normal and fair use by both parties would increase the likelihood of the average consumer being confused visually. Furthermore, aural consideration, whilst mentioned by the Hearing Officer, was not taken into consideration in the analysis of confusion. No consideration was given to imperfect recollection, nor to the possibility that a person purchasing on behalf of someone else, being asked to purchase a BareMinerals product would very easily confuse such a product for a BareFace minerals product.
 - d) Incorrect analysis of the marks. The comparison fails to take sufficient notice of the fact that the whole of SAC’s marks are contained in BCL’s mark. Furthermore, the Hearing Officer wrongly dissected SAC’s mark into two separate words, and placed too much emphasis on the presence of the word FACE in BCL’s mark, thereby reaching an incorrect conclusion that the marks are similar to a low degree.
 - e) Failure to conclude that there is a likelihood of confusion, particularly indirect confusion.
 - f) An incorrect conclusion (because of the incorrect finding of a low degree of similarity) that BCL’s mark will not cause the public to call SAC’s mark to mind.
9. SAC expanded upon the above in its written submissions, which were filed in lieu of attendance at the appeal hearing.
10. BCL did not file submissions ahead of the hearing, but at the hearing I invited its representative to respond to each of the above. BCL’s response was as follows:

- a) The Hearing Officer did take this factor into account, and was entitled to conclude that there would be no likelihood of confusion. In that regard, BCL pointed out that its marks were registered in 2015, and have been used for around 9 years in the UK, yet no instances of confusion have come to light in that time.
- b) BCL accepts that SAC's marks have an enhanced reputation in the UK.
- c) BCL submitted that SAC's argument does the average consumer a disservice. An average consumer, taking an average amount of care, would not be confused between the marks.
- d) BCL submitted that as the word MINERALS is wholly descriptive in the context used, the difference in meaning between BARE and BAREFACE means that the marks are conceptually different. BCL did accept, however, that the degree of similarity is higher than found by the Hearing Officer, and suggested that the degree of similarity is medium.
- e) BCL repeated its submission in (c) above – SAC's argument does the average consumer a disservice, and BCL regards the suggestion that there will be indirect confusion as "clutching at straws".
- f) Although BCL accepts that the similarity is higher than found by the Hearing Officer, it denies that it has sought to take unfair advantage of the reputation of SAC's mark. The BCL brand has its own identity, with a bespoke logo and packaging, and neither takes unfair advantage of, nor causes detriment to, the reputation of SAC's mark.

Standard of review

11. The approach to be adopted in an appeal hearing has been laid down a number of times in case law, both in general terms (e.g. by the Supreme Court in *Actavis Group PTC v. ICOS Corporation* [2019] UKSC 1671) and specifically in relation to appeals before the Appointed Person (Daniel Alexander QC sitting as the Appointed Person in *TT Education Ltd v Pie Corbett Consultancy Ltd* (O/017/17), approved by Arnold J in *Apple Inc v Arcadia Trading Limited* [2017] EWHC 440 (Ch)). These cases establish the following principles:

- Appeals to the appointed person are by way of review, not re-hearing;
- It is necessary for the appellant to satisfy the appeal tribunal that there was a distinct and material error of principle in the Hearing Officer's decision, or that the Hearing Officer was wrong;
- In the case of conclusions on primary facts it is only in a rare case, such as where that conclusion was one for which there was no evidence in support, which was based on a misunderstanding of the evidence, or which no reasonable judge could have reached, that the Appointed Person should interfere with it;
- In the case of a multifactorial assessment or evaluation, the Appointed Person should show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. Special caution is required before overturning such decisions. In particular, where an Appointed Person has doubts as to whether the Registrar was right, he or she should consider with particular care whether the decision really was wrong or whether it is just not one which the appellate court would have made in a situation where reasonable people may differ as to the outcome of such a multifactorial evaluation;

- Situations where the Registrar's decision will be treated as wrong encompass those in which a decision is (a) unsupportable, (b) simply wrong (c) where the view expressed by the Registrar is one about which the Appointed Person is doubtful but, on balance, concludes was wrong. It is not necessary for the degree of error to be 'clearly' or 'plainly' wrong to warrant appellate interference but mere doubt about the decision will not suffice;
- The Appointed Person should not treat a decision as containing an error of principle simply because of a belief that the decision could have been better expressed. Appellate courts should not rush to find misdirections warranting reversal simply because they might have reached a different conclusion on the facts or expressed themselves differently. Moreover, in evaluating the evidence the Appointed Person is entitled to assume, absent good reason to the contrary, that the Registrar has taken all of the evidence into account.

12. In addition to the above, Mr Iain Purvis QC sitting as the Appointed Person in *ROCHESTER Trade Mark*, BL O/049/17, made the following observations at paragraph 33:

“... the reluctance of the Appointed Person to interfere with a decision of a Hearing Officer on likelihood of confusion is quite high for at least the following reasons:

(i) The decision involves the consideration of a large number of factors, whose relative weight is not laid down by law but is a matter of judgment for the tribunal on the particular facts of each case

(ii) The legal test ‘likely to cause confusion amongst the average consumer’ is inherently imprecise, not least because the average consumer is not a real person

(iii) The Hearing Officer is an experienced and well-trained tribunal, who deals with far more cases on a day-to-day basis than the Appellate tribunal

(iv) The legal test involves a prediction as to how the public might react to the presence of two trade marks in ordinary use in trade. Any wise person who has practised in this field will have come to recognize that it is often very difficult to make such a prediction with confidence

Any sensible Appellate tribunal will therefore apply a healthy degree of self-doubt to its own opinion on the result of the legal test in any particular case.”

13. I shall bear all the above in mind when reviewing the Decision.

Discussion

14. Looking at the various alleged errors of principle in turn, my analysis is as follows.

(a) A failure to take into account that the identity of goods means that a lesser degree of similarity in the marks will still lead to a likelihood of confusion

15. I am unable to accept this criticism. The Hearing Officer mentions twice (at paragraphs 13 and 25 of the Decision) the interdependency principle. At paragraph 29 he expressly states that “despite the goods being identical the marks are so different in their conceptual meaning that there is no [likelihood of confusion]”. It is in my view abundantly clear that the Hearing Officer not only correctly identified the legal principle, but reminded himself of it again when making

his decision as to likelihood of confusion. There is accordingly no error of principle in this regard. The Hearing Officer, in applying the interdependency principle, may have reached a conclusion with which SAC disagrees, but that of course does not constitute a proper ground of appeal.

(b) Misinterpreting the sales figures provided by SAC in its evidence, leading to the erroneous conclusion that SAC’s marks do not have an enhanced reputation

16. SAC filed a witness statement, dated 26 August 2020, by Isabella Rogers the Marketing Director of Shiseido Group in the UK. She provided the following figures:

| Year | Gross sales £million | Advertising £million |
|------|----------------------|----------------------|
| 2014 | 45.6 | 1.5 |
| 2015 | 51.1 | 2.2 |
| 2016 | 47.4 | 2.5 |
| 2017 | 46.4 | 1.9 |
| 2018 | 40.0 | 1.1 |
| 2019 | 38.3 | 0.9 |
| 2020 | 24.7 (est) | 1.0 |

17. The Hearing Officer held, at paragraph 21, that “it is not clear if they relate solely to the UK, or whether they include sales in a number of EU countries mentioned by the witness. Nor are the figures broken down into groups such as skincare, cosmetics, shampoo and perfumes; all of which feature in the registrations, and the evidence is said to relate to the whole of the specification”.
18. Accordingly, the Hearing Officer concluded that SAC cannot benefit from enhanced distinctiveness through use.
19. SAC contend, in this appeal, that the Hearing Officer’s analysis was simply wrong. It submits that the sales figures were only in respect of the UK, and the Hearing Officer wrongly interpreted them as not covering only the UK. Furthermore, the evidence of use and turnover relates to products which are all cosmetics or related thereto and so are sales of similar or identical goods to those of the contested mark.
20. I have reviewed the witness statement of Ms Rogers. Ms Rogers used, as her starting point, the standard template witness statement available on the IPO website. That standard template has, as questions 6 and 7, the following text which is reproduced in Ms Rogers’ statement:

“Q6 Please provide details of the number of sales achieved under the mark in the UK (or in the EU if the earlier mark is registered or protected at EU level) during the relevant period. These figures should, if possible, be provided on an annual basis and, if possible, be split in relation to each of the goods/services for which use of the mark is claimed; estimates should be provided if exact figures are not readily available.

Q7 If you consider that the information already provided clearly shows genuine use of the mark during the relevant period in relation to the goods/services for which use is claimed, please go to Q8.

If you wish to supplement the information already provided, please state how much was spent promoting the mark in the UK (or in the case of an EU mark, in the EU) during the relevant period. Ideally, this should be broken down by year. Estimates may be provided if exact figures are not readily available.”

21. Given that SAC relied upon both UK and EU marks in its application, the text of the questions above leads to an ambiguity – do SAC’s answers relate to the UK mark, or to the EU mark? However, in my view it is appropriate to read SAC’s answers to Q6 and Q7 in the context of the rest of the witness statement. Ms Rogers mentions the EMEA region in response to Q2 (the text of which reads “If the opposition is based upon an EU Trade Mark or an International Registration protected in the EU, please explain where in the EU the mark has been used in the relevant period”). However, her answers to all the other questions in the IPO template refer only to the UK. All the retailers mentioned are UK retailers, and the examples of use (in the form of exhibits IR1-7) are exclusively in relation to the UK.
22. In my view, taking the above into account, together with the fact (acknowledged by the Hearing Officer) that the sales and advertising figures are provided in £ sterling, a fair reading of Ms Rogers’ statement is that Ms Rogers was providing sales and advertising figures only in relation to the UK. I regard the Hearing Officer’s conclusion as falling within the scope of a conclusion “about which the Appointed Person is doubtful but, on balance, concludes was wrong”, mentioned in paragraph 11 above.
23. Accordingly, in my view SAC submitted evidence, unchallenged by BCL, showing a substantial degree of sales and advertising revenues over an extended period of time. That evidence, together with the numerous examples of use submitted by SAC, should have led the Hearing Officer to conclude that SAC’s marks have an enhanced reputation.

(c) A flawed analysis of the average consumer.

24. The Hearing Officer concluded that the average consumer would pay an average degree of attention, and would primarily rely on visual factors in the selection process, whilst acknowledging that aural considerations will also play their part. At paragraph 24 he reminded himself of the aural similarities and differences in the marks. At paragraph 13 the Hearing Officer mentions “imperfect recollection” as a factor to be taken into account. He reminded himself of that at paragraph 25, before concluding that there was no likelihood of confusion.
25. I do not accept, therefore, that aural consideration and imperfect recollection were not taken into account. Again, SAC’s complaint in respect of both factors is simply that the Hearing Officer reached a conclusion on both factors with which it disagrees, which does not provide a ground for overturning the Decision.
26. SAC’s final criticism of the Decision under this head is that the Hearing Officer failed to take into account “the possibility that a person purchasing on behalf of someone else, being asked to purchase a bareMinerals product would very easily confuse such a product for a BareFace minerals product”. Having reviewed SAC’s written submissions to the Hearing Officer, this factor was not raised at all before the Hearing Officer. In my view, it cannot be an error of principle to fail to take into account a matter that was not raised by SAC.
27. Accordingly, I detect no error of principle by the Hearing Officer under this head.

(d) Incorrect finding as to degree of similarity

28. SAC contends that the Hearing Officer’s analysis of the marks was incorrect. First, it says that he failed to take sufficient notice of the fact that the whole of SAC’s marks are contained in BCL’s mark. Secondly, he wrongly dissected SAC’s mark into two separate words, and placed too much emphasis on the presence of the word FACE in BCL’s mark, thereby reaching an incorrect conclusion that the marks are similar to a low degree.

29. With regard to the first point, the hearing Officer addressed this factor at paragraph 29, where he said

“To my mind, whilst it is technically correct to state that SAC’s mark appears in full in the mark of BCL the presence of the word “face” changes the meaning of the other words such that, in my opinion, taking into account all of the above, despite the goods being identical the marks are so different in their conceptual meanings that there is no likelihood of consumers being directly or indirectly confused into believing that the goods in class 3 applied for and provided by BCL are those of SAC or provided by an undertaking linked to it. In both marks the words “bare” and minerals” are inherently weak, both being used in a descriptive manner.”

30. The assertion that he failed to take “sufficient notice” of this particular factor is, in reality, a submission that BCL disagrees with the weight given by the Hearing Officer to an individual factor in a multifactorial analysis. Such a submission cannot provide a proper foundation for the Appointed Person to overturn the Decision.

31. With regard to the second point, the Hearing Officer’s analysis is at paragraphs 23-24. He cautioned himself against artificially dissecting marks, but nonetheless concluded that the average consumer would view SAC’s marks as two separate words, “bare” and “minerals”, which had been jammed together. He was further of the view that the words “bare” and “face”, when put together, form a recognisable word “bareface”, with its own separate meaning. The Hearing Officer made no error of principle in this analysis, nor can his conclusion be said to be wrong.

32. As to the assertion that the Hearing Officer should have concluded that the marks were similar to a medium or high degree, Mr Iain Purvis QC, sitting as the Appointed Person, had this to say in relation to such challenges in *Greybox*, Case O/106/20:

“This [Ground] takes issue with the Hearing Officer’s view that the conceptual similarities between the marks were at a ‘fairly low level’. It is said that the conceptual similarity should have been found to be at least at a ‘medium’ level. I do not consider there is any great value in debating differences between ‘fairly low’ and ‘medium’ degrees of similarity in the context of the overall assessment of likelihood of confusion. Certainly, I do not consider that such fine distinctions can properly be characterized as errors of principle. They are at best simply disagreements about the precise ‘weight’ to be given to a factor in the overall assessment, something which the Courts have consistently rejected as a proper ground of Appeal. Furthermore, given the lack of clarity and subjectivity of the terms in question, it is impossible to have any sensible debate on Appeal about whether the Hearing Officer was right.”

33. In my view, different Hearing Officers may, on the facts of this case, have characterised the degree of similarity as low or, alternatively, as medium (or indeed anywhere between the two). Such conclusions would be the result of a value judgment taking all relevant matters into account. For the reasons given by Iain Purvis QC it would be inappropriate and unhelpful to debate precisely where on the low to medium spectrum the degree of similarity of the marks falls, as such an issue cannot of itself form the basis of the overturning of the Decision.

(e) Failure to conclude that there is a likelihood of confusion

34. As I have reached a conclusion as to enhanced reputation which differs from that reached by the Hearing Officer, and as the Hearing Officer (correctly) took the factor of enhanced reputation into account when assessing likelihood of confusion, it is necessary for me to re-determine his analysis of the likelihood of confusion. I re-state the factors he took into account at paragraph 25 of the Decision, substituting my finding of enhanced distinctiveness for his:
- the average consumer for the goods is a member of the general public. They will select the goods by predominantly visual means, although I do not discount aural considerations and they are likely to pay an average level of attention to the selection of goods in class 3;
 - the marks of the two parties have a low degree of similarity;
 - SAC's mark has a low degree of inherent distinctiveness but benefits from an enhanced distinctiveness through use;
 - the goods of the two parties in class 3 are identical, or highly similar.
35. It is certainly arguable, in my view, that there could be a likelihood of confusion given the above factors. However, I believe it is appropriate also to take into account a further factor which was not taken into account by the Hearing Officer, but was raised by BCL both in the invalidity action and on appeal. BCL's mark was filed in June 2015 and registered in December 2015. Accordingly, by the date of the Decision, BCL's mark had been on the register for over 5 years. Furthermore, BCL's mark was already in use when its registration was filed, and by the date of the Decision had been in use in the UK for around 9 years.
36. In its written submission to the Hearing Officer, SAC said "The Cancellation Applicant has not been able to find any substantive use of the mark under challenge. That explains why it has not provided any evidence submitted of actual confusion". At the appeal hearing, BCL confirmed that it has been using the mark through its website at <https://www.barefaceminerals.co.uk/> for around 9 years. It is also not aware of any instances of actual confusion arising out of its use of the mark.
37. On the one hand, therefore, there is an arguable but not compelling case of inherent likelihood of confusion. On the other hand, there is clear evidence that the two marks have co-existed on the UK market for around 9 years, without giving rise to a single instance of actual confusion that has come to the attention of either party. It is important to bear in mind the observation of Iain Purvis QC in the *ROCHESTER Trade Mark* case cited at paragraph 12 above: "The legal test involves a prediction as to how the public might react to the presence of two trade marks in ordinary use in trade. Any wise person who has practised in this field will have come to recognize that it is often very difficult to make such a prediction with confidence".
38. Applying the "healthy degree of self-doubt to [my] own opinion" urged by Iain Purvis QC in *ROCHESTER Trade Mark*, I am forced to conclude that in reality there is no likelihood of direct confusion between the marks. My overall conclusion, therefore, is the same as the Hearing Officer's, albeit for different reasons.
39. SAC also challenges the Hearing Officer's rejection of a likelihood of indirect confusion. Specifically, SAC contends that "The interpretation of case law by the Hearing Officer should

have concluded that at least there would be indirect confusion according to the tests to which he refers”.

40. The Hearing Officer considered three cases. First, Mr Iain Purvis Q.C.’s comments in *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10:

“16. 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 recognized 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.”

41. Secondly, James Mellor QC (as he then was) sitting as the Appointed Person in *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, in which he stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

42. Thirdly, Arnold J (as he then was) in *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), considering the impact of the CJEU’s judgment in *Bimbo*, Case C-591/12P, on the court’s earlier judgment in *Medion v Thomson*:

“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.

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 meanings 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.”

43. SAC’s submissions do not explain precisely why it is said that application of the above tests should have led to a finding of indirect confusion. The decision in *Duebros Limited* does not assist SAC in that regard. *Whyte and Mackay Ltd* stresses, at paragraph 21, the necessity of carrying out a global assessment taking into account all relevant factors. That is what the Hearing Officer did, following which he concluded that there is no likelihood of direct or indirect confusion.

44. With regard to *L.A. Sugar Limited*, the Appointed Person in that case went on to say:

“Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

45. It is clear from the wording “tend to fall into one or more of three categories” that Iain Purvis QC was not intending to lay down an exhaustive list of the circumstances in which a finding of indirect confusion may be made. However, SAC does not suggest that this particular dispute falls into any category other than the three listed by Iain Purvis QC. Accordingly, I shall review the Hearing Officer’s findings against each of the three categories identified by Iain Purvis QC.

46. With regard to category (a), the Hearing Officer concluded that SAC’s mark (which comprises the common element) was of low inherent distinctiveness. I have concluded that, contrary to the Hearing Officer’s decision, SAC’s mark benefits from enhanced distinctiveness through use. Even taking into account that enhanced distinctiveness, however, it cannot in my view be said that SAC’s mark is “so strikingly distinctive ... that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all”.

47. With regard to category (b), the word “FACE” is not a non-distinctive element, of the kind one would expect to find in a sub-brand or brand extension. Rather, as found by the Hearing Officer, the addition of the word “FACE” leads to BCL’s mark having a substantially different conceptual meaning.

48. Finally, as for category (c), the addition of the word “FACE” is not logical and consistent with a brand extension.

49. Accordingly, the Hearing Officer was entitled to find no likelihood of indirect confusion, and the challenge to this particular finding must fail.

(f) An incorrect conclusion (because of the incorrect finding of a low degree of similarity) that BCL's mark will not cause the public to call SAC's mark to mind

50. The Hearing Officer rejected the ground of invalidity based on s. 5(3), primarily because of his finding that SAC's mark does not have a reputation. I have overturned that finding. However, the Hearing Officer went on to consider whether, even if a reputation was established, a link will be made between the marks of the two parties. He concluded that the degree of similarity between the marks was not sufficient for the public to make a link between BCL's and SAC's marks.

51. SAC contends that the Hearing Officer was wrong in finding only a low degree of similarity between the marks. As I explain at paragraphs 31-32 above, debate over the label given to the degree of similarity is sterile and unhelpful. The Hearing Officer did not simply reject the likelihood of a link on the basis of a low degree of similarity. He explained, at paragraph 37 of the Decision, that "the difference in their conceptual meaning [which he had addressed in detail in paragraphs 22-24] will mean that the instant mark will not cause the public to call the earlier mark to mind". He was entitled to reach that decision on the facts before him, and made no error of principle in doing so. I accordingly reject this particular challenge.

Conclusion

52. Taking into account everything I refer to above, although I have reached a different conclusion from the Hearing Officer in relation to the issue of enhanced reputation, the Hearing Officer's findings in relation to each of the other sub-issues, and his overall decision, were all ones he was entitled to make on the facts before him. Accordingly, the appeal must be dismissed.

Costs

53. As BCL has been successful it would normally be entitled to a contribution towards its costs. BCL has not been professionally represented and has not submitted a proforma of costs. I therefore do not award any costs payable to BCL from SAC.

Dr. Brian Whitehead

25 April 2021

Representation

Mr Graham Farrington, Ladas & Parry LLP for the Applicant/Appellant

Mr Matthew Nixon, acting in person for the Respondent