

**TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK APPLICATION NO. 3007181 IN THE NAME OF PURE IMPORTS LIMITED**

**AND IN THE MATTER OF OPPOSITION NO. 400744 THERETO BY DREAMS LIMITED**

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**DECISION**

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**Introduction**

1. This is an appeal from the decision of Mr. Oliver Morris, acting for the Registrar, dated 22 October 2014, (O-455-14), in which he rejected Opposition No. 400744 brought by Dreams Limited (*'the Appellant'*) against Trade Marks Application No. 3007181 in the name of Pure Imports Limited (*'the Respondent'*).
2. On 23 May 2013 the Respondent filed Trade Mark Application No. 3007181 for the following mark:



3. The application was made in respect of the following services:  
  
Class 35: Retail services connected with the sale of beds, divan beds, mattresses and parts and fittings for all the aforesaid goods; information and advice in relation to the aforesaid services.
4. On 23 August 2013 the Appellant filed Opposition No. 400744 on the basis of section 5(2)(b) of the Trade Marks Act 1994 (*'the Act'*). The Appellant relied upon a number of UK and Community Trade Marks (*'CTMs'*) but as recorded in paragraph 2 of the Hearing Officer's Decision it was accepted by the Appellant by the time of the hearing below that the following two marks represented its strongest case:

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(1) CTM 011424538 for the mark:

DREAMS

Registered for, *inter alia*, in respect of:

Class 35:

Retail services relating to the sale of furniture, bedroom furniture, mirrors, beds, water beds, divans, bedsteads, headboards, bedding, pillows, mattresses, open spring and pocket spring mattresses, memory foam and latex mattresses, futons, air cushions and air pillows, air mattresses, sleeping bags, bed casters not of metal, bed fittings not of metal, chairs, armchairs, cabinets, chests of drawers, desks, footstools, cots and cradles, fabrics and textiles for beds and furniture, bed linen, duvets, bed covers, bed blankets, bed clothes, covers for duvets, mattress covers, covers for pillows and pillow cases, covers for cushions, bedspreads, covers for hot water bottles, pyjama cases, furniture coverings of textile, eiderdowns, quilts, parts and fittings for all the aforesaid goods, all provided in a retail furniture and bedding superstore, online via the Internet or other interactive electronic platforms, via mail order or catalogues or by means of telecommunications; information, advisory and consultancy services relating to all of the aforesaid.

(2) CTM 011582764 for the mark:



Registered for, *inter alia*, in respect of:

Class 35:

Retail services relating to the sale of furniture, bedroom furniture, mirrors, beds, water beds, divans, bedsteads, headboards, bedding, pillows, mattresses, open spring and pocket spring mattresses, memory foam and latex mattresses, futons, air cushions and air pillows, air mattresses, sleeping bags, bed casters not of metal, bed fittings not of metal, chairs, armchairs, cabinets, chests of drawers, desks, footstools, cots and cradles, fabrics and textiles for beds and furniture, bed linen, duvets, bed covers, bed blankets, bed clothes, covers for duvets, mattress covers, covers for pillows and pillow cases,

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covers for cushions, bedspreads, covers for hot water bottles, pyjama cases, furniture coverings of textile, eiderdowns, quilts, parts and fittings for all the aforesaid goods, all provided in a retail furniture and bedding superstore, online via the Internet or other interactive electronic platforms, via mail order or catalogues or by means of telecommunications; information, advisory and consultancy services relating to all of the aforesaid.

5. On 1 November 2013 the Respondent filed a Counterstatement denying the claims made.
6. Both parties filed evidence.
7. A hearing took place before the Hearing Officer on 26 September 2014 where the Appellant was represented by Mr Michael Edenborough Q.C. instructed by Avidity IP and the Respondent by Ms McCormick of Trade Mark Direct.

### **The Hearing Officer's Decision**

8. Having identified the relevant legal test for the assessment that he was required to make under section 5(2)(b) of the Act, the Hearing Officer went on to consider the following issues in turn:
  - (1) The comparison of the services;
  - (2) The average consumer and the purchasing act;
  - (3) The distinctive character of the earlier trade marks;
  - (4) The comparison of the marks; and
  - (5) The likelihood of confusion.
9. With regard to the comparison of services the Hearing Officer found that the services were identical. There is no challenge to that finding on this appeal.
10. With regard to the average consumer and the purchasing act the Hearing Officer found:

12 . . . It is clear that the purchase of a bed or mattress will be subject to a reasonably high degree of care and consideration on account of the reasonably high cost of the item(s), the infrequency of purchase and the desire to get the right product in terms of comfort etc. However, as Mr Edenborough submitted, the conflict relates to the retail service connected with such goods. Nevertheless, whilst I expect more attention to be paid to the selection of the goods as opposed to the retail service provider, the selection of the retailer will still be somewhat higher than the norm as, in line with Ms

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McCormick's submission, factors such as delivery options, finance options, knowledge of the field and reliability (of the retailer) will be important. So although not the highest level of consideration, a reasonable amount of care will still be deployed.

13. The selection will, in my view, be primarily be through visual media because the service provider will be selected through perusal of websites, brochures, advertisements etc, but I will not ignore aural similarity altogether.

There is no challenge to that finding on this appeal.

11. The Hearing Officer then turned to consider the distinctive character of the earlier trade marks. Quite rightly he first considered the question from the inherent perspective and found as follows in paragraph 15:

From an inherent perspective, the word DREAMS is not particularly distinctive for retail services relating to beds and mattresses. It has clear suggestive connotations (dreams are what one has in bed whilst asleep), although, I accept that it is not directly descriptive. I consider its level of inherent distinctiveness to be of a low to moderate level. In relation to the stylised earlier mark, it is so dominated by the word DREAMS that its level of inherent distinctive character is not materially greater.

12. The Hearing Officer then turned to the question of acquired distinctive character and found:

18 . . . The circumstances here are of a mark used significantly by the opponent, a mark which is strongly dominated by the words DREAMS. Consumers encountering the opponent's use can be left in no doubt that as well as the stylised mark indicating trade origin, the word DREAMS per se is also performing the essential distinguishing function. In terms of the strength of use, the turnover and advertising figures are extremely significant (even in 2012), so even if I did have any doubts about the market share data (which, in any event, I do not) such doubts would have been alleviated. The evidence as a whole presents a compelling picture of a market leader (I accept probably the market leader) in the field of bed and mattress retailing, which identifies itself to the public with reference to the two earlier marks relied upon. I struggle to see how I could come to any conclusion other than that the two earlier marks have an enhanced level of distinctive character through use – the marks, including the word DREAMS per se, are highly distinctive of the opponent in relation to the relevant services.

13. The Hearing Officer also considered at this stage the question of colour and the relevance of colour when assessing whether there was a likelihood of confusion. In respect of this issue the Hearing Officer found as follows:

19. In relation to colour, although neither earlier mark is registered with regard to colour, it is clear from the judgment of the CJEU in *Specsavers International Healthcare Limited & Others v Asda Stores Limited*, Case C-252/12, that if the earlier mark(s) have been used extensively in a particular colour or combination of colours then that may be a relevant factor to take into account in assessing whether there is a likelihood of confusion; the CJEU stated:

“2. Article 9(1)(b) and (c) of Regulation No 207/2009 must be interpreted as meaning that where a Community trade mark is not registered in colour, but the proprietor has used it extensively in a particular colour or combination of colours with the result that it has become associated in the mind of a significant portion of the public with that colour or combination of colours, the colour or colours which a third party uses in order to represent a sign alleged to infringe that trade mark are relevant in the global assessment of the likelihood of confusion or unfair advantage under that provision.

3. Article 9(1)(b) and (c) of Regulation No 207/2009 must be interpreted as meaning that the fact that the third party making use of a sign which allegedly infringes the registered trade mark is itself associated, in the mind of a significant portion of the public, with the colour or particular combination of colours which it uses for the representation of that sign is relevant to the global assessment of the likelihood of confusion and unfair advantage for the purposes of that provision.”

20. Whilst the above is noted, and whilst I have found that much of the use shown in the evidence depicts the earlier mark (particularly the stylised earlier mark) in a dark blue colour scheme, I do not consider that this will materially affect whether there is a likelihood of confusion. This is because it is difficult to gauge from the evidence what impact the use of colour would have had on members of the public and whether it has become particularly associated with the opponent, particularly in circumstances where the colour does not appear particularly striking.

14. The Hearing Officer set out in detail his findings in relation to the comparison of the marks.

23. In terms of the applied for mark, the overall impression is made up of a figurative element composed of a humanised cartoon moon accompanied by three stars, with the words Easy Dream Beds alongside, those words being one above each other. The words and the figurative element each take up roughly half of the mark. Although the word Beds is clearly descriptive in relation to the services at issue, it is not negligible because the preceding words qualify the word Beds, creating a complete phrase. Mr Edenborough argued that the dominant and distinctive element in the mark was the word Dreams (sic) on account of the word beds being descriptive (for obvious reasons), the word Easy1 being descriptive (of services that were easy to use) and that there was little distinctiveness in the device element. Whilst noted, I consider that this represents an attempt to artificially salami slice the mark. The words in the mark will be seen as a complete phrase. The figurative element makes a roughly equal contribution to the overall impression, as do the words. There is no single element which strongly dominates the others. The words may take on slightly more significance, but I cannot put it higher than that. The dark blue colour scheme forms part of the overall impression, although, for similar reasons to those mentioned at paragraph 20, it is not a striking aspect of the mark.

24. The opponent's word mark DREAMS has only one element so that is what its overall impression is based upon. In terms of the other earlier mark, the overall impression is made up of the word DREAMS, together with some additional stylistic/figurative elements. It is possible that the figurative element contained in the letter D of Dreams will be seen as a moon, however, some may see it simply as a stylistic embellishment mirroring the curve of the letter. Either way, although not completely negligible, it does not play a significant role in the overall impression. In this mark the prominence of the word DREAMS is such that it has much greater relative weight in its overall impression than the other elements, strongly dominating the mark.

25. From a visual perspective, the aspects of the marks which I have said contribute to the respective overall impressions bring forward a number of differences; the main ones being the addition of a visually significant device element and that the word DREAM is part of a whole phrase (Easy Dream Beds) rather than being used alone, as it is (or in that case it is DREAMS not DREAM) in the opponent's mark. I do not place any real weight on the colour of the applied for mark as creating a difference. Even though I have found that the use of the earlier mark in colour does not materially improve the

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opponent's case, it would be wrong to count the colour of the applied for mark against it. The earlier mark(s) is registered without regard to colour so the best course of action is to consider the marks as drained of colour, so, in the case before me, the impact of colour is neutral. In terms of visual similarities, the respective marks include the word DREAMS or DREAM within them. As I have stated, some consumers may see the moon device in the letter D of the earlier mark which could be said to create visual similarity with the applied for mark's moon device. However, the impact of the moon in the overall impression of the earlier stylised mark is very weak and the actual representations are strikingly different. Overall, I consider that any visual similarity is of only a low degree.

26. From an aural perspective, the marks are DREAMS against EASY DREAM BEDS. There is more aural similarity than visual similarity, but still some important differences. I consider there to be moderate level of aural similarity.

27. From a conceptual perspective, the earlier marks' concept will be based upon the word DREAMS which, in the context of the services at issue, will be taken as a reference to the subconscious activity that one often partakes of whilst asleep. In terms of the applied for mark, Mr Edenborough felt that it would be seen as a reference to beds obtained by the use of an easy to use retail service, so the concept would be based primarily on the word DREAMS (sic). Ms McCormick submitted that it would be seen as a reference to a dream (as in most desired) bed that was, in some unspecified way, easy. In my view both representatives have taken the concept out of context. As I have said, the average consumer is likely to see the three words of the applied for mark as a complete phrase. The most meaningful concept, when the nature of the service is considered, is that the retail service will provide beds which are easy to dream in (so suggesting a good night's sleep). As both marks refer to the concept of dreaming, there is a clearly some conceptual similarity.

15. With regard to the likelihood of confusion the Hearing Officer noted: (1) that the factors he had assessed had a degree of interdependency and a global assessment must be made of them when determining whether there was a likelihood of confusion; and (2) having referred to the Decision of Mr Iain Purvis Q.C. sitting as the Appointed Person in L.A. Sugar Limited v. By Back Beat Inc (O-375-10) that confusion could be direct or indirect.

16. Having made those observations the Hearing Officer went on to find at follows:

30. I think it clear that this is a case in which indirect confusion has the better prospect of success. This is because,

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notwithstanding that identical services are in play, and notwithstanding that the earlier mark has a high degree of enhanced distinctive character, the differences between the respective marks easily outweigh the similarities so meaning that the average consumer, paying the reasonable degree of care and attention I described earlier, will not directly mistake one mark for the other. The question then resolves to whether the presence in the applied for mark of the word DREAM will signal to the average consumer that the services offered under that mark are being offered by the same or an economically linked undertaking as the service provider responsible for the earlier DREAMS marks, or vice versa.

31. Here I think it useful to bring in some of Ms McCormick's evidence relating to other DREAM based marks. She provides a list of over 150 marks in classes 20 and/or 35 (mainly CTMs or UK marks) in which the word DREAM or DREAMS appears. The marks range from EASY DREAM, DREAMLAND, TO CATCH A DREAM, CHILDHOOD DREAMS, DREAM MASTER, DAYDREAM, DREAM ENERGY, DREAM TYME. More seem to be registered in class 20 (and other goods classes) than for retail services in class 35. She then goes on to provide 25 web prints showing use in trade . . .

32. Mr Edenborough criticised the above evidence because it fails to show what impact any of the above will have had on the average consumer. There was nothing to show whether the average consumer had been exposed to multiple business using DREAM in trade names and that, consequently, there was no evidence to show that the average consumer had become used to distinguishing between different undertakings using the word DREAM/S in the course of trade. Whilst I do not necessarily disagree with Mr Edenborough's point, the evidence does though confirm my own take on matters in that, from an inherent perspective, the word DREAM/S is not the most striking word that could be used in the context of bed related goods and services and, further, that it would not surprise the average consumer to find different undertakings using that word(s), together with other words, in a purely promotional purpose and/or, in allusive trading names. In the normal course of events, that would, in my view, have put pay to the claim of indirect confusion in that the common presence of DREAM/S will be put down simply to a coincidental and unsurprising use of a not very distinctive word. However, what must be added to the mix is the high level of distinctive character of the earlier mark(s) on account of their use.

33. Whilst this has been fully borne in mind, I do not consider that this changes the position. The word DREAMS per se is



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distinctive of the opponent. It does not follow (in this case) that the distinctiveness of the word DREAMS per se means that its presence (or in this case the presence of DREAM) in another mark will automatically mean that the consumer will make a same stable assumption. It depends on context and the nature of the common word. I come to the view that despite the word DREAMS per se being highly distinctive of the opponent, the use of the applied for mark will not lead to indirect confusion; the average consumer will instead assume it is a different undertaking simply making use of the suggestive word DREAM as part of a longer trading name.

34. Mr Edenborough did make a point about Google drop-down suggestion boxes in that when the letters D-R-E-A-M were entered into a Google search box, the search engine may suggest the applicant's name to the user. There is, of course, no evidence of this, furthermore, the submission lacks credibility as the full text of the applicant's mark is EASY DREAM BEDS so the auto-complete is unlikely to suggest the applicant because the EASY part of the mark is before the word DREAM not after it. In coming to this view I have also borne in mind the fact that both the applied for mark and the stylised earlier marks have a moon in them. Ms McCormick's evidence included details of other traders making use of the moon devices, her submission being that this shows that they are common in trade and that little importance will be given to them in terms of indicating a shared trade origin. Mr Edenborough felt this submission was somewhat surprising given Ms McCormick had previously submitted that the device aspect of the applied for mark was distinctive and memorable. I think the point here is that the shared presence of a moon device in marks relating to bed retailing is not something that strongly points to a shared trade origin. What matters, of course, is the respective overall impressions and, for the reasons I have given, I do not consider that the marks are close enough for either direct or indirect confusion to apply.

35. Mr Edenborough also relied upon the principle of initial interest confusion, a principle that was held to be a relevant form of confusion by Mr Justice Arnold in *Och-Ziff Management Europe Ltd & Anor v Och Capital LLP & Anor* [2010] EWHC 2599 (Ch). This involves the use of a similar (or indeed identical) trade mark which in some way lures the consumer to, perhaps, a website or physical premises, in circumstances where the average consumer realises before making a purchase that the respective undertakings are not related, but by then the harm has already been done (in this case that the average consumer is in the store or on the website and may go on to fully avail themselves of the service). I reject this submission. For initial interest confusion to arise there

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must be at least a fleeting aspect of confusion – for the reasons already given I do not consider that there is.

17. Having made those findings the Hearing Officer dismissed the Opposition.

### **The appeal**

18. The Appellant appealed to the Appointed Person under section 76 of the Trade Marks Act 1994. The Grounds of Appeal contend in substance that:

- (1) The Hearing Officer erred in law when he held that there would be no material effect upon the existence of the likelihood of confusion due to the similarity of colour in which the earlier mark had been used and the mark applied for;
- (2) The Hearing Officer has erred in law by failing completely to consider the effect of imperfect recollection and failed to assess properly the visual similarities between the marks;
- (3) If, the Hearing Officer found that because the words in the marks applied for formed a “complete phrase” such to confer distinctiveness above the sum of the words alone he was wrong in law;
- (4) The Hearing Officer erred in law by ignoring settled case law that generally words have a greater impact than graphic element in word/logo combination marks;
- (5) Having found that the moon devices were common to the trade the Hearing Officer was wrong to find that the word elements and the moon and star device were equally prominent;
- (6) The Hearing Officer was wrong in his analysis of the third party use of the words “dream” and “dreams”;
- (7) The Hearing Officer’s conclusion that there was “some conceptual similarity” was inconsistent with his own analysis of namely that both marks referred to the “concept of dreaming”;
- (8) The Hearing Officer was inconsistent in his approach to the principle of indirect confusion;
- (9) The Hearing Officer was wrong to reject initial interest confusion as a basis to make a finding of conflict; and

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- (10) The Hearing Officer failed to take into account the enhanced level of distinctiveness and the fact that the services were identical in his assessment of the likelihood of confusion.
19. Subsequently the Respondent filed a Respondent's Notice which in essence provided detailed reasons as to why the Hearing Officer's Decision should be upheld for the reasons that he gave.

### **Standard of review**

20. The appeal is by way of review. Neither surprise at a Hearing Officer's conclusion, nor a belief that he has reached the wrong decision suffice to justify interference in this sort of appeal. Before that is warranted, it is necessary for me to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was clearly wrong. See Reef Trade Mark [2003] RPC 5, and BUD Trade Mark [2003] RPC 25.
21. More recently in Fine & Country Ltd v Okotoks Ltd (formerly Spicerhaart Ltd) [2013] EWCA Civ 672; [2014] FSR 11 Lewison LJ said:

50. The Court of Appeal is not here to retry the case. Our function is to review the judgment and order of the trial judge to see if it is wrong. If the judge has applied the wrong legal test, then it is our duty to say so. But in many cases the appellant's complaint is not that the judge has misdirected himself in law, but that he has incorrectly applied the right test. In the case of many of the grounds of appeal this is the position here. Many of the points which the judge was called upon to decide were essentially value judgments, or what in the current jargon are called multi-factorial assessments. An appeal court must be especially cautious about interfering with a trial judge's decisions of this kind. There are many examples of statements to this effect. I take as representative Lord Hoffmann's statement in *Designers Guild Ltd v Russell Williams (Textiles) Ltd* [2000] 1 WLR 2416, 2423:

'Secondly, because the decision involves the application of a not altogether precise legal standard to a combination of features of varying importance, I think that this falls within the class of case in which an appellate court should not reverse a judge's decision unless he has erred in principle.'

22. This approach was reiterated by the Court of Appeal in Fage UK Ltd v. Chobani UK Ltd [2014] EWCA Civ 5; [2014] E.T.M.R. 26 at paragraphs [114] and [115]. Moreover in paragraph [115] Lewison LJ said:

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115 It is also important to have in mind the role of a judgment given after trial. The primary function of a first instance judge is to find facts and identify the crucial legal points and to advance reasons for deciding them in a particular way. He should give his reasons in sufficient detail to show the parties and, if need be, the Court of Appeal the principles on which he has acted and the reasons that have led him to his decision. They need not be elaborate. There is no duty on a judge, in giving his reasons, to deal with every argument presented by counsel in support of his case. His function is to reach conclusions and give reasons to support his view, not to spell out every matter as if summing up to a jury. Nor need he deal at any length with matters that are not disputed. It is sufficient if what he says shows the basis on which he has acted. These are not controversial observations: see *Customs and Excise Commissioners v A* [2002] EWCA Civ 1039; [2003] Fam. 55; *Bekoe v Broomes* [2005] UKPC 39; *Argos Ltd v Office of Fair Trading* [2006] EWCA Civ 1318; [2006] U.K.C.L.R. 1135.

23. Moreover it is also necessary to have in mind that the Registrar is a specialist tribunal, and therefore as noted by Arnold J. in at *Shanks v. Unilever plc* [2014] RPC 29 paragraph [28]:

. . . the warning given by Baroness Hale of Richmond in *AH (Sudan) v Secretary of State for the Home Department* [2007] UKHL 49, [2008] 1 AC 678 at [30], which was approved by Sir John Dyson SCJ giving the judgment of the Supreme Court in *MA (Somalia) v Secretary of State for the Home Department* [2007] UKSC 49, [2011] 2 All ER 65 at [43], is apposite in this context:

“... This is an expert tribunal charged with administering a complex area of law in challenging circumstances. To paraphrase a view I have expressed about such expert tribunals in another context, the ordinary courts should approach appeals from them with an appropriate degree of caution; it is probable that in understanding and applying the law in their specialised field the tribunal will have got it right: see *Cooke v Secretary of State for Social Security* [2002] 3 All ER 279, para.16. They and they alone are the judges of the facts. It is not enough that their decision on those facts may seem harsh to people who have not heard and read the evidence and arguments which they have heard and read. Their decisions should be respected unless it is quite clear that they have misdirected themselves in law. Appellate courts should not rush to find such misdirections simply because they might have reached a

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different conclusion on the facts or expressed themselves differently ... ”

24. It is necessary to bear these principles in mind on this appeal.

### **Decision**

#### **Ground (1)**

25. The Hearing Officer specifically considered the question of the role of the extensive use of an earlier mark in a particular colour or combination of colour in the assessment of the likelihood of confusion. He did so, quite correctly, by reference to the judgment Case C-252/12 Specsavers International Healthcare Ltd v. Asda Stores Limited in paragraphs 19 and 20 of his Decision.
26. The Hearing Officer considered that on the basis of the evidence before him it was difficult to gauge the impact of the use of the colour would have on the average consumer and that was the case given that the colour was not particularly striking. He therefore went on to find that the colour scheme would not materially affect the likelihood of confusion.
27. It seems to me that on the evidence put forward on behalf of the Appellant this was a view that the Hearing Officer was entitled to come to. This is particularly the case when the colour in question was dark blue (in fact the evidence suggested that the particular colour had changed over time); was almost always used as the “background” to the word “Dreams”; and there was no material before the Court to suggest that a significant proportion of the public had come to associate the colour dark blue with the Appellant.

#### **Grounds (2) to (5) and (7)**

28. Grounds (2) to (5) and (7) are all in essence concerned with the Hearing Officer’s assessment of the similarity of the marks in issue and it is therefore convenient to deal with them together.
29. The Hearing Officer carefully considered the issue of the similarity of the marks in paragraphs 21 to 27 of his Decision. As set out above the Hearing Officer took the view that there was a low degree of visual similarity (paragraph 25); a moderate level of aural similarity (paragraph 26); and some conceptual similarity (paragraph 27).
30. It is not suggested that the Hearing Officer incorrectly identified the law which he had to apply when making the assessment of similarity. The Hearing Officer correctly identified Case C-251/95 Sabel BV v. Puma AG and Case C-591/12P Bimbo SA v. OHIM. In Case C-591/12P Bimbo SA v. OHIM the Court of Justice held as follows (emphasis added):

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22 The assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, **the comparison must be made by examining each of the marks in question as a whole** (*OHIM v Shaker* EU:C:2007:333, paragraph 41).

23 The overall impression conveyed to the relevant public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components. However, **it is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element** (*OHIM v Shaker* EU:C:2007:333, paragraphs 41 and 42, and *Nestlé v OHIM* EU:C:2007:539, paragraphs 42 and 43 and the case-law cited).

24 In this connection, the Court of Justice has stated that it is possible that an earlier mark used by a third party in a composite sign that includes the name of the company of the third party retains an independent distinctive role in the composite sign. Accordingly, in order to establish the likelihood of confusion, it suffices that, on account of the earlier mark still having an independent distinctive role, the public attributes the origin of the goods or services covered by the composite sign to the owner of that mark (Case C-120/04 *Medion* EU:C:2005:594, paragraphs 30 and 36, and order in Case C-353/09 P *Perfetti Van Melle v OHIM* EU:C:2011:73, paragraph 36).

25 None the less, a component of a composite sign does not retain such an independent distinctive role if, together with the other component or components of the sign, that component forms a unit having a different meaning as compared with the meaning of those components taken separately (see, to that effect, order in Case C-23/09 P *ecoblue v OHIM* and *Banco Bilbao Vizcaya Argentaria* EU:C:2010:35, paragraph 47; *Becker v Harman International Industries* EU:C:2010:368, paragraphs 37 and 38; and order in *Perfetti Van Melle v OHIM* EU:C:2011:73, paragraphs 36 and 37).

26 In the present case, the General Court found, in paragraphs 79 and 81 of the judgment under appeal, that, even if the element ‘bimbo’ were dominant in the trade mark for which registration was sought, the ‘doughnuts’ element was not negligible in the overall impression produced by that trade mark and, accordingly, the ‘doughnuts’ element had to be taken into account in the comparison of the trade marks at issue.

27 In paragraph 97 of that judgment, the General Court stated that, since the ‘doughnuts’ element is wholly

meaningless for the relevant public, that element did not form, together with the other element of the sign, a unit having a different meaning as compared with the meaning of those elements taken separately. It accordingly found that the ‘doughnuts’ element still had an independent distinctive role in the trade mark for which registration was sought and had therefore to be taken into account in the global assessment of the likelihood of confusion.

28 In paragraph 100 of the judgment under appeal, the General Court held that, in the light of all factors relevant to the case, the global assessment confirmed the Board of Appeal’s conclusion that there was a likelihood of confusion.

29 Accordingly, the General Court did not conclude that there was a likelihood of confusion merely from the finding that, in the trade mark applied for, the ‘doughnuts’ element has an independent distinctive role, but based its conclusion in that regard on a global assessment that included the different stages of the examination required under the case-law referred to in paragraphs 19 to 25 above, and in the course of which it took into account the factors of the case. It thus correctly applied Article 8(1)(b) of Regulation No 40/94.

...

33 Next, in so far as Bimbo argues that the General Court disregarded the rule that a finding that one component of a composite sign has an independent distinctive role constitutes an exception, that must be duly substantiated, to the general rule that the consumer normally perceives a trade mark as a whole, it should be pointed out that the purpose of examining whether any of the components of a composite sign has an independent distinctive role is to determine which of those components will be perceived by the target public.

34 Indeed, as the Advocate General observed in points 25 and 26 of his Opinion, **it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.**

35 **The determination of which components of a composite sign contribute to the overall impression made on the target public** by that sign is to be undertaken before the global assessment of the likelihood of confusion of the signs at

issue. Such an assessment **must be based on the overall impression produced by the trade marks at issue, since the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details**, as has been stated in paragraph 21 above. Therefore, this does not involve an exception, that must be duly substantiated, to that general rule.

36 Moreover, **the individual assessment of each sign**, as required by the settled case-law of the Court of Justice, **must be made in the light of the particular circumstances of the case and cannot therefore be regarded as being subject to general presumptions**. As the Advocate General observed in point 24 of his Opinion, it is clear, in particular, from the case-law subsequent to *Medion* (EU:C:2005:594), that the Court of Justice did not introduce, in that judgment, a derogation from the principles governing the assessment of the likelihood of confusion.

31. In Whyte and Mackay Limited v. Origin Wine UK Ltd [2015] EWHC 1271 Arnold J. at paragraphs [18] to [21] made the following observations on the judgment in Bimbo v. OHIM which I consider are also pertinent to the present appeal:

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



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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.

32. The visual impression of the marks was analysed by the Hearing Officer at paragraphs 23 to 25 of his Decision. Counsel for the Appellant submits in essence that the Hearing Officer erred in his assessment of the relative contribution of the words and the graphic elements of the mark applied for. In particular it is submitted that the Hearing Officer should have found that the words had a greater impact than the figurative element in particular because the figurative element contained a moon device that it had been submitted on behalf of the Respondent to be common to the trade.
33. It is apparent from the case law cited above that it is necessary to consider the marks as a whole. Moreover it is an assessment that must be made in the light of the particular circumstances of the case and cannot therefore be regarded as being subject to any general presumptions.
34. It seems to me that this is exactly what the Hearing Officer did. In paragraph 23 of his Decision the Hearing Officer carefully described the overall impression of the marks by means of an analysis of the components of the mark. In doing so, he observed, quite correctly that the figurative element took up roughly half of the mark. He went on to find that in his view that *“The figurative element makes a roughly equally contribution to the overall impression, as do the words. There is no single element which dominates the others. The words may take on a slightly more significance, but I cannot put it higher than that”*.
35. In paragraph 34 of his Decision the Hearing Officer also noted that the presence of moon device in marks relating to bed retailing is not something that strongly points to a shared trade origin. However in the same paragraph the Hearing Officer went on to observe, correctly in my view, that *“What matters, of course is the respective overall impressions”* of the marks.
36. Turning to the issue of the words included in the mark applied for. In my view it is clear that the Hearing Officer did not make a finding that the words included in the trade mark application was such as to confer any distinctiveness beyond the sum of any distinctiveness created by the words alone. Rather the finding of the Hearing

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Officer was only that the three words taken together create a complete phrase (see for example paragraph 23 of the Decision). That is to say none of the words could be regarded as negligible. It was on that basis that with reference to the word “beds” the Hearing Officer found that “*it is not negligible because the preceding words qualify the word Beds, creating a complete phrase*” and therefore each word had to be considered.

37. It was the finding that the three words created “*a complete phrase*” that makes clear the Hearing Officer’s view that that word “Dream” in the mark applied for did not perform an independent distinctive role. That is a finding that in my view the Hearing Officer was entitled to make.
38. In any event even had the Hearing Officer concluded that the word “Dream” did perform such an independent distinctive role that in and of itself for the reason noted in paragraph [21] of the judgment of Arnold J. in Whyte and Mackay Limited v. Origin Wine UK Ltd is insufficient for a finding of conflict.
39. The Grounds of Appeal put forward on behalf of the Appellant on the issue of visual similarity are, in my view, a further attempt by the Appellant to artificially dissect or salami slice the mark. Such an exercise, as was recognised by the Hearing Officer, is contrary to the approach laid down by the case law of the CJEU.
40. Counsel for the Appellant also submitted before me that the Hearing Officer failed to consider the effect of imperfect recollection when considering the issue of the visual similarities between the marks. Whilst it is correct to say that the Hearing Officer made no express reference to imperfect recollection it seems to me that his analysis provides a sound basis for the views that he came to and therefore as per the guidance set out by Lewison LJ in Fage UK Ltd v. Chobani UK Ltd I do not consider that this provides a good ground for challenging the Decision.
41. I should add that I am confirmed in this view by the fact that the Hearing Officer when considering the identity of the average consumer and again when assessing the likelihood of confusion clearly had in mind that the average consumer of the services in suit would pay a reasonable degree of care and attention. Indeed it was on that basis that the Hearing Officer concluded in paragraph 30 of his Decision that the average consumer would not directly confuse one mark for the other.
42. For the avoidance of doubt I do not consider that the typographical errors which seem to be contained in the Decision itself provide, in the circumstances of this case, any material support for the contentions of the Appellant.
43. Further in connection with imperfect recollection, the Appellant relies upon on a submission that the Hearing Officer failed to take into account that the words in the Respondent’s application were in the same font as the word in Appellant’s device

mark. It is correct to say that there is no express reference to the fonts in the Decision but this is not surprising given that it would appear that this issue was raised for the first time on appeal. In any event it does not seem to me that this is a material issue as: (1) it is clear that the Hearing Officer took into account the stylisation of the marks which would include the font; and (2) it does not seem to me that the fonts are in any event identical.

44. With regards to the finding of the Hearing Officer of “*some conceptual similarity*” between the marks, it was submitted on behalf of the Appellant that the Hearing Officer should have found that there was a “*strong conceptual similarity*” in the light of his analysis that both marks referred to the “*concept of dreaming*”.
45. In my view, the finding made by the Hearing Officer of “*some conceptual similarity*” was one that the Hearing Officer was entitled to make in circumstances where whilst he found that “*both marks refer to the concept of dreaming*” (emphasis added) he also found that the meaning of the complete phrase contained in the mark applied for was different to the single word in the Appellant’s marks.
46. The Appellant has not been able to satisfy me that the Hearing Officer’s findings on similarity were clearly wrong. In the circumstances it seems to me that no relevant error or principle or other serious error has been identified in the Hearing Officer’s assessment of the similarity between the marks in suit and those Grounds of Appeal should be dismissed.

**Ground (6)**

47. Counsel for the Appellant submitted that the Hearing Officer was wrong to rely upon the evidence of third party use of the words “dream” and “dreams”. As noted in paragraph 31 of the Decision the evidence of third party use was in the form of a list of mainly UK trade mark registrations and CTMs together with downloads from 25 websites. I agree with the submission made on behalf of the Appellant that there was no evidence as to the scale and extent of any use of such marks in the course of trade or the impact of such use on consumers. It would also appear from paragraph 32 of the Decision that the Hearing Officer did not disagree with that position.
48. It is also correct as submitted by the Appellant that the Hearing Officer did rely upon such evidence. However, the Hearing Officer relied upon such evidence only by way of confirming his own views that from “*an inherent perspective, the word DREAM/S is not the most striking word that could be used in the context of bed related goods and services and, further, that it would not surprise the average consumer to find different undertakings using that word(s), together with other words, in a purely promotional purpose and/or, in allusive trading names.*” (emphasis added). It seems to me, on balance, that when considering the matter from the inherent, as opposed to any other perspective, this was something that the Hearing Officer was entitled to do.

49. In any event it seems to me that if there was an error it was not material because, as the Hearing Officer recognised, in the present case the Appellant's marks have a high level of distinctive character by reason of their use and therefore that was a matter that had to be considered which the Hearing Officer went on to do in paragraph 33 of his Decision.

**Ground (8)**

50. Counsel for the Appellant submitted that the Hearing Officer adopted an inconsistent approach to the concept of indirect confusion on the basis that the addition of a non-distinctive element namely "easy" was of a kind one would expect to find in a sub-brand or brand extension. There is no suggestion that the Hearing Officer did not correctly identify the correct legal approach which he set out in paragraph 29 of his Decision on the basis summed up by Iain Purvis Q.C. sitting at the Appointed Person in L.A Sugar Ltd v. By Back Beat Inc (Case BL O-375-10).
51. I do not accept that the Hearing Officer adopted such an inconsistent approach. Firstly, the Hearing Officer had found that the words "easy" and "dream" qualified the word "beds" such as to be read as a complete phrase "Easy Dream Beds"; secondly he found that such use would in those circumstances be perceived in the context of the services applied for as use of the suggestive word "Dream" as part of a phrase or trading name; and thirdly there was no evidence with regard to the use of sub-brands by the Appellant (contrary to the position in the decision of Professor Annand sitting as the Appointed Person in Case BL O-476-14 BARKERS BREW Trade Mark to which Counsel for the Appellant referred me to).
52. In my view in the circumstances outlined above the Hearing Officer was entitled to find that there was no likelihood of confusion whether direct or indirect upon application of the guidance noted in L.A Sugar Ltd v. By Back Beat Inc.

**Ground (9)**

53. The Hearing Officer rejected the case advanced before him on the basis of "initial interest confusion" as identified in Och-Ziff Management Europe Ltd v. Och Capital LLP [2010] EWHC 2599 (Ch). The decision was given by the Hearing Officer before judgment was delivered in Interflora Inc v Marks & Spencer plc [2014] EWCA Civ 1403 where the doctrine of initial interest confusion was addressed by the Court of Appeal in paragraphs [154] to [158]. In the judgment of the Court of Appeal it was made clear that the doctrine is "*highly controversial*" and that it was not helpful to seek to import such a doctrine into EU trade mark law at least in so far as it applied to use of a sign as a keyword in an internet referencing service.
54. It seems to me that in the light of those observations there is a question as to whether such a doctrine has any role to play in the assessment of the kind the Hearing Officer

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had to make. However it is not necessary for me to reach a finding on that issue in the present appeal as it seems to me for the reasons set out above that the Hearing Officer was entitled to find as he did that on the facts before him there was not even a fleeting aspect of confusion such as to support a finding of initial interest confusion.

### **Ground (10)**

55. The suggestion that the Hearing Officer did not take into account his findings of enhanced level of distinctiveness of the earlier marks and/or his finding that the services were identical when making his assessment of the likelihood of confusion is without foundation. It is quite clear that the Hearing Officer had both firmly in mind as is apparent from paragraph 30 of the Decision where he makes explicit reference to both findings and paragraphs 32 and 33 where the Hearing Officer makes explicit reference to the high level of distinctive character of the earlier marks relied upon.

### **Conclusion**

56. In the circumstances, it does not seem to me that the Appellant has identified any material error of principle in the Hearing Officer's analysis or that the Hearing Officer was plainly wrong. In the result I have decided that the Hearing Officer was entitled to make the findings that he did.
57. In the result the appeal fails.
58. Neither side has asked for any special order as to costs. Since the appeal has been dismissed, the Respondent is entitled to its costs. I order Dreams Limited to pay a contribution towards Pure Import Limited's costs of £1,000 within 14 days of the date of this decision, together with the £1300 costs awarded by the Hearing Officer below.

Emma Himsworth Q.C.

Appointed Person

2 July 2015

Mr. Michael Edenborough Q.C. (instructed by Avidity IP) appeared on behalf of the Appellant, Dreams Limited

Ms Katherine McCormick of Trade Mark Direct appeared on behalf of the Respondent, Pure Imports Limited.

The Registrar was not represented at the hearing and took no part in the Appeal.