

TRADE MARKS ACT 1994

**IN THE MATTER OF UK REGISTRATION No. 2485882
IN THE NAME OF MULTIBRANDS INTERNATIONAL LTD**

**AND IN THE MATTER OF INVALIDATION No. 500884
BY KIMBERLY-CLARK WORLDWIDE INC**

**AND IN THE MATTER OF AN APPEAL TO THE APPOINTED PERSON
BY THE PROPRIETOR
AGAINST A DECISION OF MR ALLAN JAMES
DATED 24 NOVEMBER 2016**

DECISION

Background

1. This is an appeal against a decision of Mr. Allan James, acting for the Registrar, dated 24 November 2017, BL O/543/16, in which he granted in full an application for a declaration of invalidity brought by Kimberly-Clark Worldwide, Inc. (“the Applicant”) against UK Registration number 2485882 standing in the name of Multibrands International Limited (“the Proprietor”).
2. UK Registration number 2485882 is for the figurative trade mark represented below:



3. It was applied for by the Proprietor on 25 April 2008 and registered on 24 October 2008 in respect of the following goods:

Class 3

Baby wipes for cleaning purposes, impregnated with cosmetic, moisturising lotions

Class 16

Babies nappies, paper products and wipes of paper

4. On 9 June 2015, the Applicant filed with the UKIPO an invalidation application under Section 47(2) and Section 5(2)(b) (likelihood of confusion with similar earlier trade mark registered for identical/similar goods), 5(3) (damage to earlier trade mark with reputation) and 5(4)(a) (use of mark in the UK liable to be prevented by passing off protecting earlier right) of the Trade Marks Act 1994.

5. Under Section 5(2)(b) and 5(3), the Applicant relied *inter alia* on the following earlier trade marks within the meaning of Section 6(1)(a) of the Act standing in the name of the Proprietor for the word HUGGIES covering identical goods; UK 1208473, UK 1549251 and EU 000224204.
6. Under Section 5(4)(a), the Applicant claimed unregistered passing off rights in the mark shown below that had been used in the UK since January 2008 for essentially nappies and wipes:



7. The Proprietor put the Applicant to proof of use of the earlier trade marks, which was duly filed, but eventually conceded that the marks had been put to genuine use in the territories concerned for the registered goods.
8. The Proprietor denied the grounds of opposition including that the earlier marks/right had the necessary reputation/goodwill at the relevant date, 25 April 2008. The Proprietor also raised defences of acquiescence and/or co-existence.
9. Both sides filed evidence (with the Applicant's allowable evidence being reduced in volume at a case management hearing), and attended a hearing before the Hearing Officer on 21 October 2016, where Ms. Amanda Michaels of Counsel, instructed by Reddie & Grose LLP appeared for the Applicant and Mr. Philip Harris of Counsel, instructed by Appleyard Lees IP LLP appeared for the Proprietor.

The Hearing Officer's decision

10. The Hearing Officer issued his written decision on 24 November 2016 under reference number BL O/543/16. His findings are set out below.

Acquiescence

11. Late evidence as to acquiescence sought to be introduced into the proceedings by the Proprietor was irrelevant and inadmissible.
12. Neither statutory acquiescence under Section 48 of the Act, nor non-statutory acquiescence at common law was made out on the facts; and the latter was precluded by EU law.

Section 5(2)(b)

13. The goods of the parties were identical.
14. The Hearing Officer would be guided by the Registrar's summary of principles gleaned from the applicable case law of the CJEU.
15. As to the inherent distinctiveness of the earlier trade marks:

“63. Although HUGGIES might be said to allude to the snug way that nappies fit a baby, it is no more than an allusion. The mark is not descriptive of any of

the characteristics of nappies. And it is not even allusive of any characteristics of baby wipes. In my view, the earlier marks have a normal degree of inherent distinctiveness in relation babies' nappies, and at least a normal level of distinctiveness in relation to wipes."

16. The Applicant's evidence (some of which was hearsay but supported by documentary evidence) sufficed to establish that HUGGIES had acquired an enhanced level of distinctiveness through use in relation to both nappies and wipes. This had resulted at the relevant date in HUGGIES being highly distinctive for nappies, and above averagely distinctive for wipes where it was comparatively lesser known.
17. The Applicant's case was not assisted by arguments of stylisation and blue colour of HUGGIES in use. The stylisation of the contested HUNNIES mark provided a point of visual distinction from the registered (and used) HUGGIES marks, but not much of one.
18. The beginnings and endings of the marks were the same but the middles were different. There was a medium degree of visual and aural similarity between the marks.
19. Regarding the conceptual aspect (*inter alia* contentious on appeal):

82. I accept that there is conceptual similarity at the general level of 'tenderness' between one of the meanings of 'hugs' and 'a person who is loved', which appears to be the proprietor's principal contention as to the concept conveyed by its mark. At a more specific level, the meanings of the marks differ. However, as neither HUGGIES nor HUNNIES is an ordinary English word, I should be careful about assuming that the average consumer will spend time analysing the specific meanings of the marks. Therefore, to the extent that the marks convey a general idea of tenderness, there is, in my view, a material degree of conceptual similarity between HUGGIES and HUNNIES. Of course, HUG has several meanings, including in the context of nappies, to cling closely to [the body]. This meaning has no counterpart in the HUNNIES mark when it is used in relation to nappies. Therefore, to consumers who register this meaning, the marks will appear conceptually different. Overall, I find that some average consumers of nappies will see meanings in the marks that make them conceptually similar, others will see different meanings that make them less similar, others will see both similar and dissimilar meanings, and many others probably won't think about the matter long enough to register any meanings at all. Overall, I conclude that the conceptual similarities/differences do not pull strongly in either direction insofar as use of the marks in relation to nappies is concerned.

83. The position is slightly different when the marks are used in relation to wipes. In this case the meaning of clinging closely [to the body] is irrelevant in the context of the goods and is therefore less likely to strike consumers. This means that the general conceptual similarity between one of the meanings of 'hugs' and 'a person who is loved' is less likely to be diluted amongst other possible meanings when the marks are used in relation to wipes. Consequently, the conceptual similarity of 'tenderness' is more likely to

register with average consumers. I therefore find that the marks share a low degree of conceptual similarity when used in relation to wipes.”

20. The relevant consumer was the general public who was reasonably well informed and reasonably observant and circumspect. The average consumer would pay a normal degree of attention to the purchase act, which would predominantly be visual although aural recommendations might play a part.
21. Globally assessed, there was a likelihood of confusion through a significant proportion of consumers: (1) imperfectly recollecting HUGGIES as HUNNIES and vice versa; and/or (2) mistakenly recognising HUNNIES as HUGGIES because they were so familiar with the latter.

Co-existence

22. Although both marks had been used on the market since 2010, the reasons why no instances of confusion had apparently come to light included that HUNNIES had solely been used in the UK for wipes and then on a small scale only, and the parties’ goods had heretofore been sold through different outlets.
23. The investigation under Section 5(2)(b) was however prospective, and there was a risk that future uses of the parties’ marks for their respective goods could result in confusion.

Section 5(3)

24. The Hearing Officer would be guided by the Registrar’s summary of relevant principles under Section 5(3) gleaned from the applicable case law of the CJEU. Those included that a lesser degree of similarity between the marks may be sufficient to cause the public to make the requisite link between the marks.
25. In the present case, the degree of similarity between the marks, the strength of the reputation of HUGGIES and the identity of the goods sufficed for the relevant public to make a link between the marks at the relevant date.

26. Moreover:

“102. For the avoidance of doubt, I would have come to the same conclusion even if I had held that the reputation of HUGGIES was limited to nappies (diapers) and training pants, i.e. it did not extend to baby wipes. This is because baby wipes are obviously complementary goods to nappies and likely to be sold to the same customers. Therefore the use of HUNNIES in relation to baby wipes (and, by extension, paper wipes and paper products) would have brought to mind the HUGGIES mark with its reputation for nappies and training pants.”

27. There was a non-hypothetical risk that normal commercial use of HUNNIES in relation to the registered goods would take unfair advantage of the reputation of HUGGIES for nappies (diapers), training pants and/or wipes without due cause.

Section 5(4)(a)

28. The Applicant's case under Section 5(4)(a) added nothing new to that under Section 5(2)(b) and would not be considered.
29. The Proprietor was ordered to pay to the successful Applicant on-scale costs of £2,650.

The Appeal

30. On 22 December 2016, the Proprietor filed Notice of Appeal against the Hearing Officer's decision to the Appointed Person under Section 76 of the Act. A Respondent's notice was filed by the Applicant on 7 February 2017 essentially supporting the Hearing Officer's decision, so I need say no more about it.
31. At the appeal hearing the representation of the parties was the same as before the Hearing Officer. The Proprietor consented in writing to Ms. Michaels, who is herself an Appointed Person, appearing before me (*Munroe's Application*, BL O/330/08).

Standard of review

32. This appeal is by way of review not rehearing, and I should be reluctant to interfere in the Hearing Officer's decision in the absence of error (*REEF Trade Mark* [2002] EWCA Civ 763, paras. 17 – 29).
33. 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 at paragraphs 16 – 52 (approved by Arnold J in *Apple Inc. v. Arcadia Trading Limited* [2017] EWHC 440 Ch, para. 11). There was no issue between the parties as to these principles, which I have borne in mind.

Grounds of appeal

34. The grounds of appeal were essentially threefold¹:
 - (1) When properly compared visually and/or aurally the marks were dissimilar or similar only to a low degree.
 - (2) Conceptually the marks were dissimilar.
 - (3) HUGGIES had no enhanced distinctive character for wipes.
35. Accordingly, contended the Proprietor, the Hearing Officer wrongly held that the conditions of Section 5(2)(b) and 5(3) were met.

¹ Listed in the order they were argued.

36. Ms. Michaels on the Applicant's part mounted a rear-guard counter-attack through Section 5(3). This was to the effect that since:
- (a) the grounds of appeal challenged only the Hearing Officer's findings of enhanced distinctive character/reputation in relation to wipes; and
 - (b) the Hearing Officer stated that he would have come to the same conclusion on the existence of a "link" between the marks even if he had found that the reputation of HUGGIES was limited to nappies (i.e., did not extend to wipes):

 "... because baby wipes are obviously complementary goods to nappies and likely to be sold to the same customers. Therefore the use of HUNNIES in relation to baby wipes (and, by extension, paper wipes and paper products) would have brought to mind the HUGGIES mark with its reputation for nappies and training pants." (para. 102); and
 - (c) it was accepted that a lesser degree of similarity between the marks may cause the public to make a link between them compared to that necessary to create a likelihood of confusion (Joined Cases C-581/13 P and C-582/13 P, *Intra-Press SAS*, EU:C:2014:2387, paras. 72 – 73); then

the only way to overturn the decision of the Hearing Officer on Section 5(3) was for me to find that there was no similarity at all between the marks.

Visual/aural similarity

37. The Hearing Officer held that whilst colour was not relevant, the stylisation of letters in the Proprietor's HUNNIES mark provided a point of visual distinction from the Applicant's HUGGIES marks (as registered and used) but not much of one. He continued:
- "77. The other visual and aural similarities and differences between the marks are self evident. The beginning and ends of the marks are the same, but the middles are different.
78. I find that there is a medium degree of visual and aural similarity between the marks."
38. Mr. Harris criticised the reasoning of the Hearing Officer at paragraphs 77 – 78 as perfunctory. Mr. Harris highlighted an apparent failure on the part of the Hearing Officer to consider the visual and, or aural impact on the average consumer produced by the different middle letters "NN" and "GG" respectively, which Mr. Harris argued sufficed in the overall impression to overcome any visual and, or aural similarities between the marks. In support, he referred me to the examples of IDEA/IKEA (Case T-112/06, *Inter-Ikea Systems BV v. OHIM* [2008] ECR II-0006) and NEST/NEXT (BL O/396/10).
39. I accept that the reasoning of the Hearing Officer in this regard was disappointingly short. I have therefore considered the visual and aural aspects myself.

40. The following factors *inter alia* weighed in my analysis of the overall impressions of the marks in the public's perceptions in relation to the goods (in no particular order).
41. First, both marks would be recognised as invented words with no more than allusive meanings (if any) in relation to the goods.
42. Second, the construction of both marks is the same: "HU" at the beginnings; double consonants in the middles albeit different pairs "NN"/"GG"; "IES" at the ends.
43. Third, there is a rebuttable presumption that the beginnings of marks are more important than the ends. However, in this case, both the beginnings and the endings of the marks are identical.
44. Fourth, the signs, each of which is composed of 7 letters, have 5 letters in common with identical positioning.
45. Fifth, phonetically both marks comprise 2 syllables with the second syllable being identical.
46. Sixth, the difference in middle letters may be downplayed or receive less cognisance in the average consumer's visual and, or aural appreciations of the respective marks because the marks share beginnings, endings and letter positioning in common that affect their overall impressions.
47. The importance of differences in middle letters of marks are questions of weight on which reasonable minds may differ. In the cases cited by Mr. Harris, no likelihood of confusion was found to exist between IDEA/IKEA or NEST/NEXT partly due to the different second and third letters respectively². On the other hand, differences in middle letters were found insufficient to overcome visual and aural similarities created by the beginnings and endings of marks in, for example, Case T-49/16, *Azanta A/S v. EUIPO (NIMORAL/NEORAL)*, EU:T:2017:259 and Case T-510/15, *Roberto Mengozzi v. EUIPO (TOSCORO/TOSCANO)*, EU:T:2017:54.
48. Thus, despite the rather short reasoning, it seems to me that the Hearing Officer was well within his entitlement to find that there was a medium degree of similarity between the marks, visually and aurally, and in fact I agree.

Conceptual similarity

49. As identified earlier, the Hearing Officer's findings on conceptual similarity were particularly contentious between the parties.
50. For that reason, I set out the Hearing Officer's full findings on the conceptual aspect earlier at paragraph 19 of this decision.
51. Basically, the Hearing Officer held that the marks (which he reminded himself were not ordinary English words) might convey either different, the same or no conceptual

² In *IDEA/IKEA* there was no visual similarity because the word "idea" was subsumed in the mark applied for by a complex device, and the word was not therefore a dominant element in the mark. In *NEST/NEXT*, the mark applied for was also figurative with bird devices framing the word "nest".

meanings to the average consumer. Accordingly, in his view the conceptual aspect did not pull strongly in either direction.

52. The Proprietor's main criticisms here were twofold. The Hearing Officer was wrong:
- (a) to find that the marks evoked a common concept of "tenderness" in relation to the goods. That was at too general a level to be meaningful, as per the decision of Mr. Iain Purvis QC sitting as the Appointed Person in *ROCHESTER Trade Mark*, O/049/17.
 - (b) to consider a spectrum of average consumers rather than the average consumer as a single reference point. Having found that the meanings of the marks differed at a more specific level, he should have concluded that that sufficed to overcome the [low] visual and aural similarities in the marks as per the decision of the CJEU in Case C-361/04 P, *Claude Ruiz-Picasso v. OHIM* [2006] ECR I-0643 at paragraph 20:

"20. By stating in paragraph 56 of the judgment under appeal that, where the meaning of at least one of the two signs at issue is clear and specific so that it can be grasped immediately by the relevant public, the conceptual differences observed between those signs may counteract the visual and phonetic similarities between them, and by subsequently holding that that applies in the present case, the Court of First Instance did not in any way err in law."

Generality

53. In *ROCHESTER*, Mr. Purvis held that the fact that DORCHESTER and ROCHESTER were towns was at too general a level to give rise to conceptual similarity. By contrast, in *esure Insurance Ltd v Direct Line Insurance Plc* [2008] EWCA Civ 842, the concept of wheels attached to a communication device (on the one hand a telephone, on the other hand a computer mouse) was found by the Court of Appeal to justify a finding of conceptual similarity by the Hearing Officer (para. 59).
54. The generality/ specificity of any alleged concept shared by marks, is plainly a question of fact in each case to be weighed in the overall assessment of conceptual similarity in relation to the goods/services in the minds of the relevant consumer. What matters is the impact on the average consumer realistically judged (*ROCHESTER*, paras. 42 – 43).
55. A shared emotional evocation of affection (which the Hearing Officer held was conveyed by the marks in relation to the goods) is in my view an altogether different proposition to saying 2 words like "Dorchester" and "Rochester" signify towns.
56. For the above reasons, I am unpersuaded that the acceptance by the Hearing Officer of conceptual similarity between the marks³ due to a general idea of tenderness, was not open to him in his multifactorial assessment of conceptual similarity. I decline the Proprietor's invitation to interfere on that basis.

³ Increased in the case of wipes where "hug" had no meaning.

Single reference point

57. I received helpful post-hearing submissions in writing from Counsel on the Proprietor's second argument concerning the necessity for a single point of reference vis à vis the average consumer in the overall assessment of conceptual similarity.
58. Ms. Michaels drew my attention to *SoulCycle Inc v. Matalan Ltd* [2017] EWHC 496 (Ch) where it appeared that Mann J considered the same point.
59. In *SoulCycle*, it was likewise argued that the Hearing Officer erred in taking account more than 1 classes of average consumer when assessing conceptual similarity; first, those for whom SOULUXE was an invented word; second those who would identify the prefix SOUL.
60. Mann J noted that this proposition was like the "single meaning rule" in likelihood of confusion rejected by the court in *Interflora Inc v Marks and Spencer plc* (Arnold J [2013] EWHC 1291 (Ch), para. 224, CA [2014] EWCA Civ 1402, paras. 129 – 130).
61. Mann J continued:

“30. That case [*Interflora*] therefore allows the approach of the Hearing Officer. It therefore follows that Mr Mellor's criticism of the overall approach of the Hearing Officer in paragraph 44 is not well-founded. In finding, as he apparently did, that some average consumers would have one perception and others would have another the Hearing Officer was within the exercise anticipated by the courts in *Interflora*. True it is that he was not considering the end question of confusion itself, which is another distinction relied on by Mr Mellor. He was considering conceptual similarities and perceptions before coming to a conclusion on confusion. But conceptual similarity is a matter going directly to confusion, and it would be an odd analysis to require a single meaning-type analysis here but not in the final conclusion.”
62. Mr. Harris sought to distinguish *SoulCycle* on the grounds that:
 - (1) in contrast to *SoulCycle* the Hearing Officer in the present case ignored altogether the conceptual contents of the marks. I reject that allegation. As I have described, the Hearing Officer took into account the viewpoints of a range of average consumers (see para. 19 above) before concluding that the conceptual aspect did not pull strongly in either direction (similar or dissimilar meanings).
 - (2) *SoulCycle* focussed on the specific meanings of SOUL and SOULUXE whereas the Hearing Officer in the present case considered an additional class of average consumer to whom the marks would convey the more general concept of “tenderness”. I cannot see that this makes any difference to the point of principle whether conceptual similarity requires a single meaning-type analysis. Further I dismissed the Proprietor's “tenderness” challenge above (paras. 52 – 55).

63. To conclude, it seems to me well-established that the Hearing Officer was entitled overall to assess the conceptual aspect by reference to different classes of average consumers (see also, e.g., Case T-457/15, *Fakro sp. z o.o v. EUIPO*, EU:T:2017:39, paras. 78 – 80).

Enhanced distinctiveness

64. The third ground of appeal was that the Hearing Officer erred in concluding that HUGGIES had enhanced distinctive character through use for baby wipes (as opposed to nappies).
65. The statement of grounds claimed that this conclusion was “unreasoned and unprincipled”.
66. The Applicant understandably failed to comprehend this ground because the Hearing Officer had found on the evidence (unchallenged) that HUGGIES had a significant market share in baby wipes at the relevant time.
67. However, it became apparent in argument that the Proprietor’s criticism was levelled not at the underlying evidence, but the lack of precision with which the Hearing Officer described the amount by which the distinctiveness of HUGGIES for wipes had been enhanced through use.
68. Thus, Mr. Harris pointed on the one hand to the Hearing Officer’s finding that HUGGIES had at least a normal degree of inherent distinctiveness in relation to wipes and, on the other hand to the Hearing Officer’s conclusion that HUGGIES had at least above average enhanced distinctive character for wipes.
69. I agree that this terminology seems tautologous but that *per se* does not in my judgment justify my interference.
70. First, I think that what the Hearing Officer meant in the context was that the distinctiveness of HUGGIES had been enhanced through use for baby wipes, but not to the same extent as in relation to nappies. Whilst this had resulted in HUGGIES becoming highly distinctive for nappies, for wipes it was only above averagely distinctive.
71. Second, the assessment of distinctiveness is not a precise art.
72. Third, distinctiveness is just one of the interdependent factors in the global assessment of likelihood of confusion. Others in this case included the identity of the goods and the medium degree of visual and aural similarities between the marks.
73. Finally, Mr. Harris criticised the Hearing Officer’s reliance on *KENNEDY FRIED CHICKEN*, BL O/227/04 to the effect that human beings tend to see what they expect to see. However, as with *KENTUCKY FRIED CHICKEN* in *KENNEDY*, and HUGGIES in the present case, the existence of a higher than normal level of distinctiveness because of the public’s recognition of the mark on the market place presupposes that at least a significant part of the relevant public is familiar with it

(see, e.g., Case T-341/13 RENV, *Groupe Léa Nature v. EUIPO*, EU:T:2017:381, para. 59).

Conclusion

74. In the result, the appeal has failed. The Hearing Officer ordered the Proprietor to pay to the Applicant the sum of £2,650 towards the Applicant's costs of the opposition. I will order the Proprietor to pay to the Applicant the further sum of £900 towards the Applicant's costs of this appeal, both sums to be paid within 28 days of the date of this decision.

Professor Ruth Annand, 31 July 2017

Mr. Philip Harris of Counsel instructed by Appleyard Lees IP LLP appeared on behalf of the Proprietor/Appellant

Ms. Amanda Michaels instructed by Reddie & Grose LLP appeared on behalf of the Applicant/Respondent