

O-411-16

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 3108249

BY ORLANDO ARNOLD HERRY

TO REGISTER THE TRADE MARK:



IN CLASS 25

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 405076 BY KATHMANDU LIMITED**

Background and pleadings

1. On 12 May 2015, Orlando Arnold Herry applied to register the trade mark shown below:



The application was published for opposition purposes on 19 June 2015 for the following goods:

Class 25 Clothes for sports

2. The application is opposed by Kathmandu Limited (“the opponent”). The opposition, which is based upon section 5(2)(b) of the Trade Marks Act 1994 (“the Act”), is directed against all of the goods in the application. The opponent relies upon its European Union trade mark (“EUTM”) registration no. 3300928 for the trade mark **LIVE THE DREAM**, applied for on 8 August 2003 and for which the registration procedure was completed on 17 December 2004.

3. Given its date of filing, the opponent’s mark qualifies as an earlier mark in accordance with section 6 of the Act. The opponent relies upon all of the goods for which the earlier mark is registered, namely:

Class 18 Rucksacks, haversacks and bags in this class including travel bags; umbrellas and parasols; goods made from leather and imitations of

leather, and goods made of these materials and not included in other classes.

Class 20 Furniture; bedding, mattresses, sleeping bags and outdoor furniture including furniture for camping; parts and fittings for all the aforesaid goods.

Class 22 Camping equipment in this class including tents, awnings, tarpaulins, nets; sacks and bags in this class; parts and fittings for all the aforesaid goods including string and rope.

Class 25 Clothing; headgear; and footwear.

4. The opponent stated in its Notice of Opposition that it has used its mark in relation to all of the goods relied upon. This statement is made because the earlier mark is subject to the proof of use provisions contained in section 6A of the Act.

5. The opponent claims that there is a likelihood of confusion because the marks are visually and phonetically similar and conceptually identical, and because the goods are identical or similar.

6. Mr Herry filed a counterstatement in which he denies the basis of the opposition and in which he puts the opponent to proof of use for “clothing”. He did not require evidence of use for the other goods relied upon by the opponent. In respect of the trade marks at issue, Mr Herry states that:

“It is not agreed that the two Mark are visually similar, as ‘*Living the Dream LTD*’ has a graphic. The opponent’s only have LIVE THE DREAM in text. The graphic is key here and the text is merely a description to describe the graphic. There is no way the two marks could be confused” [reproduced as written].

Further, Mr Herry claims that the goods sold by the parties and the nature of their businesses are sufficiently different to avoid a likelihood of confusion. In relation to the opponent's mark, Mr Herry states:

"The stylisation of your client's Mark is minimal and insufficient to distinguish the source of the origin of the brand",

and

"There is nothing (so far as can be seen) sold by the Opponent's [sic] which uses the trademark '*LIVE THE DREAM*' as a brand logo".

7. The opponent has been represented throughout by Haseltine Lake LLP; Mr Herry was initially represented by Clarke Barnes Solicitors LLP but now represents himself. Both parties filed evidence. I have read all of the evidence carefully; I will summarise it only to the extent that I consider necessary.

8. No hearing was requested. Only the opponent filed written submissions in lieu of a hearing. This decision is taken following a careful reading of the papers.

Evidence

The opponent's evidence

9. This consists of the witness statement of Reuben Casey, with six exhibits. Mr Casey is the Chief Financial Officer of Kathmandu Limited. He states that he has been employed by the opponent for six years.

10. Mr Casey indicates that the opponent operates over 150 physical stores in Australia and New Zealand, and two in the UK (paragraph 4). He says that the opponent also

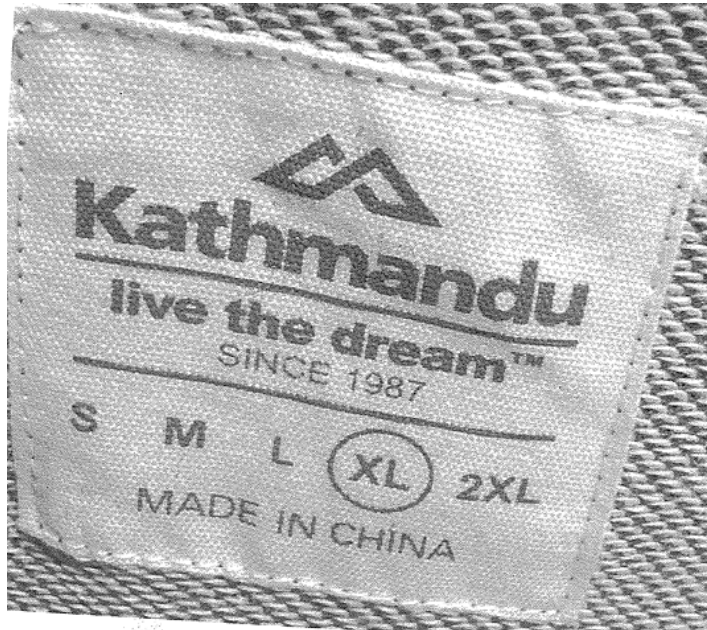
offers products for sale via telephone and online via national websites (paragraph 6). Exhibit KL2 shows printouts of web pages from www.kathmandu.co.uk. None of the printouts is dated. A range of items of clothing are offered for sale, along with items such as rucksacks, trainers and water bottles. The earlier mark is not visible on any of the products or descriptions.

11. Exhibit KL3 consists of printouts from www.kathmandu.com.au and www.kathmandu.co.nz, as well as the UK site. The websites detail the postage charges for various EU countries. Mr Casey lists at paragraph 7 of his witness statement a number of EU countries where Kathmandu products are “available”. This would appear to be via the company’s UK website, as at pages 2 and 5 of Exhibit KL3 the customer is asked to place orders on the UK site for shipping to the UK and “selected European countries”. At paragraph 21, Mr Casey provides sales figures for the same EU countries as listed at paragraph 7, plus Poland and the Isle of Man. The figures are not broken down in any way. The highest is for Germany, totalling £13,227.

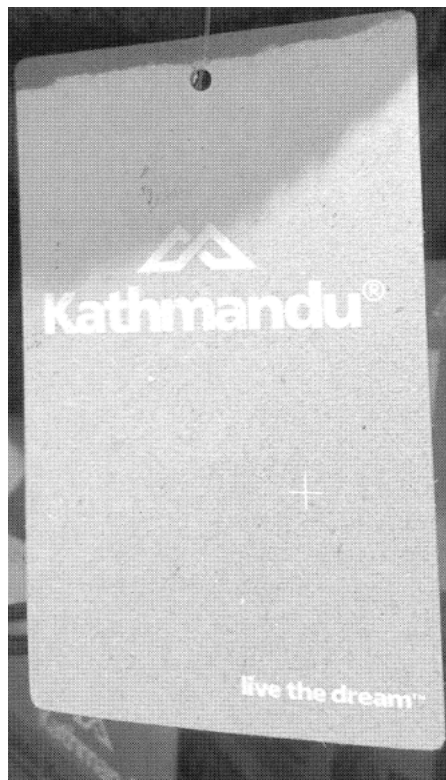
12. Mr Casey says that the opponent “designs, markets and retails its own line of products and also sells a small range of other branded products (primarily footwear)” (paragraph 5). He indicates that approximately 60% of the opponent’s products are “apparel”, with the remaining 40% consisting of equipment (paragraph 8). He describes the “key product lines” for “apparel” as jackets, undergarments, trousers, tops, socks, footwear and headwear (paragraph 9).

13. Mr Casey states that the opponent’s products are sold under the house brand KATHMANDU and a range of sub-brands, which includes “LIVE THE DREAM” (paragraph 10). The opponent has, according to Mr Casey, used the earlier trade mark since 2003 (paragraph 11). He indicates that it has been used in various ways, for example on store signage and in advertising material, as well as on products and product packaging (paragraph 12). Mr Casey confirms that the trade mark has been in use in this way in the relevant period. At paragraph 16, Mr Casey also confirms that “[t]he LIVE THE DREAM trade mark [...] appears on the labelling and/or packaging for

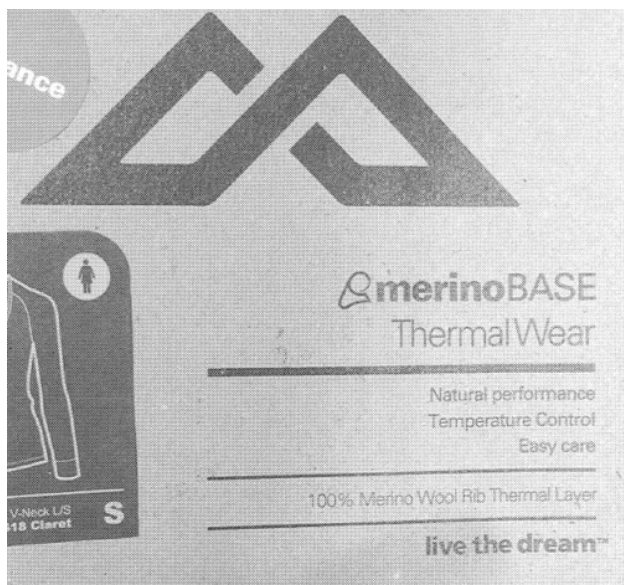
the majority of clothing product sold within the EU”. Exhibit KL4 is said to show examples of the trade mark on labels in clothing and applied directly to clothing in place of a label. They are not dated. An example of each of these is shown below:



14. Mr Casey confirms that the LIVE THE DREAM trade mark “appears on swing tags which are applied to all Kathmandu clothing products at the point of manufacture” (paragraph 14). Images of these swing tags, again undated, are shown at Exhibit KL5. An example is reproduced below:



15. Exhibit KL6 provides further undated examples of the earlier mark in use. The mark is shown applied to packaging for base layer clothing, socks and gloves. An example is shown below:



16. At paragraph 18, Mr Casey gives sales figures “for the UK market” for the years 2011 to 2015. The high point is in 2011, with total sales worth £3,940,301. Sales for subsequent years show a declining trend, ending in 2015 with a total sales figure of £2,801,278. It is not made clear exactly what proportion of these sales relate to goods bearing the earlier mark. Mr Casey provides at paragraph 19 the breakdown of UK sales figures for the “key product types”, specified above, for the year ending 31 July 2015 (the relevant period ends on 19 June 2015). These figures appear to bear out his claim that approximately 60% of the opponent’s total sales are on “apparel” (57%). When the figures for “footwear” and “headwear” are excluded, the opponent’s sales for apparel totalled £1,394,139, or 49.8% of the total 2015 sales.

The applicant’s evidence

17. The evidence consists of the witness statement of Orlando Herry, with five exhibits. Mr Herry’s statement contains both evidence and submissions. Mr Herry states that he is the “owner” of L.T.D. Sneakers Ltd and that the mark has been used on “clothes” since 2015, although no specific date is provided. He provides, at exhibits LTD1 and LTD2, images showing the applied-for mark in use on a range of goods, including clothing. At exhibit LTD3 are images of the interior and exterior of Mr Herry’s London shop. For reasons which will become apparent, I do not intend to describe Mr Herry’s evidence in further detail here but will keep both the evidence and submissions in mind and refer to them below as I consider appropriate.

Preliminary issues

18. Mr Herry makes a number of submissions regarding the parties’ use of their respective marks. Before going further into the merits of this opposition, it is necessary to explain why, as a matter of law, these points will have no bearing on the outcome of this opposition. In *O2 Holdings Limited, O2 (UK) Limited v Hutchison 3G UK Limited* (Case C-533/06), the Court of Justice of the European Union (“CJEU”) stated at paragraph 66 of its judgment that when assessing the likelihood of confusion in the

context of registering a new trade mark it is necessary to consider all the circumstances in which the mark applied for might be used if it were registered. As a result, my assessment must take into account only the applied-for mark (and its specification) and any potential conflict with the earlier trade mark. This means that any differences between the goods provided by the parties, or their trading styles, are not relevant unless those differences are apparent from the applied-for and registered marks (and their specifications).

19. The opponent claims, at page 2 of its written submissions, that Mr Herry has conceded various points in relation to the evidence of use provided by the opponent. The relevant passage, at paragraph 8 of Mr Herry's witness statement, is shown below:

“The opponent Kathmandu has provided evidence of use of their trademark LIVE THE DREAM on clothing labels, swing tags and packaging materials. Their LIVE THE DREAM trademark is used in conjunction with their house brand of Kathmandu and the Live the dream appears as a slogan for marketing/advertising purposes. The LIVE THE DREAM does not appear to exist as a stand-alone brand so I cannot see how my requested trademark of Living the dream LTD conflicts with this”.

20. To my mind, Mr Herry's comments are ambiguous. Given that he is not represented and that he specifically questions whether the use of the earlier mark alongside the house brand is genuine use, I do not think his statements can be properly be taken as the concessions claimed by the opponent.

21. The opponent also argues that Mr Casey's statements should be accepted, since the applicant has not challenged the opponent's evidence. That is true. However, the burden of proof falls on the opponent. The question is not whether Mr Casey is telling the truth but whether what he says and exhibits is sufficient to show that the earlier mark was put to genuine use in the relevant period. That is the matter to which I now turn.

Proof of use

22. The first issue is whether, or to what extent, the opponent has shown genuine use of the earlier mark. The relevant statutory provisions are as follows:

“Raising of relative grounds in opposition proceedings in case of non-use

6A- (1) This section applies where -

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a Community trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services”.

23. Section 100 of the Act is also relevant, which reads:

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

24. When considering whether genuine use has been shown, I must apply the same factors as if I were determining an application for revocation based on grounds of non-use. What constitutes genuine use has been subject to a number of judgments. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52 (“*London Taxi*”), Arnold J. summarised the case law on genuine use of trade marks. He said:

“I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetsky-Order v Bunderversvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, as follows:

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

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32]”.

25. The correct approach to assessing the evidence is to view the picture as a whole, including whether individual exhibits corroborate each other.¹

26. As the opponent's mark is an EUTM, the comments of the CJEU in *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, are relevant. It noted that:

“36. It should, however, be observed that..... the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase ‘in the Community’ is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use”.

And

“50. Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as ‘genuine use’, it cannot be ruled out that, in certain circumstances, the market for the goods or services for which a Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark”.

And

¹ See the comments of Mr Geoffrey Hobbs QC, sitting as the Appointed Person in *Brandconcern BV v Scooters India Limited* (“*Lambretta*”) BL O/065/14.

“55. Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77)”.

27. The court held that:

“Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to ‘genuine use in the Community’ within the meaning of that provision.

A Community trade mark is put to ‘genuine use’ within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity”.

28. In *London Taxi* Arnold J. reviewed the case law since the *Leno* case and concluded as follows:

“228. Since the decision of the Court of Justice in *Leno* there have been a number of decisions of OHIM Boards of Appeal, the General Court and national courts with respect to the question of the geographical extent of the use required for genuine use in the Community. It does not seem to me that a clear picture has yet emerged as to how the broad principles laid down in *Leno* are to be applied. It is sufficient for present purposes to refer by way of illustration to two cases which I am aware have attracted comment.

229. In Case T-278/13 *Now Wireless Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* the General Court upheld at [47] the finding of the Board of Appeal that there had been genuine use of the contested mark in relation to the services in issues in London and the Thames Valley. On that basis, the General Court dismissed the applicant's challenge to the Board of Appeal's conclusion that there had been genuine use of the mark in the Community. At first blush, this appears to be a decision to the effect that use in rather less than the whole of one Member State is sufficient to constitute genuine use in the Community. On closer examination, however, it appears that the applicant's argument was not that use within London and the Thames Valley was not sufficient to constitute genuine use in the Community, but rather that the Board of Appeal was wrong to find that the mark had been used in those areas, and that it should have found that the mark had only been used in parts of London: see [42] and [54]-[58]. This stance may have been due to the fact that the applicant was based in Guildford, and thus a finding which still left open the possibility of conversion of the Community trade mark to a national trade mark may not have sufficed for its purposes.

230. In *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC), [2015] ETMR 37 at [25] His Honour Judge Hacon interpreted *Leno* as establishing that "genuine use in the Community will in general require use in more than one Member State" but "an exception to that general requirement arises where the market for the relevant goods or services is restricted to the territory of a single Member State". On this basis, he went on to hold at [33]-[40] that extensive use of the trade mark in the UK, and one sale in Denmark, was not sufficient to amount to genuine use in the Community. As I understand it, this decision is presently under appeal and it would therefore be inappropriate for me to comment on the merits of the decision. All I will say is that, while I find the thrust of Judge Hacon's analysis of *Leno* persuasive, I would not myself express the applicable principles in terms of a general rule and an exception to that general rule. Rather, I would prefer to say that the assessment is a multi-factorial one which includes the geographical extent of the use".

29. The General Court ("GC") restated its interpretation of *Leno Marken* in Case T-398/13, *TVR Automotive Ltd v OHIM* (see paragraph 57 of the judgment). This case concerned national (rather than local) use of what was then known as a Community trade mark (now a European Union trade mark). Consequently, in trade mark opposition and cancellation proceedings the registrar continues to entertain the possibility that use of an EUTM in an area of the Union corresponding to the territory of one Member State may be sufficient to constitute genuine use of an EUTM. This applies even where there are no special factors, such as the market for the goods/services being limited to that area of the Union.

30. Whether the use shown is sufficient for this purpose will depend on whether there has been real commercial exploitation of the EUTM, in the course of trade, sufficient to create or maintain a market for the goods/services at issue in the Union during the relevant 5 year period. In making the required assessment I am required to consider all relevant factors, including:

- i. The scale and frequency of the use shown
- ii. The nature of the use shown
- iii. The goods and services for which use has been shown
- iv. The nature of those goods/services and the market(s) for them
- v. The geographical extent of the use shown

31. According to section 6A(3)(a) of the Act, the relevant period in which genuine use must be established is the five-year period ending on the date of publication of the applied for mark. The relevant period is, therefore, 20 June 2010 to 19 June 2015.

32. A number of criticisms can be made of the evidence filed by the opponent. It would have been helpful if the sales figures given for the years 2011-2014 had been broken down, as they have been for 2015. I note that the 2015 figures are for the period until 31 July 2015, although the relevant period ends on 19 June 2015. It would also have assisted me if the sales figures provided had been specifically in relation to products sold under the earlier trade mark rather than for the UK market at large. However, the fact that the evidence could have been better presented does not mean I should dismiss it. Mr Casey has confirmed that the majority of the clothing products sold by the opponent bear the "LIVE THE DREAM" mark on their labels and that the swing tags bearing the earlier mark are attached to all of the opponent's clothing products at the point of manufacture (see paragraphs 13 and 14, above). He has also indicated that the products sold under other brands are "a small range" of primarily footwear goods (paragraph 5 of his witness statement).

33. I keep in mind the deficiencies I have identified. I also bear in mind that the earlier mark is a European Union trade mark and that the market for clothing in the EU is vast. However, I consider that Mr Casey's witness statement shows sufficiency of sales in the relevant period, even when taking into account only the UK sales (which far outstrip sales to EU countries). The figures for 2015 alone, for which there is some breakdown, show sales which, although clearly not enough to be market dominating, are sufficient to constitute genuine use in the relevant period. The sales figures for the years 2011-2014

are higher; they are not formally broken down but Mr Casey has stated that “apparel” makes up approximately 60% of the opponent’s sales and neither this statement nor Mr Casey’s statements in relation to the opponent’s sales figures have been challenged by Mr Herry.

34. At paragraph 8 of his witness statement, quoted above, Mr Herry questions whether the opponent’s use of the mark constitutes genuine use, given that it appears alongside a house mark. The evidence shows that the trade mark that has been used by the opponent is as shown above, i.e. in lower case, followed by the letters “TM” in superscript. The mark is shown used on swing tags, an example of which is also reproduced above. Here, a logo consisting of two overlapping triangles and the word “Kathmandu” appear one above the other, about one third of the way down the label. The words “live the dreamTM” can be seen in the bottom right-hand corner of the label. On packaging, the triangle device is used with or without the word “Kathmandu” at the top of the packaging. The earlier mark is found at the bottom of the packaging, often separated by a number of lines of text which identify the product, its features and/or its composition (see Exhibit KL6). Although the mark is used on the same swing tags and packaging as the device and the “Kathmandu” mark, there is sufficient separation between the various marks that “live the dream” in this context will be seen as a separate trade mark.

35. I note that the mark as registered appears all in upper case, while the evidence of use provided by the opponent features the mark in lower case. As fair and notional use of the mark would include use in upper and lower case, the lower-case use by the opponent is, from this perspective, acceptable. I consider that the use of the mark on the swing tags and product packaging is use of the mark as registered, upon which the opponent may rely.

36. Given Mr Herry’s comments regarding the use alongside another mark, I will also consider whether the use of the earlier mark as shown applied to clothing constitutes genuine use. Here, the word “Kathmandu” appears underneath the triangle device,

immediately beneath which, separated by a horizontal line, appear the words “live the dream™”. In *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, which concerned the use of one mark with, or as part of, another mark, the CJEU found that:

“32. [...] as is apparent from paragraphs 27 to 30 of the judgment in *Nestlé*, the ‘use’ of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition by a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

35 Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term ‘genuine use’ within the meaning of Article 15(1) [emphasis added].

37. As far as the use of the earlier mark alongside the house mark is concerned, it is clear from the case law cited above that use in conjunction with another mark falls within the ambit of genuine use. I consider that this applies to the present case. The evidence shows that the earlier mark has been used with the house mark but the earlier trade mark appears beneath the house mark, as a separate element. Aside from the usage in lower case, there are no additions or changes to the mark which might have an effect on its distinctive character. I find that the use shown is use of the mark as registered, upon which the opponent is entitled to rely.

38. The next step is to decide whether the opponent's use entitles it to rely on all of the goods for which it is registered. In *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220, Kitchen L.J. (with whom Underhill L.J. agreed) set out the correct approach for devising a fair specification where the mark has not been used for all the goods/services for which it is registered. He said:

"63. The task of the court is to arrive, in the end, at a fair specification and this in turn involves ascertaining how the average consumer would describe the goods or services in relation to which the mark has been used, and considering the purpose and intended use of those goods or services. This I understand to be the approach adopted by this court in the earlier cases of *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2002] EWCA Civ 1828, [2003] RPC 32; and in *West v Fuller Smith & Turner plc* [2003] EWCA Civ 48, [2003] FSR 44. To my mind a very helpful exposition was provided by Jacob J (as he then was) in *ANIMAL Trade Mark* [2003] EWHC 1589 (Ch); [2004] FSR 19. He said at paragraph [20]:

"... I do not think there is anything technical about this: the consumer is not expected to think in a pernickety way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose

something too narrow or too wide. ... Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods – are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made".

64. Importantly, Jacob J there explained and I would respectfully agree that the court must form a value judgment as to the appropriate specification having regard to the use which has been made. But I would add that, in doing so, regard must also be had to the guidance given by the General Court in the later cases to which I have referred. Accordingly I believe the approach to be adopted is, in essence, a relatively simple one. The court must identify the goods or services in relation to which the mark has been used in the relevant period and consider how the average consumer would fairly describe them. In carrying out that exercise the court must have regard to the categories of goods or services for which the mark is registered and the extent to which those categories are described in general terms. If those categories are described in terms which are sufficiently broad so as to allow the identification within them of various sub-categories which are capable of being viewed independently then proof of use in relation to only one or more of those sub-categories will not constitute use of the mark in relation to all the other sub-categories.

65. It follows that protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider belong to the same group or category as those for which the mark has been used and which are not in substance different from them. But conversely, if the average consumer would consider that the goods or services for which the mark has been used form a series of coherent categories or sub-categories then the registration must be limited accordingly. In my judgment it also follows that a proprietor cannot derive any real assistance from the, at times, broad terminology of the Nice Classification or from the fact that he may have secured a registration for a wide range of goods or services which are described in general terms. To the contrary, the purpose of the provision is to ensure that protection is only afforded to marks which have actually been used or, put another way, that marks are actually used for the goods or services for which they are registered”.

39. Much of the opponent’s evidence at Exhibit KL2 shows clothing products for sale under particular categories, such as “snow & alpine” (pp. 1-3) and “cycling” (pp. 4-6). The products are also identified by less specific category names, such as “travel clothes” (men and women’s, pp. 16 and 18, respectively) and “kids” (p. 21). A range of items of clothing are shown on sale throughout this exhibit, including underwear, gloves, trousers, shirts and jackets. The clothing products shown at Exhibit KL4 include a t-shirt (p. 3) and a short-sleeved shirt (p. 4). I am satisfied that the mark has been used for a range of items of clothing. I consider that the average consumer would describe the category of goods upon which use has been shown as “clothing” and the opponent may therefore rely on “clothing” in class 25. As Mr Herry did not put the opponent to proof of use of its other goods, it may also rely on all of the other goods in its registration.

Section 5(2)(b)

40. Section 5(2)(b) of the Act reads as follows:

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

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

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

41. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles:

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

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the

imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

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

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

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

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

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

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

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

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods

42. The competing goods are as follows:

Opponent's goods	Applicant's goods
<p><u>Class 18</u> Rucksacks, haversacks and bags in this class including travel bags; umbrellas and parasols; goods made from leather and imitations of leather, and goods made of these materials and not included in other classes.</p> <p><u>Class 20</u> Furniture; bedding, mattresses, sleeping bags and outdoor furniture including furniture for camping; parts and fittings for all the aforesaid goods.</p> <p><u>Class 22</u> Camping equipment in this class including tents, awnings, tarpaulins, nets; sacks and bags in this class; parts and fittings for all the aforesaid goods including string and rope.</p>	<p><u>Class 25</u> Clothes for sports.</p>

<u>Class 25</u> Clothing; headgear; and footwear.	
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43. When making the comparison, all relevant factors relating to the goods in the specification should be taken into account. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer*, the CJEU stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

44. Guidance on this issue has also come from Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

- a) The respective users of the respective goods or services;
- b) The physical nature of the goods or acts of services;
- c) The respective trade channels through which the goods or services reach the market;
- d) In the case of self serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

- e) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

45. I also remind myself of the guidance given by the courts on the correct approach to the interpretation of specifications. In *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

"... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question".

46. As for whether the goods are complementary, in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the GC stated that "complementary" means:

"...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking".

47. Regarding complementarity, I also bear in mind the guidance given by Mr Daniel Alexander QC, sitting as the Appointed Person, in case BL O/255/13 *LOVE* where he warned against applying too rigid a test:

“20. In my judgment, the reference to “legal definition” suggests almost that the guidance in Boston is providing an alternative quasi-statutory approach to evaluating similarity, which I do not consider to be warranted. It is undoubtedly right to stress the importance of the fact that customers may think that responsibility for the goods lies with the same undertaking. However, it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together. I therefore think that in this respect, the Hearing Officer was taking too rigid an approach to Boston”.

48. The GC confirmed in *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, that, even if goods/services are not worded identically, they can still be considered identical if one term falls within the scope of another (or vice versa):

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 Institut fur Lernsysteme v OHIM- Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

49. The applicant’s “clothes for sports” fall within the opponent’s broader term “clothing”. The goods are, on the basis of the principle outlined in *Meric*, identical.

50. As I have found the applicant’s goods to be identical to the opponent’s “clothing” in class 25, the opponent would be in no better a position were I to consider its other goods and I do not intend to do so.

The average consumer and the nature of the purchasing act

51. As the case law above indicates, it is necessary for me to determine who the average consumer is for those goods I have found to be either identical or similar. I must then determine the manner in which these goods are likely to be selected by the average consumer in the course of trade. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median”.

52. As I have found that the goods in the applicant’s specification are identical or highly similar to “clothing; headgear; and footwear” in the earlier mark, the relevant average consumer is the average consumer of the identical or highly similar goods in class 25 and there is no need for me to consider the average consumer of the opponent’s other goods.

53. I have no submissions from the parties regarding the average consumer of the goods at issue. The goods, notwithstanding that the application is limited to “clothes for sports”, appear to me to be normal consumer items which, even if not an everyday purchase, are still likely to be bought relatively often. I consider that the relevant average consumer of the goods at issue is a member of the general public.

54. It is my experience that the goods at issue are generally sold through bricks and mortar retail premises on the high street and their online equivalents. There is likely to be a degree of variation as to whether the shops concerned are general or specialist outlets but in either case the goods will normally be chosen via self-selection from a shelf or the online equivalent. In *New Look Limited v OHIM*, joined cases T-117/03 to T-119/03 and T-171/03, the GC stated that:

“50..... Generally in clothes shops customers can themselves either choose the clothes they wish to buy or be assisted by the sales staff. Whilst oral communication in respect of the product and the trade mark is not excluded, the choice of the item of clothing is generally made visually. Therefore, the visual perception of the marks in question will generally take place prior to purchase. Accordingly the visual aspect plays a greater role in the global assessment of the likelihood of confusion”.

Accordingly, while I do not rule out that there may be an aural component (advice may, for example, be sought from a shop assistant), when considered overall, the selection process will be mainly visual.

55. The consumer of the goods at issue will be attentive to ensure that the goods are suitable for their purpose and that they are, for example, the desired colour, fit or style. I am of the view that the average consumer will pay an average degree of attention in the selection of the goods.

Comparison of trade marks


56. It is clear from *Sabel BV v Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the trade marks must be assessed by reference to the overall impressions created by the trade marks, bearing in mind their distinctive and dominant components.

The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....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”.

57. It would be wrong, therefore, artificially to dissect the trade marks, although it is necessary to take into account the distinctive and dominant components of the trade marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

58. The trade marks to be compared are as follows:

Opponent’s trade mark	Applicant’s trade mark
LIVE THE DREAM	

59. The opponent submits that the marks at issue have a high degree of similarity (p. 7). The applicant submits that the trade marks are “completely different” (paragraph 8 of Mr Herry’s witness statement).

60. The opponent’s mark consists of the words “LIVE THE DREAM”, presented in upper case. None of the words dominates, nor are there any other elements to contribute to the overall impression. I consider that the mark will be seen as a word combination, with the words hanging together as a unit.

61. Mr Herry’s mark is a little more difficult to assess, as it may be seen in a variety of different ways. It consists of the words “LIVING THE” placed above the word “DREAM”, which is in a slightly larger typeface. The letters “LTD” are presented in a bold font, underneath the word “DREAM”. The letters “L” and “D” are in a slightly larger font than the word “DREAM”, while the letter “T” has a very elongated vertical stroke. To some average consumers, the mark is likely to be seen as the words “LIVING THE DREAM LTD”, with the letters “LTD” being perceived as the abbreviation designating a limited company. To other average consumers, the mark may be viewed as the words “LIVING THE DREAM” followed by the letters “L-T-D”, which may be recognised as the initial letters of the words “LIVING THE DREAM”, or to which no particular meaning is ascribed. To yet other average consumers, the letter “T” may not even be perceived as a letter, such is its stylisation, but as a device in a composite mark featuring the words “LIVING THE DREAM” and the letters “L” and “D”.

62. In terms of the overall impression of the applied-for mark, the extremely large size and bold font of the letter “T” in the “LTD” combination, compared with the size of the other letters/ words in the mark, means that the letters “LTD” dominate the overall impression. The words “LIVING THE DREAM”, presented in a smaller, non-bold typeface, make a distinctive contribution but not to the same extent. I recognise that, if the mark is perceived as a designation of a company, the letters “LTD”, in and of themselves, are descriptive of the type of company and therefore non-distinctive.

However, I consider that their very striking presentation confers distinctiveness, albeit contained in the presentation and not the letters themselves.

63. Visually, both marks share the initial letters “LIV” and the words “THE DREAM”. There is a difference because the first word of the opponent’s mark is the imperative, ending in “E”, while the applicant’s mark is a present participle ending in “ING”. There is also a fairly obvious difference because of the additional letters “LTD” and the visually striking presentation of the letter “T” in this combination in the applied-for mark. Bearing in mind my assessment of the overall impression, I consider that the marks share a medium degree of visual similarity.

64. Aurally, the opponent’s mark will be articulated entirely predictably, as will the words “LIVING THE DREAM” in the applicant’s mark. If the “LTD” element of the applicant’s mark is perceived as an abbreviation of the word “limited”, then the mark will be vocalised as “LIVING THE DREAM LIMITED”. As the distinctive visual presentation of the letter “T” will not be articulated, the marks would, in this case, share a high degree of aural similarity. In the other scenarios I have outlined, where the letters “LTD” are articulated as “EL-TEE-DEE”, or just “EL-DEE” (where the “T” is perceived as a device and is not vocalised at all), the marks are similar to a reasonably high degree.

65. Both marks evoke the concept of living one’s life to the full and achieving one’s goals.² There is a slight difference in that the applicant’s mark suggests that one is already ‘living the dream’, while the opponent’s mark points towards a future state. Where “LTD” in the applicant’s mark is perceived as a company designation it is not distinctive. The letters “LTD” are likely to be noted as an abbreviation but it is likely that they will be perceived as having no particular meaning; if they are seen as the initial letters of the other words in the applicant’s mark, they will simply reinforce the meaning of those words. I consider that the marks have a very high degree of conceptual similarity.

² For a conceptual message to be relevant, it must be capable of immediate grasp by the average consumer (see Case C-361/04 P *Ruiz-Picasso and Others v OHIM* [2006] ECR I-00643; [2006] E.T.M.R. 29).

Distinctive character of the earlier trade mark

66. The distinctive character of a trade mark can be appraised only, first, by reference to the goods in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods for which it has been registered as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-2779, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and

statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)".

67. Mr Herry argues in his counterstatement that the opponent's mark is "insufficient to distinguish the source of the origin of the brand" and, in his witness statement, that that mark "appears as a slogan for marketing/advertising purposes" (paragraph 8). The opponent, meanwhile, asserts that the earlier mark "should [...] be taken to have at least a medium level of distinctiveness for the purposes of UK customers, bearing in mind also the evidence of extensive use that has been made of the mark in the UK prior to the filing of the opposed application" (submissions, p. 8).

68. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods/services, to those with high inherent distinctive character, such as invented words which have no allusive qualities (KODAK is the paradigm example). The judgment of the CJEU in *Formula One Licensing BV v OHIM* Case C-196/11P indicates that a registered trade mark must be considered to have at least a minimum degree of distinctive character. The earlier mark consists of ordinary dictionary words which are not descriptive of the goods. However, the mark resembles an aspirational statement and I am therefore of the view that it has an average degree of inherent distinctive character but no more.

69. The evidence of use filed by the opponent does indicate a substantial, although declining, turnover in the period 2010-2015. However, I have not been provided with figures showing the size of the market in the goods at issue or the market share enjoyed by goods sold under the earlier mark. The figures with which I have been provided are not broken down into the different categories of goods. On the basis of the evidence provided, I am not in a position to determine that the earlier mark has an enhanced distinctive character in relation to goods in class 25.

Likelihood of confusion

70. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the opponent's trade mark, as the more distinctive this trade mark is, the greater the likelihood of confusion. I must also bear in mind the average consumer for the goods and services, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind.

71. Confusion can be direct (the average consumer mistaking one mark for the other) or indirect (where the average consumer realises the marks are not the same but puts the similarity that exists between the marks/goods down to the responsible undertakings being the same or related). As far as the former is concerned, although both marks contain the very similar word elements "LIVE THE DREAM" / "LIVING THE DREAM", I am of the view that the heavy stylisation of the "LTD" element, and the "T" in particular, in the application will prevent the average consumer from mistaking it for the word-only mark of the opponent, even when the effects of imperfect recollection are taken into account.

72. I will now consider whether there is a likelihood of indirect confusion. This type of confusion was explained by Iain Purvis, Q.C., sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc.*, Case BL-O/375/10, where he stated that:

"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.

17. 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”).

73. The categories identified by Mr Purvis are illustrative not exhaustive (see *Thomson Hotels LLC v TUI Travel Amber E&W LLP* BL- O-440/14 at [29]).

74. I bear in mind that there are differences between the marks, as well as the fact that the most striking difference is visual, in a context where the goods will be selected by

primarily visual means. However, the goods at issue are identical or highly similar and the average consumer is only likely to afford an average degree of attention to the purchasing process. In addition, the marks share at least a reasonably high degree of aural similarity and a very high degree of conceptual similarity. In those circumstances, I consider it likely that, even when the differences between the marks are identified, there will be an expectation on the part of the average consumer that the goods at issue come from the same or economically linked undertakings. There is a likelihood of indirect confusion.

Conclusion

75. The opposition succeeds in full.

Costs

76. As the opponent has been successful, it is entitled to a contribution towards its costs. Both parties filed evidence but that of the applicant was very light and will not have required a great deal of consideration, which is reflected in the award. Awards of costs are governed by Annex A of Tribunal Practice Notice (“TPN”) 4 of 2007. Using that TPN as a guide but bearing in mind my comments, above, I award costs to the opponent on the following basis:

Official fees:	£100
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Preparing a statement and considering the other side’s statement:	£200
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Preparing evidence and considering the applicant’s evidence:	£300
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Written submissions: £300

Total: £900

77. I order Orlando Herry to pay Kathmandu Limited the sum of **£900**. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 30th day of August 2016

Heather Harrison

For the Registrar

The Comptroller-General