

O-450-15

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 3039475
BY BRITISH AMERICAN GROUP LIMITED TO REGISTER THE TRADE MARK**

The GapTravel Guide

IN CLASS 41

**AND IN THE MATTER OF OPPOSITION
THERE TO UNDER NO 402287
BY GAP (ITM) INC.**

Background and pleadings

1) British American Group Limited (“the applicant”) applied to register the trade mark 3039475 in the UK on 27 January 2014. It was accepted and published in the Trade Marks Journal on 7 March 2014 in respect of the following services:

Class 41: Magazine publishing

2) Gap (ITM) Inc. (“the opponent”) oppose the mark on the basis of Section 5(2)(b), Section 5(3) and Section 5(4)(a) of the Trade Marks Act 1994 (the Act). The first of these grounds is based upon conflict with its earlier Community Trade Mark (CTM) no. 11331345. The second ground is based upon the same earlier mark and also its earlier CTM no. 9689084. The relevant details of these two CTMs are shown below:

Mark and relevant dates	Goods relied upon
CTM 11331345 GAP Filing date: 8 November 2012 Date of entry in register: 15 April 2013	For the purposes of the Section 5(2)(b) ground: Class 41: ...; Publication of electronic books and journals on-line; ...; Writing of texts [other than publicity texts]; ...; Publication of texts, other than publicity texts; ...; Providing on-line electronic publications, not downloadable; ...; Publication of books; ... For the purposes of the Section 5(3) ground it also relies upon the full list of Class 39, Class 41 and Class 42 services.
CTM 9689084 GAP Filing date: 27 January 2011 Date of entry in register: 9 June 2011	Class 25: Clothing, footwear, headgear.

3) The opponent submits that the dominant element of the applied for mark is the word GAP with the words TRAVEL GUIDE being descriptive of the intended use. It concludes that there is a high degree of similarity. It also claims that the applicant’s services are identical. It concludes that the application offends under Section 5(2)(b) of the Act.

4) The opponent also claims that the application offends under Section 5(3) of the Act because it claims a reputation in respect of clothing, footwear and headgear (its claim insofar as it relied upon its Class 39, 41 and 42 services were dropped at the end of the proceedings) and because the claimed similarity between the marks is such that the relevant public will believe that they are used by the same or linked

undertaking. As a consequence, the opponent claims that use of the applicant's mark would take unfair advantage of the opponent's reputation and to benefit from its investment in promotion leading to advantage to the applicant without any investment. It also claims detriment to its reputation because the opponent has no control over the quality of the applicant's services which may be of poor quality. It also claims that use of the applicant's mark will be detrimental to the distinctive character of the opponent's mark because its ability to signify origin will be weakened.

5) The opponent relies upon its unregistered rights in the sign GAP when claiming that the application offends under Section 5(4)(a) of the Act because it has goodwill identified by its sign dating back to 1 January 1988 in respect of retail services and clothing (at the hearing, its claim was dropped insofar as it was based upon goodwill in respect of travel related services, printed materials and published matter). In view of this "substantial reputation", use of the applicant's mark will serve to associate it, and the business behind it, with the opponent and that the services emanate from, or are endorsed by, the opponent. The opponent claims this will amount to passing off in the UK.

6) The applicant filed a counterstatement denying the claims made. In particular, it denies that the presence of the word GAP in both marks is sufficient for a finding of likelihood of confusion under Section 5(2)(b) of the Act. It claims that the marks are visually, aurally and conceptually very different pointing out that its use of GAP in its mark is to designate "gap year travel". Whilst the applicant accepts that the opponent has a reputation in respect of Class 25 goods, it denies its other claims and, because of the meaning of the word GAP in its mark, its use is with due cause.

7) Both sides filed evidence and written submissions and request an award of costs in their favour. A hearing took place on 2 September 2015, with the opponent represented by Mr Michael Hicks of Counsel, instructed by Stephenson Harwood LLP and the applicant by Ms Jacqueline Reid of Counsel, instructed by Foot Anstey.

Opponent's Evidence

8) This takes the form of two witness statements. The first of these is by Christos Matthews, solicitor and associate of Stephenson Harwood LLP, the opponent's representative in these proceedings. The second is by Karen Scarr, Vice President of the opponent. The applicant accepts that the opponent has a reputation in respect of its Class 25 goods. However, it is still necessary for me to consider the scale of this reputation and I summarise the evidence relevant to this, as follows:

- The opponent opened its first store in the UK in 1987 and now has 140 stores in the UK (of the 198 in Europe), typically in prominent shopping locations;
- The opponent operates over 1387 stores worldwide under a variety of different brands, one of which is GAP. UK specific figures are not provided but annual European turnover in respect of the GAP brand between 2004 and 2013 was in the region of \$680 million and \$879 million. Information is provided on the size of the opponent's global footprint at Exhibit KS2;

- It sells its own-branded range of clothing, headgear and footwear. There is no evidence of its GAP stores selling clothing branded other than GAP;
- GAP clothing has been available to purchase online in the UK since August 2009;
- GAP is one of the world's leading brands as illustrated by its inclusion in Interbrand's "Best Retail Brands 2013", "Best Retail Brands 2014" reports and its "Best Global Brands" rankings as well inclusion in Doiloitte's annual report entitled "Global Powers of Retailing, 2014" (see Exhibit KS6);
- The opponent's website receives hundreds of thousands of hits each day on its websites www.gap.eu and www.gap.co.uk and its *Facebook* page "Gap UK" has over 6.5 million likes and over 84,000 visits;
- Global advertising expenditure has been in the region of \$550 million to over \$650 million each year in 2011, 2012 and 2013;
- Example advertising in the UK is provided at Exhibit KS8 and includes photographs of GAP advertisements appearing on the side of London buses (that, according to Ms Scarr, has taken place for many years) and advertising hoardings. Ms Scarr states that GAP branded products regularly feature in lifestyle magazines, and examples of these are provided, including:
 - GAP KIDS mentioned on the front cover of the *Evening Standard's* magazine dated 22 September 2006;
 - An undated page entitled "FHM Fashion" refers to "gap Individuals book", "a book of portraits from its ad past";
 - GAP women's rugby shirt featuring in the *Independent* newspaper on 6 March 2006;
 - GAP jeans featuring in an undated article called "vogue denim";
 - A GAP bikini featuring in *The Guardian Weekend* supplement of 14 May 2011;
 - GAP women shorts featuring in the *Guardian* newspaper (undated);
 - GAP women's jeans featuring in the magazine *Harper's Bizarre* in June 2011;
 - GAP women's shirt, skirt, denim jacket, shoes and trousers featuring in *Red* magazine, April 2011;
 - GAP men's shirts featuring in *GQ Men* magazine (undated);
 - An article from *Times Online*, 25 October 2009 discussing the designer, Stella McCartney's new children's clothes collection for GAP.

9) The opponent operates 140 GAP branded stores in the UK and this is approximately 10% of the number of total stores that it operates worldwide and about 70% of the total number of stores in the EU.

10) Mr Matthews' witness statement introduces Exhibit CM1 that consists of screenshots from the website www.gapgetaway.co.uk as of 3 and 4 December 2014. It appears to be the host website for a competition being run by the opponent called

GAP GETAWAY where visitors can enter a competition to win a trip to New York, Miami, Chamonix, or Disneyland Paris. It is open only to residents of the UK.

Applicant's evidence

11) This takes the form of a witness statement by Danny Kataria, founder and managing director of the applicant. This contains mainly submissions that I will not summarise here, but I will keep in mind. The relevant evidence is summarised as follows:

- There are several examples of other companies using the word GAP in the context of travel such as *Gap Guru* at www.gapguru.com and based in Newbury, *Real Gap*, based in Brighton and *Gap Year Travel* at www.gapyear.com, based in New Malden;
- It is claimed that “gap year travel ... is an ordinary part of the English language that everyone understands”;
- The applicant has been using its mark on its website since around 2 February 2011 and has featured as part of its domain name since 2008. The evidence at Annex C consists of copies of the front covers of the applicant's magazine, one of which is dated 2010 and features a stylised version of its mark. Use has varied over time, but its mark has never resembled the opponent's “blue square and white lettering form of the opponent's mark”;
- Mr Kataria has no knowledge of, nor is there any evidence of, actual confusion;
- The core demographic of the applicant's business is between the age of 18 to 22 (57% of its customers);
- The applicant does not market itself as a producer of clothing.

Opponent's evidence in reply

12) This takes the form of a second witness statement by Ms Scarr. This contains a number of submissions that I will not detail here. The main evidential points are summarised as follows:

- The Oxford English dictionary defines “gap” as “1. A break or hole in an object or between two objects. 2, A space, interval, or break”. It does not include a meaning “gap year”. “Gap year” is defined, under its own entry, as “a period taken by a student as a break between school and university or college education”;
- Various reports are provided to illustrate the opponent's continued expansion in the European Union during 2014;

- It is claimed that it is normal for large companies, particularly ones with a reputation, to expand into other services. Evidence is provided at Exhibit KS26 illustrating that:
 - the Swiss outdoor trekking and mountaineering equipment manufacturer, *Mammut*, also offers winter and summer excursions;
 - *Quark Expeditions* also provide customised clothing for expeditions.

13) Ms Scarr also provides evidence in support of the claim that the opponent benefits from the existence of a family of marks and also that the opponent has a presence in the travel industry. These claims were dropped at the hearing and, consequently, there is no need for me to summarise this evidence.

DECISION

Section 5(2)(b)

14) Section 5(2)(b) of the Act is 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”.

Similarity of services

15) In the judgment of the Court of Justice of the European Union (“the CJEU”) in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“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”.

16) The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity also included the respective trade channels through which the goods or services reach the market.

17) In addition, I keep in mind the following guidance of the General Court (“the GC”) in *Gérard Meric v OHIM*, T-133/05 (citations omitted):

“29 ..., the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application or when the goods designated by the trade mark

application are included in a more general category designated by the earlier mark.”

18) The applicant's services are defined by the single term *magazine publishing*. The opponent's best case rests with its *publication of electronic...journals* and *providing on-line electronic publications, not downloadable*. The definition of "journal" is:

“A newspaper or magazine that deals with a particular subject or professional activity: medical journal... “¹

19) With this definition in mind, the publication of magazines includes the publication of journals, insofar as those magazines deal with a particular subject or professional activity. Ms Reid made submissions to the effect that when the word "journals" is used in conjunction with the word "online" then the term would be understood as being a reference to personal journals such as online blogs rather than subject-specific magazines. I am not persuaded by this. There is nothing before me to suggest that the online publication of magazines in the form of journals is unusual or unlikely, or that blogs are referred to as "journals". Therefore, the natural meaning associated with the term *publication of electronic journals* is that of the publication of magazines relating to a particular subject or professional activity. In light of all of this, I conclude that the respective terms cover identical services.

20) Even if I am wrong and magazines and journals are different, the respective services are still both online publication services and therefore these will still share a high level of similarity.

21) Further, the opponent's *providing of online electronic publications* is also highly similar, if not identical, to magazine publishing, where such publishing is conducted online.

Comparison of marks

22) It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a 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 marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The Court of Justice of the European Union 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.”

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<http://www.oxfordreference.com/search?siteToSearch=aup&q=journal&searchBtn=Search&isQuickSearch=true>

23) It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the 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.

24) The respective marks are shown below:

Opponent's mark	Applicant's mark
GAP	The GapTravel Guide

25) The opponent's mark consists of a single word, namely the word GAP. It is self evidently both the dominant and distinctive component. The applicant's mark consists of the four words "The GapTravel Guide". Despite the second and third words being conjoined, I agree with Ms Reid's submission that the use of a capital "T" at the start of the word "Travel" has the effect of the words "gap" and "travel" retaining their own identity within the mark. The word THE is merely the determiner denoting the thing that follows, in this case GAP TRAVEL GUIDE. At the hearing there were various submissions on the issue of whether or not the word GAP designated "gap year". I accept that there is no evidence that the word GAP is descriptive of GAP YEAR, but it is used by the applicant in a way that is likely to be perceived by the consumer as being an allusive indication to "gap year". This allusiveness exists because of the interplay between the word GAP and the word TRAVEL, consequently, the dominant and distinctive components of the mark are these two conjoined words that combine to create an allusive term. The word GUIDE does no more than describe the nature or subject of the services. The words GAP and TRAVEL combine to have more relative weight than the THE and GUIDE components of the mark.

26) Visually, the respective marks are similar insofar as one consists of the word GAP and the other contains the word GAP, however, in all other respects they are different. The applicant's mark contains three words absent in the opponent's mark. I conclude that the respective marks share a low level of visual similarity.

27) Aurally, the opponent's mark is short, consisting of the single syllable GAP whereas the applicant's mark is longer, consisting of the five syllables THE-GAP-TRAV-EL-GUIDE. The second syllable of the applicant's mark is the same as the syllable present in the opponent's mark but in all other ways, the respective marks are aurally dissimilar. Taking account of all of this, I conclude that the respective marks also share a low level of aural similarity.

28) Conceptually, Mr Hicks submitted that the word GAP is not interchangeable with the term "gap year" and does not have a recognised meaning of "gap year". This is not disputed by the other side, but Ms Reid submitted that it is, nonetheless, allusive of the term "gap year" when used with the word "Travel". I agree, and as I have commented in paragraph 25, above, the applicant's mark is strongly allusive of a guide about gap year travel. This is the concept that will be readily perceived by the average consumer. The opponent's mark has the concept associated with the

commonly understood meaning of the word GAP, namely “A break or hole in an object or between two objects”²

29) In light of my findings, I conclude that the respective marks do not share any conceptual similarity.

Average consumer and the purchasing act

30) The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97.

31) 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.”

32) Mr Hicks submitted that publishing services involve the act of making available to the public and, therefore, the relevant consumer is the general public. He further submitted that such consumers have a low degree of care and attention. I do not agree with these submissions. This is because the average consumer of publishing services will generally be businesses who require the publication of material. It is less likely that members of the general public will be regular consumers of such services, certainly when considering publication of magazines or journals that are not normally compiled by individuals. Secondly, the purchasing process is likely to be reasonably well considered and may involve a relatively expensive procurement of one-off or ongoing services.

Distinctive character of the earlier trade mark

33) 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

² Oxford Reference

(http://www.oxfordreference.com/search?avail=free&isQuickSearch=true&pageSize=10&q=gap&sort=relevance&type_0=englishdictionaries)

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-0000, 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).”

34) The opponent's mark consists of the single word GAP having an ordinary dictionary meaning that will be understood by most, if not all consumers. However, this meaning has no obvious relevance to publishing, therefore, the opponent's mark is endowed with a reasonably high level of inherent distinctive character.

35) The opponent does not rely upon any enhanced distinctive character in respect of its services relied on for this ground of opposition and, at the hearing, Mr Hicks confirmed that it does not rely on any of the evidence of alleged use that was provided in respect of such a claim made in written submissions (included in the opponent's evidence).

GLOBAL ASSESSMENT – Conclusions on Likelihood of Confusion.

36) 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:

(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 might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

37) I must adopt the global approach advocated by case law and take into account that marks are rarely recalled perfectly with the consumer relying instead on the imperfect picture of them he has kept in his mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27). I must take into account all factors relevant to the circumstances of the case, in particular the interdependence between the similarity of the marks and that of the goods or services designated (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*).

38) Mr Hicks submitted that the consumer would associate the word GAP in the applicant's mark with the opponent's mark rather than with the concept of a gap year and that it is common for large traders to branch out into other goods and services. I dismiss this argument because, in the current case, the reputation of the opponent's mark is not claimed in respect of any of the services relied upon for the purposes of Section 5(2)(b). It cannot rely upon a reputation in respect of goods that it does not rely upon, or that are not similar to the applicant's services.

39) Mr Hicks also contended that the respective services were targeted at a different demographic and only a younger demographic than is targeted by the opponent will be familiar with the concept of a gap year. I am not persuaded by this. The concept

of a “gap year” is long established and many consumers now beyond their teens and twenties will have experienced a gap year or considered undertaking one and, therefore, will also be alert to the allusion to the concept in the applicant's mark. Further, parents and other older relatives of young people undertaking or considering undertaking a gap year will also be familiar with the concept, as will most others who may not have any direct contact with someone taking or contemplating a gap year, but will be familiar with the concept . Consequently, I consider that the average consumers will be familiar with the concept of a gap year and will be alert to the allusion to such in the applicant's mark. Further, the courts have confirmed that marketing considerations are not relevant when considering likelihood of confusion, see for example, *Devinlec Développement Innovation Leclerc SA v OHIM*, Case C-171/06P. Therefore merely because the respective services are marketed to different demographics is not relevant to the issue of likelihood of confusion

40) I agree with Mr Hick’s submission that the word GAP is not hidden or swamped in the applicant’s mark, but this is not decisive. The average consumer is likely to be familiar with the concept of a gap year and therefore alert to the allusion of the concept created because of the presence of the word GAP in the applicant’s mark, it follows that the average consumer will not make a connection with the opponent's mark. The presence of the word GAP will serve only to allude to the concept of a gap year. Therefore, the average consumer will make no connection with the opponent’s mark, even taking account that the average consumer is the same and the respective services are identical.

41) In light of all of this, I conclude that there is no likelihood of confusion. The opposition fails, insofar as it is based upon Section 5(2)(b) of the Act.

Section 5(4)(a)

42) Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and

decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House."

43) Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances."

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."

44) In *Neutrogena Corporation and Another v Golden Limited and Another*, 1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148 . The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“.... for my part, I think that references, in this context, to “more than *de minimis* ” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

45) I will not discuss the issue of goodwill in any detail, other than to say that whilst the evidence is not well marshalled (and I discuss this in more detail later) the test for establishing goodwill does not set a high hurdle and I accept that the evidence demonstrates the requisite goodwill. However, whilst I acknowledge that the test for establishing misrepresentation is different to the test for establishing a likelihood of confusion under Section 5(2)(b) of the Act, the same fact is determinative, namely that the word GAP in the applicant's mark will be perceived as an allusion to gap travel and not as a reference to the opponent or its mark. Therefore, even taking account of the opponent's goodwill and reputation, the perception that “GapTravel” in the applicant's mark as relating to “gap year travel” is not displaced. This is sufficient for no misrepresentation to exist. For this reason, the grounds based upon Section 5(4)(a) must fail.

Section 5(3)

46) I find it convenient to consider the grounds based upon Section 5(3) first. This part of the Act states:

“(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark or international trade mark (EC), in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

47) The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Salomon*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark’s reputation and distinctiveness; *Intel*, paragraph 42

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark’s ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel*, paragraphs 76 and 77.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel*, paragraph 74.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in

such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV*, paragraph 40.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

Reputation

48) The basis of the opponent's case based upon Section 5(3) of the Act is different in that it relies upon a reputation in respect of its trade in clothing and retailing of the same. The applicant concedes that it enjoys a reputation in respect to these goods and services, however, I must still consider what level of reputation it enjoys. In this respect, Ms Reid submitted that the evidence shows use of a logo mark where the word GAP appears inside a square. I observe that the evidence is unhelpful insofar as it illustrates the scope of the opponent's reputation in the UK. The evidence is focused on providing evidence on the scale of use in the European Union and not specifically the UK. The evidence gives every indication that it was prepared for the purpose of supporting the opponent's case in European proceedings rather than UK proceedings. Whilst there are exhibits illustrating use in the UK, nearly all statements regarding the scale of use are in respect to the EU as a whole.

49) At the hearing, Mr Hicks confirmed that the opponent was not relying on any reputation in respect of Class 41 services (it did file some unimpressive evidence in support of such a claim) but rather, it relied upon a reputation in respect of Class 25 goods.

50) In terms of demonstrating the scope of reputation specifically in the UK, the following evidence is of relevance:

- The opponent opened its first GAP branded store in the UK in 1987;
- It currently has 140 GAP branded stores in the UK (and 198 in Europe as a whole);
- It's stores sell its own branded range of clothing;
- It can be extrapolated from the information provided regarding the European scale of the opponent's business involving a number of brands (including GAP) that about 70% of its European business is generated from its GAP

stores in the UK. European turnover figures for the years 2004 to 2013 ranged between \$680 million to \$880 million. Based on the extrapolation, this would suggest that turnover in the UK in respect of the opponent's GAP branded clothing stores and its clothing range is in the region of \$476 million to \$616 million a year;

- Examples of the mark being promoted on advertising hoardings and on the side of London buses are provided at Exhibit KS8. These illustrate use of both the word GAP and the GAP logo mark, sometimes within the same advertisement;
- Examples of GAP clothing featuring in national publications (since 2006) such as the *Evening Standard* magazine, *FHM* magazine, *Daily Mail*, *The Telegraph's* magazine, *The Independent*, *Vogue*, *The Guardian's* magazine and others.

51) As Ms Reid pointed out, many of the examples of use show the opponent's logo mark, but there is also use of the earlier mark in a number of exhibits including the advertisements (featured on London buses, and advertising hoardings). Therefore, I accept there is use of the earlier mark.

52) Taking all of this together, along with the evidence that demonstrates the opponent's GAP business is in respect of its own-branded clothing and the retail of the same through its own-branded stores, I conclude that, despite the evidence being poorly marshalled, and the scale of UK use being extrapolated (and therefore it may not be wholly accurate), I conclude that it has a significant presence in the UK clothing sector and has a correspondingly significant reputation in respect of clothing and the retail of the same.

The Link

53) In Case C-408/01, *Addidas-Salomon*, the CJEU held that:

“28. The condition of similarity between the mark and the sign, referred to in Article 5(2) of the Directive, requires the existence, in particular, of elements of visual, aural or conceptual similarity (see, in respect of Article 5(1)(b) of the Directive, Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23 in fine, and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraphs 25 and 27 in fine).

29. The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23).”

54) The similarity of the respective marks is to be assessed in the same way as for Section 5(2) of the Act. There is no threshold level of similarity, but there must be

similarity when the marks are compared overall. In Case C-408/01, *Addidas-Salomon*, the CJEU held that:

“28. The condition of similarity between the mark and the sign, referred to in Article 5(2) of the Directive, requires the existence, in particular, of elements of visual, aural or conceptual similarity (see, in respect of Article 5(1)(b) of the Directive, Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23 in fine, and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraphs 25 and 27 in fine).

29. The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23).”

55) However, the level of similarity required for the public to make a link between the marks for the purposes of Section 5(3) may be less than the level of similarity required to create a likelihood of confusion. In *Intra-Press SAS v OHIM*, Joined cases C-581/13P & C-582/13P, the Court of Justice of the European Union stated (at paragraph 72 of its judgment) that:

“The Court has consistently held that the degree of similarity required under Article 8(1)(b) of Regulation No 40/94, on the one hand, and Article 8(5) of that regulation, on the other, is different. Whereas the implementation of the protection provided for under Article 8(1)(b) of Regulation No 40/94 is conditional upon a finding of a degree of similarity between the marks at issue so that there exists a likelihood of confusion between them on the part of the relevant section of the public, the existence of such a likelihood is not necessary for the protection conferred by Article 8(5) of that regulation. Accordingly, the types of injury referred to in Article 8(5) of Regulation No 40/94 may be the consequence of a lesser degree of similarity between the earlier and the later marks, provided that it is sufficient for the relevant section of the public to make a connection between those marks, that is to say, to establish a link between them (see judgment in *Ferrero v OHMI*, C-552/09 P, EU:C:2011:177, paragraph 53 and the case-law cited).”

56) Mr Hicks repeated his submissions regarding the similarity of marks concluding that the level of similarity is such as to “go well beyond a link” and there is, in fact, confusion. To support this submission, he claimed that it is not uncommon for high street retailers to promote their services via their own magazines and he referred to the magazines produced by *Tesco*, *Sainsburys* and *Waitrose*. The evidence also appears to show the opponent promoting its goods and services through an online magazine called *gapgiftguide.com*, but as Ms Reid pointed out, this is dated December 2014 and is after the relevant date (being the filing date of the application) in respect of these proceedings. I don't accept Mr Hicks' submissions. Firstly, the examples provided relate to magazines linked with large supermarkets rather than a clothing retailer. The marketing methods used by supermarkets may be different to that of clothing retailers. Secondly, even if I am wrong on the first point, the

applicant's services are the publishing of magazines and not magazines themselves and there is no evidence of retailers offering publishing services. Thirdly, whilst I accept that the consumer may not be surprised if the opponent produced a travel guide branded as GAP, this is not, in itself, a reason to find that a link is established. As I have concluded elsewhere, there is some visual and aural similarity between the marks because the applicant's mark contains the opponent's mark, however, I have concluded that this is only a low level. Further, I have found that there is no conceptual similarity and it is my view that, when taking these findings into account together with my reasoning for finding no conceptual similarity, the necessary link is not established. The word GAP, when used in conjunction with the word TRAVEL will immediately bring to mind the concept of gap year travel and, consequently, the applicant's mark will not bring to mind the opponent's mark.

57) Taking the above into account, the opponent's case, insofar as it is based upon Section 5(3) of the Act, also fails.

Conclusions

58) The opposition fails in respect of all the grounds relied upon and the application may proceed to registration.

COSTS

59) At the hearing, Ms Reid requested enhanced costs within the published scale because the opponent maintained the broad scope of its claims only to drop them shortly prior to, or at the hearing. I have some sympathy with this request. The opponent specifically relied upon a reputation in an unsustainably broad range of services for the purposes of its Section 5(3) claim, only to drop these and rely solely upon the short list of goods listed in its earlier CTM 9689084. Further, in written submissions and supporting evidence, the opponent relied upon a claim to its own use of its mark in respect of travel services. Reliance upon this argument (and corresponding evidence) was also dropped at the hearing, as was its earlier reliance on a claim to a family of marks. These are all issues that the applicant had to respond. Taking all of this into account, I consider that it is appropriate to enhance the costs awarded to the applicant in respect to the unnecessary consideration of the opponent's evidence and additional preparation for the hearing. I also take account that both sides filed evidence and that a hearing took place. I award costs as follows:

Preparing a statement and considering the counterstatement	£300
Preparing evidence and considering other side's evidence (including £500 in respect of considering evidence later not relied upon)	£1500
Preparing and attending hearing (including £250 in respect of preparing for issues dropped at the hearing)	£1000
Total:	£2800

60) I order Gap (ITM) Inc. to pay British American Group Limited the sum of £2800 which, in the absence of an appeal, should be paid within 14 days of the expiry of the appeal period.

Dated this 25TH day of September 2015

**Mark Bryant
For the Registrar,**