

O-461-18

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK REGISTRATION NO 3 216 800: DR . 007 IN
CLASS 03 IN THE NAME OF ZOU XIAOFEI

AND

IN THE MATTER OF AN APPLICATION FOR INVALIDATION UNDER NO 501 724
BY DANJAQ, LLC

Background and pleadings

1. The following trade mark (No 3 216 800) stands in the name of Zou Xiaofei:

DR . 007

Class 03:

Essential oils; Facial cleansing milk; Scouring solutions; Beauty masks; Air fragrancing preparations; Cosmetics; Dentifrices; Dentifrices; Cakes of toilet soap; Shampoos for pets; Mascara; Eyeshadow; Rouge; Cotton wool for cosmetic purposes; Non-medicated hair lotions; Bath foam; Laundry glaze; Laundry preparations; Cleaning preparations; Grinding preparations; Potpourris [fragrances].

2. It was applied for on 6th March 2017 and registered on 30th June 2017.
3. Danjaq, LLC consider the registration to be invalid. This is on the basis of, amongst other grounds, Section 5(2) (b) of the Trade Marks Act 1994 (the Act)¹. It's earlier European Union (formerly Community) Trade Mark No 1 219 5178: 007. The following goods:

Class 03:

Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; essential oils, cosmetics, hair lotions; dentifrices; perfumery, namely, cologne, eau de toilette and eau de parfum; shower gel; shaving foams and gel; shaving lotions and creams; body lotions, creams, spray and oils; and personal deodorant.

¹ The invalidation is also based upon Section 5(3) and 5(4)(a) of the Act. However, following a Case Management Conference held on 22nd December 2017, these grounds were suspended pending the outcome of the Section 5(2)(b) claim.

4. The applicant for invalidation argues that the respective goods are identical or similar and that the marks are similar.
5. The registered proprietor filed a counterstatement denying the claims made.
6. Only the applicant filed evidence in these proceedings. This will be summarised to the extent that it is considered appropriate.
7. A Hearing took place on 2nd May 2018 with the applicant represented by Mr David Stone of Allen & Overy LLP, its representatives. The registered proprietor did not attend, nor did it file submissions in lieu.

Relevant statutory provision: Section 47:

8. **47.** - (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(2) The registration of a trade mark may be declared invalid on the ground-

- (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
- (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

Evidence

9. The applicant's evidence will not be summarised in totality². Rather, the account that follows focusses upon the information considered directly relevant to the issues to be decided.

10. The evidence takes the form of a witness statement from Mr David Angus Stone, the applicant's representative in this matter. The witness statement is dated 22nd November 2017. It focusses upon the meaning of the word Dr, together with dictionary definitions and Wikipedia references. It should be noted that I accept that Dr will be understood to mean "doctor" and further, that this will primarily be taken to mean that of the medical variety. The remainder of the witness statement concentrates on the numerous active trade marks which incorporate the word Dr. These include those from the UK and the EU, together with some International trade marks. It is noted that they are invariably registered in Class 03.

11. The second witness statement, is from Mr David Pope, the senior in house attorney of the applicant. It is dated 21st November 2017. The following is considered relevant:
 - Mr Pope describes in some detail the licensing of the earlier trade mark relied upon. The James Bond connection is emphasised in respect of, according to Mr Pope, the fame of the earlier trade mark. The evidence regarding licensing arrangements includes Class 03 goods such as fragrances, cosmetics and shampoos. An example is provided at Exhibit DSP-14. The licensee is Revlon who used a 007 trade mark on a cosmetic gift set containing lipstick, eyeshadow and nail enamel. It is noted that the exhibit shows use of "James Bond 007" and that the licensing contract contained therein makes reference to a Gun Logo trade mark.

² Some of the evidence focusses upon the additional grounds of invalidation claimed, which are currently suspended.

- Exhibits DSP-21 – DSP – 24 contains information regarding numerous Class 03 products sold under a 007 trade mark. In the UK, it is noted that such products are sold through a number of well known shops such as Boots, Debenhams, Superdrug and Harrods. It is also noted that it is the following trade marks invariably attached to these goods: **007[®]** (the Gun Logo) and **JAMES BOND 007[®]**.

DECISION

Section 5(2)(b)

12. 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”.

Comparison of goods and services

13. In the judgment of the Court of Justice of the European Union 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”.

14. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

(a) The respective uses of the respective goods or services;

(b) The respective users of the respective goods or services;

(c) The physical nature of the goods or acts of service;

(d) The respective trade channels through which the goods or services reach the market;

(e) 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;

(f) 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.

15. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-133/05, the General Court stated that:

“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 für 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”.

16. The earlier goods are:

Class 03:

Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; essential oils, cosmetics, hair lotions; dentifrices; perfumery, namely, cologne, eau de toilette and eau de parfum; shower gel; shaving foams and gel; shaving lotions and creams; body lotions, creams, spray and oils; and personal deodorant.

17. The later goods are:

Class 03:

Essential oils; Facial cleansing milk; Scouring solutions; Beauty masks; Air fragrancing preparations; Cosmetics; Dentifrices; Dentifrices; Cakes of toilet soap; Shampoos for pets; Mascara; Eye shadow; Rouge; Cotton wool for cosmetic purposes; Non-medicated hair lotions; Bath foam; Laundry glaze; Laundry preparations; Cleaning preparations; Grinding preparations; Potpourris [fragrances].

18. The following terms appear in each of the specifications: *essential oils; cleaning preparations; cosmetics; dentifrices*. They are clearly identical.

19. The earlier specification includes the following term: *cleaning, polishing, scouring and abrasive preparations*. This is a broad term within which a number of items will be included from the later terms. Bearing in mind the guidance in *Meric*, the following later terms are considered to be included: *Scouring solutions; Shampoos for pets* (included within cleaning preparations).

20. The earlier specification includes the following term: *cosmetics*. This is a broad term within which a number of items will be included from the later terms. Bearing in mind the guidance in *Meric*, the following later terms are

considered to be included: *mascara, eyeshadow, rouge*. Further, the following later term is considered to be closely related to the earlier cosmetics in that they are often used to remove such items from the skin: *cotton wool for cosmetic purposes*. They are similar, to a medium degree.

21. The earlier specification includes the following term: *Bleaching preparations and other substances for laundry use*. This is a broad term within which a number of items will be included from the later terms. Bearing in mind the guidance in *Meric*, the following later terms are considered to be included: *laundry glaze; laundry preparations*.
22. The earlier *hair lotions* includes the narrower term *non-medicated hair lotions*. They are identical.
23. The earlier *soap* includes the narrower term *cakes of toilet soap*. They are identical. Further, the later *bath foam* is considered to be a liquid form of soap. They are identical. In the alternative, they are considered to be highly similar to the earlier *shower gels*.
24. The earlier term is *perfumery, namely, cologne, eau de toilette and eau de parfum*. The limitation on the term necessarily means that not all types of fragrance products are included. However, the later *air fragrancing preparations; Potpourris [fragrances]* do have a purpose in common with the earlier terms, most notably, the production of a pleasant smell. The nature can also coincide in the case of air fragrances which are commonly available in liquid form. The channels of trade can also coincide, as can the end user. The later terms are considered to be similar, to a low to medium degree.
25. The earlier terms include *body lotions*. The later term is *facial cleansing milk*. The earlier product is used to moisturise the skin and the later to remove dirt whilst also providing moisture. They can therefore coincide in both nature and purpose. They are likely to also coincide in respect of producer, channels of trade and end user. They are considered to be highly similar. The later term *beauty masks* also clean the skin and aim to provide benefits such as

moisture. They also coincide in respect of producer, channels of trade and end user. They are highly similar.

26. The remaining contested term is *grinding preparations*. This term can include, for example, pigments used in nail varnish colours. It has therefore, ultimately, a beautification purpose, a feature in common with the earlier *cosmetics*. It is considered to be similar, to at least a low degree.

Comparison of marks

27. 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.”

28. 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.

29. The respective trade marks are shown below:

007	DR . 007
Earlier trade mark	Contested trade mark

30. Both marks are plain word marks, with no decorative or graphical features.

They coincide in respect of their respective numerals – 007 and differ in respect of the DR. element that appears in the later trade mark. Visually and aurally, they are similar, to a medium to high degree.

31. Conceptually, Dr will most likely be understood as referring to a medical practitioner. For some, the earlier 007 is likely to have an association with James Bond. I have considered the evidence filed on this point and of the view that it falls short of establishing that 007 alone (without the addition of James Bond and/or the gun logo) would be widely (and immediately) associated with James Bond. As such, it is considered that for many, 007 is likely to be understood as a number string. It is considered that in the later trade mark, Dr will be seen as being qualified by the number string, possibly as an alternative to a surname. Though it is somewhat unusual as a combination, it is considered that Dr does not have the effect of creating a clear and obvious conceptual gap. To that end, they are considered to be similar, to a low to medium degree.

Average consumer and the purchasing act

32. 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*.

33. 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.”

34. These goods are widely available consumables, purchased frequently. While some care will be taken when selecting certain products, for example to ensure the correct product is chosen for the correct skin type, the level of attention displayed will not be to the highest degree. Rather it is considered that a medium degree of attention will be displayed. The relevant consumer will be the public at large, including businesses such as beauty salons and the like.

Distinctive character of the earlier trade mark

35. 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-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).”

36. The applicant contends that the earlier trade mark is inherently highly distinctive. It also claims that its evidence supports this and a claim for enhanced distinctiveness. It is noted from the evidence provided that the trade marks included therein are, overwhelmingly, the Gun Logo and the James Bond 007 (with gun logo). Both of these examples differ to the earlier trade mark relied upon and clearly communicate the James Bond connection. It is difficult to see how this can help the applicant demonstrate that the 007 trade mark, on its own, has achieved an enhanced degree of distinctive character.

37. The earlier trade mark must therefore be assessed *prima facie*. At the hearing, the applicant's representative was questioned as to the earlier trade marks inherent distinctiveness. In particular, would the relevant consumer see 007 as a badge of origin or as a numbering system for particular colours/shades of, for example, a lipstick. The applicant's representative responded that a consumer, upon seeing 007 attached to, for example, the front of a product in a prominent manner, is unlikely to conclude that it is part of a numbering system. As such, an origin message is that which is most likely to occur. I have considered this point carefully and, on balance, agree with the applicant on this. Indeed, it is arguable that 007 is quite unusual. As such, it is considered that the earlier trade mark is distinctive to at least an average degree.

GLOBAL ASSESSMENT – Conclusions on Likelihood of Confusion.

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

39. The marks have been found to be similar to a medium to high degree visually and aurally. Conceptually, the degree of similarity is, overall, lower. However, there is no clear and obvious conceptual gap. The goods have all been found to be identical and/or similar (the latter to varying degrees but nothing turns on this point). I bear in mind the degree of attention one would expect to be displayed during the purchasing process and the fact that consumers rarely have the opportunity to compare marks side by side. That said, due to the presence of DR in the later trade mark, it is considered unlikely that consumers will mistake one trade mark for the other. There is therefore no likelihood of direct confusion.

40. However, this is not the end of the matter and to this end I bear in mind the following guidance:

In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Mr Iain Purvis Q.C., as the Appointed Person, explained 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.

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

42. In this case, the trade marks share a number string. The addition of DR in the later trade mark does not create a complete and differing idea. It is considered that a consumer familiar with the earlier trade mark is likely to consider that the later trade mark attached to identical and/or similar goods merely communicates a special range of products, possibly those with a higher percentage of therapeutic qualities. It is considered that such a consumer is likely to conclude that the later trade mark is another brand of the owner of the earlier trade mark.

43. The application for invalidation therefore succeeds in its entirety.

COSTS

44. The applicant has been successful and is entitled to a contribution towards its costs. In the circumstances I award the applicant the sum of £2000 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Application for invalidation and accompanying statement - £500

Preparing and filing evidence - £750

Preparation for and attendance at Hearing - £750

TOTAL - £2000

45. I therefore order Zou Xiaofei to pay Danjaq LLC the sum of £2000. The above sum should be paid within 14 days of the expiry of the appeal period or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings.

Dated this 25th day of July 2018

Louise White
For the Registrar