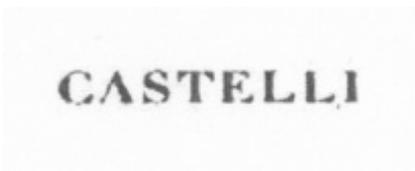


O-475-20

**TRADE MARKS ACT 1994
IN THE MATTER OF
TRADE MARK APPLICATION NO 3331238
BY CASTELLI (DIARIES) LIMITED
TO REGISTER**



CASTELLI

**AS A TRADE MARK IN CLASSES 9, 14, 16, 18 & 21
AND
OPPOSITION THERETO (UNDER NO. 415303)
BY
FABER-CASTELL AKTIENGESELLSCHAFT**

BACKGROUND

1) On 09 August 2018, Castelli (Diaries) Limited ('the applicant') applied to register the trade mark shown on the cover of this decision, in respect of the following goods:

Class 9: Glasses & glass cases; phone cases, computer cases.

Class 14: Keyrings.

Class 16: Diaries, pocket diaries, spiral diaries, binded diaries, address books, memorandum books, business card files, notebooks, index books, spiral books, personal organisers, account books, journals, rulers, rubbers, pens, pencils, wrapping paper, notecards, greeting cards, labels, pencil sharpeners, writing instrument holders, adhesive tape, sticky notes, folders, magazine files, desk pads, storage boxes, paper clips, staplers, tape dispensers, clip boards, card holder, scissors, calendars, coffee table books, travel guides, Passport holders, pencil cases.

Class 18: Luggage tag holders, wallets, purses, utility cases, wash bags, tote bags, luggage bags, make up bags, travel bags, canvas bags, weekend bags.

Class 21: Insulated travel mugs.

2) The application was published in the Trade Marks Journal on 09 November 2018 and notice of opposition was later filed, on 30 January 2019, by Faber-Castell Aktiengesellschaft ('the opponent'). The opponent claims that the trade mark application offends under sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 ('the Act').

3) In support of its grounds under section 5(2)(b) of the Act, the opponent relies upon four earlier trade marks. Details of those marks and the goods and services covered by them are shown in the table below. Only the underlined goods are relied upon for the purpose of section 5(2)(b).

Trade Mark	Goods and services
<p>TM No: UK00000282522 ('522)</p>  <p>Filing date: 01 May 1906</p>	<p>Class 16: <u>Lead pencils, coloured pencils, pencils with movable leads, copying pencils, ink pencils.</u></p>
<p>TM No: UK00001179647 ('647)</p> <p>FABER-CASTELL</p> <p>Filing date: 03 August 1982</p>	<p>Class 16: <u>Paper, paper articles, cardboard and cardboard articles, all included in Class 16; printed matter; stationery, adhesive materials (stationery); artists' materials (other than colours or varnish); paintbrushes; office requisites (other than furniture); instructional and teaching materials (other than apparatus).</u></p>
<p>TM No: EU003551058 ('058)</p> <p>FABER-CASTELL</p> <p>Filing date: 21 November 2003</p> <p>Date of entry in the register: 29 June 2005</p>	<p>Class 03: Decorative and conditioning cosmetics; cosmetic pencils, applicators and capillary systems for cosmetics, liquid eyeliner, children's make-up, body-markers for children.</p> <p>Class 16: <u>Writing, drawing, and painting items and equipment, in particular pencils, pencil extenders, crayons, tracers, propelling pencils, retractable pencils, pencil leads, colouring pencil leads, mechanical pencils, mechanical colouring pencils, erasers, sharpeners, pens, multifunction devices (containing several writing</u></p>

	<p><u>implements and leads), roller pens, ink rollers, gel pens, gel rollers, calligraphic ink pens, markers, whiteboard markers, universal markers, marking chalk, metallic paint pens, pencil erasers, marker pens, artists' pencils, chalks, felt-tip pens, pastels, drawing charcoal, charcoal crayons, technical drawing pens, artists' pencils, pressure-operated pencils, graphite pencils, graphite chalk, erasers for chalk and crayon, scrapers for offices, lead-sharpener, draughtsman's brushes, propelling pencils, drawing boards, graphic pens, fine-line ink pens, compasses, rulers, rules, set squares, drawing templates, stencil plates, watercolour pens, fountain pens, T-shirt markers, permanent markers; pencil pots; pen and pencil cases, trays for writing implements, pencil boxes; Books, printed matter.</u></p> <p>Class 28: Game and building sets for children, included in class 28.</p>
<p>TM No: EU008683252 ('252)</p>  <p>Filing date: 12 November 2009 Date of entry in the register: 27 July 2010</p>	<p>Class 03: Decorative and conditioning cosmetics; cosmetic pencils; in particular pointed products of wood and plastic; mechanical cosmetic pencils; applicators and capillary systems for cosmetics; packaging suitable for cream, paste and liquid formulations and emulsions, for decorative and conditioning cosmetics for the face, eyes, lips and nails; make-up</p>

pencils; body crayon; body-markers for children.

Class 16: Stationery, drawing and painting goods and apparatus; ball-point pens; pencils; pencil extenders; coloured pencils; tracers; fountain pen; propelling pencils; automatic pencils; pencil leads; leads for coloured pencils; mechanical pencils; mechanical coloured pencils; erasers; sharpeners; multifunction apparatus (writing implements, containing multiple leads); rolling ball pens; rollerballs (pens); gel pens; gel rollers; fine ink pens; markers; whiteboard markers; universal markers; marking chalk; paint markers; erasing pens; foil pens; water-colour pencils; chalks; fibre markers; pastels; artists' materials; modelling materials; paint boxes; charcoal pencils; charcoal; technical drawing pens; artists' pens; clutch pencils; graphite pencils; graphite chalks; paper stumps; scrapers (erasers) for offices; lead sharpening blocks; drawing brooms; twist-action ball-point pens; drawing tablets; technical pens; ink drawing pens; compass; rulers; drawing rulers; drawing triangles; drawing templates; stencil plates; Drawing ink; T-shirt markers; permanent markers; pencil tubs; cases for writing implements; storage bowls for writing implements; pencil boxes; ink glasses; books; printed matter; writing pads; Packaging made of cardboard and paper;

	<p><u>construction paper; labels; pen cases; desk pads; stationery portfolios; stickers; film for wrapping; cosmetic pencil sharpeners; agendas; planners; note books; notepad cases; office requisites, except furniture; albums; money clips.</u></p> <p>Class 18: <u>Goods made from leather, in particular cases and bags; leather pouches; documents wallets; leather bindings for appointment diaries; kits and make-up bags (unfitted); change purses; credit-card holders; business card holders; key cases; leather key fobs; Bags; rucksacks; trunks and travelling bags; travelling bags; bags for school; umbrellas.</u></p> <p>Class 28: <u>Games and playthings; game sets; craft sets, not included in other classes.</u></p> <p>Class 35: Advertising; business management services; business administration; office functions; presentation of goods for retail purposes; providing goods for advertising purposes.</p>
--	---

4) The opposition under section 5(2)(b) of the Act based upon marks '522, '647' and '058 is directed against the following goods of the contested mark only:

Class 16: rulers, rubbers, pens, pencils, wrapping paper, notecards, greeting cards, labels, pencil sharpeners, writing instrument holders, adhesive tape, sticky notes, folders, magazine files, desk pads, storage boxes, paper clips,

staplers, tape dispensers, clip boards, card holder, scissors, calendars, Passport holders, pencil cases.

5) The opposition under section 5(2)(b) which is based upon mark '252 is directed against the class 16 goods shown above and against all of the goods in class 18 and 'glass cases, phone cases, computer cases' in class 09.

6) All four of the trade marks shown in the table above are also relied upon under section 5(3) of the Act. The opponent claims that it has a reputation for all those marks in relation to all the goods and services covered by them (i.e. both the underlined and non-underlined goods and services shown in the table above). The grounds under section 5(3) are directed against all of the goods covered by the contested mark. The opponent claims that: i) the applicant will take unfair advantage of the reputation of the earlier marks by using it as a springboard to generate customer interest in its own goods without any investment on its part; ii) use of the contested mark will cause detriment to the reputation of the earlier marks if used in relation to goods that are not subject to the same strict levels of quality control which the opponent undertakes in relation to its own goods; and iii) use of the contested mark will cause detriment to the distinctive character of the earlier marks because use of it will devalue and dilute the association in the consumers' minds of high quality goods with the earlier marks. It is claimed that this will lead to a change in the economic behaviour of the opponent's customers because its customers will be diverted elsewhere.

7) The trade marks relied upon by the opponent are earlier marks, in accordance with section 6 of the Act. As they all completed their registration procedure more than five years prior to the application date of the contested mark, they are subject to the proof of use conditions, as per section 6A of the Act. The opponent made a statement of use in relation to all of the goods covered by its earlier marks listed in the table above¹.

¹ Although the TM7 indicates that a statement of use was made only for the underlined goods in respect of section 5(2)(b), it also indicates that a statement of use was made in respect of all the opponent's goods and services in respect of section 5(3).

8) The applicant filed a counterstatement in which it put the opponent to proof of use of all the earlier marks. It acknowledges that the goods covered by earlier mark '522 are identical to the applicant's pencils but denies any other identity or similarity between any of the respective goods covered by the respective marks. It denies that there is a likelihood of confusion under section 5(2)(b) between any of the respective marks. It also denies all the limbs of the opponent's 5(3) claims and puts the opponent to strict proof thereof.

9) Both parties filed evidence. The opponent's evidence was also accompanied by written submissions. A hearing took place before me at which the applicant was represented by Mr Dominic Hughes of Counsel, instructed by Brookes IP. The opponent has been professionally represented throughout the proceedings by Cam Trade Marks & IP Services but was not represented at the hearing and filed no submissions in lieu of attendance.

EVIDENCE

Opponent's evidence

10) The opponent's evidence consists of two joint witness statements from Thomas Wagner and Silke Hörner, Head of Legal & Compliance and Attorney-at-Law respectively. In the first witness statement, they explain that the opponent, Faber-Castell, was founded in 1761 and has continuously produced pencils since that time, introducing other items of stationery, accessories and other products over time. They also provide the following information:

- Mark '522 has been used continuously for pencils since its registration.
- The opponent's headquarters are in Germany. It is the largest pencil manufacturer and the oldest pencil and stationery company in the world, producing over 2 billion wooden-cased pencils a year, with production locations in 9 countries and marketing and sales regions in Europe, North and

South America, Asia and the Pacific region. It's group revenue for 2016/17 was 667 million EUR.²

- The opponent has an international reputation for high quality goods and is a household name, particularly for those who use writing and drawing materials. The group employs around 8000 people.
- The opponent has won many awards for its products.
- The opponent is a sponsor and promoter of the arts, for example, through the Faber-Castell Drawing Award.³
- Faber-Castell's products are marketed in the UK according to its main categories of: Playing & learning, Art & Graphic, Creative Studio, General Writing, Marking, Fine Writing and Technical drawing. Product types include: coloured pencils, graphite pencils and various types of pens, crayons, compasses, sharpeners, erasers, refills, brushes. There are over 20 product lines using sub-brands, including the mark CASTELLI and others. These are present on the website www.faber-castell.co.uk as well as other retail sites such as www.amazon.uk. The opponent's distributors of Faber-Castell products in the UK are Stone Marketing Limited and West Design Products Ltd.⁴
- The opponent has used the four marks relied upon, continuously, from November 2013 to November 2018.
- Exhibit WH4 is a General Catalogue brochure dated 2018/2019. Messrs. Wagner and Hörner state that extracts have been provided from that catalogue to show genuine use of the earlier marks within the relevant period. The front cover bears mark '252. The same mark is present throughout the brochure on pencils (graphite and coloured), pens, crayons, pencil sharpeners, erasers, rulers, gift sets, pencil cases, drawing pads, scissors, paint boxes/palettes, paint brushes, modelling clay, ink cartridges, point-of-sale display stands, adhesives, notebooks, backpacks, shoulder bags, leather pen cases. Mark '522 is present on pencils. The marks 'CASTELL 9000', 'CASTELL 9008' and 'Castell' are also used to denote particular ranges of pencils.

² See Exhibit WH1

³ See Exhibit WH2

⁴ See Exhibit WH3

- Exhibit WH5 is a brochure dated 2015 from one of the opponent's distributors, West Design Products. It includes pencils, crayons, pens, sharpeners, erasers, compasses and drawing boards which all bear mark '252 and/or marks '058 and '647. Mark '522 is present on pencils.
- Exhibit WH6 is a selection of extracts from the Wayback Machine, spanning 2013 – 2017, from the websites www.cassart.co.uk, www.faber-castell.co.uk and www.cultpens.com. Pencils, compasses, leather accessories (i.e. notepad holders, pen cases, purses, personal organisers, business card cases and credit card cases) crayons, paint boxes, pens, erasers, sharpeners and children's activity sets (containing pencils/paints etc.) are advertised for sale on the websites. Marks '647, '058 and '252 are used on, or in relation to, all of those goods.
- Exhibit WH7 is said to show genuine use of mark '522. The exhibit shows that mark in use on i) an extract from a West Design Products brochure, dated 2015, advertising graphite pencils, ii) on the opponent's website in 2014 on pencils and iii) on a product brochure for pencils from 2014.
- Exhibit WH8 is an extract from www.amazon.co.uk showing a number of products for sale including pencils, pens and erasers. Mark '522 is present on pencils. Marks '647, '058 and '252 are present on all of the aforementioned goods.
- Exhibit WH9 is a catalogue entitled 'PLAYING & LEARNING' from 2014 which, Messrs. Wagner and Hörner state, is aimed at younger people. It contains pencils, pens, erasers, sharpeners, crayons, scissors and paints bearing marks '647, '058 and '252.

11) Messrs. Wagner and Hörner provide, what is said to be, a snap-shot of sales figures and marketing expenditure in the UK for the opponent's products other than cosmetics, as follows:

- Sales figures: in-market sales for UK of both distributors (Stone Marketing and West Design) in all product categories:
 - 2013/14 £2,554,000
 - 2014/15 £3,079,000

- 2015/16 £3,708,000
 - 2016/17 £4,292,000
 - 2017/18 £5,364,000
 - 2018/19 £5,968,000
- Marketing expenditure: Marketing expenditure in UK of both distributors:
 - 2013/14 ca. £130,000
 - 2014/15 ca. £155,000
 - 2015/16 ca. £185,000
 - 2016/17 ca. £215,000
 - 2017/18 ca. £265,000
 - 2018/19 ca. £290,000

12) The following revenues from the CASTELL product line, from the distributor West Design Products Ltd, are provided:

Year	Field	Product line	Billing quantity PC
2016	Art & Graphic/tech. Drawing	CASTELL	42,142
	General Writing	CASTELL	85,502
	Result		127,644
2017	Art & Graphic/tech. Drawing	CASTELL	42,945
	General Writing	CASTELL	81,362
	Result		124,307
2018	Art & Graphic/tech. Drawing	CASTELL	42,142
	General Writing	CASTELL	85,502
	Result		127,644

13) In addition, Messrs. Wagner and Hörner state that the opponent has been involved in the cosmetics business for over 40 years. They state that, established in 1978, Faber-Castell Cosmetics is recognized today as one of the leading private

label cosmetic manufacturers world-wide, focusing on colour cosmetics and nail care.

- Exhibit WH10 shows a press release dated June 2018 entitled 'FABER-CASTELL COSMETICS' and articles referring to the 40 year anniversary of the same. There are also lists of publications referring to FABER-CASTELL cosmetics from 2013 – 2019. However, the full articles are not provided and it is not clear what countries they were published in.

14) Messrs. Wagner and Hörner state that leather goods have been part of the Faber-Castell portfolio for many years. A natural extension of its market in quality leather goods is the production of fobs for key rings. They state that the opponent has already done this under the luxury brand Graf Von Faber-Castell and it may wish to produce key fobs, leather cases for passports or mobile phone covers under the more general brand FABER-CASTELL.

- Exhibit WH11 is an extract of a Google search showing images of key fobs. All appear to be sold under the name Graf Von Faber-Castell.

15) Messrs. Wagner and Hörner state that Faber-Castell products, which include CASTELL pencils, have been marketed throughout the UK on a continuous basis by the two distributors mentioned above. In addition, from April 2005 to 31 December 2014, products under Faber-Castell Playing and learning, General Writing and Marking, Design and Graf von Faber-Castell were distributed via T&G Allan (later becoming the Pen Shop), Europe's biggest luxury pen retailer at the time. These distributors facilitated or assisted the placement of Faber-Castell products in some of the biggest and best specialist and luxury retailers in the UK, including Harrods, Selfridges, Amazon, Cult Pens, WHSmith, Ryman, Waterstones and Office Depot. Other high-end include Glancy Fawcett Limited, Glyph and a recent partnership with the luxury car brand, Bentley.

16) In 2016 the Karl Box of pencils and pastels was sold exclusively at Harrods and at Karl Lagerfeld and also now features on the current website of Faber-Castell. The

box bears mark '252 and contains, amongst other things, CASTELL 9000 pencils. An article from the Financial Times dated 1 September 2016 states that 'Now Castell has collaborated with Lagerfeld to create the Karlbox (£2,500), a wonderful limited edition artists' playground...'. The article describes the contents of the box which includes CASTELL pencils.⁵

17) Exhibit WH13 shows extracts from the website of Harrods from 25 July 2019 showing a range of top-end products including pens, leather briefcases and wallets, passport holders. Card holders and pen cases, key rings. Mark '252 can be seen on a fountain pen. All the other goods are sold under the mark 'Graf Von Faber-Castell'.

18) Exhibit WH14 shows extracts from the website of Selfridges dated June 2017 listing various FABER CASTELL products including erasers, pencils, pens. The rest of the exhibit appears to relate to products listed on the website at a later date, in July 2019, including pen sleeves, pens and pencils which are sold under the name 'Graf Von Faber-Castell'.

19) Exhibit WH15 is an extract from the website of William & Son (a luxury retailer with a royal warrant in Mayfair, London), dated July 2019, showing a 'Graf Von Faber-Castell' pencil with a price of £147.

20) Exhibit WH16 is a Bentley newsroom press article dated 3 September 2018, explaining of two worlds of luxury craftsmanship have united, with Bentley promoting 'Graf Von Faber-Castell' luxury writing instruments.

21) Exhibit WH17 contains extracts from the websites of retailers such as Cult Pens and WHSmith listing various pens and pencils. Marks '252 and the mark CASTELL are used in relation to those goods. The extracts date from March and April 2015 and July 2019. Similar extracts are provided in exhibit WH18 from the websites of Ryman and Office Depot from 2019 and 2017.

⁵ See Exhibit WH12

22) Messrs. Wagner and Hörner state that Faber-Castell has been nominated for countless awards. One such nomination being for the 2016 International Craft Awards under the category of 'Best Brand for colouring tools'.⁶

23) Exhibits WH20 and WH21 are magazine articles, dating from 2017, referring to 'Faber Castell' as the 'best name' in crayons and 'the largest coloured pencil company in the world'.

24) Exhibit WH22 is a copy of 'The Journal of the UK Coloured Pencil Society', dated August 2017 showing that it is sponsored by 'Faber-Castell'.

25) Exhibit WH23 is a 2016 brochure for the special edition Castell 111th Anniversary Set of CASTELL 9000 pencils, first appearing in 1905. The exhibits also contains more recent catalogues showing CASTELL pencils and other lists of Faber-Castell items from 1999 to 2005 such as erasers, sharpeners and chalks.

26) Messrs. Wagner and Hörner state that the Faber-Castell name is known across multiple sectors, including for consumers of cosmetics. Exhibit WH24 is an invoice for the sale of Faber-Castell cosmetics in the UK, dated December 2015. The goods listed are described as 'Eye Definer'.

Applicant's evidence

27) This comes from Mr Mark Poland, Managing Director of the Applicant. Mr Poland states that the applicant was incorporated in 1994.⁷ The applicant is owned by an Italian family and the trade mark CASTELLI has been used by the Italian family within the applicant company or its predecessor in title since at least 1965.

28) Mr Poland explains that the applicant's business started in the field of high quality paper products, in particular diaries and notebooks. These have always included diaries and notebooks with a pen or pencil holder and a pen/pencil inserted

⁶ See Exhibit WH19

⁷ See Exhibit MP1

into that holder for ease of use by the consumer. Much of the applicant's business is based on corporate sales of bespoke and customisable items. The pen and pencil ranges provided by the applicant vary and can be personalised. Where pens and pencils are not branded with the customer's own logo or name, they bear the CASTELLI trade mark. Mr Poland provides selected pages from catalogues for every year from 1997 through to 2018.⁸ These are said to show a representative sample of the applicant's product range, including pens and pencils which are sold separately from the diaries, notepads and other paper products. All the catalogues bear the mark CASTELLI (sometimes in a hand-written type font and sometimes in plain capital/title case letters) either alone or together with the device of a castle. The vast majority of goods shown in the catalogues are diaries, journals and notepads, a number of which come with a pencil/pen included which also bears the CASTELLI mark. There are also some catalogues appearing to show that CASTELLI pencils/pens can be purchased separately from the diaries/journals.

29) Exhibit MP3 consists of price lists from 1995 to 2018 mainly showing prices for CASTELLI diaries, journals and notebooks. Some also show prices for pens and pencils alone.

30) Mr Poland states that the CASTELLI brand is associated with high quality stationery items. Over the years, the applicant has introduced a number of different items including giftsets comprising notepads, pens and pencils and rulers. These are sold in high-end retailers such as John Lewis, Harrods, Fenwick, Colemans, British Museum, National Gallery, Heffers, Rymans, WHSmith, Cards Galore and at many more smaller retail stationers. There is no further evidence to show when, on what scale, or how frequently the applicant's goods have been stocked in these retailers.

31) Mr Poland explains that in 2018 a decision was taken to file the subject application to cover a broader range of stationery items than its current trade mark registration number 2195571 (which was filed in 1999 in relation to various types of diaries, books and files).

⁸ See Exhibit MP2

32) Mr Poland states that the bulk of CASTELLI products are corporate sales and, as such, press exposure is not a core part of the applicant's marketing strategy. He states that the applicant has a high profile within the corporate sector. Exhibit MP5 consists of, what Mr Poland states are, examples of press coverage the CASTELLI brand has received over the years from 2006 to 2016. The articles appear to be from publications aimed at the corporate sector. An article from 2007 refers to CASTELLI as a 'TOP 30 SUPPLIER' and states that 'In addition to the diary range, Castelli have diversified to offer their trade customers a selection of notebooks, journals and pens'. An article from 2008 about how to choose the right calendar, organiser or diary for 'trusted staff and top clients' includes comments from Mr Poland of Castelli about the importance of the design and quality of diaries and organisers. An article from 2012 refers to CASTELLI being present in an upcoming trade show. An article from 'PPD ISSUE 48 2014' refers to CASTELLI as a brand of diaries and notebooks which is synonymous with high-quality Italian design. It gives details about new products in the CASTELLI range of diaries and notebooks. An article dated 01/08/16 refers to Castelli as being a maker of 'high quality corporate diaries and notebooks'.

33) Mr Poland states that the applicant also attends numerous trade exhibitions and fairs in order to promote the CASTELLI brand. He provides a list of such shows which the applicant has attended from 2004 to 2018. Most are in Coventry or London. Photographs are provided of the applicant's stands at those shows showing use of the mark CASTELLI alone and sometimes with the device of a castle. The goods visible in the photographs are diaries and notebooks.⁹

34) Mr Poland states that the applicant undertakes various promotional activities through publications aimed at the trade and corporate sector. He provides examples of such activities dating from 1995 to 2018.¹⁰ The goods shown in the publications are diaries, notebooks, journals, pens and pencils.

35) Mr Poland states that he is not aware of any instances of confusion between the applicant's CASTELLI brand, which has been in use continuously since 1965, and

⁹ Exhibit MP6

¹⁰ Exhibit MP7

the opponent's Faber-Castell brand. He states that the opponent is known as a manufacturer of artists' materials, in particular pencils, whereas the CASTELLI brand is used for high quality paper products and associated writing implements. The applicant does not produce a range of coloured pens or pencils. He states that the applicant's writing implements, whilst sold separately from the paper products it produces, are intended to be complementary to its paper product range.

36) Mr Poland states the applicant has made long standing use of the CASTELLI name which has acquired distinctive character and a reputation within the corporate sector such that there can be no likelihood of confusion between the respective marks at issue.

DECISION

Proof of use

37) Section 6A of the Act states:

“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 relevant period.

(1A) In this section “the relevant period” means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(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 relevant period 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 (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is registered is also registered in the name of the proprietor), 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 European Union 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 Union.

(5A)....

(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.”

38) Section 100 is also relevant, which reads:

“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.”

Consequently, the onus is upon the opponent to prove that genuine use of the registered trade marks was made in the relevant period.

39) In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J summarised the law relating to genuine use as follows:

“114.....The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundesversammlung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised 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]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* 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]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(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] and [22]. 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]; *Reber* at [29].

(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]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(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] and [76]-[77]; *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].”

40) As earlier marks ‘058 and ‘252 are EUTMs, the comments of the Court of Justice of the European Union (‘CJEU’) in *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, are also relevant, where 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

“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).”

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.”

41) In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. reviewed the case law since the *Leno* case and concluded as follows:

“228. Since the decision of the gc 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."

42) The General Court 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.

43) 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 five-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
- iv) The geographical extent of the use shown

44) In accordance with 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 contested mark. In the case before me, that period is 10 March 2013 to 09 March 2018.

UK Mark '522

45) I remind myself that the relevant earlier registered mark looks like this:



The goods for which a statement of use has been made are:

Class 16: Lead pencils, coloured pencils, pencils with movable leads, copying pencils, ink pencils.

46) At the hearing, Mr Hughes submitted that there are numerous instances of use in the opponent's evidence which do not show use of the mark, as registered. In particular, he pointed out that there are instances of use of i) CASTELL without the quotation marks and/or without the two 'book-end' device elements or with, what appears to be, different 'book-end' device elements or ii) use of CASTELL 9000 alone or iii) use of the registered mark with the mark FABER-CASTELL.

47) Having carefully reviewed the evidence before me, I find that, despite there being some instances of use, as described by Mr Hughes, there is also ample evidence before me showing that the mark, as registered, has been used on pencils (primarily printed on the shaft of the pencils themselves) either alone or in conjunction with the marks FABER-CASTELL or CASTELL 9000. In the case of the latter two forms of use, I am satisfied that this is acceptable use as per the test in *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12.

48) Further, the use before me showing use without the quotation marks and/or with 'book-end' device elements which appear to look slightly different to those of the registered mark constitutes, in my view, acceptable variant use of the registered mark as per the relevant test which was summarised in *Nirvana Trade Mark*, BL O/262/06 because the differences are so slight that are likely to go unnoticed by the average consumer and as such, do not alter the distinctive character of the mark, as registered.

49) I find that mark '522 has clearly been used continuously in the UK for pencils for many years. I have no hesitation in concluding that the mark has been put to

genuine use in the relevant period. I now need to consider what constitutes a fair specification, having regard for the goods upon which genuine use has been shown. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

50) In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Mr Justice Carr summed up the law relating to partial revocation as follows.

“iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) (“Thomas Pink”) at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 ("Asos") at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, 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 to 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;
Mundipharma AG v OHIM (Case T-256/04) ECR II-449; EU:T:2007:46.”

51) Mr Hughes submitted that, if I am minded to find genuine use of mark '522, a fair specification would be 'lead pencils, indelible pencils, coloured pencils'. To my mind, the opponent is entitled to rely upon its specification, as registered, under ss. 5(2) and 5(3) of the Act since, in my view, it represents a fair description of the goods for which genuine use been demonstrated.

UK Mark '647, EU Mark '058 and EU Mark '252

52) Marks '647 and '058 are identical, with both consisting of the words FABER-CASTELL. Mark '252 looks like this:

53) There is ample use of all three marks throughout the evidence for the duration of the relevant period in relation to pencils (graphite and coloured). There is also evidence throughout the relevant period showing use in relation to other various items of stationery/artistry items including sharpeners, compasses, rulers, pencil cases and boxes, adhesives, paints, paint brushes, inks, crayons, children's painting and pencil sets. Albeit limited, there is also some evidence to indicate that the opponent has provided certain types of cosmetics during the relevant period. These appear to be in the nature of cosmetic pens and pencils (i.e. eye-liners, lip liners and such like). There is no evidence to show any use in relation to the goods relied upon in class 28 (games, playthings, craft sets and building sets). This is because, although there is evidence indicating use in relation to children's painting sets and such like, those goods are not proper to class 28. Rather they are proper to class 16. There is also nothing before me showing any use in relation to the services relied upon in class 35 for earlier mark '252. Turning to the goods relied upon in Class 18, I accept that there appears to have been use of mark '252 in relation to various types of shoulder bags and rucksacks and leather purses and pouches, document holders and credit card/business card cases. I find no use in relation to leather key fobs because the use shown in relation to such goods is of the mark Graf Von Faber-Castell, which, to my mind, is not acceptable use of the registered mark '252.

54) Bearing in mind my comments above, I find that all three earlier marks have been put to genuine use in the UK in relation to certain goods, as identified in the paragraph above, and that that use is sufficient, insofar as the EU marks are concerned, to constitute use in the EU, as per the case law set out above.

55) I now turn to decide what constitutes a fair specification for the relevant three marks, reminding myself of the relevant case law, as set out earlier, and of the specifications for those registered marks. I find that a fair specification for each of the marks is as follows:

UK Mark '647:

Class 16: Stationery; Writing, drawing and painting instruments; adhesive materials.

EU Mark '058:

Class 03: Cosmetic pens and pencils.

Class 16: Writing, drawing, and painting instruments.

EU Mark '252:

Class 03: Cosmetic pens and pencils.

Class 16: Stationery; drawing, writing and painting instruments; adhesive materials.

Class 18: leather pouches; documents wallets; leather bindings for appointment diaries; change purses; credit-card holders; business card holders; bags; rucksacks.

Section 5(2)(b)

56) This section of the Act states:

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

(a)....

(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.”

57) The leading authorities which guide me are from the Court of Justice of the European Union ('CJEU'): *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

58) All relevant factors relating to the goods should be taken into account when making the comparison. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the Court of Justice of the European Union (“the CJEU”), Case C-39/97, 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.”

59) Guidance on this issue has also come from Jacob J where, in *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, the following factors were highlighted as being relevant:

- (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.

60) In terms of being complementary (one of the factors referred to in *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer*), this relates to close connections or relationships that are important or indispensable for the use of the other. In *Boston Scientific Ltd v OHIM* Case T- 325/06, it was stated:

“It is true that goods are complementary if 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..”

61) I also note the decision in *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM Case T-133/05) ('Meriç'), where the GC held:

“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 the trade mark application (Case T-388/00 Institut für Lernsysteme v OHIM – Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 Oberhauser v OHIM – Petit Liberto (Fifties) [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 Vedial v OHIM – France Distribution (HUBERT) [2002] ECR II-5275, paragraphs 43 and 44; and Case T-10/03 Koubi v OHIM – Flabesa (CONFORFLEX) [2004] ECR II-719, paragraphs 41 and 42).”

62) I remind myself of my comments at paragraphs 3 and 4 of this decision. As I noted, the opposition under section 5(2)(b) of the Act based upon marks '522, '647' and '058 is directed against the following goods of the contested mark only:

Class 16: rulers, rubbers, pens, pencils, wrapping paper, notecards, greeting cards, labels, pencil sharpeners, writing instrument holders, adhesive tape, sticky notes, folders, magazine files, desk pads, storage boxes, paper clips, staplers, tape dispensers, clip boards, card holder, scissors, calendars, Passport holders, pencil cases.

63) The opposition under section 5(2)(b) which is based upon mark '252 is directed against the class 16 goods shown above and against all of the goods in class 18 and 'glass cases, phone cases, computer cases' in class 09.

64) Before going any further, I note that earlier marks '647 and '058 are identical and the former covers a broader specification than the latter (in terms of the goods relied upon under section 5(2) and for which genuine use has been shown). There is

therefore no need to consider mark '058 under section 5(2)(b) as it offers no greater prospect of success for the opponent than mark '647. The goods to be compared under section 5(2)(b) are therefore, as follows:

Opponent's goods relied upon under section 5(2)(b) for which genuine use has been shown	Applicant's goods subject to opposition under section 5(2)(b)
<p><u>Marks relied upon against class 16 of the application</u></p> <p>Mark '522:</p> <p>Class 16: Lead pencils, coloured pencils, pencils with movable leads, copying pencils, ink pencils.</p> <p>Mark '647:</p> <p>Class 16: Stationery; Writing, drawing and painting instruments; adhesive materials.</p> <p><u>Mark relied upon against classes 09, 16 and 18 of the application</u></p>	<p>Class 9: glass cases; phone cases, computer cases.</p> <p>Class 16: rulers, rubbers, pens, pencils, wrapping paper, notecards, greeting cards, labels, pencil sharpeners, writing instrument holders, adhesive tape, sticky notes, folders, magazine files, desk pads, storage boxes, paper clips, staplers, tape dispensers, clip boards, card holder, scissors, calendars, Passport holders, pencil cases.</p> <p>Class 18: Luggage tag holders, wallets, purses, utility cases, wash bags, tote bags, luggage bags, make up bags, travel bags, canvas bags, weekend bags.</p>

Mark '252:

Class 16: Stationery; drawing, writing and painting instruments; adhesive materials.

Class 18: leather pouches; documents wallets; leather bindings for appointment diaries; change purses; credit-card holders; business card holders; bags; rucksacks.

Mark '522 goods v class 16 of the application

65) The applicant's 'pencils' are identical to the opponent's various types of pencils as per *Meric*.

66) The applicant's 'pens' are highly similar to the opponent's goods for obvious reasons.

67) The applicant's 'rulers, rubbers, pencil sharpeners, writing instrument holders, pencil cases' share a complementary relationship with the opponent's pencils given that the former are important for the use of the latter in such a way that consumers are likely to think they come from the same undertaking. The respective goods can all be classed as 'stationery' and are likely to be stocked in close proximity in the same retailers. I find a high degree of similarity between the opponent's goods and the applicant's 'rulers, rubbers, pencil sharpeners, writing instrument holders, pencil cases'.

68) The opponent's goods differ in nature to the applicant's 'notecards, labels, sticky notes, desk pads, adhesive tape, folders, magazine files, storage boxes, paper clips, staplers, tape dispensers, clip boards, card holder, scissors, calendars'. However,

they are likely to share trade channels and be stocked in close proximity. I find the respective goods to be similar to a low degree.

69) As for the applicant's 'wrapping paper, greeting cards, passport holders', these may sometimes be found in the same retailers as the opponent's pencils but I would not expect them to be found in the same area of a shop. The respective nature, intended purpose and method of use is also different. I find no overall similarity between the opponent's pencils and the applicant's 'wrapping paper, greeting cards, passport holders'.

Mark '647 goods v class 16 of the application

70) The opponent's mark includes the broad term 'stationery' which, to my mind, covers all kinds of writing materials and equipment including paper, pens, pencils, rulers and the like. I find that the following goods in class 16 of the application fall within the opponent's 'stationery' as per *Meric* and are therefore identical:

rulers, rubbers, pens, pencils, notecards, labels, pencil sharpeners, writing instrument holders, sticky notes, desk pads, pencil cases.

71) The opponent's 'adhesive materials' are identical to, or are obviously highly similar to, the applicant's 'adhesive tape' and 'tape dispensers'.

72) The opponent's 'stationery' is also similar to at least a medium degree to the applicant's 'folders, magazine files, storage boxes, paper clips, staplers, clip boards, card holder, scissors, calendars'. The respective goods are likely to share trade channels, may sometimes be complementary (paper and paper clips, for example) and be stocked in close proximity in the same retailers.

73) That leaves the applicant's 'Passport holders, wrapping paper, greeting cards.'. I accept that these goods may sometimes share trade channels with the opponent's 'stationery' and that there is some similarity in nature between 'wrapping paper and greeting cards' with the opponent's 'stationery' because both may be made of paper/cardboard and are intended to be written upon, but the respective purpose

and method of use of the goods is not the same. I find no overall similarity between the opponent's 'stationery' and the applicant's 'Passport holders, wrapping paper, greeting cards.'

Mark '252 goods v classes 09, 16 and 18 of the application

74) The degree of similarity between the class 16 goods covered by this earlier mark and the class 16 goods of the application is the same as for the goods covered by earlier mark '647, already assessed above. I add here that the applicant's 'Passport holders' in class 16 are similar to the opponent's class 18 'luggage tag holders' to a high degree because they are likely to be stocked in close proximity in the same luggage retailers and have a shared purpose i.e. to store items for travellers.

75) That leaves the following goods of the application which are opposed on the basis of earlier mark '252:

Class 9: glass cases; phone cases, computer cases.

Class 18: Luggage tag holders, wallets, purses, utility cases, wash bags, tote bags, luggage bags, make up bags, travel bags, canvas bags, weekend bags.

76) I find that the applicant's goods in class 18 are either identical or highly similar to the opponent's class 18 goods. I also consider there to be a high degree of similarity between the applicant's class 09 goods and the opponent's class 18 goods given the similarity in nature and method of use and that they may be made of the same or similar materials and share trade channels.

Average consumer and the purchasing process

77) It is necessary to determine who the average consumer is for the respective goods and the manner in which they are likely to be selected. 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.”

78) The average consumer for the goods at issue is the general public and artists. The purchasing act will be primarily visual, particularly where the aesthetics of the goods are important such as with colouring pencils, paints and the like. That is not to say though that the aural aspect should be ignored since the goods may sometimes be the subject of discussions with retail staff, for example. The cost of the goods is likely to vary. However, factors such as ease of use, functionality, material, colour/finish or suitability for purpose are likely to be taken account of by the consumer in relation to all the goods, even those at the more inexpensive end of the spectrum. Generally speaking, I find a medium degree of attention is likely to be paid during the purchase.

Comparison of marks

79) 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 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.”

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

80) The marks to be compared are:

Opponent's marks	Applicant's mark
<p>Mark '522:</p> <p> "CASTELL" </p> <p>Mark '647:</p> <p>FABER-CASTELL</p> <p>Mark '252:</p> <p> FABER-CASTELL <small>since 1761</small></p>	<p></p>

Overall impressions

81) The applicant's mark does not lend itself to deconstruction into separate components; its overall impression is based solely on the single word of which it consists.

82) Mark '522 consists of the word CASTELL in quotation marks and is 'book-ended' by two devices of castles which are turned on their side. The devices make some contribution to the overall impression but to a much lesser extent than the visually prominent word CASTELL. The quotation marks, whilst not negligible, make very little contribution to the overall impression.

83) Mark '647 consists of the hyphenated words FABER-CASTELL. Both words are presented in a standard font and are of very similar length. The mark has the appearance of a compound name. I find that neither word has more weight in the overall impression than the other; the distinctiveness lies in the mark, as a whole, with neither word dominating.

84) Mark '252 also consists of the hyphenated words Faber-Castell but also has the additional device element of two men on horseback and the words 'since 1761'. Of those three elements, it is Faber-Castell which has, by far, the greatest weight in the overall impression. The device element has less weight and the words 'since 1761' very little weight. Within the Faber-Castell element, I again find that neither word has more weight than the other for the same reasons given in the preceding paragraph.

Mark '522 v the application



v



85) Visually, the words CASTELL and CASTELLI are clearly highly similar with the only difference being the addition of the letter 'I' at the end of the word in the applicant's mark. Whilst there are also points of difference created by the quotation marks and two device elements of castles in the opponent's mark, which are absent from the applicant's mark, I find the marks to have a high degree of visual similarity overall.

86) The applicant's mark will be pronounced as CAS-TEL-EE (three syllables). The opponent's mark is likely to be pronounced as CAS-TEL (two syllables). The first two syllables of the respective marks are therefore identical but the applicant's mark has a third syllable which is absent from the opponent's mark. Overall, I find there to be a high degree of aural similarity.

87) The word 'CASTELL' in the opponent's mark is likely to be perceived as being a foreign version of the well-known English word 'Castle' given its close resemblance to the latter word. The presence of the device elements, consisting of the image of castles, further increase the likelihood of the word CASTELL being construed as meaning 'castle'. The applicant's mark is also likely to be perceived as a foreign version of the English word 'castle'. Indeed, as Mr Hughes submitted at the hearing, 'the similarity to the English word 'castle' is plain' in the applicant's mark. For some average consumers, it may, at the same time be perceived to be a surname. Given that both marks consist of foreign words which are evocative of the concept of a castle (a concept which is present in the applicant's mark whether or not it is also, at the same time, perceived to be a foreign surname), I find them to be conceptually similar to a high degree.

Mark '647 v the application



CASTELLI

FABER-CASTELL v

88) Both marks clearly consist of the visually highly similar words CASTELL and CASTELLI. However, the opponent's mark also contains the word FABER (and hyphen) which is absent from the applicant's mark. The presence of that word in a prominent position at the beginning of the mark (which will be the first word to impact upon the consumer's perception) is a striking visual difference. I find no more than a medium degree of visual similarity overall.

89) Aurally, the opponent's mark will be vocalised as FAY-BER-CAS-TEL and the applicant's mark as CAS-TEL-EE. The opponent's mark therefore contains four syllables, the first two of which are entirely absent from the applicant's mark. The first two syllables of the applicant's mark are identical to the last syllables of the opponent's mark but the former also has the additional 'EE' syllable at the end which is absent from the opponent's mark. Overall, there is a low to medium degree of aural similarity.

90) Conceptually, I have already addressed the meaning that is likely to be perceived from the applicant's mark i.e. a foreign word which is reminiscent of the well-known English word, 'castle' and one which may, at the same time, be perceived as a foreign surname. The opponent's mark, FABER-CASTELL, is most likely, in my view, to immediately be perceived as a compound name of foreign origin (of a person/family) where the CASTELL part of the name may, at the same time, evoke the concept of a 'castle. To the extent that both marks may evoke the concept of a 'castle', there is some conceptual similarity between the marks overall.

Mark '252 v the application


FABER-CASTELL
since 1761

v

CASTELLI

91) Visually, similar considerations apply between these marks as between mark '647 and the application. However, there are further points of difference owing to the

device of the men on horseback and the words 'since 1761' which are present in the opponent's mark but absent from the applicant's mark. Taking account of these additional visual differences, I find there to be a low to medium degree of visual similarity overall.

92) Aurally, I come to the same conclusion as for earlier mark '647 (because the device of the men on horseback will not be vocalised and the 'since 1761' element is highly unlikely to be referred to). There is a low to medium degree of aural similarity between the marks overall.

93) Conceptually, the men on horseback and the 'since 1761' are unlikely to form part of the conceptual hook for the consumer. I find there to be some conceptual similarity between the marks overall, for the same reasons as I gave in relation to earlier mark '647.

Distinctive character of the earlier marks

94) The distinctive character of the earlier marks must be considered. The more distinctive they are, either by inherent nature or by use, the greater the likelihood of confusion (*Sabel BV v Puma AG*). 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).”

95) None of the earlier marks are descriptive or remotely allusive in relation to any of the relevant goods. All the earlier marks consist of, what are likely to be perceived as, foreign words/names (albeit ones which may evoke, to some degree, the idea of the known English word ‘castle’). I find all the earlier marks to have a reasonably good degree of inherent distinctiveness in relation to the goods relied upon.

96) Turning to the question of whether the distinctiveness of any, or all, of the earlier marks has been enhanced through the use made of them, I find that the distinctiveness of earlier mark ‘522 has been enhanced to a high degree in relation to the pencils covered by its specification. The evidence indicates that that mark has been used consistently, mainly on the shaft of the opponent’s pencils, for many years in the UK. This finding is not disturbed by the fact that the mark appears to have been used mainly in conjunction with another mark, FABER-CASTELL. I also find that earlier marks ‘647 and ‘252 have been used extensively and consistently in the UK for many years on, or in relation to, certain of the goods relied upon under those marks. I find those two marks to have a high degree of enhanced distinctiveness in relation to ‘Stationery; drawing, writing and painting instruments; adhesive materials’ in class 16. As to the opponent’s other goods for which use has been shown, namely those in classes 03 and 18, whilst the evidence is sufficient to show genuine use in relation to those goods, it falls short of satisfying me that there is enhanced distinctiveness in relation to them.

Likelihood of confusion

97) I must now feed all of my earlier findings into the global assessment of the likelihood of confusion, keeping in mind the following factors: i) the interdependency

principle, whereby a lesser degree of similarity between the goods may be offset by a greater similarity between the marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*); ii) the principle that the more distinctive the earlier mark is, the greater the likelihood of confusion (*Sabel BV v Puma AG*), and; iii) the factor of imperfect recollection i.e. that consumers rarely have the opportunity to compare marks side by side but must rather rely on the imperfect picture that they have kept in their mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.*).

Likelihood of confusion with Mark '522

98) The marks are visually, aurally and conceptually similar to a high degree and the earlier mark has a high degree of distinctive character consequent on the use made of it in relation to pencils in the UK. All of these are strong factors weighing in the opponent's favour. Bearing in mind these factors, I find that an average consumer paying a medium level of attention is likely to mistake one mark for the other through imperfect recollection in relation to the identical and highly similar goods at issue. I also consider the same to be likely in respect of the goods which I found to be similar only to a low degree. The low degree of similarity of those goods is not sufficient to outweigh, in particular, the high similarity between the marks. There can, however, be no likelihood of confusion in respect of the applicant's 'wrapping paper, greetings cards, passport holders' in class 16 which share no similarity with the opponent's goods. I see no reason to also consider whether there would be a likelihood of indirect confusion. Suffice it to say, I consider that any such confusion is unlikely.

99) Having concluded that there is a prima facie likelihood of (direct) confusion, I must now deal with the applicant's evidence purporting to show that there has been concurrent use of the respective marks, without confusion, such that there was, in fact, no likelihood of confusion at the relevant date.

100) Mr Poland's evidence shows that the applicant has been providing goods under the contested mark for many years in the UK. Those goods are, primarily, diaries, notepads and journals. The opponent has commonly enclosed a pencil with its diaries/journals which is also branded with the contested mark. The evidence also shows that it is possible to purchase branded pencils and pens separately. However,

there are no turnover figures provided for the sale of pencils or pens (or indeed any of the contested goods) and it is therefore difficult to ascertain the precise scale of use of the applicant's mark for those goods per se. Further, the applicant's evidence indicates that its goods are, and always have been, targeted and marketed primarily to the corporate and trade sector through trade shows and corporate brochures etc. The opponent's goods, on the other hand, have been marketed more towards the general public through online/high street retailers and such like. Therefore, there appears to have been little scope for 'side by side' use of the parties' goods on the market. In *Roger Maier and Another v ASOS*²⁴ Kitchen L.J. stated that:

"80.the likelihood of confusion must be assessed globally taking into account all relevant factors and having regard to the matters set out in *Specsavers* at paragraph [52] and repeated above. If the mark and the sign have both been used and there has been actual confusion between them, this may be powerful evidence that their similarity is such that there exists a likelihood of confusion. But conversely, the absence of actual confusion despite side by side use may be powerful evidence that they are not sufficiently similar to give rise to a likelihood of confusion. This may not always be so, however. The reason for the absence of confusion may be that the mark has only been used to a limited extent or in relation to only some of the goods or services for which it is registered, or in such a way that there has been no possibility of the one being taken for the other. So there may, in truth, have been limited opportunity for real confusion to occur."

101) A further factor to bear in mind, as I noted earlier, is that mark '252 has mainly been used in conjunction with a second mark, FABER-CASTELL, in relation to the pencils relied upon. Such use may have made the likelihood of confusion less likely than would be the case if mark '252 was used alone. When assessing the likelihood of confusion, I must take into account all of the ways in which both parties' marks may be used in the future, which includes use of the opponent's mark alone, not only the way it has been used to date, alongside another mark¹¹. Bearing all of this in

¹¹ *O2 Holdings Limited, O2 (UK) Limited v Hutchison 3G UK Limited*, Case C-533/06, CJEU

mind, the applicant has not satisfied me that there was, or is, no likelihood of confusion.

102) The opposition under section 5(2)(b) based on mark '522 therefore succeeds against the following goods of the application:

Class 16: rulers, rubbers, pens, pencils, notecards, labels, pencil sharpeners, writing instrument holders, adhesive tape, sticky notes, folders, magazine files, desk pads, storage boxes, paper clips, staplers, tape dispensers, clip boards, card holder, scissors, calendars, pencil cases.

Likelihood of confusion with Mark '647

103) The opponent has no greater prospect of success relying upon mark '647 as compared to mark '522. This is because i) the opponent relies upon (and has proved genuine use in relation to) the same specification of goods as for mark '522, ii) the opposition based on mark '647 is against the same goods in class 16 of the application as mark '522, iii) mark '647 is clearly more dissimilar to the contested mark than mark '522, iv) both the level of attention paid and degree of distinctiveness of earlier mark '647 is the same as that for mark '522.

Likelihood of confusion with Mark '252

104) The opponent relies upon this mark against class 16 and classes 09 and 18 of the application. I will therefore assess the likelihood of confusion between mark '252 and the goods of the application which have survived the opposition based on mark '522 (with the exception of 'greeting cards and wrapping paper' as there is, again, no similarity between these goods and any goods covered by mark '252). Those goods are:

Class 9: glass cases; phone cases, computer cases.

Class 16: Passport holders.

Class 18: Luggage tag holders, wallets, purses, utility cases, wash bags, tote bags, luggage bags, make up bags, travel bags, canvas bags, weekend bags.

105) The marks are visually and aurally similar only to low a medium degree and share some conceptual similarity. I have no hesitation in finding that there is no likelihood of direct confusion even allowing for imperfect recollection, regardless of the goods being identical or highly similar. The marks are simply not similar enough to for such confusion to be likely.

106) Turning to whether there is nevertheless a likelihood of the consumer believing that the respective goods emanate from the same (or linked) undertaking(s) (also known as ‘indirect confusion’), I note that in *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10 (*L.A. Sugar*) 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.”

107) Further, 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.

108) In this particular case, it is also appropriate to bear in mind the judgments of Arnold J. in *Aveda Corporation v Dabur India Limited*¹² and *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another*¹³. Arnold J. considered the impact of the CJEU's judgment in *Bimbo*, Case C-591/12P, on the court's earlier judgment in *Medion v Thomson*. The judge said:

“18 The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

¹² [2013] EWHC 589 (Ch)

¹³ [2015] EWHC 1271 (Ch)

21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors.”

109) I have found that the overall impression of the earlier mark is of a compound name. I do not consider that the CASTELL part of the name retains an independent distinctive role within the earlier mark. Even if I am wrong about that, and the CASTELL element is independently distinctive, it does not automatically follow, as the case law indicates, that there is a likelihood of indirect confusion with the contested mark. I bear in mind, in particular, that, although, the earlier mark, as a whole, and the word CASTELL of itself, has a reasonably good degree of inherent distinctiveness for the goods relied upon in class 18 (which are the goods I have found to be identical or highly similar to the relevant contested goods), it is not ‘strikingly’¹⁴ distinctive for those goods - the degree of distinctiveness has not been enhanced through use for goods in class 18 (although I have accepted that the mark has been genuinely used for such goods). CASTELL is therefore not so distinctive that the average consumer is likely to believe that no one else but the opponent would be using it as a trade mark at all. Neither does the contested mark appear to be a logical brand extension of the earlier mark or add non-distinctive matter to the earlier mark or vice versa. In all the circumstances, and bearing in mind that the marks are visually and aurally similar only to low a medium degree and share only some conceptual similarity, I find no likelihood of indirect confusion between mark ‘252 and the opposed goods in classes 09, 16 and 18 set out above.

Section 5(3)

110) The opponent relies upon all the goods and services covered by its earlier marks under this ground and directs its opposition against all the goods of the application.

¹⁴ See the comments of Mr Purvis in *L.A. Sugar*.

111) I will assess this ground against the goods of the application which have survived the opposition under section 5(2)(b). The latter goods of the application are:

Class 9: Glasses & glass cases; phone cases, computer cases.

Class 14: Keyrings.

Class 16: Diaries, pocket diaries, spiral diaries, binded diaries, address books, memorandum books, business card files, notebooks, index books, spiral books, personal organisers, account books, journals, wrapping paper, greeting cards, coffee table books, travel guides, Passport holders.

Class 18: Luggage tag holders, wallets, purses, utility cases, wash bags, tote bags, luggage bags, make up bags, travel bags, canvas bags, weekend bags.

Class 21: Insulated travel mugs.

113) This section of the Act provides that:

“(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 European Union trade mark or international trade mark (EC), in the European Union) 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.”

114) The leading cases in assessing a claim under section 5(3) of the Act are 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 Case 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 later mark would cause an average consumer to bring the earlier mark to mind; *Adidas Saloman, 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 likelihood 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

115) The required level of reputation was described by the CJEU in *General Motors* in the following way:

“23. ... In so far as Article 5(2) of the Directive, unlike Article 5(1), protects trade marks registered for non-similar products or services, its first condition implies a certain degree of knowledge of the earlier trade mark among the public. It is only where there is a sufficient degree of knowledge of that mark that the public, when confronted by the later trade mark, may possibly make an association between the two trade marks, even when used for non-similar

products or services, and that the earlier trade mark may consequently be damaged.

24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector.

25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.”

116) I have already commented earlier in this decision on the use that has been made of the earlier marks in the UK. It has been longstanding use in relation to pencils, pens and various other items of stationery. I find that mark ‘522 had a strong reputation in the UK at the date of filing of the contested mark for ‘Lead pencils, coloured pencils, pencils with movable leads, copying pencils, ink pencils’. I find that marks ‘647 and ‘252 had a strong reputation for ‘Stationery; drawing, writing and painting instruments; adhesive materials’ in class 16. I find no reputation in relation to the other goods and services relied upon under marks ‘647 and ‘252. (I need not consider mark ‘058 as this mark offers the opponent no stronger prospect of success than mark ‘647 under this ground, bearing in mind the goods for which a reputation has been shown.)

Link

117) In addition to having a reputation, a link must be made between the applicant's trade mark and the earlier mark. In *Adidas-Salomon*, the CJEU stated:

“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). The existence of such a link must, just like a likelihood of confusion in the context of Article 5(1)(b) of the Directive, be appreciated globally, taking into account all factors relevant to the circumstances of the case (see, in respect of the likelihood of confusion, *SABEL*, paragraph 22, and *Marca Mode*, paragraph 40).”

118) In *Intel* the CJEU provided further guidance on the factors to consider when assessing whether a link has been established. It stated:

“41 The existence of such a link must be assessed globally, taking into account all factors relevant to the circumstances of the case...

42 Those factors include:

- the degree of similarity between the conflicting marks;

- the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;

- the strength of the earlier mark's reputation;

–the degree of the earlier mark’s distinctive character, whether inherent or acquired through use;

–the existence of the likelihood of confusion on the part of the public”.

119) Most of the above factors have already been assessed under section 5(2)(b). As regards earlier mark ‘522, I have found that the marks are visually, aurally and conceptually highly similar. As to the second factor, all of the applicant’s goods in classes 09, 14, 18 and 21 are entirely dissimilar to the opponent’s pencils bearing in mind their obviously very different nature, purpose and methods of use and that they are unlikely to share trade channels or be complementary. As to the contested goods in class 16, I find that goods such as ‘passport holders’ and ‘wrapping paper’ are also entirely dissimilar to the opponent’s pencils. At best, there is a very low degree of similarity between the opponent’s pencils and goods such as ‘notebooks’. In respect of the third and fourth factors, the opponent’s mark has a strong reputation and a reasonably good degree of inherent distinctiveness which has been elevated to a high degree through the use made of it in relation to pencils.

120) I find that, despite the strong reputation and high degree of enhanced distinctiveness of mark ‘522 for pencils and the similarities between the respective marks, the distance between the respective goods is such that the relevant public is unlikely to bring the opponent’s mark to mind when encountering the applicant’s goods bearing the contested mark. No link will be made. If I am wrong about that, I find that any bringing to mind would be so fleeting as to be incapable of giving rise to any of the possible heads of damage.

121) I now turn to mark ‘647. I have found that the marks are visually similar to a medium degree, aurally there is a low to medium degree of similarity and there is some conceptual similarity. As to the second factor, all of the applicant’s goods in classes 09, 14, 18 and 21 are entirely dissimilar to the opponent’s ‘Stationery; drawing, writing and painting instruments; adhesive materials’ bearing in mind their obviously very different nature, purpose and methods of use and that they are unlikely to share trade channels or be complementary. As to the contested goods in class 16, I find that goods such as ‘passport holders’ and ‘wrapping paper’ are also

entirely dissimilar to the opponent's goods. However, there is some closeness between the opponent's goods and the rest of the applicant's class 16 goods. In respect of the third and fourth factors, the opponent's mark has a strong reputation and a reasonably good degree of inherent distinctiveness which has been elevated to a high degree through the use made of it in relation to 'Stationery; drawing, writing and painting instruments; adhesive materials'.

122) Weighing all of the above, I find that, despite the strong reputation and high degree of enhanced distinctiveness of mark '647 for 'Stationery; drawing, writing and painting instruments; adhesive materials' the respective marks are not similar enough to result in the relevant public bringing the opponent's mark to mind when encountering the applicant's goods bearing the contested mark, even where there is a closeness between certain of the respective goods. No link will be made. Without a link, there can be no damage.

123) Mark '252 offers the opponent no stronger prospect of success under this ground than mark '647 given that the former has a reputation in relation to the same goods as the latter and is even less similar to the contested mark.

Overall outcome

124) The opposition succeeds against the following goods of the application:

Class 16: rulers, rubbers, pens, pencils, notecards, labels, pencil sharpeners, writing instrument holders, adhesive tape, sticky notes, folders, magazine files, desk pads, storage boxes, paper clips, staplers, tape dispensers, clip boards, card holder, scissors, calendars, pencil cases.

125) The opposition fails against the following goods of the application:

Class 9: Glasses & glass cases; phone cases, computer cases.

Class 14: Keyrings.

Class 16: Diaries, pocket diaries, spiral diaries, binded diaries, address books, memorandum books, business card files, notebooks, index books, spiral books, personal organisers, account books, journals, wrapping paper, greeting cards, coffee table books, travel guides, Passport holders.

Class 18: Luggage tag holders, wallets, purses, utility cases, wash bags, tote bags, luggage bags, make up bags, travel bags, canvas bags, weekend bags.

Class 21: Insulated travel mugs.

126) As both parties have had a reasonable degree of success, I decline to favour either party with an award of costs.

Dated this 25th day of September 2020

**Beverley Hedley
For the Registrar,
the Comptroller-General**