O-483-14

TRADE MARKS ACT 1994

IN THE MATTER OF

INTERNATIONAL REGISTRATION NO. 1089183
IN THE NAME OF ZHANG SHENG
TO REGISTER:

CHELOO

IN CLASS 25

AND

IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 401103 BY CHALOU GMBH

BACKGROUND

1. On 17 June 2013, Zhang Sheng ("the applicant") requested protection in the United Kingdom of the International Registration ("IR") of the trade mark shown on the cover page of this decision. The United Kingdom Trade Marks Registry ("TMR") considered the request satisfied the requirements for protection and particulars of the IR were published on 26 July 2013 for the following goods in class 25:

> Clothing; layettes (clothing); swimsuits; gymnastic shoes; shoes; headgear for wear; hosiery; gloves (clothing); neckties; girdles.

2. The designation of the IR is opposed by CHALOU GmbH ("the opponent") under section 5(2)(b) of the Trade Marks Act 1994 ("the Act"). The opposition, which is directed against all of the goods in the IR, is, following amendment, based upon the goods (shown below) in the following Community Trade Mark ("CTM") registration:

CTM no. 5237615 for the trade mark: **Chalou** which was applied for on 3 August 2006 and which completed its registration process on 2 July 2007:

> **Class 25** - Clothing, in particular outerclothing and underwear (including woven and knitted clothing), hosiery, underclothing, swimwear and beachwear; footwear and headgear.

3. The opponent indicates that its trade mark has been used upon:

> Clothing, in particular outerclothing and underwear (including woven and knitted clothing), underclothing, headgear.

4. The applicant filed a counterstatement (subsequently amended) in which it denies the ground upon which the opposition is based and puts the opponent to proof of use.

5. Both parties filed evidence; the applicant's evidence was accompanied by written submissions dated 9 June 2014. Whilst neither party asked to be heard, both filed written submissions in lieu of attendance at a hearing. I will, where necessary, refer to these submissions below.

EVIDENCE

The opponent's evidence-in-chief

6. This consists of a witness statement from Stephan Reiter, the opponent's Manager. Mr Reiter explains that the opponent first adopted the trade mark CHALOU in 1973. He states that in 1991, the focus of the opponent's product range was "big size fashion", adding that the opponent has been very successful "due to its range of trendy and fashionable lines which are available in larger sizes and the quality of the clothing produced." The opponent, he states, "delivers CHALOU clothing to over 200 countries

worldwide" and the "CHALOU brand has been used since at least as early as 2008 in the European Union." Mr Reiter explains that the opponent has authorised distributors in: Belgium, Italy, Switzerland, Poland, Austria, Luxembourg, France, Netherlands, Denmark, Finland, Norway, Sweden, Ukraine, Russia, Ireland and the United Kingdom, and has stores in 14 locations in Germany.

7. Exhibit 1 consists of what Mr Reiter describes as a "brochure for the Autumn/Winter 2011/2012 collection." Whilst the quality of the copy of the brochure provided is very poor, it is possible to discern what Mr Reiter describes as references to the opponent's "authorised distributors" both in Germany and internationally. It is possible to make out CHALOU GMBH/Chalou GmbH on all but one of the pages. The word also appears in this format:

8. Exhibits 2, 3 and 4 consist of a range of invoices. The invoices in exhibit 2 (all of which were issued to a single undertaking in France) have dates ranging from 23 July 2009 to 21 September 2009. The invoices in exhibit 3 (issued to a range of undertakings in Germany) have dates ranging from 3 January 2008 to 23 April 2013 and the invoices in exhibit 4 (issued to a range of undertakings in the United Kingdom) have dates ranging from 7 February 2008 to 25 March 2013. All of the invoices have the words "CHALOU GmbH" at the bottom left hand corner of the invoice and the following at the top right hand corner of the invoice:

Mr Reiter states that exhibits 2, 3 and 4 "confirm that":

> "CHALOU has been used in relation to blouses, long tops, jackets, t-shirts, trousers, shirts, shirt jackets, cardigans, jackets, jumpers, pullovers, leggings, twin sets, tunic topics and skirts." [exhibit 2]
>
> "CHALOU has been used throughout Germany in relation to tops, jackets, skirts, blouses, trousers, shirts, Capri pants, long tops, blouses with scarves, shirt jackets, vest tops, tunic tops, blouse jackets, twin sets, Bermuda shorts, cropped trousers, bolero jackets, dresses and leggings." [exhibit 3]

> "CHALOU has been used throughout the UK in relation to blazers, twin sets, jackets, tops, trousers, skirts, blouses, camisole tops, dresses, shirts, blouse jackets, Capri pants, leggings, vest tops, Bermuda shorts, tunic tops and bolero jackets." [exhibit 4]

9. Although a number of the descriptions on the invoices are in German, the goods identified by Mr Reiter appear, at least as far as I can tell, to be correct. Exhibit 5 consists of an article which Mr Reiter explains was published in a German publication called *Solution Offline* in February 2012. As the publication is in German, a translation has been provided of those parts of the document the opponent considers to be pertinent. In this regard, I note the following:

> "For almost 40 years Chalou has produced women fashion..."

> "Chalou was founded in 1973...as a manufacturer of women's outerwear. In 1991, the entire product range changed to big size fashion...developed and produced three collections of the brands CHALOU, Sempre piu and aprico...the clothing is supplied worldwide to over 2000 customers in this specialist trade."

On the page provided, the word Chalou appears in title case, in bold in uppercase and in the formats shown above.

10. Exhibit 6 consists of an article from *markt intern* dated 19 June 2013 accompanied by a translation. The word Chalou is, once again, presented in title case and also in the format shown above but with the letters in grey. The article includes the following:

> "The proportion of women with plus size dimensions continues to increase...Chalou supplies 1,500 stores and more than half of the turnover originates from Germany...A tailored Combination Collection "Chalou" is targeted at Modern-Women. Sizes 38-60."

11. Exhibit 7 consists of an article from *Rheinpfalz* newspaper dated 29 August 2012 accompanied by a translation. I have read but see no need to provide quotations from this article. The eighth and final exhibit consists of an article from *Textil/Wirtschaft* dated 11 July 2013 accompanied by a translation. The article includes the following:

> "How many department stores have considered stocking the larger sizes range from the specialist Chalou...compliment the premium lines of PaDy and Chalou...Worldwide the fashion retailer supplies around 1,500 customers, the turnover is 20 Million Euros. Half of this is generated for the Chalou GmbH in Germany, with the strongest export markets being Russia, France and the Netherlands..."

12. Mr Reiter states:

> "10...my company has used CHALOU extensively in [France, Germany and the United Kingdom] and an overview of the use is summarised below":

France

Year	Units sold	Turnover (€)
2008	17,570	493,000
2009	19.650	550,000
2010	16,400	446,000
2011	14,400	413,000
2012	15,600	460,000
2013	16,200	479,000

Germany

Year	Units sold	Turnover (€)
2008	71,410	1,912, 674
2009	89,250	2,410,160
2010	92,470	2,428, 642
2011	103,640	2,840, 080
2012	79,820	2,292, 034
2013	73,670	2,200, 071

United Kingdom

Year	Units sold	Turnover (€)
2008	5,310	165, 699
2009	6,000	114,147
2010	10,830	151,452
2011	3,960	130,303
2012	3,660	129,143
2013	3,640	125,536

13. Mr Reiter states:

> "14...my company also operates in various other European countries...As these proceedings are concerning a UK trade mark application and the opposition thereto, efforts were focussed on demonstrating my company's UK position, alongside presenting readily available information for France and Germany being my company's home market."

The applicant's evidence

14. This consists of a witness statement from the applicant, Zhang Sheng. The statement outlines the origins of the applicant's trade mark, the applications for registration that followed and a number of sources of the applicant's products. Although there is no need for me to summarise it here, I will return to it later in this decision.

15. In its submissions which accompanied this evidence, the applicant states:

> "The alleged use would appear, as suggested by the opponent's own list, to only cover certain items of outerclothing and not, for example, the following specific goods listed in the class 25 specification of [the CTM relied upon]: hosiery, underwear, underclothing, swimwear, beachwear, footwear and headgear.
>
> We also note that CHALOU appears often in the opponent's evidence in a stylised form, and not as registered...(indeed, the vast majority of the instances of CHALOU in the opponent's evidence is of this stylised form).
>
> In any case, it is hereby submitted that the [Tribunal] should take into account the manner of the alleged use of CHALOU by the opponent, for example in the various invoices and the brochure...As far as we can tell, no use of CHALOU is shown on the actual product lines/entries on the various invoices. Instead, CHALOU (in stylised form) is shown at the top right hand corner of the invoices and in the company name. It is submitted that this does not represent trade mark use directly in respect of class 25 goods. It is simply company name usage, or perhaps use in relation to class 35 services, rather than use on class 25 goods. There is provided by the opponent, it is submitted, no direct evidence of trade mark use of CHALOU on class 25 goods (for which one would have expected to see examples of labels on class 25 products, swing tickets on class 25 products, or the like and which is seemingly entirely absent from the evidence filed by the opponent)."

The opponent's evidence-in-reply

16. This consists of a further witness statement from Mr Reiter. He states:

> "3...In this connection...which shows photographs of various clothing items including dresses, cardigans, skirts, tops, blouses, trousers and smock dresses.
>
> 4. These photographs show both the use of a CHALOU fabric label as affixed to each item of clothing we manufacture and the use of a cardboard CHALOU swing tag which is attached to each clothing item before purchase."

Whilst the quality of many of the photographs provided is so poor they do not assist the opponent, the following do show use in the manner Mr Reiter describes:

17. In response to the applicant's allegations that the trade mark has not been used upon all of the goods upon which the opponent relies, Mr Reiter states:

> "5...However, I want to add, that, in my view, having worked in the clothing industry for in excess of 5 years; vests and shorts would certainly be viewed as beachwear and vests could also be viewed as items of underwear."

18. That concludes my summary of the evidence filed to the extent that I consider it necessary.

DECISION

19. The opposition is based upon section 5(2)(b) of the Act which reads as follows:

> "5 (2) A trade mark shall not be registered if because -
>
> (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,
>
> there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

20. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

> "6.-(1) In this Act an "earlier trade mark" means -
>
> (a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,
>
> (2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered."

21. In these proceedings, the opponent is relying upon the trade mark shown in paragraph 2 above, which qualifies as an earlier trade mark under the above provisions. As this trade mark completed its registration process more than 5 years before the publication date of the IR in suit, it is subject to proof of use, as per section 6A of the Act. In its Notice of opposition, the opponent states that its earlier trade mark has been used for the goods identified in paragraph 3, and in its counterstatement, the applicant asks the opponent to provide evidence of the use it has made of its earlier trade mark. The relevant sections of the Act read as follows:

> **"6A Raising of relative grounds in opposition proceedings in case of non-use**
>
> (1) This section applies where –
>
> (a) an application for registration of a trade mark has been published,
>
> (b) there is an earlier trade mark in relation to which the conditions set out in section 5(1),(2) or (3) obtain, and
>
> (c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.
>
> (2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.
>
> (3) The use conditions are met if –
>
> (a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

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

(4) For these purposes –

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

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

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

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

(7) Nothing in this section affects –

(a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4) (relative grounds of refusal on the basis of an earlier right), or

(b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration)."

Section 100 of the Act is also relevant and 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."

22. Before I come to consider the opponent's evidence, I need to deal with a point raised by the applicant in its submissions filed in lieu of attendance at a hearing. The applicant's position is best summed up by the following:

> "It is submitted that the second witness statement by Stephan Reiter/Exhibit 9 is not proper evidence in reply, as described in the [Tribunal's] Manual, and given the guidance in [Tribunal Practice Notice] TPN 2/2010 and TPN 3/2008, but is, if anything, a response to some of the points raised in the [applicant's] submissions (not the [applicant's] evidence) of 9 June 2014)..."

23. Whilst I understand the applicant's submissions, it has, in my view, misdirected itself. The situation in play in these proceedings is dealt with in TPN 5/2007 entitled "Procedure for parties to challenge evidence filed in inter partes trade mark disputes". Paragraph 2 of that Notice (with my emphasis) reads:

> "Invitations to disbelieve a witness's evidence arise in the context of factual statements such as "the mark was used in this form by placing it in the window of shop A in relation to goods B at location C between the dates D and E." However, statements of fact can take other forms. For example, in the context of an allegation of bad faith, what one witness says he told another is a statement of fact. If the evidence consists, as it should, of fact, **then the party wishing to have it disbelieved must raise the issue in a way that permits the witness to answer the criticism that his or her evidence is untrue**. **This can be done by filing written submissions stating why the witness should not be believed in a time frame which gives the witness an opportunity to supplement his or her evidence (if he wishes) before the matter falls to be decided.**

Thus, in its submissions filed during its evidential period, the applicant challenged the opponent's evidence; the opponent responded to these challenges by supplementing its evidence-in-chief by way of evidence-in-reply. That, in my view, is the appropriate way to deal with the matter. As a consequence, Mr Reiter's second witness statement will not, as the applicant requests, "be disregarded."

Proof of use

24. In its Notice of Opposition, the opponent states that trade mark use is being claimed in relation to:

> Class 25 - Clothing, in particular outerclothing and underwear (including woven and knitted clothing), underclothing, headgear.

Although in his witness statement (paragraph 15) Mr Reiter reverts to the specification of goods in class 25 as registered, as does the opponent in its written submissions, it is on the basis of the above specification that, in my view, I must consider the matter.

25. In reaching a conclusion, I must apply the same factors as I would if I were determining an application for revocation of a trade mark registration based on grounds of non-use; the relevant period for present purposes is the five year period ending with the date of the publication of the IR i.e. 27 July 2008 to 26 July 2013.

The authorities on genuine use

26. In *Stichting BDO v BDO Unibank, Inc.,* [2013] F.S.R. 35 (HC), Arnold J. stated as follows:

"51. Genuine use. In *Pasticceria e Confetteria Sant Ambreoeus Srl v G & D Restaurant Associates Ltd* (SANT AMBROEUS Trade Mark) [2010] R.P.C. 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in *Ansul BV v Ajax Brandbeveiliging BV* (C-40/01) [2003] E.C.R. I-2439; [2003] R.P.C. 40 ; *La Mer Technology Inc v Laboratoires Goemar SA* (C-259/02) [2004] E.C.R. I-1159; [2004] F.S.R. 38 and *Silberquelle GmbH v Maselli-Strickmode GmbH* (C-495/07) [2009] E.C.R. I-2759; [2009] E.T.M.R. 28 (to which I have added references to *Sunrider v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM) (C-416/04 P) [2006] E.C.R. I-4237):

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

(2) The use must be more than merely token, which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(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, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Sunrider* [70]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22] -[23]; *Sunrider*, [70]–[71].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no de minimis rule. Even minimal use may qualify as

genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating 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: *Ansul*, [39]; *La Mer*, [21], [24] and [25]; *Sunrider*, [72]".

Although minimal use may qualify as genuine use, the Court of Justice of the European Union ("CJEU") stated in Case C-141/13 P, *Reber Holding GmbH & Co. KG v OHIM* (in paragraph 32 of its judgment), that "*not every proven commercial use may automatically be deemed to constitute genuine use of the trade mark in question".* The factors identified in point (5) above must therefore be applied in order to assess whether minimal use of the mark qualifies as genuine use.

In relation to what constitutes genuine use of a CTM, in *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, the CJEU 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."

27. In considering the opponent's evidence, it is a matter of viewing the picture as a whole, including whether individual exhibits corroborate each other. In Case T-415/09, *New Yorker SHK Jeans GmbH & Co. KG v OHIM*, in relation to the need to get a sense from the overall picture of the evidence, notwithstanding that individual pieces may not, of themselves, be compelling, the General Court ("GC") stated:

> "53. In order to examine whether use of an earlier mark is genuine, an overall assessment must be carried out which takes account of all the relevant factors in the particular case. Genuine use of a trade mark, it is true, cannot be proved by means of probabilities or suppositions, but has to be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned (COLORIS, paragraph 24). However, it cannot be ruled out that an accumulation of items of evidence may allow the necessary facts to be established, even though each of those items of evidence, taken individually, would be insufficient to constitute proof of the accuracy of those facts (see, to that effect, judgment of the Court of Justice of 17 April 2008 in Case C-108/07 P Ferrero Deutschland v OHIM, not published in the ECR, paragraph 36)."

28. In *Dosenbach-Ochsner AG Schuhe und Sport v Continental Shelf 128 Ltd*, BL O/404/13, Mr Geoffrey Hobbs Q.C., sitting as the Appointed Person, stated:

> "21. The assessment of a witness statement for probative value necessarily focuses upon its sufficiency for the purpose of satisfying the decision taker with regard to whatever it is that falls to be determined, on the balance of probabilities, in the particular context of the case at hand. As Mann J. observed

in Matsushita Electric Industrial Co. V. Comptroller- General of Patents [2008] EWHC 2071 (Pat); [2008] R.P.C. 35:

> [24] As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in any particular case where satisfaction is required depends on the nature of the inquiry and the nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and what is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence has to be provided in order to satisfy a decision-making body about that of which that body has to be satisfied.

22. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not 'show' (per Section 100 of the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use."

Use in a differing form

29. In both of its written submissions, the applicant comments on the form in which the opponent has used its earlier trade mark. In its submissions, the opponent states:

> "...the applicant states that the opponent's evidence is of a stylised Chalou and not as registered being CHALOU [in fact it is registered as Chalou]. It is readily accepted that use of a stylised mark is seen as supporting the use of a word mark registration where there is no ambiguity around the dominant and distinctive elements of the mark as used and the mark as registered. The opponent maintains that the mark as used, albeit with some stlyisation around the letters, does not have any other additional matter which could alter the interpretation of the mark which is clearly CHALOU."

30. In *Nirvana Trade Mark,* BL O/262/06, Mr Richard Arnold Q.C. (as he then was) as the Appointed Person summarised the test under s.46(2) of the Act as follows:

> "33. …. The first question [in a case of this kind] is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period…

> 34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all."

See also *Remus Trade Mark* – BL O/061/08 (Appointed Person) & *OAO Alfa-Bank v Alpha Bank A.E.* - 2011 EWHC 2021 (Ch) and *Orient Express Trade Mark* - BL O/299/08 (Appointed Person). Although these cases were decided before the judgment of the CJEU in *Colloseum Holdings AG v Levi Strauss & Co.,* Case C-12/12, they remain sound law so far as the question is whether the use of a mark in a different form constitutes genuine use of the mark as registered. The later judgment of the CJEU must also be taken into account where the mark is used as registered but as part of a composite mark.

31. In response to the first question posed in *Nirvana*, the vast majority of the use shown by the opponent is in one or other of the following formats.

32. Insofar as part (a) of the second question is concerned, as the opponent's earlier trade mark is registered as a single word in title case i.e. Chalou, the distinctive character can only lie in the mark as a whole. As to part (b) of the second question, the trade marks as registered and used differ to the extent that the used variants are presented in uppercase and the letters (whether presented in black on white or white on black) have contrasting coloured lining within them. Finally, part (c) of the second question. In my view, and notwithstanding the change from title to upper case and the stylistic differences between the trade mark as registered and the forms in which it has been used, the distinctive character of the trade mark, as registered, has not been altered i.e. it is still a Chalou/CHALOU trade mark.

33. Mr Reiter indicates that although the opponent has used its Chalou trade mark in a number of European jurisdictions, it has, for the sake of procedural economy and because this is an opposition in the UK "focussed on demonstrating my company's UK

position, alongside presenting readily available information for France and Germany being my company's home market"; that, in my view, was a sensible and proportionate approach. As the relevant period is between 27 July 2008 and 26 July 2013, evidence/sales prior to and after these dates is of less significance. However, even allowing for that, the evidence shows that between 2008 and 2013 the opponent sold some 99,820 units of clothing in France, 510,260 units in Germany and 33,400 units in the United Kingdom. Corresponding sales figures in the relevant period were €2,841,000 in France, €14,082,000 in Germany and €814,000 in the United Kingdom. In total, the opponent sold some 643,000 units of clothing with turnover in the three European jurisdictions it has identified amounting to €17.7m. In its written submissions, the opponent states:

> "The applicant in its submissions...has accepted that the opponent has shown use on "certain items of outerclothing". This comment was presumably in acknowledgment of the use demonstrated on blouses, long tops, jackets, t-shirts, trousers, shirts, shirt jackets, cardigans, jumpers, pullovers, leggings, twin sets, tunic topics, skirts, Capri pants, Bermuda shorts, cropped trousers, Bolero jackets, vest tops, camisole tops and dresses.
>
> The applicant argued that use had not been demonstrated on hosiery, underwear, underclothing, swimwear, beachwear, footwear and headgear.
>
> The opponent does not accept this statement and maintains that use which has been demonstrated on shorts, t-shirts and vest tops should be considered use on beachwear as these are all recognisable items which would be considered as beachwear as per oxforddictionaries.com i.e. "Clothing suitable for wearing on the beach, though not necessarily for swimming in".
>
> Similarly, the opponent maintains that the use demonstrated on vest tops should be considered use on underwear and underclothing as vests and t-shirts are often worn next to the skin i.e. "clothing worn under other clothes, typically next to the skin"..."

34. In his first witness statement, Mr Reiter claims that the earlier trade mark has been used in France, Germany and the United Kingdom in relation to:

> Blouses, long tops, jackets, t-shirts, trousers, shirts, shirt jackets, cardigans, jumpers, pullovers, leggings, twin sets, tunic tops, skirts, tops, Capri pants, blouses with scarves, Bermuda shorts, cropped trousers, bolero jackets, dresses, vest tops, blouse jackets, blazers, camisole tops.

35. The opponent appears to accept there is no use shown on hosiery, swimwear, footwear and headgear; I agree. Whilst I am, on the basis of the definitions provided by the opponent, prepared to accept that the earlier trade mark has been used upon goods which fall within the broader definitions of beachwear and underwear/underclothing, as the opponent did not claim that it has used its earlier trade mark in relation to

beachwear, insofar as beachwear is concerned, this is not a point that assists the opponent. What is beyond doubt, however, is that all of the opponent's goods are for women.

36. I now need to decide what constitutes a fair specification. Mr Richard Arnold in his judgments as The Appointed Person in *Nirvana* and *Extreme Trade Mark BL* O-161-07 comprehensively examined the case law in this area. His conclusion in *Nirvana* was that:

> "(1) The tribunal's first task is to find as a fact what goods or services there has been genuine use of the trade mark in relation to during the relevant period: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [30].
>
> (2) Next the tribunal must arrive at a fair specification having regard to the use made: *Decon v Fred Baker* at [23]; *Thomson v Norwegian* at [31].
>
> (3) In arriving at a fair specification, the tribunal is not constrained by the existing wording of the specification of goods or services, and in particular is not constrained to adopt a blue-pencil approach to that wording: *MINERVA* at 738; *Decon v Fred Baker* at [21]; *Thomson v Norwegian* at [29].
>
> (4) In arriving at a fair specification, the tribunal should strike a balance between the respective interests of the proprietor, other traders and the public having regard to the protection afforded by a registered trade mark: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [29]; *ANIMAL* at [20].
>
> (5) In order to decide what is a fair specification, the tribunal should inform itself about the relevant trade and then decide how the average consumer would fairly describe the goods or services in relation to which the trade mark has been used: *Thomson v Norwegian* at [31]; *West v Fuller* at [53].
>
> (6) In deciding what is a fair description, the average consumer must be taken to know the purpose of the description: *ANIMAL* at [20].
>
> (7) What is a fair description will depend on the nature of the goods, the circumstances of the trade and the breadth of use proved: *West v Fuller* at [58]; *ANIMAL* at [20].

The GC in *Reckitt Benckiser (España), SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-126/03 ("*Aladin*") held that:

"43. Therefore, the objective pursued by the requirement is not so much to determine precisely the extent of the protection afforded to the earlier trade mark by reference to the actual goods or services using the mark at a given time as to ensure more generally that the earlier mark was actually used for the goods or services in respect of which it was registered.

44. With that in mind, it is necessary to interpret the last sentence of Article 43(2) of Regulation No 40/94 and Article 43(3), which applies Article 43(2) to earlier national marks, as seeking to prevent a trade mark which has been used in relation to part of the goods or services for which it is registered being afforded extensive protection merely because it has been registered for a wide range of goods or services. Thus, when those provisions are applied, it is necessary to take account of the breadth of the categories of goods or services for which the earlier mark was registered, in particular the extent to which the categories concerned are described in general terms for registration purposes, and to do this in the light of the goods or services in respect of which genuine use has, of necessity, actually been established.

45. It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition proceedings, only for the sub-category or subcategories relating to which the goods or services for which the trade mark has actually been used actually belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not possible to make any significant sub-divisions within the category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.

46. Although the principle of partial use operates to ensure that trade marks which have not been used for a given category of goods are not rendered unavailable, it must not, however, result in the proprietor of the earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner. The Court observes in that regard that in practice it is impossible for the proprietor of a trade mark to prove that the mark has been used for all conceivable variations of the goods concerned by the registration. Consequently, the concept of 'part of the goods or services' cannot be taken to mean all the commercial variations of similar goods or services but merely goods or services which are sufficiently distinct to constitute coherent categories or sub-categories.

> 53 First, although the last sentence of Article 43(2) of Regulation No 40/94 is indeed intended to prevent artificial conflicts between an earlier trade mark and a mark for which registration is sought, it must also be observed that the pursuit of that legitimate objective must not result in an unjustified limitation on the scope of the protection conferred by the earlier trade mark where the goods or services to which the registration relates represent, as in this instance, a sufficiently restricted category."

In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited,* BL O/345/10, Mr Geoffrey Hobbs Q.C. as 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."

37. In reaching a conclusion, I have borne in mind the goods upon which the applicant appears to accept that the opponent has used a trade mark (although not, it argues, the trade mark as registered) the comments of Mr Justice Jacob in *Animal Trade Mark* [2004] FSR 19 and those of Mr Justice Birrs in *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] ETMR 57 in relation to how one should approach the term "clothing" in the context of a request for revocation. Having done so, bearing in mind the breadth of items upon which the opponent has used its earlier trade mark and the extent and duration of the use in (at least) three European jurisdictions, I have concluded that the opponent has made genuine use of its earlier trade mark, and, notwithstanding that the opponent has targeted, to use Mr Reiter's words, "big size fashion," that a fair specification based upon the average consumer's perception of the use the opponent has made of its Chalou trade mark is:

Articles of under and outer clothing for women.

It is this specification upon which I will base my assessment under section 5(2)(b) of the Act.

Section 5(2)(b) – case law

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

The principles:

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

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

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

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

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

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

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

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

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

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

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

The average consumer and the nature of the purchasing decision

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

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

40. The average consumer of clothing is a member of the general public. As to how such an average consumer selects such goods, in *New Look Ltd v Office for the Harmonization in the Internal Market (Trade Marks and Designs)* Joined cases T-117/03 to T-119/03 and T-171/03 the GC stated:

> "50. The applicant has not mentioned any particular conditions under which the goods are marketed. Generally in clothes shops customers can themselves either choose the clothes they wish to buy or be assisted by the sales staff. Whilst oral communication in respect of the product and the trade mark is not excluded, the choice of the item of clothing is generally made visually. Therefore, the visual perception of the marks in question will generally take place prior to purchase. Accordingly the visual aspect plays a greater role in the global assessment of the likelihood of confusion."

41. As the goods at issue are, in my experience, most likely to be the subject of self selection from traditional retail outlets on the high street, catalogues and websites, I agree that visual considerations are likely to dominate the selection process, but not to the extent that aural considerations can be ignored. The cost of the goods at issue can vary considerably. In *New Look* the GC also considered the level of attention taken purchasing goods in the clothing sector. It stated:

> "43 It should be noted in this regard that the average consumer's level of attention may vary according to the category of goods or services in question (see, by analogy, Case C-342/97 Lloyd Schuhfabrik Meyer [1999] ECR I-3819, paragraph 26). As OHIM rightly pointed out, an applicant cannot simply assert that in a particular sector the consumer is particularly attentive to trade marks without supporting that claim with facts or evidence. As regards the clothing sector, the Court finds that it comprises goods which vary widely in quality and price. Whilst it is possible that the consumer is more attentive to the choice of

mark where he or she buys a particularly expensive item of clothing, such an approach on the part of the consumer cannot be presumed without evidence with regard to all goods in that sector. It follows that that argument must be rejected."

42. When selecting the goods at issue, factors such as material, size, colour, cost and compatibility with other items of clothing etc. may all come into play. The average consumer will, in my view, pay a reasonable level of attention when making their selection, a level of attention which is, in my view, likely to increase as the cost and importance of the item increases.

Comparison of goods

43. The competing goods are as follows:

Opponent's goods (following proof of use)	**Applicant's goods**
Articles of under and outer clothing for women	**25** - Clothing; layettes (clothing); swimsuits; gymnastic shoes; shoes; headgear for wear; hosiery; gloves (clothing); neckties; girdles

44. In the judgment of the CJEU in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

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

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

a) The respective users of the respective goods or services;

b) The physical nature of the goods or acts of services

c) The respective trade channels through which the goods or services reach the market

d) In the case of self serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

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

As to how words in specifications should be construed, in *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

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

In *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another,* [2000] F.S.R. 267 (HC), Neuberger J. (as he then was) stated that:

> "I should add that I see no reason to give the word "cosmetics" and "toilet preparations"... anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context."

In *Gérard Meric v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* case T-133/05, the GC stated:

> "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)."

In relation to complementary goods and services, in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)***,** Case T-325/06, the GC stated that "complementary" means:

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

In *Sanco SA v OHIM,* Case T-249/11, the GC indicated that goods and services may be regarded as 'complementary' and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different, i.e. *chicken* against *transport services for chickens*. The purpose of examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander Q.C. noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL-0-255-13*:*

> "It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes."

Whilst on the other hand:

> ".....it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together.

45. In its submissions, the opponent states:

> "A layette is a type of clothing namely "a set of clothing" being a combination of different items of clothing which are sold together. This could be for example a "twin set" which is a matching cardigan and jumper..."

And:

> "The term clothing is often used in an all encompassing way to cover any item that is worn."

46. In approaching the matter, I remind myself that the applicant's specification is not limited in any way. Consequently, as the opponent's "articles of under and outer clothing for women" would be included within the terms "clothing" and, given the opponent's definition of "layette" mentioned above, "layettes (clothing)" in the application, the competing goods are identical on the principles outlined in *Meric*. Similarly, as the applicant's "gloves (clothing)" and "neckties" would fall within the definition of "outerwear" and the applicant's "girdles" and "hosiery" would be encompassed by the term "underclothing" they too are identical on the *Meric* principle. As to the goods which remain i.e. "swimsuits", "gymnastic shoes", "shoes" and "headgear for wear", as I think it not unreasonable to conclude that they too would be encompassed by the term "outerwear", they too may be regarded as identical. However, even if I am wrong in that respect and it is felt that these goods represent separate and distinct categories, they

are, in my view, given their nature, intended purpose, method of use, trade channels and, to a greater or lesser extent, their complementarity to certain articles of under and outer clothing for women, if not identical, similar to them to a fairly high degree.

Comparison of trade marks

47. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the trade marks must be assessed by reference to the overall impressions created by the trade marks, bearing in mind their distinctive and dominant components. The Court of Justice of the European Union ("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 be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the trade marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the trade marks. The trade marks to be compared are as follows:

Opponent's trade mark	**Applicant's trade mark**
Chalou	

48. As both parties' trade marks consist of a single word presented in title and upper case respectively (the applicant's trade mark is also presented in the colour grey) neither has any dominant or distinctive elements. The overall impression created by both trade marks is likely, in my view, to be of either an invented word or a word in a language other than English. Although both parties have provided submissions on the degree of visual, aural and conceptual similarity between the competing trade marks, and whilst I have kept these submissions in mind when reaching a conclusion, my own view of the matter follows.

49. Both trade marks consist of six letters, the first two letters i.e. Ch/CH and fourth and fifth letters i.e. lo/LO are identical and appear in the same order. Although the competing trade marks are presented in different cases and notwithstanding that the third and six letters (all of which are vowels) differ and the applicant's trade mark is presented in the colour grey (which as per the comments of Kitchin LJ in *Specsavers International Healthcare Ltd & Others v Asda Stores Ltd* [2012] EWCA Civ 24 at [96]

does not assist the applicant), the competing trade marks are, in my view, visually similar to a fairly high degree. Aurally both trade marks will, in my view, be pronounced as two syllable words i.e. Cha lou and CHE LOO. Although the applicant suggests potential pronunciations of both trade marks (which not surprisingly attempts to distinguish the trade marks from an aural perspective), the reality is that the pronunciation by the average consumer is uncertain. Notwithstanding the applicant's own analysis i.e. CHA (as in chap) and CHE (as in chey or shey) and LOU (as in loud) and LOO (as in loop) there remains, in my view, at least a reasonable degree of aural similarity between the competing trade marks. Finally, as neither parties' trade marks are likely to create any conceptual picture in the mind of the average consumer, the conceptual position is, as the applicant suggests, neutral.

Distinctive character of the earlier trade mark

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

51. Consisting as it does of an invented word, the opponent's earlier trade mark is possessed of a high degree of inherent distinctive character. Although the opponent has filed evidence of the use it has made of its earlier trade mark, as any enhanced distinctive character can only be acquired through use made of the trade mark in the United Kingdom, it is only this use that I can consider. Approached from that perspective, sales of 33,400 units/€814k in the period 2008 to 2013 is, given the size of the clothing market for women in the United Kingdom, insufficient, in my view, to have built upon the inherent characteristics of the opponent's trade mark (at least to any material extent that will assist the opponent in these proceedings).

Likelihood of confusion

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

- the opponent has made genuine use of its Chalou trade mark in relation to "articles of under and outer clothing for women";

- the average consumer is a member of the general public who will select the goods by predominantly visual means and who will pay a reasonable level of attention when doing so;

- the competing goods are either identical, or if not identical, similar to a fairly high degree;

- the competing trade marks are: visually similar to a fairly high degree, aurally similar to at least a reasonable degree and conceptually neutral;

- the opponent's earlier trade mark is possessed of a high degree of inherent distinctive character which has not been improved to any material extent by the use made of it in the United Kingdom.

53. In view of: (i) the identity (or fairly high degree of similarity) in the competing goods, (ii) the fairly high degree of visual similarity between the competing trade marks (which I consider to be the most important aspect of the mark for mark comparison), (iii) the high degree of inherent distinctive character the opponent's earlier trade mark possesses and the lack of any conceptual hook to assist the average consumer's recollection, the likelihood of direct confusion through imperfect recollection is, in my view, and despite the reasonable degree of care that will be taken in the selection process, a real one. As a consequence, the opposition against all of the goods in the IR succeeds.

54. Finally, I have not lost sight of the fact that the IR includes a number of terms which may include goods which are not similar to those for which I have concluded genuine use has been established. The issue of partial refusal is dealt in TPN 1/2012. That TPN includes the following:

> "Generally speaking, the narrower the scope of the objection is to the broad term(s), compared to the range of goods/services covered by it, the more necessary it will be for the Hearing Officer to propose a revised specification of goods/services. **Conversely, where an opposition or invalidation action is successful against a range of goods/services covered by a broad term or terms, it may be considered disproportionate to embark on formulating proposals which are unlikely to result in a narrower specification of any substance or cover the goods or services provided by the owner's business, as indicated by the evidence**. In these circumstances, the trade mark will simply be refused or invalidated for the broad term(s) caught by the ground(s) for refusal" (my emphasis).

55. Having reviewed exhibit ZS4 to the witness statement of the applicant, I note that all of the items of clothing shown are for women. In those circumstances, the text I have

highlighted above seems apposite and points away from offering the applicant the opportunity to offer a revised specification.

Overall conclusion

56. **As a consequence of the above conclusions, the opposition to the IR succeeds in full.**

Costs

57. The opponent has been successful and is entitled to a contribution towards its costs. Awards of costs are governed by Annex A of Tribunal Practice Notice (TPN) 4 of 2007. Using that TPN as a guide, but reminding myself that the applicant filed an amended counterstatement, I award costs to the opponent on the following basis:

Preparing a statement and considering the applicant's statement:	£250
Preparing evidence and considering and: commenting on the applicant's evidence/ submissions:	£700
Written submissions:	£300
Opposition fee:	£100
Total:	**£1350**

58. I order Zhang Sheng to pay to CHALOU GmbH the sum of **£1350**. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 12th day of November 2014

C J BOWEN
For the Registrar
The Comptroller-General