

O-486-02
TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION No. 2241872
BY MELO CO INC TO REGISTER A
TRADE MARK IN CLASSES 18 AND 25

AND

IN THE MATTER OF OPPOSITION THERETO
UNDER No. 51907 BY PACO RABANNE PARFUMS

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No. 2241872
by Melo Co Inc to register a trade mark in
Classes 18 and 25**

AND

**IN THE MATTER OF Opposition thereto
under No. 51907 by Paco Rabanne Parfums**

DECISION

1. On 7 August 2000 Melo Co Inc applied to register the following mark:



for the following specifications of goods:

- Class 18** - articles made of leather or imitation leather; bags, cases, luggage.
- Class 25** - articles of clothing, including footwear.

The application is numbered 2241872.

2. On 20 December 2000 Paco Rabanne Parfums filed notice of opposition to this application. They are the proprietors of the registrations, details of which appear in the Annex to this decision.

3. The opponents express their objections in the following terms which, as will be seen, provide against the possibility that the goods of the earlier trade marks and the mark applied for may be found to be dissimilar either in whole or in part.

- “2. The mark applied for is similar to the opponents earlier registered trade mark nos. 1485240, 1528426, 2225556 and 2006318. The mark applied for contains the element ‘XS’ which is identical to the dominant element of the opponents marks as registered. Registration of the mark applied for would be contrary to the provisions of Sections 5(2)(a) and 5(2)(b) of the Trade Marks Act 1994 in that it is similar to the earlier trade marks and is to be registered for goods which are

similar to those for which the earlier trade mark is protected, and there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade marks.

In the event that the Examiner does not consider some of the goods claimed by the applicants to be similar to those for which the earlier trade marks are registered, the opponents contend that the application should be refused by virtue of Section 5(3) of the Trade Marks Act 1994.

3. The mark applied for is similar to the opponents' earlier registered trade marks nos. 1485240, 1528426, 2225556 and 2006318. The mark applied for contains the prominent element 'XS' which is visually, phonetically and conceptually similar to the distinctive element of the opponents' marks registered.

Registration of the mark applied for is contrary to the provisions of Section 5(3) of the Trade Marks Act 1994 in that it is similar to the earlier trade marks and is to be registered for goods which are not similar to those for which the earlier trade mark is protected: the goods claimed by the applicants are not similar to those covered by the opponents' earlier registered marks nos. 1528426, 2225556 and 1485240. Additionally, the goods claimed by the applicants in class 18 are not similar to those covered by the opponents' earlier registration no. 2006318. However, the earlier trade marks have a reputation in the United Kingdom by virtue of the extensive use made of them since at least as early as 1993, and use of the mark applied for without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trade marks.

4. The opponents have used their marks, and other marks containing or consisting of the element 'XS' since at least as early as 1993 in relation to the conduct of their business and in respect of a wide variety of goods including perfumery, cosmetics and toiletry products, articles of clothing, footwear, headgear, articles made of leather or imitations of leather, bags, cases and luggage. The mark 'XS' appears prominently on their products and on their packaging, stationery and literature. Consequently, the registration of the trade mark applied for is contrary to the provisions of Section 5(4)(a) of the Trade Marks Act 1994 in that use of the applicants trade mark is likely to be prevented under the Common Law of passing-off in view of the opponents' established reputation in their marks and the consequent goodwill contained therein.
5. The opponents' use of marks containing or consisting of the prominent letters 'XS' entitles them to protection under the Paris Convention as 'well known' trade marks by virtue of their length and well established use since at least as early as 1993. For this reason, the opponents rely upon the provisions of Section 6(1)(c) of the Trade Marks Act 1994 in their opposition under Section 5(2) and 5(3) of the Act.

6. The mark applied for consists of the two letters 'XS' used in conjunction with the word 'BAGGAGE'. The 'XS' element is pronounced in the same manner as the word 'EXCESS' and consequently the mark would be pronounced 'EXCESS BAGGAGE'. The term 'EXCESS BAGGAGE' is in common use, in particular by airlines, describing luggage which exceeds the volume or weight of luggage allowed per passenger. The mark 'XS BAGGAGE' should not be registered under the provisions of Section 3(1)(b), (c) and (d) of the Trade Marks Act 1994."

4. The applicants filed a counterstatement which denies that any grounds for objection exist.

5. Both sides ask for an award of costs in their favour. Both sides filed evidence. The parties were invited to say whether they wished to be heard. Neither side has requested a hearing. The applicants have filed written submissions under cover of a letter dated 6 November 2002 from Withers & Rogers, their professional representatives in this matter. Acting on behalf of the Registrar and with the above material in mind I give this decision.

Evidence

6. The evidence in this case is as follows:

Opponents' Evidence in chief:

Statutory Declaration by Roger Grimshaw with Exhibit RG1

Statutory Declaration by Alastair John Rawlence with Exhibits AJR1 – AJR6.

Applicants' Evidence in support:

Witness Statement by David Stanley with Exhibits DS1 – DS2.

7. The opponents' evidence deals largely with their own trade under their marks and the circumstances of the fashion trade generally. The applicants' evidence gives background on the setting up of UK distribution arrangements for Melo Inc's goods and trading to date from its inception in March 2000. I do not propose to summarise this material at this point but will draw on it as necessary below.

Section 3(1)

8. Section 3(1) reads:

“**3.-(1)** The following shall not be registered -

- (a) signs which do not satisfy the requirements of section 1(1),
- (b) trade marks which are devoid of any distinctive character,

- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,
- (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade:

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

9. The applicants’ counterstatement contains the following response to the ground of objection recorded above:

“The mark applied for does not consist of the “two letters ‘XS’ used in conjunction with the word BAGGAGE” but comprises a distinctive device together with the letters XS and the word BAGGAGE. It is not admitted that the mark would be pronounced ‘excess baggage’, but even if it were, the mark would still be inherently registrable as the phrase ‘excess baggage’ is not directly descriptive of any of the goods covered by the application but constitutes a skilful and covert allusion to the nature of some of these.”

10. The opponents have not developed, or provided evidence in support of, the objection as framed in their statement of grounds. Regardless of the merits or demerits of the argument advanced (based on the mark being seen as “excess baggage”) I note that no reference is made to the presence of the device mark which is a strong and prominent feature of the mark. I can see no reasonable basis for finding that the mark applied for, taken as a whole, should be open to objection under Section 3(1)(b), (c) or (d).

The opponents’ evidence of use

11. The opponents’ use is a relevant factor in relation to each of the relative grounds of objection. It will be convenient, therefore, at this point to consider the parts of their evidence dealing with use.

12. The opponents’ declarants are Trade Mark Attorneys with Mewburn Ellis, the opponents’ professional representatives. Mr Grimshaw confirms that the information contained in his declaration comes from information supplied to him by the opponents and from his personal knowledge. Mr Rawlence does not explain the source of his information about the opponents’ activities. I can only infer that it comes from material supplied to him in the same manner as Mr Grimshaw.

13. Mr Grimshaw says that:

“The Opponent has used marks comprising or containing the letters XS in the UK since at least as early as 1993 in respect of a range of goods including perfumery, cosmetics, toiletry products, articles made of leather or imitation of leather, bags, cases, articles of clothing.”

14. He gives the following turnover figures for sale of goods under marks comprising or containing the letters XS:

YEAR	ANNUAL SALES FIGURE
1997	in excess of £3,400,000
1998	in excess of £1,800,000
1999	in excess of £1,700,000.

15. Sales in the year 2000 are said to have been in excess of £2,300,000 but no breakdown is given for the period up to the relevant date of 7 August 2000.

16. Advertising and promotional expenditure (including on television, radio, print and poster advertising) is given as follows:

YEAR	ADVERTISING AND PROMOTIONAL EXPENDITURE
1994	in excess of £1,445,000
1995	in excess of £806,000
1996	in excess of £410,000
1997	in excess of £429,000
1998	in excess of £498,000
1999	in excess of £425,000.

17. Samples of promotional and packaging material are exhibited at RG1. It is said to “correspond to that used by the opponent in the UK since at least as early as 1993”.

18. Mr Rawlence’s evidence supplements, and provides substantiating detail in relation particularly to, the opponents’ advertising and promotional expenditure. He says that expenditure on promoting perfumes for the period May to June 2000 was £215,000. Furthermore throughout the period September 1999 to December 1999 the opponents advertised perfumes bearing the mark XS in the monthly men’s magazines, Loaded, FHM and Maxim; the monthly women’s magazines, Cosmopolitan, Marie-Claire and Company; the weekly women’s magazine OK; the Guardian Weekend newspaper; and at outdoor advertising hoardings. During the period May to July 2000 the opponents advertised perfumes bearing the mark XS in the monthly men’s magazines, Loaded, FHM, Maxim, Front and Sky Magazine; the monthly women’s magazines, More and Company; and on the FHM.co.uk website. Readership or circulation figures are given for the magazines referred to above.

19. The opponents' mark XS CONCEPT was advertised in 1997 throughout the UK via the Channel 4 television network (advertising spend was £206,800) and in 1998 the mark XS POUR HOMME/POUR ELLE was advertised in UK cinemas via Carlton Screen Advertising.

20. Mr Rawlence exhibits (AJR1) samples of advertisements in UK magazines such as Loaded (July 2000 edition) and in More (July 2000 edition), for the Opponents' perfume products featuring the trade mark XS and invoices for television advertising for the Channel 4 network in 1997 (trade mark XS CONCEPT) and Carlton Screen Advertising in 1997 (trade mark XS POUR HOMME/POUR ELLE). He exhibits (AJR2) material taken from the applicants' distributor's website intended to demonstrate that both parties' goods are aimed at a young, fashion conscious market. He also exhibits (AJR3) marketing material showing use by the opponents of their mark XS in respect of bags such as back packs, toilet bags, wallets and items of clothing such as t-shirts. This material is said to be of the type circulated in the UK in 1999 and 2000.

21. There are further claims bearing on the fact that goods bearing the opponents' marks are 'designer' goods created by the internationally renowned fashion designer and perfumier Paco Rabanne and that the public are used to encountering the same trade mark used in relation to related fashion products. I will deal with this when I come to address the individual grounds.

22. It will be apparent from Mr Grimshaw's evidence that the opponents' claim is a broad one involving marks "comprising or containing the letters XS" and "a range of goods including perfumery, cosmetics, toiletry products, articles made of leather or imitation of leather, bags, cases, articles of clothing". I do not consider that the breadth of that claim is sustainable on the basis of the material filed in evidence. I need to say a little more about the evidence and exhibits to explain why this is the case (in doing so I draw also on the applicants' written submissions).

23. Taking the main exhibits filed to substantiate the opponents' use:

Exhibit RG1 consists of two examples of packaging for eau de toilette and after shave with the marks XS POUR ELLE and XS Excess pour homme. There are also photographs of toiletry/perfumery items and toiletry or cosmetic bags or boxes bearing various marks such as XS PACO RABANNE, XS POUR ELLE and XS on its own. Where narrative text is present it is sometimes in French and English and sometimes English only. The documents appear to be either for internal consumption or, more likely, marketing support material for distributors or retailers judging by references such as "Use: GWP or sales staff stimulation" and "Recommended period: Mother's Day as a sales promotion". One item (a toilet bag and toiletry items) refers to a date in 1996. The other items are not dated. There are a few other items – a baseball cap with XS on it, a t-shirt showing XS paco rabanne, an XS belt and a backpack with no mark visible on the photocopied picture supplied;

Exhibit AJR1 contains two examples of eau de toilette advertisements from Loaded and More magazines dated June 2000 and July 2000 respectively. Both show the mark XS.

There is also a television scheduling invoice in relation to the mark XS CONCEPT from October 1997. I infer from the fact the client is said to be Creative Fragrances Ltd that XS CONCEPT is a perfumery or toiletry item. I am not clear what the relationship is between Creative Fragrances Ltd and the opponents;

Exhibit AJR3 is a bilingual (French and English) marketing piece. It does not appear to be for general public consumption. It is possibly for use internally or by distributors or retailers as I note a section of text dealing with 'Factory News' which is unlikely to be of interest to ultimate consumers. The first page refers to a Tax Free Cannes 1999 trade show. A number of toilet bags and a wallet are shown. I note that the pages showing these items are headed 'Promotions'. The extent to which this material was circulated, or made an impact, in the UK is not clear. Also contained in this Exhibit is a page of marketing material for a T-shirt perfumed with XS POUR ELLE. This is, arguably, more in the nature of a promotional mechanism for the perfume than evidence of a trade in clothing under the mark XS.

24. The conclusions I draw from the evidence as a whole are that:

- turnover and advertising figures are not broken down as between the various categories of goods so the precise extent of trade in particular categories cannot be determined;
- the overwhelming impression (by extrapolation from the more detailed advertising information available) is that the various XS marks are used primarily in relation to perfumery items;
- there is little, if any, promotional or advertising material that clearly shows other goods such as bags being actively offered for sale in the UK. In particular the nature of some of the exhibited material leaves me in doubt as to the intended audience and whether items such as bags and clothing are simply promotional goods in support of the perfumery business;
- if, as is possible, there has been a trade in bags or other items ancillary to the main perfumery/toiletry lines then there needed to be rather better evidence establishing the circumstances of the trade and, particularly what sales had been made.

25. With those general findings in mind I turn to the objections on relative grounds.

Section 5(2)

26. Section 5(2) reads:

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

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

27. The Section raises a single composite question namely whether there are similarities in terms of marks and goods which would combine to create a likelihood of confusion; *BALMORAL Trade Mark* [1998] RPC 297. Guidance is available from the European Court of Justice in relation to the principles to be applied and in particular through the following cases: *Sabel BV v Puma AG* [1998], E.T.M.R.1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R.1, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R.77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R.723.

28. Two of the opponents’ earlier trade marks (Nos. 1485240 and 1528426) are registered with a disclaimer of the letters XS. An objection under Section 5(2) cannot succeed in a case where the resemblance between the marks in issue is attributable to nothing more than the presence in the earlier trade mark of an element for which protection has been disclaimed: *Torremer Trade Mark*, O-207-02, and *Paco/Paco Life in Colour Trade Marks*, [2000] RPC 451. The other two registrations relied upon are not subject to disclaimers. The first, No. 2225556, is for the mark XS (a series of two) and is registered for a specification of goods in Class 3.

29. It was held in *CANON v MGM* that:

“In assessing the similarity of the goods or services concerned ... all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, *inter alia*, their nature, their end users and their method of use and whether they are in competition with each other or are complementary ...”

30. In *British Sugar Plc v James Robertson & Sons Ltd*, 1996 RPC 281 Jacob J also considered that trade channels should be taken into account.

31. The comparison here is between the opponents’ Class 3 goods and the applied for goods in Classes 18 and 25. The goods in question might all be said to come under the fashion goods’ umbrella.

32. I find that the nature of the respective goods and services is in each case quite different. The end users of any consumer goods or fashion items can, at a high level of generality, be said to be the same but beyond that any useful comparison breaks down. Methods of use are self evidently different. Channels of trade too will in general be different. It is true that department stores, for

instance, are likely to sell perfumery and cosmetic items as well as bags and clothing but they are likely to be in different parts of the store. The respective goods are not in competition with one another and are not obviously or necessarily complementary. At least I am not aware that perfumery or cosmetics are purchased to complement or match other aspects of dress or appearance. In short these are not similar goods. I find support for that view in the decision of Mr S Thorley QC in *Wannabee Trade Mark*, O-471-00. On that basis the opponents cannot succeed on the basis of the 2225556 mark.

33. The second of the relevant earlier trade marks is No. 2006318. It covers a broad range of goods in Class 25 which are identical to the specification of the mark applied for. There may also be goods in the applicants' Class 18 specification (purses and handbags, for instance, would be covered by the first two items in the specification) which would be similar to women's clothing (see *QS BY OLIVER Trade Mark* [1999] RPC 520). The matter, therefore, turns on the marks themselves. They are:

Applicants' mark

Opponents' mark

34. As the opponents have filed no evidence of use of the XSPR PACO RABANNE mark its distinctive character must rest on its inherent qualities (paragraph 24 of *Sabel v Puma*). It seems to me to have a relatively high degree of distinctive character.

35. Visually, I find the opponents' mark to be quite different to the composite mark applied for. The dominant element of the earlier trade mark is the four letter combination XSPR. I see no reason why the eye should single out the first two letters and relate that element to the letters XS in the applied for mark without also giving due weight to the totality of the applied for mark.

36. Phonetically the play on words inherent in the applied for mark (excess baggage) is more likely to be apparent and give a quite different aural character to the mark than the four letter string and name in the opponents' mark.

37. Conceptually it is possible that greater attention may be paid to the way the opponents' mark is constructed. That depends, in my view, on whether the average consumer perceives a reference to Paco Rabanne in the final two letters of XSPR. That possibility should not be ruled

out because the designer's name is present in the mark albeit as a visually minor element. If the average consumer did deconstruct the mark in this way and was also familiar with the designer's XS brand then the letters become more meaningful. However the guidance in *Sabel v Puma* is that consumers normally perceive marks as whole and do not pause to analyse details.

38. Likelihood of confusion must be appreciated globally taking all relevant factors into account. It will be apparent from my above views that I consider there to be a low level of similarity between the respective marks. The net effect of the similarities and differences between the marks, even taken in the context of identical goods, is that there is no likelihood of confusion. The opposition fails under Section 5(2)(b).

Section 5(3)

This reads:

“5.(3) A trade mark which -

- (a) is identical with or similar to an earlier trade mark, and
- (b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

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

39. The opponents' position on the basis of their statement of grounds is that they consider the goods of registration Nos. 1485240, 1528426 and 2225556 to be dissimilar to all of the applicants' goods; and, additionally, that the applicants' Class 18 goods are not similar to the goods of No. 2006318. That also reflects my view of the matter save for the items covered by the applicants' Class 18 specification (such as purses, handbags etc) which may be similar to women's clothing in Class 25. However, for the reasons given earlier the opponents cannot rely on registrations Nos. 1485240 and 1528426. Nor is No. 2006318 of assistance because no use of this mark has been shown.

40. I have not so far dealt with the question of whether the opponents' XS (series) mark is similar to the mark applied for. Clearly the letters XS are an element within the mark applied for. Although it is not readily apparent from the particular graphical representation of the mark applied for, it would seem from material in Exhibit DS1 to Mr Stanley's witness statement that a highly stylised version of the letters is also contained within the device element of the mark. Whether that would be apparent to even the averagely circumspect observer of the mark is less clear.

41. Contradictory positions have been taken as to whether the applicants' mark would be seen and referred to as the letters XS and the word baggage or as if it were "excess baggage". I assume the intended play on words is not accidental. It seems likely that many people would recognise the word play. But, even if they do, the letter combination still represents a point of visual and aural similarity with the opponents' earlier trade mark, particularly in circumstances where the word BAGGAGE is little more than a descriptor (that is in relation to certain of the Class 18 goods). I bear in mind too that Mr Stanley, who gives evidence for the applicants, considers that the dominant aspect of the mark applied for are the letters XS and the logo (paragraph 3 of his witness statement).

42. Taking an overall view of the matter, whilst there are, admittedly, clear visual differences between the respective marks the presence of the element XS in the mark applied for results in a degree of visual, aural and conceptual similarity with the opponents' earlier trade mark.

43. A primary requirement of the Section is that the earlier trade mark(s) has a reputation in the UK. Guidance on the assessment of reputation can be found in *General Motors Corporation v Yplon SA*, [1999] ETMR 950, and, in particular, the following passages from the ECJ's judgment:

"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."

44. The question I have to consider is whether use of the applied for mark in relation to all or any of the goods tendered for registration would bring about any of the adverse consequences envisaged by Section 5(3) having regard to the reputation of the mark XS (series).

45. For the reasons given above the scope and nature of the opponents' reputation is not clear because the turnover figures given represent aggregated sums covering all the goods for which use is claimed. Furthermore a number of variants of the basic XS mark have been used. I infer

that most of the sales and advertising figures relate to perfumery items (based on Mr Rawlence's more detailed information on the opponents' advertising campaigns). That still leaves the question as to whether a reputation can be claimed within the terms of the guidance in *General Motors v Yplon*. The opponents' turnover figures are significant but without knowing more about the size of the perfumery market it is difficult to judge the extent of the resulting reputation. Given the cost of the opponents' men's cologne (£39 per 50 ml – paragraph 10 of Mr Rawlence's declaration) it is a luxury purchase - an aspirational item perhaps which, like many luxury goods, is known to a wider range of people than have actually bought the product. Even so I have not been told what market share the opponents enjoy or been provided with other independent evidence to back up their claims. The matter is not, therefore, free from doubt. However, I am inclined to think that to the extent that the opponents can claim a reputation it can only be in relation to 'perfumery' within the specification of No. 2225556.

46. That brings me to the adverse consequences envisaged by the Section. The opponents' statement of grounds draws on the wording used in the Act without explaining whether unfair advantage or detriment is relied on or precisely why it should arise. Mr Rawlence's declaration sheds a little more light on the nature of the claim.

“The use by the Applicant of the mark of the subject application No. 2241872 for the goods of Classes 18 and 25, goods which from the Applicant's own promotional material are clearly functional items of 'urban wear' rather than 'designer' wear, is likely to damage our client's substantial reputation for providing 'designer' goods (i.e. goods designed by Paco Rabanne) under its mark.”

47. I infer that the opponents' concern is that use of a similar mark on so called urban wear clothing and bags would damage (in the sense of tarnish) their reputation for 'designer goods'. The reference to designer goods tends to over inflate the specific nature of the opponents' reputation. Whatever wider reputation Paco Rabanne may be able to claim, on the basis of my above findings I am concerned here solely with a reputation under the mark XS in relation to perfumery. The specific question is, therefore, whether the opponents' reputation in perfumery will be tarnished by use of the applicants' mark in relation to any of the goods applied for (including the so called urban wear).

48. In *Oasis Stores Ltd's Trade Mark Application*, [1998] RPC 631 the Hearing Officer indicated that:

“By 'damaged or tarnished' I mean affected in such a way so that the value added to the goods sold under the earlier trade mark because of its repute is, or is likely to be, reduced on scale that is more than de minimis.”

49. He went on to refer to the following passage from *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 where Jacob J gave the following dictum on the scope of Section 10(3) of the Act which contains the same wording as Section 5(3):

“I only note that it might cater for the case where the goods were vastly different but the marks the same or similar and the proprietor could show that the repute of his mark was likely to be affected. The sort of circumstances of the Dutch *Claeryn/Klarein* (mark for gin infringed by identical sounding mark for detergent, damage to the gin mark image), may fall within this kind of infringement, even though they do not fall within section 10(2) because there is no likelihood of confusion as to trade origin.”

50. It has been said many times that Section 5(3) is not there to give marks unduly extensive protection. It is not enough for consumers to simply make some form of association between the marks. It has to be established that the reputation of the earlier trade mark would be damaged in some material fashion. Having regard to the extent of the reputation established (moderate), the degree of similarity between the marks (again only moderate) and the distance between the goods I am unable to conclude that there will be any material impact on the reputation of the opponents’ mark. The section 5(3) objection fails.

Section 5(4)(a)

51. This reads:

“(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or
- (b) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

52. The conventional test for determining whether the opponents have succeeded under this section has been restated many times and can be found in the decision of Mr Geoffrey Hobbs QC sitting as the Appointed Person, in *WILD CHILD Trade Mark* 1998 RPC 455. Adapted to opposition proceedings, the three elements that must be present can be summarised as follows:

- (1) that the opponents’ goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the applicants (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the applicants are goods or services of the opponents, and

- (3) that the opponents have suffered or are likely to suffer damage as a result of the erroneous belief engendered by the applicants' misrepresentation.

53. The opponents' case under Section 5(4)(a) is not, of course, based on or restricted to the goods of their earlier trade marks. It is the opponents' claim that their reputation under the mark XS is as provider of designer goods and that the elements of the passing off test should be approached with this in mind. In formulating their ground under Section 5(4)(a) they refer to a trade in "a wide variety of goods including perfumery, cosmetics and toiletry products, articles of clothing, footwear, headgear, articles made of leather or imitations of leather, bags, cases and luggage". That is an ambitious claim and one which, in my view, has not been substantiated on the basis of the evidence before me. The evidence and exhibited material is very largely directed towards a trade in perfumery items. To the extent that other items are shown it is not clear whether the toiletry bags and few clothing items etc. are simply promotional items or "sales staff stimulation" in support of the trade in perfumery or whether a trade is being conducted in such items in their own right. Either is possible (see *Daimler Chrysler AG v Alavi*, [2001] ETMR 98 at paragraph 18 et seq). On the basis of the evidence I am inclined to favour the view that what has been shown is the former type of use. I am left, therefore, with the clear impression that XS is essentially a Paco Rabanne sub-brand used in relation to perfumery products. In so far as the opponents' base their case under Section 5(4)(a) on a trade in a wider range of goods their case has not been made out.

54. There is nevertheless the view expressed by Mr Rawlence in his evidence that:

"..... the same trade mark is often used in the UK in respect of a variety of different but nevertheless related 'fashion' products such as perfume, bags and clothing items and that the public are used to such marketing strategies by brand owners."

55. Apart from the opponents' own claim in relation to XS, support for this proposition comes from material exhibited at AJR4 as follows (with Mr Rawlence's comments):

- "i) an extract from the website of www.staffservices.co.uk showing perfume being sold under the mark FENDI. 'FENDI' is, from my own knowledge, a well known name in the UK for Class 18 goods including 'bags' which are sold under the same trade mark;
- ii) a page taken from the UK website of the fashion magazine Vogue which mentions use of the trade mark FENDI in respect of 'handbags';
- iii) a page taken from a perfume retailing website at www.fragrancenet.com showing use of the trade mark DOLCE & GABBANA (which from my own knowledge is a well known trade mark in the UK for clothing and related 'fashion' products such as perfume) used in respect of a perfume product of the same name;

- iv) two pages from a DOLCE & GABBANA website showing use of the mark DOLCE & GABBANA in respect of bags, such as handbags. From my own knowledge, Dolce & Gabbana branded perfume, bags and of course clothing are currently sold in the UK;
- v) two pages from the Opponent's promotional material showing use of their house mark PACO RABANNE in respect of both perfumes and Class 18 goods."

56. I do not think it is likely to be disputed that there are a number of leading fashion houses who have expanded or diversified from their core activity and use the power of their brand to offer a range of fashion items. It is sometimes referred to as a diffusion range. It does not, however, follow that because this practice exists that it is universally followed by companies or traders in the fashion field. In the Wannabee case referred to above Mr Thorley dealt with a similar claim under Section 5(4) and concluded that:

"The question that falls to be decided is whether or not a notional and fair use by the Applicant of the mark Wannabee on perfume would be likely to lead to relevant confusion between that perfume and the opponent's shoes. There is no evidence that shoe manufacturers as a class have habitually extended their business into that of perfumery. The evidence, such as it is, seeks to draw a comparison between the reputation in Wannabee shoes with that of an established fashion house such as Chanel or Calvin Klein. I do not believe that this is justified in the case of this opponent on the evidence before me."

57. The opponents' evidence seems to me to suggest that where a brand has been used across a range of fashion items it is more likely to be the housemark or designer's name that is used rather than a sub-brand. But this may not always be so. A case which provides some support for a contrary conclusion is *Eternity Trade Mark* [1997] RPC 155. In that case, Calvin Klein Cosmetic Corporation successfully opposed the mark Eternity applied for in relation to clothing. They did so on the basis that their own use of Eternity for a range of toiletries and cosmetics was always in conjunction with the house name Calvin Klein. The evidence also showed that Mr Klein had an extensive reputation in both the fragrance and clothing fields. What these cases serve to demonstrate is that there are few universal truths and each case must in practice be decided on its own facts. On the facts before me here I find that the opponents are in no better position under Section 5(4)(a) than they were in relation to the other relative grounds objections.

58. Finally, the opponents' statement of grounds refers to a claim that the opponents' XS marks are entitled to protection under the Paris Convention as well known trade marks. I do not think that XS comes into the category of being a well known mark or, if it did, that it provides a better or different basis for attack than the grounds already considered.

59. The opposition has failed. The applicants are entitled to a contribution towards their costs. I order the opponents to pay them the sum of £1500. 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 27th day of November 2002

**M REYNOLDS
For the Registrar
the Comptroller-General**

ANNEX

Opponents' earlier trade marks:

No.	Mark	Class	Goods
1485240		03	Soaps, perfumes, perfumery, essential oils, cosmetics, hair lotions, dentifrices; all included in Class 3.
1528426		03	Soaps; perfumery; essential oils; cosmetics; hair lotions; dentifrices; all included in Class 3.
2225556		03	Soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices.

2006318		25	Articles of clothing for men and women, belts, scarves, gloves, footwear, headwear.