

O/589/20

TRADE MARKS ACT 1994

TRADE MARK REGISTRATION No. 3106561

IN THE NAME OF ZELLE STUDIO LIMITED

AND

APPLICATION 502777

BY HACHETTE FILIPACCHI PRESSE

FOR THE INVALIDATION OF THE REGISTERED TRADE MARK

Background and pleadings

1. Hachette Filipacchi Presse (“the applicant”) is the publisher of the well-established ELLE women’s magazine and the owner of four UK and EU trade marks registered in relation to, inter alia, publications, clothing, footwear and handbags. It seeks to invalidate the later-registered trade mark shown below in relation to clothing, footwear, headgear and handbags.



2. The ZELLE trade mark was applied for on 30th April 2015 and registered in classes 18 and 25 on 31st July 2015. The proprietor is Zelle Studio Limited (“the proprietor”).

3. The applicant’s two earlier UK marks (UK1241260 and UK1576959) consist of the word ELLE. They are registered in classes 18 and 25. The earlier EU trade marks (EU3566734 and EU3475365) are registered in classes 18 and 25 and 16 and 41, respectively. The EU marks consist of the word ELLE in the form shown below.

The word "ELLE" is shown in a large, bold, black, serif font. The letters are closely spaced and have a slightly distressed or textured appearance.

4. The application for invalidation was filed on 21st August 2019. It is based on section 47(2) of the Trade marks Act 1994 (“the Act”). The applicant claims that the registration of the contested mark was contrary to sections 5(2)(b) and 5(3) of the Act. This is because:

- The goods for which the contested mark is registered are identical or highly similar to the goods in classes 18 and 25 for which three of the four earlier marks are registered;
- The marks are similar and there is a likelihood of confusion amongst the public, including the likelihood of association;
- ELLE has a reputation in the UK and EU in relation to 'periodicals' in class 16 and 'publishing of periodicals, magazines and publications of any type or form, including electronic and digital publications' as services in class 41;
- Use of the contested mark would, without due cause, take unfair advantage of, and/or by detrimental to, the reputation and/or distinctive character of the ELLE mark;
- This includes taking unfair advantage by indicating that the contested mark is used by the proprietor of the ELLE trade mark.

5. All four of the applicant's earlier trade marks were registered more than five years before the date of filing of the application for invalidation, and more than five years before the date of the application to register the contested trade mark. Therefore, the earlier marks are subject to the proof-of-use requirements in sections 47(2A) and (2B) of the Act.

6. The proprietor filed a counterstatement denying the grounds for invalidation. I note that the proprietor:

- Denied that the respective marks are similar;
- Admitted that the respective goods in classes 18 and 25 are similar;
- Denied that there was, or is, a likelihood of confusion;
- Put the applicant to proof of use of the earlier trade marks;
- Denied that the earlier ELLE trade mark has the reputation claimed by the applicant;
- Put the applicant to proof of the claimed reputation;
- Denied that use of the contested mark took unfair advantage of, and/or was detrimental to, the reputation or distinctive character of the earlier ELLE mark.

7. Both sides seek an award of costs.

The evidence

The applicant's evidence

8. The applicant filed evidence-in-chief in the form of a witness statement (with 15 exhibits) by Ms Mariette Colineau, who has worked for the applicant for 15 years. She is legal counsel in charge of the applicant's Trade Mark Department.

9. Ms Colineau's evidence is that ELLE has been used in the UK since 1985 as the name of a popular fashion magazine published by an associated company called Hachette Filipacchi UK Limited. As well as commercial sales, large numbers of copiers of ELLE are provided free at major fashion events, such as The London Fashion Show. Ms Colineau claims that according to a source called ABC, the printed version of the magazine was read by 714k readers per month between July 2014 and July 2015. And according to another source called NRS, the elle.co.uk website received 850k unique visits per month during 2015.

10. ELLE has 44 international websites. Ms Colineau says that, in the UK, Google analytics shows that between October 2014 and October 2015, Elle had 1.1m followers on Twitter and 630k followers on Instagram. It also had 35k daily likes/share/comments on Facebook as well as 2.2m views on YouTube.

11. In support of these claims Ms Colineau provides:

- Five copies of the covers and selected pages from ELLE magazine published between April 2014 and 2018;¹
- Certified circulation figures from ABC showing that in 2014 ELLE had an average monthly UK circulation of around 140k printed magazines, of which around 12k copies were given away without charge, and that in 2016 ELLE

¹ See exhibit 14

had an average monthly UK circulation of around 150k, of which around 30k copies were given away without charge.²

- Certified circulation figures from ABC showing that in 2014 and 2016 ELLE had an average monthly UK circulation of around 2k digital versions of the magazine.³
- In March 2013, The Telegraph dedicated its fashion section to the magazine's French Editor and described ELLE as "*the world's most commercially successful fashion magazine.*"⁴

12. Ms Colineau gives evidence that between 2010 and 2018 ELLE was used in the UK in relation to clothing under a licence granted to Kamani Design. On 31st December 2018, the licence was transferred to Kenni Design Limited and, since that company went into liquidation, to The T-Shirt Guy Limited.

13. In support of this claim Ms Colineau provides:

- 23 advertisements from the UK edition of Elle magazine between 2012 and 2018 promoting sportswear for women under the mark ELLESPORT and the mark shown below.⁵



- 5 invoices from 2010 from Kamani to a firm called Brand Alley in London for 9943 items of clothing, such as hoodies, T-shirts, bra tops, support vests, vests, tracksuits, pants, sweat jackets and shorts, under the mark shown below.⁶

² See exhibit 15

³ See exhibit 15

⁴ See exhibit 13

⁵ See exhibit 2

⁶ See exhibit 3

ELLE SPORT

- 198 invoices dated between November 2018 and March 2019 from The T-Shirt Guy Limited to TJX UK for around 72k items of clothing, such as tights, tops, bras, vests, sweatshirts, hoodies, casual jackets and singlets, under the mark ELLE SPORT.⁷
- Sales figures showing that Kamani sold between £1m and £3.4m worth of clothing in the UK in the years 2009 to 2018 under the marks mentioned above.
- A breakdown of UK sales for 2009 to 2018 showing that sales of ELLE SPORT clothing were made to TK MAXX Apparel, M & M Direct, The Original Factory Shop, Brand Alley, Next, ASOS, Amazon, and that sales were made via the website ellesport.co.uk.

14. Ms Colineau claims that between 2013 and 2016 the ELLE mark was licensed to a firm called Dresco for use in the UK in relation to footwear. In support of this claim she provides:

- Copies of the licensee's Autumn/Winter 2014/15 and Spring/Summer 2015/16 catalogues showing the ELLE mark (in the form in which the EU marks are registered) in use in relation to a wide range of shoes, boots and sandals.⁸
- 14 invoices dated between November 2014 and June 2016 from Dresco in France to STE TJX Europe Buying Limited in Watford for over 13k items of footwear under the ELLE mark.⁹

15. Ms Colineau claims that the applicant licensed the ELLE mark to New Caro Paris between 2013 and 2016 for use in France in relation to 'leather goods and bags'. According to Ms Colineau, the licensee sold ELLE goods from a dedicated website at ellebags.fr.

⁷ See exhibit 4

⁸ See exhibit 6

⁹ See exhibit 7

16. Ms Colineau further claims that the ELLE mark was licensed between 31st August 2016 and 31st August 2017 to a firm called Global CL Designs for use in France and Germany in relation to the same goods.

17. In support of these claims she provides:

- Copies of catalogues (in English) she says were produced by the licensees for 2014 (Caro) and 2016 (Global CL Designs) showing ELLE (in the form in which the EU marks are registered) in use in relation to a wide range of handbags and purses.¹⁰
- An extract from a newsletter sent to the applicant's licensees in early 2014 showing that ELLE had a booth at a trade fair in Paris in January 2014 promoting ELLE hand bags.¹¹
- Declarations of sales from Caro showing that over 4k ELLE products were sold in France (including its overseas departments) in 2013, and over 12k ELLE products in 2014.¹²
- Two invoices from Global CL Designs dated in November and December 2015 addressed to firms in France and Germany for ELLE bags.¹³

The proprietor's evidence

18. The proprietor subsequently filed evidence consisting of a witness statement (with 8 exhibits) by Ms Yvonne Lin, who is a director of the applicant. Ms Lin's evidence is that the proprietor has used the contested mark since 2015 in relation to high quality, high value clothing ranging in price from £100 to £1200 per item. The clothing includes tops, knitwear, coats and jackets, dresses, jumpsuits, trousers, skirts and accessories, such as scarves.

19. Initially, the cloths were sold through the proprietor's website at zellestudio.com, but since February 2017 the goods have also been sold from the proprietor's single

¹⁰ See exhibit 8

¹¹ See exhibit 9

¹² See exhibit 10

¹³ See exhibit 11

shop in London. The contested mark is applied to the goods and used on the proprietor's shop and in advertising.

20. The proprietor spends around £30k per year on advertising and since 2015 has turned over between around £900 (in 2015) and £200k (in 2018) under the contested mark.

21. Ms Lin says that the word 'Zelle' was selected as an invented word which, to her knowledge, was not used in the clothing business.

22. Ms Lin is unaware of any evidence of confusion, or any kind of link having been made, between the contested mark and ELLE. None has been brought to her attention by her staff or by third parties.

23. I pause here to note that Ms Lin's evidence did not include anything which challenged or countered the applicant's evidence of use of the earlier trade marks, or the reputation claimed for ELLE in relation to periodical publications. I also note that no written submissions were received with Ms Lin's evidence, or at any other time during the evidence rounds, which challenged the accuracy or sufficiency of the applicant's evidence about the use and reputation of the ELLE trade mark in the UK. However, when filing the proprietor's evidence its representative expressly reserved the right to file written submissions later in the proceedings.

24. The applicant filed no evidence in reply to the proprietor's evidence.

Representation

25. The applicant is represented by Stobbs, trade mark attorneys. The proprietor is represented by Boulton, Wade and Tennant LLP, who are also trade mark attorneys. Neither party requested a hearing. Both sides filed written submissions in lieu of a hearing.

The applicant's reliance on facts not covered by its evidence

26. The applicant's written submissions were accompanied by four annexes purporting to show (1) the size of the market for 'fashion goods', (2) that 'studio' is a term commonly used in the fashion/clothing/handbag trade to designate a place where fashion designers design, make or present their products, (3) that Zelle and Elle are girl's forenames, and (4) it is common for the same trade mark to be used in relation to fashion magazines and clothing. The registrar rejected the factual material filed as annexes because they constituted an attempt to establish facts that should properly have been the subject of the applicant's evidence-in-chief. The applicant was given 7 days within which to make an application, if it wished, for leave to file the material in the annexes as additional evidence under cover of a witness statement (or similar). Instead, the applicant's representatives opted to re-submit its written submissions without the annexes. It nevertheless maintained that the facts which they were purported to show should still be taken into account in this decision.

27. In *Chorkee Ltd v Cherokee Inc.*,¹⁴ Ms Anna Carboni, as the Appointed Person, described the limits to which judicial notice can be used in order to find that the average consumer is aware of particular facts. She said:

"While the Applicant contended in its Counterstatement that the earlier marks would be recognised to refer to the Cherokee tribe and that the tribe was well known to the general public, no evidence was submitted to support this. By accepting this as fact, without evidence, the Hearing Officer was effectively taking judicial notice of the position. Judicial notice may be taken of facts that are too notorious to be the subject of serious dispute. But care has to be taken not to assume that one's own personal experience, knowledge and assumptions are more widespread than they are."

In that case the Appointed Person found that although the Hearing was entitled to take judicial knowledge of the fact that CHEROKEE was the name of a tribe of native

¹⁴ Case BL O/048/08

Americans, he was not entitled to attribute this knowledge to the average UK consumer of clothing.

28. I am not aware of the facts alleged at paragraph 26 above, except that ELLE is a female forename, e.g. Elle McPherson (which is common ground anyway). In the absence of evidence, I cannot therefore attribute knowledge of the other alleged facts to the relevant average consumer.

Procedural economy

29. The applicant relies on two earlier UK trade marks and earlier EU trade mark EU3566734 to support its case under s.5(2)(b) of the Act. The EU trade mark appears to be marginally more similar to the contested mark than the earlier UK marks. This is because the stylisation of the letters ELLE in the EU mark resembles the stylisation of the letters ZELLE in the contested mark. The EU mark covers all the goods in classes 18 and 25 for which the earlier UK marks are registered. Further, in addition to the evidence of use of ELLE in the UK, the applicant has provided some evidence of use of the EU trade mark in France and Germany. This may assist in showing genuine use of the EU trade mark, which cannot assist in showing genuine use of the UK marks. In these circumstances, I will limit my assessment of the applicant's s.5(2) case to EU3566734. If it fails on this mark it will be no better off with its earlier UK marks.

The statutory provisions

30. The relevant parts of s.47 of the Act are as follows:

“(2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground-

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

(b) -,

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

(2ZA) -

(2A) The registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if –

(a) the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with their consent in relation to the goods or services for which it is registered-

(i) within the period of 5 years ending with the date of application for the declaration, and

(ii) within the period of 5 years ending with the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application where, at that date, the five year period within which the earlier trade mark should have been put to genuine use as provided in section 46(1)(a) has expired, or

(b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

(a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or

not the trade mark in the variant form is also registered in the name of the proprietor), and

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

(2D) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Community.

(2DA) -

(2E) 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.

(2F) -

(2G) An application for a declaration of invalidity on the basis of an earlier trade mark must be refused if it would have been refused, for any of the reasons set out in subsection (2H), had the application for the declaration been made on the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application.

(2H) The reasons referred to in subsection (2G) are-

(a) -

(b) that the application for a declaration of invalidity is based on section 5(2) and the earlier trade mark had not yet become sufficiently distinctive to support a finding of likelihood of confusion within the meaning of section 5(2);

(c) that the application for a declaration of invalidity is based on section 5(3)(a) and the earlier trade mark had not yet acquired a reputation within the meaning of section 5(3).

(3) -

(4) -

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(5A) An application for a declaration of invalidity may be filed on the basis of one or more earlier trade marks or other earlier rights provided they all belong to the same proprietor.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made: Provided that this shall not affect transactions past and closed.”

31. Section 5(2)(b) of the Act is as follows:

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

(a) -

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark”.

32. Section 5(3) states:

“(3) A trade mark which-

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

33. Section 5(3A) states:

“(3A) Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected.”

Proof of use of earlier trade marks EU3566734 and EU3475365

34. The applicant must show genuine use of the earlier marks in the periods 1st May 2010 to 30th April 2015 and 22nd August 2014 to 21st August 2019.

35. For the purposes of its s.5(3) case, the applicant relies on the registration of EU3475365 in relation to *periodicals* in class 16 and *publishing of periodicals, magazines and publications of any type or form, including electronic and digital publications* as services in class 41.

36. For the purposes of its s.5(2) case, the applicant relies on the registration of EU3566734 in relation to *leather goods and luggage of all kinds, including bags, hand bags, travel bags and evening bags* in class 18 and *clothing in general, in particular underclothing, lingerie items, night clothing, trousers, knickers, shorts, pants, jumpsuits, shirts, undershirts, tee-shirt, pullovers, sweaters, knitwear, vests, jackets, raincoats, anoraks, coats, overcoats, skirts, dresses, cover-ups, scarves, shawls, sports clothing, gloves, belts, footwear, boots, slippers, sandals, sports footwear, except for stockings, socks and tights* in class 25.

37. The applicant must therefore show genuine use of the earlier marks in relation to the goods/services set out above during the relevant periods.

38. Section 100 of the Act states that:

“100. 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.”

Potential procedural unfairness

39. The written submissions provided on behalf of the proprietor in lieu of a hearing included a detailed critique of each of the exhibits to Ms Colineau’s witness statement. Some of the matters raised are points of law, for example whether use of ELLESPORT counts as use of the earlier trade marks. Some of the other points

raised go to an appropriate notional specification for any use shown. These submissions are entirely appropriate. The proprietor's critique of the applicant's evidence also includes multiple detailed criticisms going to the accuracy and sufficiency of the applicant's evidence of use. It is not unusual or inappropriate for such submissions to be made at the conclusion of the proceedings. And I bear in mind that the onus is on the party bearing the burden of proving use to file its best case as evidence in chief. However, where the party challenging the evidence appears to have avoided criticising the accuracy or sufficiency of it during the written procedure, only to unveil an extensive attack on its accuracy and sufficiency after the evidence rounds have closed, there is potential for unfairness. This is because the party launching the belated attack on the other side's evidence may have effectively denied that party the opportunity of replying to its criticisms in evidence-in-reply. There can be no hard and fast rule. Whether the timing of the attack is unfair will depend on the nature and the extent of the attack on the evidence of use. In this case, I consider that the way that the proprietor's case has been run has the potential to unfairly prejudice the applicant. Consequently, if it had affected the outcome, I would have considered giving the applicant the opportunity to make an application to file additional evidence. However, for reasons that will become apparent, nothing turns on the proof-of-use decision. And in any event, I find that I would have come to the same conclusions with or without the proprietor's multiple challenges to the accuracy and sufficiency of the evidence of use.

Proof-of-use decision

40. In *Walton International Ltd & Anor v Verweij Fashion BV*¹⁵ Arnold J. (as he then was) summarised the law relating to genuine use as follows:

“114.....The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 Ansul BV v Ajax Brandbeveiliging BV [2003] ECR I-2439, La Mer (cited above), Case C-416/04 P Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs) [2006] ECR I-4237, Case C-442/07 Verein Radetsky-Order v

¹⁵ [2018] EWHC 1608 (Ch)

Bundervsvereinigung Kamaradschaft 'Feldmarschall Radetsky' [2008] ECR I-9223, Case C-495/07 Silberquelle GmbH v Maselli-Strickmode GmbH [2009] ECR I-2759, Case C-149/11 Leno Marken BV v Hagelkruis Beheer BV [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG [EU:C:2013:592], [2014] ETMR, Case C-141/13 P Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs) [EU:C:2014:2089] and Case C-689/15 W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

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

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: Ansul at [36]; Sunrider at [70]; Verein at [13]; Leno at [29]; Centrotherm at [71]; Reber at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: Ansul at [36]; Sunrider at [70]; Verein at [13]; Silberquelle at [17]; Leno at [29]; Centrotherm at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: Gözze at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to

secure customers are under way, particularly in the form of advertising campaigns: Ansul at [37]. Internal use by the proprietor does not suffice: Ansul at [37]; Verein at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: Silberquelle at [20]-[21]. But use by a non-profit making association can constitute genuine use: Verein at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial raison d'être of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: Ansul at [37]-[38]; Verein at [14]; Silberquelle at [18]; Centrotherm at [71]; Reber at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: Ansul at [38] and [39]; La Mer at [22]-[23]; Sunrider at [70]-[71], [76]; Leno at [29]-[30], [56]; Centrotherm at [72]-[76]; Reber at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor.

Thus there is no de minimis rule: Ansul at [39]; La Mer at [21], [24] and [25]; Sunrider at [72] and [76]-[77]; Leno at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: Reber at [32].”

41. The evidence clearly shows use of ELLE in the form registered, during both the relevant periods, in relation to printed magazines. I therefore find that the applicant is entitled to rely on EU3475365 in relation to *periodicals* in class 16.

42. The evidence also shows that a digital version of the magazine was being provided in 2014 and 2016. I therefore find that the applicant is entitled to rely on EU3475365 in relation to *publishing of periodicals, magazines, including electronic and digital publications* as services in class 41.

43. The proprietor’s criticisms of the applicant’s proof of use of EU3566734 in relation to goods in class 25 include:

- Although there are invoices showing sales of clothing in 2010 and 2018, there are none for 2011 – 2017;
- The exhibits relating to clothing show use of ELLE SPORT, not the registered mark;
- The use shown relates only to sports clothing;
- The sales figures provided are not broken down into categories of goods;
- Although there are catalogues for 2014 and 2015 showing ELLE used by Dresco, the applicant’s licensee, in relation to shoes, there are no catalogues from any other times during the relevant periods;
- There is no evidence that these catalogues were distributed or where;
- The invoices filed showing sales of ELLE shoes are all dated in just two years of the relevant periods, 2014 and 2016, and are all addressed to just one outlet in the UK.

44. Similar criticism are levelled at the applicant's evidence of use of EU3566734 in relation to class 18 goods. In addition, it is pointed out that the applicant's evidence only shows use of ELLE in relation to bags, not leather goods at large. Further, the proprietor disputes that the level of sales of ELLE bags shown in the evidence is sufficient to constitute genuine use of the mark.

45. The proprietor is correct to point out that most of the use shown in relation to clothing is use of the mark ELLESPORT, usually in the form shown in the second bullet of paragraph 13 above. However, there is also evidence of use the mark as registered during both the relevant periods: see the first bullet of paragraph 13 above. This is sufficient to constitute genuine use of EU3566734. Further, it is well established that use of a registered trade mark as part of another mark may constitute genuine use of the registered mark, provided that it continues to be perceived as indicating the trade origin of the goods.¹⁶ The proprietor points out that the clothing shown in the applicant's evidence is sportswear. In these circumstances it could not be clearer that ELLE (in the form registered or in plain letters) indicates the trade origin of the goods. Use of the composite mark therefore counts as use of EU3566734.

46. Most of the proprietor's other criticisms are the result of a forensic analysis and dissection of the applicant's evidence. The correct approach is to consider the evidence as a whole. Considered as a whole, it is clear that the applicant has made use of EU3566734 in relation to clothing in the UK during the relevant periods, and that the purpose of this use was to create and maintain a market for such goods.

47. Use of the mark in one (now, ex) Member State of the EU may constitute genuine use in the EU.¹⁷ This is because the geographical scope of the use is but one of the criteria for assessing whether there was genuine use of the mark in the EU. The scale and length of the use, together with evidence of active promotion of the mark in the applicant's magazine in relation to clothing, point strongly to genuine use of the mark in the EU. In my view, the use shown of EU3566734 is sufficient to

¹⁶ *Colosseum Holdings AG v Levi Strauss & Co.*, Case C-12/12

¹⁷ *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11

establish genuine use of the mark in relation to clothing during both the relevant periods.

48. However, the proprietor is right to point out that the category of clothing shown in the evidence is limited to sportswear. The protection afforded to the earlier mark should therefore be limited in this regard to *“clothing, all being sportswear.”*

49. There is more room for argument as to whether the use shown of EU3566734 in relation to footwear amounts to genuine use of the mark in the EU during the relevant periods. The scale and length of the use are more limited, although it does overlap the two relevant periods. Further, there is little evidence of active promotion of the mark in relation to footwear. Nevertheless, I find that sales of over 13k pairs of shoes, boots and sandals over a period of 20 months would be *“viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods.....in question.”* It makes no difference that these sales were made to one UK importer of the footwear. It is reasonable to infer that these goods were placed on the UK market. On balance, I find that there was genuine use of EU3566734 in the EU during the relevant periods in relation to footwear.

50. I accept that the evidence shows use of EU3566734 in France during 2013 and 2014 by Caro, the applicant’s licensee, in relation to bags. However, the scale of such use appears small. Further, there is no clear evidence that Caro continued such use beyond 22st August 2014 (i.e. the start of the second relevant period) or, if it did, on what scale. There is evidence that Global CL Designs made some sales of ELLE bags in Germany and France in 2015. However, according to Ms Colineau the company was not appointed as a licensee until 31st August 2016. There is no explanation as to how else these sales were made with the applicant’s consent. They cannot therefore be accepted as evidence of genuine use of EU3566734 during the second relevant period. I conclude that the evidence is insufficient to establish genuine use of the mark during the second relevant period in the EU in relation to bags or leather goods in class 18. Consequently, the applicant is not entitled to rely on the registration of EU3566734 in class 18 for the purposes of these proceedings.

The ground for invalidation based on s.47(2) and s.5(2)(b) of the Act

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

The principles

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

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

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

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

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

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

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

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

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

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

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

Comparison of goods

52. The respective goods are set out below:

The contested mark	EU3566734
Class 18: Ladies handbags. Class 25: Clothing, footwear, headgear; clothing made of leather	Class 25: Sportswear; footwear

53. *Footwear* is present in both lists of goods. These goods are self-evidently identical.

54. In *Gérard Meric v OHIM*¹⁸ the General Court of the EU stated that:

“29. the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 Institut fur Lernsysteme v OHIM-Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

55. Applying this guidance, I find that *clothing* and *clothing made of leather* are identical to *sportswear* (which can be made of leather).

56. In the judgment of the CJEU in *Canon*,¹⁹ 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”.

57. One of the purposes of *sportswear* is to shield the body from the elements. *Headgear* serves the same purpose. *Headgear* is also used for sports, e.g. baseball caps. Although they are not in competition, the respective goods may be complementary. I find these goods are similar to a medium degree.

58. In *Gitana SA, v OHIM*,²⁰ the General Court of the EU considered the similarity between goods in class 18, such as bags, and clothing and shoes in class 25. The stated that:

¹⁸ Case T- 133/05

¹⁹ Case C-39/97

²⁰ Case T-569/11

“45. Moreover, in respect of the relationship between the ‘goods in leather and imitations of leather’ in Class 18 covered by the trade mark sought and the goods in Class 25 covered by the earlier mark, it is apparent also from settled case-law that the ‘goods in leather and imitations of leather’ include clothing accessories such as ‘bags or wallets’ made from that raw material and which, as such, contribute, with clothing and other clothing goods, to the external image (‘look’) of the consumer concerned, that is to say coordination of its various components at the design stage or when they are purchased. Furthermore, the fact that those goods are often sold in the same specialist sales outlets is likely to facilitate the perception by the relevant consumer of the close connections between them and support the impression that the same undertaking is responsible for the production of those goods. It follows that some consumers may perceive a close connection between clothing, footwear and headgear in Class 25 and certain ‘goods made of these materials [leather and imitations of leather] and not included in other classes’ in Class 18 which are clothing accessories. Consequently, clothing, shoes and headgear in Class 25 bear more than a slight degree of similarity to a category of ‘goods made of these materials [leather and imitations of leather] and not included in other classes’ in Class 18 consisting of clothing accessories made of those materials (see, to that effect, *PiraÑAM diseño original Juan Bolaños*, paragraph 42 above, paragraphs 49 to 51; *exē*, paragraph 42 above, paragraph 32; and *GIORDANO*, paragraph 42 above, paragraphs 25 to 27).”

59. Admittedly, the similarity between *sportswear* and *ladies handbags* is less obvious than it would be if the earlier mark was entitled to protection in relation to more formal clothing, such as gloves, coats and dresses *per se*. Nevertheless, it remains possible for a women’s handbag to coordinate with items of sportswear, such as sports jackets. In any event, the earlier mark is protected for *footwear*. There is a clear complementary relationship between women’s handbags and shoes/boots. I therefore find that *ladies handbags* are similar to a medium degree to (at least) *footwear*.

Average consumer and the selection process

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

61. It is common ground that the average consumer in this case is a member of the general public who will pay an average or 'normal' degree of attention during the selection process.

62. It is submitted on behalf of the proprietor that the selection process will be mainly a visual one where the goods selected mainly from displays in shops, or from catalogues or websites. This accords with my own experience as a consumer. It also accords with the case-law. For example, in *Quelle AG v OHIM*²¹ the General Court stated that:

"68..... If the goods covered by the marks in question are usually sold in self-service stores where consumers choose the product themselves and must therefore rely primarily on the image of the trade mark applied to the product, the visual similarity between the signs will as a general rule be more important. If on the other hand the product covered is primarily sold orally, greater weight will usually be attributed to any phonetic similarity between the signs (NLSPORT, NLJEANS, NLACTIVE and NLCollection, paragraph 53 supra, paragraph 49).

69. Likewise, the degree of phonetic similarity between two marks is of less importance in the case of goods which are marketed in such a way that, when making a purchase, the relevant public usually perceives visually the mark designating those goods (BASS, paragraph 56 supra, paragraph 55, and Case T-301/03 Canali Ireland v OHIM – Canal Jean (CANAL JEAN CO. NEW YORK) [2005] ECR II-2479, paragraph 55). That is the case with respect to the goods at issue here. Although the applicant states that it is a mail order company, it does

²¹ Case T-88/05

not submit that its goods are sold outside normal distribution channels for clothing and shoes (shops) or without a visual assessment of them by the relevant consumer. Moreover, while oral communication in respect of the product and the trade mark is not excluded, the choice of an item of clothing or a pair of shoes 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 (NLSPORT, NLJEANS, NLACTIVE and NLCollection, paragraph 53 supra, paragraph 50). The same is true of catalogue selling, which involves as much as does shop selling a visual assessment of the item purchased by the consumer, whether clothing or shoes, and does not generally allow him to obtain the help of a sales assistant. Where a sales discussion by telephone is possible, it takes place usually only after the consumer has consulted the catalogue and seen the goods. The fact that those products may, in some circumstances, be the subject of discussion between consumers is therefore irrelevant, since, at the time of purchase, the goods in question and, therefore, the marks which are affixed to them are visually perceived by consumers.”

63. I therefore conclude that the selection process for all the goods covered by the contested mark is primarily a visual one. However, as word-of-mouth recommendations may play some part in the selection process it is also necessary to give some, albeit relatively less, importance to how the marks sound.

Distinctive character of the earlier mark

64. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* the CJEU stated that:

*“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in *Joined**

Cases C-108/97 and C-109/97 Windsurfing Chiemsee v Huber and Attenberger [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see Windsurfing Chiemsee, paragraph 51).”

65. The applicant submits that the earlier mark is inherently highly distinctive because it does not describe the goods or their characteristics. By contrast, the proprietor argues that the earlier mark is inherently distinctive to an average degree. I prefer the proprietor’s submission. Despite consisting of the French word for ‘she’, ELLE is not descriptive of (women’s) sportswear or footwear. The parties appear to agree that it will be recognised as a female forename. So even those without a very basic understanding of French will see it as a name rather than as an invented word. In my view, it is a word with an average degree of inherent distinctiveness in relation to clothing etc.

66. The applicant submits that the earlier mark has acquired an enhanced distinctive character as a result of its use and the reputation acquired in relation to fashion magazines and associated publishing services. The proprietor points out that the applicant’s pleaded case under s.5(2) did not include a claim that the earlier marks had acquired an enhanced distinctive character through use. Indeed, it is not clear from the applicant’s submissions whether, even now, its claim of enhanced distinctiveness extends to the goods in class 25 relied on to found its s.5(2) case. I accept that, in principle, a mark used primarily in relation to a fashion magazine could also acquire an enhanced distinctive character for fashion goods sold through the magazine under the same trade mark. However, although the applicant’s

licensee appears to have made significant sales of sportswear under the mark this is only likely to have accounted for a tiny fraction of the UK market for clothing, or even sportswear. At most, the earlier mark may have acquired a modest uplift in distinctiveness as a result of such use. For the purposes of this decision I will proceed on the basis that the earlier mark has an above-average degree of distinctiveness in relation to the goods in class 25.

Comparison of marks

67. The CJEU stated at paragraph 34 of its judgment in *Bimbo SA v OHIM*²² 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 marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

68. The respective trade marks are shown below:

	
Earlier trade mark	Contested trade mark

²² Case C-591/12P

69. The applicant submits that *“in view of the simplistic nature of the figurative elements of the mark (namely, the black square and separating white line), the average consumer will be drawn to the verbal elements ZELLE and STUDIO as the means of referring to goods under this mark.”* By contrast, the proprietor submits that *“the word elements [of the contested mark] are presented in white and are juxtaposed against a striking black background.”* In my view, average consumers will view the black background of the contested mark as just that – a background. I accept that the black background with the horizontal line separating ZELLE from STUDIO are not ‘negligible.’ They make a contribution to the overall impression created by the mark. Nonetheless, the dominant and distinctive element of the contested mark is plainly the words ZELLE STUDIO, of which ZELLE predominates over STUDIO, due to its size and position within the mark.

70. The applicant submits that the earlier mark is visually highly similar to the contested mark because (a) the word ZELLE dominates the contested mark, (b) the words ZELLE and ELLE share 4 letters in the same order, (c) the stylisation of the letters is the same, both using a serif typeface, (d) the additional first letter ‘Z’ in the contested mark does not make enough impact to distinguish the marks.

71. The proprietor submits that (a) because consumers read from left to right, the additional first letter ‘Z’ in ZELLE makes a significant impact, (b) the second word STUDIO also helps to distinguish the contested mark from the earlier mark, and (c) the background, including the “striking” horizontal line separating ZELLE from STUDIO also helps to distinguish the marks from a visual perspective. The proprietor points out that the applicant’s pleaded case did not allege any similarity arising from the use of similar typefaces. Therefore, the proprietor does not consider it necessary to address this point.

72. The submission about the impact of the “striking” horizontal line in the contested mark is clearly exaggerated. Subject to this caveat, I accept the proprietor’s submissions as set out at (a) to (c) of the preceding paragraph. With regard to point

(a), it is well established that, as a general rule, the beginnings of marks make more impact on consumers than the endings.²³

73. I do not consider that the applicant's failure to specifically plead the point about the use of similar typefaces prevents it from making this submission at this stage of the proceedings. The applicant claimed from the outset that the marks are similar. The use of similar typefaces is apparent from just looking at the marks. The proprietor clearly was not surprised by the applicant pointing this out in submissions. Indeed, it appears to have anticipated that the applicant would do so. The typeface(s) at issue do not appear to be so unusual that they would be likely to catch the eye and make a big impression. Therefore, whilst I agree that the use of similar serif typefaces marginally increases the degree of visual similarity between the marks, I do not think it makes much difference to the overall degree of visual similarity between the marks.

74. Taking everything into account, including the fact that ZELLE includes the letters E-L-L-E in the same order, I find that there is a low-to-medium degree of overall visual similarity between the marks.

75. Turning to the level of aural similarity, I accept the applicant's submission that the contested mark will be pronounced ZEL-STU-DEE-OH and the earlier mark as EL. However, I do not accept the applicant's further submission that average consumer's will not verbally express STUDIO because of its secondary position in the contested mark. I do not find the word STUDIO to be so secondary to ZELLE that the contested mark will likely be expressed as just ZEL. I do, however, accept that the additional 'Z' makes less of an aural difference between ZEL and EL than would be the case with a 'harder' sounding letter, such as a 'T'.

76. Taking everything into account, I find that there is a low-to-medium degree of overall aural similarity between the marks.

²³ See, for example, *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02

77. The parties agree that ELLE will be recognised as a female forename. However, the proprietor submits that ZELLE will be regarded as an invented word, whereas the applicant submits that ZELLE will also be recognised as a female forename. According to the applicant, this introduces a high degree of conceptual similarity.

78. I am 62 years old and have never met or heard of anyone called ZELLE. If it is a female forename it must be a rare one, at least in the UK. In the absence of evidence, I do not accept that average UK consumers are likely to recognise ZELLE as a female forename. In my view, they are more likely to view it as a coined word, or perhaps a foreign word. I would not have come to a different conclusion if the applicant had filed annex C to its original written submissions as evidence showing that a US website recorded ZELLE as the 20,535th most popular girls name in 2019.

79. It follows that I find no conceptual similarity between the marks.

Likelihood of confusion

80. I see no likelihood of direct confusion between the marks. This is because of the relatively modest degree of overall visual and aural similarity between them, coupled with the fact that ELLE has a meaning to average UK consumers (as a name and/or the French word for 'she') whereas the only element of the contested mark with any similarity to ELLE, i.e. ZELLE, has no obvious meaning. This will further help to distinguish the marks and avoid confusion.²⁴

81. I would have come to the same conclusion even if I had accepted the applicant's argument that ZELLE will also be recognised as a female forename. After all, the very purpose of names is to distinguish people. The mere fact that two words are forenames does not, therefore, increase the likelihood of confusion between them.

82. My conclusion would also have remained the same if I had accepted the applicant's argument that the contested mark would be verbalised as just ZELLE. Admittedly, such a finding would increase the degree of aural similarity between the

²⁴ See paragraph 26 of the judgment of the CJEU in *The Picasso Estate v OHIM*, Case C-361/04P

marks. However, this would not have made a material difference because I have found that the goods are selected primarily by eye.

83. In reaching these conclusions I have given due weight to the fact that some of the goods are identical and the earlier mark has an above-average degree of distinctiveness in relation to sportswear. These factors are insufficient to outweigh the immediately noticeable differences between the look, sound and meaning (or lack of meaning) of the marks. I have made allowances for a certain degree of imperfect recollection on the part of the public. However, I consider that the risk of confusion through imperfect recollection to be negligible, all the more so given that ELLE has a meaning by which it can be remembered, whereas ZELLE does not.

84. I also reject the likelihood of indirect confusion. I acknowledge that traders in clothing often use brands and variant sub-brands. However, the contested mark has no obvious connection to ELLE. It has a different look and feel about it. There is therefore no reason for anyone to think it is a sub-brand or offshoot of ELLE.

85. In reaching these conclusions I have given no weight to the proprietor's evidence of concurrent trading under the marks without evidence of confusion. I accept the applicant's submission that the limited scale of the proprietor's trade under the mark has not fully tested the potential for confusion. Further, the parties actual trade appears to be in different segments of the clothing market, whereas the test I must apply under s.5(2) requires me to consider the likelihood of confusion if the marks are used across the width of the respective specifications, i.e. in direct competition.

86. Nevertheless, for the reasons given above I reject the applicant's case under s.47(2) of the Act based on s.5(2).

The ground for invalidation based on s.47(2) and s.5(3) of the Act

87. The relevant date for assessing the s.47(2)/s.5(3) ground is the date of the application to register the contested trade mark, i.e. 30th April 2015.²⁵

88. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Adidas-Salomon*, Case C-487/07, *L'Oréal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora* and Case C383/12P, *Environmental Manufacturing LLP v OHIM*. The law appears to be as follows.

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

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

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

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

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the

²⁵ See sections 47(2H) and (2G) of the Act

future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77* and *Environmental Manufacturing, paragraph 34*.

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

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oréal v Bellure NV, paragraph 40*.

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

Reputation

89. In assessing whether the mark shown at paragraph 3 above and registered under EU3475365 had acquired a reputation by the relevant date, I 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.²⁶

90. The ELLE magazine had been published in the UK for 20 years prior to the relevant date. At that date it had a monthly distribution of around 140/150k printed copies. A couple of thousand digital copies were also distributed each month. According to Ms Colineau's evidence, the magazine was read by over 700k readers per month. It also had a substantial following in the UK on social media. None of this evidence was challenged during the evidence rounds. And although the proprietor still disputes the evidence shows the earlier mark had sufficient reputation to qualify for protection under s.5(3), it does not expressly challenge the truth Ms Colineau's evidence. I therefore accept what she says as fact.

91. There is no evidence of the market share held under the earlier mark. And apart from the applicant's UK website and give-aways of the magazine at fashion shows, there is little evidence of active promotion of the earlier mark. Nevertheless, the evidence as a whole shows that the earlier mark had a substantial reputation in the UK at the relevant date. A reputation in the UK also constitutes a reputation in the EU.²⁷ The reputation of the earlier mark was primarily in relation to *periodicals* in class 16. However, it also extended to closely related services in class 41, i.e. *publishing of periodicals, magazines, including electronic and digital publications*.

Link?

92. As noted above, my assessment of whether the public will make the required mental 'link' between the marks must take account of all relevant factors. The factors

²⁶ *General Motors*, paragraph 27

²⁷ See *Pago International GmbH v Tirolmilch registrierte GmbH*, Case C-301/07

identified in *Intel* are:

The degree of similarity between the conflicting marks

93. I considered this in paragraphs 67 to 79 above. I concluded that there is a low-to-medium degree of visual and aural similarity between the marks, and that the earlier mark has an immediately recognisable meaning, whereas the contested mark does not.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public

94. The applicant does not claim that the respective goods/services are similar, but it points to a connection between fashion magazines and clothing/footwear/handbags. I accept that readers of fashion magazines are potential consumers of the fashion goods that might be covered, or advertised, in the magazine. The applicant trades in magazines and licences its mark in relation to clothing/footwear/handbags. There is no evidence that this is common practice such that average UK consumers expect publishers of fashion magazines to also trade in clothing/footwear/handbags. Nevertheless, I accept that there is a certain closeness between the respective goods/services; they are not distant goods/services, such as clothing and (say) telecommunication services.

The strength of the earlier mark's reputation

95. Although it does not go far enough to establish that the earlier mark is in the 'household name' category of trade marks, I accept the applicant's evidence establishes that the earlier mark had a substantial reputation in the UK at the relevant date.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

96. The earlier mark has a 'normal' or average degree of distinctive character. However, the evidence shows that it had acquired a highly distinctive character through use by the relevant date in relation to the goods/services in classes 16 and 41.

Whether there is a likelihood of confusion

97. I can see why average consumers might think that ELLE clothing could be connected with the ELLE fashion magazine. However, I see no possibility of average consumers directly confusing the marks at issue. They are too different for that. And no matter how distinctive the ELLE magazine may be, I see no reason why average consumers would assume that ZELLE STUDIO clothing/footwear/handbags is connected with the ELLE periodical

Finding

98. The applicant submits that, even if there is no confusion, the reputation of the earlier mark is such that average consumers will make a link between the marks. I have carefully considered the argument based on the strength of the reputation of the earlier mark, the coincidence of the letters E-L-L-E in the words ELLE and ZELLE, and the use of similar typefaces. However, I find that the differences between the marks, including the fact that ELLE has an obvious meaning, whereas ZELLE does not, makes it unlikely that the public will make any link between the marks.

99. If that is right, the s.5(3)-based ground must also be rejected. This is because in the absence of any link, use of the contested mark is incapable of taking unfair advantage of, or being detrimental to, the reputation or distinctive character of the earlier mark.

100. However, I would have rejected the applicant's case in any event. This is because:

- (i) Any such link would be, at best, weak and fleeting;
- (ii) Such a connection would be insufficient to alter the economic behaviour of consumers of either parties' goods/services;
- (iii) The applicant's complaint that the use of the contested mark in relation to potentially inferior quality goods would be detrimental to the reputation of the earlier mark is probably wrong in law.²⁸

101. The ground for invalidation based on s.47(2) and s.5(3) of the Act is therefore also rejected.

Outcome and costs

102. The application has failed. The proprietor is therefore entitled to a contribution towards its costs. I assess these as follows:

- (i) £400 for considering the application for invalidation and filing a counterstatement;
- (ii) £900 for considering the applicant's evidence and filing evidence in support of the registration of the mark;
- (iii) £300 for submitting written submissions in lieu of a hearing, including raising an objection to the applicant's attempt to include factual material in its written submissions.

²⁸ See paragraphs 46/47 of the decision of Ms Anna Carboni as the Appointed Person in *Unite The Union v The Unite Group Plc*, Case BL O/219/13

103. I therefore order Hachette Filipacchi Presse to pay Zelle Studio Limited the sum of £1600. The above sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated 24th of November 2020

**Allan James
For the Registrar**