

BL O-592-18

TRADE MARKS ACT 1994

IN THE MATTER OF

TRADE MARK APPLICATION 3210005

BY VKO FARMS LIMITED

TO REGISTER THE FOLLOWING TRADE MARK:

WINECLUB.com

AND

OPPOSITION THERETO (No 410246)

BY RAINBOW S.R.L

Background and pleadings

1. **VKO Farms Limited** (the applicant) applied to register the trade mark:

WINECLUB.com

in the UK on 01 February 2017. It was accepted and published in the Trade Marks Journal on 14 July 2017, in respect of the following goods:

Class 09: Computer hardware; computer software; computer peripherals; electronic data processing equipment; computer networking and data communications equipment; computer components and parts; electronic memory devices; electronic control apparatus; programmed-data-carrying electronic circuits; wires for communication; electrodes; telephones; aerials; batteries; microprocessors; keyboards; video films.

2. **RAINBOW S.R.L** (the opponent) oppose the trade mark on the basis of Section 5(2)(b) and Section 5(3) of the Trade Marks Act 1994 (the Act). This is on the basis of its International Registrations (IR) designating the EU, WE00000885894 (**885894**) and WE00000905683 (**905683**), both for the same mark shown below:



3. The following goods are relied upon in this opposition:

885894: Class 09 - Games and game sets to be used with television receivers; electronic games and electronic game sets to be used with television receivers; software for computers.

905683: Class 09 - Video games, video game discs, video game software, children's educational software, apparatus for transmitting and reproducing sound or images, compact disc cases, computer game programs, computer screen saver software, cell phone covers, cordless telephone apparatuses, electronic game software for cellular telephones, cases for mobile phones, calculators, walkie-talkies; prerecorded video and audio tapes, prerecorded audio and video DVD and pre-recorded audio and video, CD-ROMs, optical discs, moving pictures; animated cartoons.

4. EU designation of IR 885894 was designated on 06 December 2005 with protection being granted on 25 May 2007 and EU designation of IR 905683 was designated on 18 September 2006 with protection being granted on 22 October 2007. Given their dates of designation, both marks qualify as earlier marks in accordance with Section 6 of the Act. As protection was granted more than 5 years before the date on which the applied for mark was published, the proof of use provisions set out in Section 6A of the Act are applicable.
5. The opponent claims in its statement of grounds that all of the applied for goods are identical or highly similar to the goods protected under its earlier marks, and that the marks are near identical or highly similar.
6. Under s.5(3) of the Act, the opponent claims that its marks have a reputation in the EU such that the use of the mark applied for would cause the relevant public to associate the contested mark with the distinctive earlier mark and believe that the contested mark and earlier mark are owned by economically linked entities, leading to a strong likelihood of confusion. It claims that use of the contested mark will take unfair advantage without due cause, since the applicant will benefit from the reputation of the earlier mark, thus misappropriating its attractive power and advertising value and free-riding on the investment of the opponent in promoting and building its reputation.
7. It also claims that the relevant public may believe the marks belong to a family of marks and that the contested mark is another version of the earlier mark since the earlier mark is in use and has a wide reputation. The relevant public could be

diverted to using the goods offered under the contested mark believing they are offered by the opponent or an entity economically related to the opponent. In the event the goods provided under the contested mark are not of the same high quality as those provided under the earlier mark, it is claimed that the relevant public would consider that the opponent's quality of goods has fallen and this would lower the reputation of the earlier mark and turn customers and users of the opponent's goods away. Furthermore, it states that use of the contested mark, in respect of identical and highly similar goods, will seriously dilute the distinctive character of the earlier mark by decreasing its uniqueness and power of attraction in relation to the opponent's goods. If the contested mark is allowed, it could lead to future operators using similar marks containing the opponent's highly distinctive earlier mark which would lead to further dilution and detriment to the distinctive character of the earlier mark and the erosion of its ability to act as an indication of the origin of the goods of the opponent.

8. Finally, it states that the goods of the opponent may not be recommended by a user or may be poorly regarded/rated/reviewed if the experience with the goods provided under the contested mark has not been positive or is unsatisfactory. The relevant public may, it is claimed, stop using the goods of the opponent if the goods under the contested mark are not of the same high quality. All of the above would result in detriment to the reputation of the earlier mark.
9. The applicant filed a counterstatement claiming that there is no likelihood of confusion between the opponent's earlier IRs and the application at issue. The applicant states that the marks are visually, phonetically and conceptually very different, and that, whilst accepting some similarities between some of the goods at issue, the differences between the marks are sufficient to set them apart in the mind of the relevant consumer. The applicant also requested that the opponent provide proof of use of the earlier trade marks relied upon.
10. The opponent filed evidence, to which the applicant responded with written submissions. Neither side requested a hearing, but both sides filed written submissions in lieu, which will not be summarised but will be referred to as and where appropriate during this decision. Both sides seek an award of costs.

11. The applicant has represented itself throughout the proceedings, whilst the opponent has been represented by A. A. Thornton & Co.

Evidence

12. This consists of the witness statement of Mr Gianni Tamagnini, “Special attorney” for RAINBOW S.R.L (the opponent) and exhibits 1-41.

13. Mr Tamagnini states in his witness statement that the opponent is an Italian entertainment content creation company, with the largest European studio dedicated to TV, theatrical and digital productions. He also claims that it has an extensive national and international network of partners to distribute its content (creations).

14. Mr Tamagnini states that the opponent’s shows are broadcast on networks in over 150 countries and that it provides Video on Demand on over 50 different platforms globally.

15. Mr Tamagnini also states that the opponent has a dedicated, Rome-based CGI film studio, and relationships with major movie distributors across the world, has over 500 active licensees worldwide and commands a constant presence among the world’s top-ranking and important licensors.

16. Mr Tamagnini claims that the ‘WINX CLUB’ animated cartoon productions are one of the opponent’s most popular and successful brands and has been developed through:

- 7 seasons of a TV series, with 182 episodes of around 30 minutes each
- 7 TV movies of about 45 minutes each
- 3 Theatrical feature films of about 90 minutes each

17. The opponent owns the earlier international registrations 885894 and 905683 designating the European Union (EU). Mr Tamagnini states that the goods relied

upon are provided by the opponent, in the UK and across the EU, through its licensees.

18. Paragraph 7 of Mr Tamagnini's witness statement sets out the month and year of first use of the opponent's IRs for the goods relied upon, across a number of EU member states. The marks were used in the UK from May 2005. 18 other EU member states are listed. The first use of these earlier marks runs from between 2004 and 2008 across those 19 EU member states (UK included).

20. Paragraph 8 of Mr Tamagnini's witness statement sets out values of sales (in Euros) of goods bearing the opponent's trade marks, across the EU between 2012 and 2017:

- 2012 - 920,000
- 2013 - 1,135,000
- 2014 - 516,000
- 2015 - 970,000
- 2016 - 260,000
- 2017 - 67,000 (part year – Jan/Sept)

21. There is no breakdown of the sales figures provided, to illustrate precisely which goods have been sold and to what degree.

22. Paragraph 9 of the witness statement provides figures (in Euros) relating to advertising and promotional activities across the EU between 2012 and 2017:

- 2012 - 20,000
- 2013 - 25,000
- 2014 - 15,000
- 2015 - 20,000
- 2016 - 18,000
- 2017 - 10,000 (part year, Jan-Sept)

23. There is no further detail as to the nature of this promotional activity or breakdown across EU territories or to specific items of the opponent's goods.
24. Paragraph 10 of the witness statement refers to Live shows that the opponent uses as an important tool to promote its brands. These have been Broadway-style musicals that were successful in Europe. They were run in Italy in 2005 and 2008, Greece, Spain and Germany in 2010 and Portugal/France in 2012. The names of some of these shows were: Winx Club on Tour; Winx in Concert; Winx On Ice and Winx Musical Show.
25. The opponent has a website dedicated to promotional activities related to the WINX brand. The website is www.winxclub.com. The specific UK version is www.winxclub.com/en
26. The website provides visitors with various interactive content including the chance to play games, download games, take tests and create avatars of WINX characters. There are currently 73,616 users of the website across the EU, with average yearly visits to the website (from the EU) of over 1 million per year (2015-2017).
27. The opponent has a Facebook page which has been in operation since July 15, 2011 and currently has 1,148,429 followers globally, of which 9510 are from Germany; 12667 are from France; 29201 are from Italy; 5098 are from Poland; 4411 are from Hungary; 6611 are from the UK. The opponent has also promoted its trade marks on Instagram since July 15, 2015 and its account has currently got 46163 followers.
28. Paragraph 13 of the witness statement lists subscribers and average visits yearly to the opponent's website from across all 28 EU member states.
29. Paragraph 14 of Mr Tamagnini's witness statement refers to **Exhibits 1-4** of the evidence as showing examples of the opponent's trade marks in use on promotional materials and in relation to some of the goods distributed across EU member states, namely: compact disc cases, pre-recorded video and audio tapes, pre-recorded

audio and video DVD and pre-recorded audio and video, CD-ROMS, optical discs, moving pictures and animated cartoons.

30. Paragraph 15 of the witness statement refers to exhibits, **5-11E**, which are copies of relevant pages from a selection of licence agreements between the opponent and various EU based licensees:

- **Exhibit 5:** license with ADC Blackfire (Czech Republic and Slovak Republic) between 2012 and 2014. The license covers CD compilations of music compositions associated with the animated cartoon series.
- **Exhibit 6:** license with EDEL Germany GmbH (Germany, Austria and others), between 2014 and 2023, covering music album and audio story teller book in the form of CDs and downloadable computer software.
- **Exhibit 7:** license with France Television Distribution (France and others), between 2013 and 2015, covering animated cartoons, moving pictures, pre-recorded films, pre-recorded audio and video tapes, pre-recorded audio and video DVDs and video-on-demand.
- **Exhibit 8:** license with Koch Media GmbH (Italy and others), between 2013 and 2018, covering animated cartoons, moving pictures, pre-recorded films, pre-recorded audio and video tapes, pre-recorded audio and video DVDs.
- **Exhibit 9:** licence with JUSTBRIDGE ENTERTAINMENT GmbH (Germany, Austria and others), between 2016 and 2020, covering animated cartoons, moving pictures, pre-recorded films, pre-recorded audio and video tapes, pre-recorded audio and video DVDs.
- **Exhibit 10:** licence with MIRAX HUNGAROFILM LTD (Hungary), between 2012 and 2017, covering animated cartoons, moving pictures, pre-recorded films, pre-recorded audio and video tapes, pre-recorded audio and video DVDs, downloadable computer software in the nature of downloadable animated cartoons.
- **Exhibit 11 and 11A:** licenses with MEDIA SERVICE ZAWADA SP Z.O.O (Poland, Romania and others), between 2014 and 2018, covering animated cartoons, moving pictures, pre-recorded films, pre-recorded audio and video tapes, pre-recorded audio and video DVDs.

- **Exhibit 11B:** license with ODS S.r.l (Italy), between 2014 and 2016, covering walkie talkies which were relied upon and other goods not relied upon.
- **Exhibit 11C:** license with LIVE DOO (Slovenia, Croatia and others), between 2013 and 2015, covering PC laptops for children, which were relied upon and other goods not relied upon.
- **Exhibit 11D:** license with CLEMENTONI SPA (Italy), in 2014, covering computer tablets and educational electronic computer games which were relied upon, and other goods not relied upon.
- **Exhibit 11E:** license with EDIPRESSE UKRAINE LLC (Estonia, Lithuania, Latvia and others), between 2015 and 2018, covering cell phone cases which were relied upon and other goods not relied upon.

31. Paragraph 16 of the witness statement refers to **Exhibit 12** which is a copy of a magazine cover distributed by a licensee in Poland, for promotional purposes.

32. Paragraph 17 of the witness statement refers to **Exhibit 12(a)** which is a copy of a DVD cover distributed in Poland.

33. Paragraph 18 of the witness statement refers to **Exhibit 13** which is a copy of packaging for a pre-recorded DVD for use in Slovenia between 2015 and 2017.

34. Paragraph 19 of the witness statement refers to **Exhibit 14** which comprises packaging for a pre-recorded DVD.

35. Paragraph 20 of the witness statement refers to **Exhibit 15** which comprises a copy of promotional material distributed by the opponent's licensee in Greece during 2015-2017.

36. **Exhibit 16** of the evidence shows a license agreement between the opponent and Nintendo Co. Ltd to develop computer and video games and video game software game sets involving the WINX CLUB characters. The license was entered into in 2009 and later renewed and was in effect across 28 European countries including the UK.

37. Paragraph 22 of the witness statement details the manner in which the opponent's goods are distributed by its licensees, through physical and online retail and wholesale platforms which include amongst others, departmental stores, speciality stores, mass market establishments, bookstores, newsstands/kiosks, catalogues/mail order, duty free shops, drug stores/pharmacies, food and grocery stores, online retailers and on demand downloads, subscription only videos on demand and free videos on demand.

38. **Exhibits 17 - 40** of the evidence are printouts showing the opponent's goods bearing the earlier marks (or more accurately, a form similar to the marks) available for sale on various online retail websites across the EU. The goods are produced and their sales arranged by the opponent's licensees.

Exhibit 17 is a printout from www.amazon.co.uk showing the NINTENDO DS compatible game software produced on behalf of the opponent, and available in the UK; with customer reviews of this product from 2011 to 2016.

Exhibit 18 is a printout from www.amazon.co.uk showing a DVD produced in collaboration with Nickelodeon on behalf of the opponent and available in the UK, with the earliest customer reviews of this product being 2010.

Exhibit 19 is a printout from www.ebay.co.uk showing a list of various NINTENDO DS and Playstation 2 compatible game software produced on behalf of the opponent and available in the UK, some of which are offered for sale as used game software.

Exhibit 20 is a printout from www.ebay.co.uk showing one of the NINTENDO OS compatible game software products listed in exhibit 19, named 'WINX CLUB Magical Fairy Party DS Game' produced on behalf of the opponent and available in the UK, sold as used game software.

Exhibit 21 is a printout from www.ebay.co.uk showing one of the NINTENDO OS compatible game software products listed in Exhibit 19, named 'WINX CLUB Quest for the Codex OS Game' produced on behalf of the opponent and available in the UK, sold as used game software.

Exhibit 22 is a printout from www.amazon.co.uk showing a NINTENDO OS compatible game software produced on behalf of the opponent and available in

the UK named 'WINX CLUB Quest for the Codex; with customer reviews of this product dated from 2007 to 2017.

Exhibit 23 is a printout from www.amazon.co.uk showing a NINTENDO OS compatible game software produced on behalf of the opponent and available in the UK named 'WINX CLUB Magical Fairy Party'; with customer reviews of this product dated from January 2013 to December 2013.

Exhibit 24 is a printout from www.amazon.de showing a list of various NINTENDO OS compatible game software produced on behalf of the opponent and available in Germany some of which are also offered for sale as used game software.

Exhibit 25 is a printout from www.amazon.fr showing a list of various NINTENDO OS compatible game software produced on behalf of the opponent and available in France, some of which is also offered for sale as used game software. From this list the game titled WINX CLUB: Magical Fairy Party, was first released in November 2012, WINX CLUB: au secours d'Alfea was first released in 17 October 2014.

Exhibit 26 is a printout from www.euronics.it/acquistaonline/film-dvd/koch-media/winx-club-stagione-05-05/eProd132013801/ showing a DVD, bearing the trade mark (or a similar form to it), produced by the opponent's licensee Koch Media, during the licence period, containing 5 seasons of the animated cartoons in Italian.

Exhibit 27 is a printout from www.play.google.com showing the electronic game software for mobile phones and electronic devices produced by Apps Ministry LLC on behalf of the opponent and titled WINX CLUB Bloomix Quest for download in the UK. The section titled Additional Information on the printout shows the software was last updated on 9 December 2016 and has been downloaded more than 10 million times.

Exhibit 28 is a printout from www.play.google.com showing the electronic game software for mobile phones and electronic devices produced by Tsumanga Studios Ltd on behalf of the opponent and titled WINX CLUB Sirenix Power for download in the UK. The section titled Additional Information on the printout shows the software was last updated on 10 January 2017 and has been downloaded more than 5 million times.

Exhibit 29 is a printout from www.play.google.com showing electronic game software for mobile phones and electronic devices produced by Budge Studio on behalf of the opponent and titled WINX CLUB Rocks the World for download in the UK. The section titled Additional Information on the printout shows the software was last updated on 18 November 2015 and has been downloaded more than 5 million times.

Exhibit 30 is a printout from www.amazon.it showing the game software and CDs for use with the NINTENDO OS game hardware available in Italy.

Exhibit 31 is a printout from www.amazon.it showing DVDs for sale in Italy. The product titles also indicate the dates they were first released in Italian, ranging from the year 2007 through to 2017 with five of the listed DVDs having been released between the years 2013 to 2017.

Exhibit 32 is a printout from www.amazon.co.uk showing the use of the opponent's earlier mark (a form similar to it) on a number of goods produced by its licensees, namely animated cartoons and moving pictures, and electronic games software available for sale in the UK on Amazon UK by downloading, or as DVDs and CDs with their first release dates indicated against the individual titles, with a number of release dates during the period 2012 to 2017.

Exhibit 33 is a printout from www.amazon.co.uk showing the WINX CLUB WINX Fairy School Lite downloadable electronic computer game software applications produced by Tsumanga Studios, on behalf of the opponent and available in the UK, in English and Italian amongst other languages. This was first released on 24 April 2014 and the last update was on 11 May 2015. The printout also shows various customer reviews of this product between 2014 to April 2017.

Exhibit 34 is a printout from www.amazon.co.uk showing the WINX CLUB animated cartoon film titled WINX CLUB, The Mystery of the Abyss, available for downloading in the UK and released in 2015. The printout also shows it is available in the format of a DVD. The printout also shows various customer reviews of the DVD product during 2015.

Exhibit 35 is a printout from www.amazon.fr showing the use of the opponent's earlier mark (a form similar to it) on a number of goods produced by its licensees, namely animated cartoons and moving pictures, and electronic games software, and video games available, amongst other goods, for sale in

France on Amazon France as DVDs and CDs, with their first release dates indicated against the individual titles.

Exhibit 36 is a printout from www.amazon.fr showing the use of the opponent's earlier marks on a number of goods produced by its licensees, namely animated cartoons and moving pictures, for sale in France on Amazon France as DVDs and CDs. The first release dates indicated against the individual titles show that a large number were released during the period 2012 to 2017.

Exhibit 37 is a printout from www.amazon.de showing the use of the opponent's earlier marks on a number of goods produced by its licensees, namely animated cartoons and moving pictures, and electronic games software available for sale in Germany on Amazon Germany by downloading or as DVDs and CDs with their first release dates indicated against the individual titles, with a significant number having been first released between the years 2012 to 2017.

Exhibit 38 is a printout from the website of the opponent's licensee Justbridge Entertainment www.justbridge.de showing the promotion of the DVD WINX CLUB - Staffel 7 Volume 1, containing the animated cartoon series and films produced in 2014, with the Season 7 Volume 1 released on 18 March 2016 in the German language.

Exhibit 39 is a copy of an article published on 17 June 2013 on www.close-up.it announcing the agreement made between Koch Media and the opponent for the distribution of the opponent's goods including the DVDs containing the animated cartoon series and films.

Exhibit 39 A is an English translation of that article.

Exhibit 40 consists of two screenshots of the webpage of the opponent's licensee Citel at www.citel-video.com showing the promotion and sale of the DVD WINX CLUB LE CHAKEPIK - Saison 7 Volume 2, released on 7 September 2016, and other DVDs in the same collection listed at the bottom of the webpage containing the animated cartoon series and films in the French language, for distribution and sale in France.

Exhibits 41A to Exhibit 41J comprise copies of invoices issued by the opponent to its licensees during the relevant period, which refer only to 'Winx Club merchandising'. There is no indication on these invoices as to precisely which goods have been sold. The total revenue from these invoices is 69,998.49 euros. These invoices demonstrate a geographic spread across the EU.

Proof of use

Relevant statutory provision: Section 6A:

“Raising of relative grounds in opposition proceedings in case of non-use

6A. - (1) This section applies where -

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a),

(b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if -

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

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

(4) For these purposes -

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

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

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

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

39. 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.”

40. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) (28 June 2018), Arnold J. summarised the case law on genuine use of trade marks:

“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 Bunderversvereinigung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C149/11 *Leno Merken BV v Hagelkruis Beheer BV*

[EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG [EU:C:2013:592], [2014] ETMR, Case C141/13 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.

41. 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]; *Centrotherm* at [71]; *Leno* 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]; *Centrotherm* at [71]; *Leno* at [29].

(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]. 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].

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

(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]; *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]”.

42. As the earlier marks are International Registrations designating the EU, the comments of the Court of Justice of the European Union (“CJEU”) in *Leno Marken BV v Hagelkruis Beheer BV*, Case C-149/11, are relevant. The court noted that:

“36. It should, however, be observed that [...] the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase ‘in the Community’ is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use”,

and

“50. Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as ‘genuine use’, it cannot be ruled out that, in certain circumstances, the market for the goods or services for which a Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark”.

It went on to state:

“55. Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77)”.

The court held that:

“Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to ‘genuine use in the Community’ within the meaning of that provision.

A Community trade mark is put to ‘genuine use’ within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity”.

43. In *London Taxi*, Arnold J. also reviewed the case law since the *Leno* case and concluded as follows:

“228. Since the decision of the Court of Justice in *Leno* there have been a number of decisions of OHIM Boards of Appeal, the General Court and national courts with respect to the question of the geographical extent of the use required for genuine use in the Community. It does not seem to me that a clear picture has yet emerged as to how the broad principles laid down in *Leno* are to be applied. It is sufficient for present purposes to refer by way of illustration to two cases which I am aware have attracted comment.

229. In Case T-278/13 *Now Wireless Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* the General Court upheld at [47] the finding of the Board of Appeal that there had been genuine use of the contested mark in relation to the services in issues in London and the Thames Valley. On that basis, the General Court dismissed the applicant's challenge

to the Board of Appeal's conclusion that there had been genuine use of the mark in the Community. At first blush, this appears to be a decision to the effect that use in rather less than the whole of one Member State is sufficient to constitute genuine use in the Community. On closer examination, however, it appears that the applicant's argument was not that use within London and the Thames Valley was not sufficient to constitute genuine use in the Community, but rather that the Board of Appeal was wrong to find that the mark had been used in those areas, and that it should have found that the mark had only been used in parts of London: see [42] and [54]-[58]. This stance may have been due to the fact that the applicant was based in Guildford, and thus a finding which still left open the possibility of conversion of the Community trade mark to a national trade mark may not have sufficed for its purposes.

230. In *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC), [2015] ETMR 37 at [25] His Honour Judge Hacon interpreted *Leno* as establishing that "genuine use in the Community will in general require use in more than one Member State" but "an exception to that general requirement arises where the market for the relevant goods or services is restricted to the territory of a single Member State". On this basis, he went on to hold at [33][40] that extensive use of the trade mark in the UK, and one sale in Denmark, was not sufficient to amount to genuine use in the Community. As I understand it, this decision is presently under appeal and it would therefore be inappropriate for me to comment on the merits of the decision. All I will say is that, while I find the thrust of Judge Hacon's analysis of *Leno* persuasive, I would not myself express the applicable principles in terms of a general rule and an exception to that general rule. Rather, I would prefer to say that the assessment is a multi-factorial one which includes the geographical extent of the use".

44. The General Court ("GC") restated its interpretation of *Leno Marken* in Case T398/13, *TVR Automotive Ltd v OHIM* (see paragraph 57 of the judgment). This case concerned national (rather than local) use of what was then known as a Community trade mark (now a European Union trade mark). Consequently, in trade

mark opposition and cancellation proceedings, the registrar continues to entertain the possibility that use of an EUTM in an area of the Union corresponding to the territory of one Member State may be sufficient to constitute genuine use of an EUTM. This applies even where there are no special factors, such as the market for the goods being limited to that area of the Union.

45. Whether the use shown is sufficient for this purpose will depend on whether there has been real commercial exploitation of the EUTM, in the course of trade, sufficient to create or maintain a market for the goods at issue in the Union during the relevant 5-year period. In making the required assessment I am required to consider all relevant factors, including:

- i) The scale and frequency of the use shown
- ii) The nature of the use shown
- iii) The goods and services for which use has been shown
- iv) The nature of those goods and the market(s) for them
- iv) The geographical extent of the use shown

46. The marks on which the opponent relies are not reflected within the evidence of use exactly as they have been protected. The opponent has, though, shown use of a variation of the marks that have been registered under IRs 885894 and 905683. What is shown is use of a stylised variant, in different colours, with an arc placed above and below the words WINX CLUB. The arc is embellished with jewels or gemstones and the entirety is presented in a shadowing that resembles a liquid, metallic effect. The mark shown in use, predominantly in pink or purple, is:



47. There are also examples of this mark in black and white on the copies of licence agreements between the opponent and its licensees.

48. Absent any use of the mark as registered, the first task is to determine whether the variant form of use may be relied upon instead, under the provisions of section 6A(4)(a). When assessing use of a mark in a differing form it is helpful to consider the comments of the Appointed Person in *Nirvana*, BL O/262/06. Mr Richard Arnold Q.C. (as he then was) summarised the test under s.46(2) (which is analogous to section 6A(4)(a)) of the Act as follows:

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

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

49. Although this case was decided before the judgment of the CJEU in *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, it remains sound law so far as the question is whether the use of a mark in a different form constitutes genuine use of the mark as registered. The later judgment of the CJEU must also be taken into account where the mark is used as registered, but as part of a composite mark.

50. In *Menelaus BV v EUIPO*, Case T-361/13, the General Court found that use of the marks shown on the left and middle below constituted use of the registered mark on the right.



51. The court held that the word VIGAR was the dominant and distinctive element of all the marks. As regards the other features, the court held that:

“73 [The first sign] sign differs from the earlier mark as registered only in the ascending orientation of its oval background, the use of standard lower-case instead of standard capital letters and the replacement of the crown element by a sequence of three dots. As the Board of Appeal rightly found, a different orientation of the same background, the use of upper-case or lower-case letters when they are standard letters which reproduce the same term, or the substitution of an ornamental element (the sequence of dots) for a laudatory element when both of those elements serve to reinforce the term ‘vigar’, are minor differences that do not alter the distinctive character of the earlier Community trade mark as it was registered.

74 That finding is not called into question if the second form of use, reproduced in paragraph 63 above, is taken into account inasmuch as, even though, in that case, the basic background disappears and the word ‘spain’ is present, the latter will be understood as a merely descriptive addition.”

52. See also the judgments of the General Court in *Sony Computer Entertainment Europe v OHIM*, case T-690/14, *LTJ Diffusion v OHIM*, case T-83/14 and *PAL-Bullermann v EUIPO*, case T-397/15.

53. In answer to the questions set out in *Nirvana*, the sign presented as the trade mark on the goods and in marketing materials during the relevant period¹ is the mark displayed above in paragraph 46 of this decision. The registered mark is:



54. The distinctive character of the registered trade mark lies in the words 'Winx club' and in the stylisation used, particularly the striking type face used.

55. The sign that has been shown in use differs from the registered mark in the addition of two arcs placed above and below the word elements 'Winx CLUB'; in the metallic effect and pink colouring used on the lettering and the arc; and in the four jewels or gemstones placed on the arcs and within the letter 'X'.

56. Whilst the mark shown to be in use, is a variation of the marks relied upon in this action, the distinctive character of the marks is unaltered. It is the 'WinX' element of the mark that carries most weight, and that element of the protected marks is present and dominant in the mark shown within the evidence being used. In my view, and whilst I accept this is a borderline decision, I consider that the added arcs described above merely form an additional surrounding component and constitute, overall, a minor difference that does not alter the distinctive character from the mark as registered.

57. Having found that the mark as used is an acceptable variant, I now turn to consider whether genuine use of that variant is established, and on what goods. In general terms, I find the scale and frequency of the use of these marks to be more than reasonable across the EU. The opponent has shown use of the variant marks across the entire territory, since 2004, with exposure of its brand throughout all twenty-eight EU member states including the UK. However, my concern relates more to the

¹ 15 July 2012 – 14 July 2017

goods on which the mark has actually been used, and a fair specification to reflect such use.

58. In terms of devising a fair specification, in *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

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

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

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

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

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme

Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

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

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46".

60. All of the goods protected under the earlier IRs are claimed throughout the witness statement and copies of license agreements, however this is not supported by the evidence provided in the exhibits.

61. The evidence shows that the variant mark has been used on a fairly narrow range of the goods protected under both IRs. I find that the evidence shows actual use of the mark on the following goods:

Games software for computers; video games; video game discs; video game software; electronic game software for cellular telephones; computer game programs; prerecorded audio and video DVD, pre-recorded audio and video; CD-ROMs (pre-recorded), optical discs (pre-recorded), moving pictures and animated cartoons.

62. This range of goods is shown throughout the evidence and appears to represent the opponent's business activities in respect of both IRs.

63. IR **885894** is protected for 'Games and game sets to be used with television receivers; electronic games and electronic game sets to be used with television receivers; software for computers'.

64. The evidence does not show use of the mark on 'game sets to be used with television receivers; electronic game sets to be used with television receivers. These goods cannot, therefore, form part of the fair specification. In relation to 'games and electronic games' for use with television receivers, whilst I accept that this would cover game software, the term as registered is very broad and, in reality, the actual use is of just games software which is covered by the term I deal with next; this term will therefore need refining. Whilst it is clear that the opponent provides games software for computers, the term 'software for computers' is also a very broad term encompassing software of any kind.

65. Accordingly, I consider that a fair specification for IR **885894** is:

Games software to be used with television receivers; electronic games software to be used with television receivers; game software for computers.

66. IR **905683** is protected for 'Video games, video game discs, video game software, children's educational software, apparatus for transmitting and reproducing sound or images, compact disc cases, computer game programs, computer screen saver software, cell phone covers, cordless telephone apparatuses, electronic game software for cellular telephones, cases for mobile phones, calculators, walkie-talkies; prerecorded video and audio tapes, prerecorded audio and video DVD and pre-recorded audio and video, CD-ROMs, optical discs, moving pictures; animated cartoons.

67. As I have established earlier, the evidence from the opponent shows actual use on games software for computers; video games; video game discs; video game

software; electronic game software for cellular telephones; computer game programs; prerecorded audio and video DVD, pre-recorded audio and video; CD-ROM (pre-recorded), optical discs (pre-recorded), moving pictures and animated cartoons.

68. On inspection of the exhibits provided by the opponent, there is no evidence of trade in the goods: apparatus for transmitting and reproducing sound or images, compact disc cases, computer screen saver software, cell phone covers, cordless telephone apparatuses, cases for mobile phones, calculators, walkie-talkies; prerecorded video and audio tapes.

69. Accordingly, in respect of IR **905683** I find that a fair specification is:

Video games, video game discs, video game software, electronic game software for cellular telephones; computer game programs; children's educational games software; prerecorded audio and video DVD, pre-recorded audio and video, CD-ROMs (pre-recorded), optical discs (pre-recorded), moving pictures; animated cartoons.

Decision

Section 5(2)(b)

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

“(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.”

71. The following principles are gleaned from the decisions of the CJEU 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

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

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

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

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

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

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

75. Following assessment of the opponent’s evidence, the parties’ respective specifications are found to be:

Earlier marks	Application
<p>885894: Class 09 - Games software to be used with television receivers; electronic games software to be used with television receivers; game software for computers.</p> <p>905683: Class 09 - Video games, video game discs, video game software, electronic game software for cellular telephones; computer game programs; children's educational games software; prerecorded audio and video DVD, pre-recorded audio and video, CD-ROMs (pre-recorded), optical discs (pre-recorded), moving pictures; animated cartoons.</p>	<p>Class 09: Computer hardware; computer software; computer peripherals; electronic data processing equipment; computer networking and data communications equipment; computer components and parts; electronic memory devices; electronic control apparatus; programmed-data-carrying electronic circuits; wires for communication; electrodes; telephones; aerials; batteries; microprocessors; keyboards; video films.</p>

76. The applied for goods 'computer software' wholly encompass the earlier goods 'video game software, computer game programs, CD-ROMs (pre-recorded)' in the opponent's earlier mark 905683. These goods are identical.

77. The applied for 'video films' are identical to the earlier goods 'prerecorded audio and video DVD, pre-recorded audio and video, moving pictures, animated cartoons', in the opponent's 905683.

78. The applied for goods 'computer hardware; electronic data processing equipment; computer networking and data communications equipment; computer peripherals; are all computer hardware and firmware that perform a number of functions including data processing and the transmission, recording and reproduction of information generally. The opponent's earlier goods comprise games software, game programs,

DVD's, CD-ROMs, animated cartoons and moving pictures. Whilst these goods may be used in combination with the applied for goods, in order to fulfil their function, they do not share nature, purpose and likely channels of trade. Their respective uses also differ. As such these goods are found to be dissimilar.

79. The applied for 'aerials' are goods which are intended to be used in combination with telecommunication apparatus. The earlier goods 'Games software to be used with television receivers; electronic games software to be used with television receivers' are software items that require a television set, in order that the user can play a game on the television screen. The use of a television receiver requires an aerial, which suggests a weak link in terms of complementarity, however these goods do not share nature, purpose, channels of trade, use or user. These goods are dissimilar.

80. The applied for goods 'computer components and parts', 'electronic memory devices', 'electronic control apparatus', 'programmed-data-carrying electronic circuits', 'wires for communication', 'electrodes', 'batteries', 'microprocessors' and 'keyboards' are all parts, fittings and other components used with or within computer hardware. None of the earlier goods under the opponent's IRs are goods which share a similar purpose, nature, use or user and channels of trade as computer hardware. As such, these goods are dissimilar.

81. The applied for goods 'telephones', are electronic goods used to communicate and transmit sound and images from one party to another. None of the earlier goods under the opponent's IRs are goods which share a similar purpose, nature, use and users or channels of trade as telephones. As such, these goods are dissimilar.

82. In conclusion, the applied for goods have been found to be either identical or dissimilar to the opponent's earlier goods.

Average consumer and the purchasing act

83. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to

vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*.

84. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

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

85. The average consumer of the goods at issue will be both the general public and a professional consumer.

86. The general public will pay an average degree of attention when choosing such products, to ensure that the goods are compatible with their needs and their existing technical arrangements. For example, when choosing a piece of games software, the consumer, being the general public, will make sure that the product will be fit for purpose and work with whichever equipment they already possess. The professional consumer will pay a somewhat higher level of attention and will also display a higher level of awareness, particularly in respect of technical products such as computer software. The professional consumer will be purchasing the goods either for themselves or for third parties. In either scenario, it will be essential that the products selected are fit for purpose.

87. The selection of the goods at issue will be primarily a visual process within high street retail outlets, supermarkets, websites and specialist shops, but may also be a combination of visual and aural selection, when that process takes place over the telephone.

Comparison of marks

88. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

89. 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.

90. The marks to be compared are:

Earlier marks	Application
	WINECLUB.com

91. Both of the opponent's IRs comprise the same mark, shown above, on the left. This mark is a complex figurative mark combining word and stylised elements.
92. The word 'CLUB' in the earlier marks is presented in smaller, fairly standard, capital lettering, directly below the larger, stylised element of the mark which will be perceived as the word 'WinX'. The word 'CLUB' will be understood by the consumer to denote an entity or organisation sharing an interest, however the role it plays in the mark is overshadowed by the 'WinX' element, Due to its size and stylisation, the overall impression given by the opponent's marks is dominated by the figurative 'WinX' element, but the stylisation and the word CLUB still play a role.
93. The applicant's mark is comprised of the conjoined words 'WINECLUB' presented in standard, capital typeface, and the domain name indicator '.com', presented in lowercase lettering. The '.com' element is commonly used to indicate an internet presence and will therefore be perceived as a less distinctive element within the mark. The '.com' element also plays a role when considering the mark as a whole, as the totality will be perceived as a domain name, however the overall impression given by the applicant's mark is more dominated by the element 'WINECLUB'.

Visual similarity

94. The marks are visually similar insomuch as they both contain the letters 'WIN' which form the beginning of each mark, and in the word 'CLUB'.
95. The marks are visually different in respect of the presentation of the letters 'WIN' in the earlier marks, which are presented in heavily stylised characters. In the applicant's mark the same letter combination is presented in a plain, standard font forming part of the basic English word 'WINE'. The marks also differ visually in the presentation of the word 'CLUB'. In the earlier marks the word is presented underneath the 'WinX' element and in less standard font. In the earlier marks, the letter 'B' in the word 'CLUB' is stylised and not immediately obvious. In the applicant's mark the word is presented on the same horizontal axis with the other elements of that mark, and in the same size and standard typeface as the word 'WINE'.

96. The marks also differ visually in the element ‘.com’ of the applicant’s mark, which has no counterpart in the earlier marks, and in the highly figurative design in which the ‘WinX’ element of the earlier marks is presented.

97. Weighing the similarities and differences, and bearing in mind my assessment of the overall impression of the marks, I find the marks to be visually similar to a low degree.

Aural similarity

98. The opponent’s marks are comprised of the verbal elements ‘WinX’ and ‘CLUB’ which will be enunciated in one of two ways, either as *WIN/EX/KLUB* or *WINKS/KLUB*.

99. The applicant’s mark is comprised of the verbal elements ‘WINE’, ‘CLUB’ and ‘.com’. The punctuation in the mark will be enunciated as this has become common in English language, notably through the use and passing on of email addresses, where the ‘dot’ aspect of the address is always articulated. The applicant’s mark will therefore be articulated as *WHINE/KLUB/DOT/KOM*.

100. The marks can be said to be aurally similar to a low degree.

Conceptual similarity

101. The word ‘WinX’ in the earlier marks is an invented term and conveys no conceptual message as such. It is possible however, that a part of the relevant public may perceive the word as a phonetic equivalent of the English word ‘WINKS’, indicating a gesture or sign from one party to another, by way of a rapid blink of one eyelid. The word ‘CLUB’ is defined as an organisation for people who share a common interest to meet and engage in a particular activity. In totality the conceptual impact of the opponent’s marks is that of a club or organisation but with no indication as to the purpose or area of interest that the club members would engage in.

102. The word 'WINE' in the applicant's mark conveys the notion of an alcoholic beverage produced from grapes. The word 'CLUB' will be perceived as an organisation for people who share a common interest to meet and engage in a particular activity, and the element '.com' will be perceived as a domain name indication, conveying the message that what is provided under the applicant's 'WINECLUB' is available online and through a website. The totality of the applicant's mark conveys to the relevant public the notion of an online organisation or website, with a common interest in wine.

103. The marks at issue are conceptually similar to a low degree, and only in the finding that both parties' marks convey the notion of a 'club' of one sort or another.

Distinctive character of the earlier trade mark

104. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

"22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *WindsurfingChiemsee 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).”

105. The opponent has claimed that its earlier marks have an enhanced distinctive character and has provided evidence of use in support of this claim.
106. The opponent’s marks are complex marks consisting of verbal and figurative elements. The verbal elements in the marks have no obvious connection with the goods of the opponent, however ‘CLUB’ is a fairly common word in the English language. The letters ‘WIN’ (or WINX) have no obvious link to the goods at issue, however the stylisation and design present in the earlier marks is quite striking and memorable and as such, the opponent’s marks can be said to have a higher than average degree of inherent distinctiveness.
107. I have found previously that the opponent has proven through evidence of use, that an acceptable variant of its earlier marks has been genuinely used across the relevant EU territory since 2004.
108. The opponent has however, failed to provide a breakdown of the sales and turnover figures, to demonstrate levels of activity in individual EU territories. It has also failed to breakdown figures, to show sales of specific goods. As such it is very difficult for me to determine, for the purposes of assessing a claim of enhanced distinctive character, whether the impact on the UK public has been sufficient to support this claim.
109. The evidence does show that the opponent provides some of the goods relied upon, in the UK. Specifically, within Exhibits 17-23, 27-29 and 32-34, a range of ‘Winx club’ products are available for sale to the UK consumer and are marketed online using retail websites such as Amazon, Ebay and Google Play. These exhibits show branded ‘Winx club’ goods such as games software and DVD’s containing animated cartoons and movies, for sale in pounds sterling, on the UK versions of the websites referred to above.
110. However, based on this evidence, I am not satisfied that the use of the opponent’s variant of its earlier marks has been significant enough to acquire an

enhanced distinctive character for the relevant UK public. The turnover figures for the opponent's goods across the EU have been shown to be just over 1 million euros at best (2013) and only 260,000 euros in 2016. The evidence has also shown that other EU member states constitute larger markets than the UK and the turnover figures relate to all of the opponent's goods, and not just to those that have actually been found to represent a fair specification. This being the case, I am not convinced that the opponent's marks have acquired an enhanced degree of distinctive character in the UK.

111. Based on the level of inherent distinctiveness found in the marks, the opponent's marks can be said to enjoy a higher than average degree of distinctive character.

Likelihood of Confusion

112. I now draw together my earlier findings into the global assessment of the likelihood of confusion, keeping in mind the legal principles established previously (see paragraph 10).

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

114. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one trade mark for the other, while indirect confusion is where the average consumer realises the trade marks are not the same but puts the

similarity that exists between the trade marks and goods down to the responsible undertakings being the same or related.

115. The average consumer in this matter will be both the general public and a professional consumer. I have found that the level of attention paid in the selection process will be no more than average where the general public is concerned, but likely to be higher than average in respect of the professional consumer.
116. I have found the marks at issue to be visually, aurally and conceptually similar only to a low degree.
117. The earlier marks have been found to have an inherently higher than average degree of distinctive character but not an enhanced level of distinctive character through use in the UK.
118. The common elements between the marks at issue are the letters 'WIN' at the beginning of each mark, and the word 'CLUB'.
119. Some of the goods have been found to be identical.
120. Irrespective of whether the level of attention paid by the relevant consumer is average or somewhat higher than that, I find that the differences between the marks will be immediately perceived, even when considering imperfect recollection and the fact that the consumer will rarely have an opportunity to compare the marks at issue side by side. The stylisation found in the earlier marks is significant and will have an impact in the mind of the average consumer. The word 'WINX' will be likely perceived as an invented term with no obvious meaning, whilst the applied for mark will be readily understood.
121. In this matter, I conclude that there is no likelihood of direct confusion between the marks.
122. I must however, consider the potential for indirect confusion between the marks.

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

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

124. These examples are not exhaustive, but provide helpful focus.

125. In my opinion, the marks at issue will not be confused indirectly. I do not find that the average consumer would, when faced with the later mark applied for, conclude that this mark is merely another brand of the owner (or a related company) of the earlier marks. When considering the guidance set out above by Mr Purvis (which of course are just examples), it is clear that none of the categories that he presents is relevant. It is highly unlikely that the applied for mark would be perceived by the relevant consumer to be a natural brand extension or evolution of the earlier marks.

126. For the sake of completeness, I must add that I would have reached the same outcome even if the mark's distinctiveness had been found to be enhanced through use.

127. Therefore, the opposition fails so far as it is based on grounds of Section 5(2)(b).

Section 5(3)

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.”

128. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and C-487/07,

L'Oreal v Bellure [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

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

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

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the 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 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.

(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 on the earlier mark; *L'Oreal v Bellure NV*, paragraph 40.

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

129. I will deal with this ground briefly. Even if I had accepted that the opponent possesses the requisite reputation, and even considering the matter from the perspective of identical goods, I find the differences between the marks to be so striking that the earlier mark will not be brought to mind by the relevant public, when faced with the applied for mark.

130. Therefore, the opposition fails so far as it is based on grounds of Section 5(3).

Conclusion

131. The opposition fails on all grounds. Subject to appeal, the application may proceed to registration in respect of all of the applied for goods.

Costs

132. The applicant has been successful and is entitled to a contribution towards its costs. In the circumstances I award the applicant the sum of £800 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Preparing the statement of case and considering the counterstatement	£300
Considering evidence	£500
Total	£800

133. I therefore order RAINBOW S.R.L to pay VKO Farms Limited the sum of £800. The above sum should be paid within 14 days of the expiry of the appeal period or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings.

Dated this 24th day of September 2018

**Andrew Feldon
For the Registrar
The Comptroller-General**