

IN THE MATTER OF THE TRADE MARKS ACT 1994

IN THE MATTER OF INTERNATIONAL REGISTRATION NUMBER 1,356,340 THE REQUEST BY NICOLE HOCH TO PROTECT THE MARKS IN THE UNITED KINGDOM

AND IN THE MATTER OF AN APPEAL FROM THE DECISION OF HEATHER HARRISON (O/731/18) DATED 14 NOVEMBER 2018.

DECISION

Introduction

1. This is an appeal from the decision of Ms Heather Harrison, for the Registrar, dated 14 November 2018 (O/731/18) where she dismissed the request of Nicole Hoch to protect an international trade mark with registration number 1,356,340 in the United Kingdom and upheld the opposition of Dreams Ltd under section 5(2)(b) of the Trade Marks Act 1994. Ms Hoch appeals that decision.
2. The mark seeking protection is as follows:

LIVINGDREAMS 

3. The international registration covers “furniture” and “garden furniture” in Class 20. The Opposition was based on three earlier trade marks all of which include the word DREAMS. Two of the marks also include a stylised element whereas one is a simple word mark. It was found below (Decision, paragraph 13), and it was accepted before me, that if the Opposition did not succeed in relation to the word mark then it would necessarily fail in relation to the two stylised marks. Accordingly, I will consider only the word mark DREAMS (EUTM 11,424,538), which is registered in Classes 20, 24 and 35. Most pertinently, it covers “furniture” in Class 20. The goods are therefore identical to those covered by the international mark.

Standard of review

4. The standard of appeal is by way of review. Neither surprise at a Hearing Officer’s conclusion nor a belief that he or she has reached the wrong decision suffice to justify interference in this sort of appeal. Before that is warranted, it is necessary for me to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was wrong. The relevant principles were set out by in *TT Education Ltd v Pie Corbett Consultancy* [2017] RPC 17 by Daniel Alexander QC and more recently by the Supreme Court in *Actavis Group PTC EHF v ICOS*

Corporation [2019] UKSC 15. What is meant by a material error was explained by the Lord Carnworth in the Supreme Court in *R (R) v Chief Constable of Greater Manchester* [2018] UKSC 47, [2018] 1 WLR 4079 at paragraph 64:

In conclusion, the references cited above show clearly in my view that to limit intervention to a “significant error of principle” is too narrow an approach, at least if it is taken as implying that the appellate court has to point to a specific principle—whether of law, policy or practice—which has been infringed by the judgment of the court below. The decision may be wrong, not because of some specific error of principle in that narrow sense, but because of an identifiable flaw in the judge's reasoning, such as a gap in logic, a lack of consistency, or a failure to take account of some material factor, which undermines the cogency of the conclusion. However, it is equally clear that, for the decision to be “wrong” under CPR r 52.11(3), it is not enough that the appellate court might have arrived at a different evaluation...

5. And, in *Z, R (On the Application Of) v London Borough of Hackney* [2019] EWCA Civ 1099 Lewison LJ at paragraph 66 highlighted that:

It is not enough simply to demonstrate an error or flaw in reasoning. It must be such as to undermine the cogency of the conclusion. Accordingly, if there is no such error or flaw, the appeal court should not make its own assessment

6. Furthermore, it is well established that findings of fact before the Hearing Officer can be by way of judicial notice. As I said in *ELVIS JUICE* (O/105/18), paragraphs 13:

Hearing Officers routinely rely on their own experience when making findings of fact. Indeed, as the quality of evidence filed by parties is sometimes so poor (or there is none at all), Hearing Officers are often compelled to make findings of fact without evidence at all as otherwise the outcome of oppositions might be arbitrary or capricious. For instance, in the instant case, a finding was made as to the usual places where the relevant goods are sold without any evidence being led...

7. In *O2 Holdings Ltd's Trade Mark Application* [2011] RPC 22, Daniel Alexander QC, sitting as the Appointed Person, explained at paragraph 60 how an appellate tribunal should treat such findings:

In the context of an appeal, once an experienced Hearing Officer has made an evaluation, an appellate tribunal needs to have very sound reasons for substituting its own view and implicitly thereby saying that it is better equipped with knowledge of the relevant field of commerce to evaluate the mark than the Registrar.

8. More recently, the Supreme Court in *Perry v Raleys Solicitors* [2019] UKSC 5, [2019] 2 WLR 636 summarised at paragraph 52 the constraints on appellate tribunals interfering with findings of fact:

They may be summarised as requiring a conclusion either that there was no evidence to support a challenged finding of fact, or that the trial judge's finding was one that no reasonable judge could have reached.

9. In cases where a Hearing Officer has made a finding of fact based on her own experience (in the absence of any evidence) the first of these limbs cannot apply (otherwise every single finding using judicial notice would be appealable). Such a finding can be overturned only where no reasonable Hearing Officer could have reached the decision. Where the trade mark relates to ordinary consumer goods, whether high or low value, this is an incredibly difficult standard to meet.

10. In the instant case, while some evidence was filed, the factual findings made by the Hearing Officer were based on her own experience. And when considering this appeal, and applying the principles I have outlined above, it is important to remember the very high bar set.

Purchasing process

11. The first ground of appeal raised was that the identity of the average consumer and the purchasing process as determined by the Hearing Officer were wrong. The Hearing Officer found that the average consumer was a member of the general public and the purchasing process is likely to take place in a bricks-and-mortar retail environment, or via a website or catalogue (Decision, paragraph 21).
12. The Appellant says that furniture is a high-priced article which is usually sold in a retail shop and, while offered online, the purchase takes place in a shop. This is little more than a challenge to a finding of fact and so the Hearing Officer's view should stand unless it is wrong. A more nuanced finding, such as that made in this case, namely that sales of furniture are divided between different channels of trade – albeit without specifying volume by channel – is not usually something which can be appealed, as has been emphasised many times before. No evidence was led as to the channels of trade and market share by channel and so the Hearing Officer was forced to make a finding based on her own experience. On appeal, if I decide there are different market shares between trade channels then I am just substituting my experience for that of the Hearing Officer. And merely as a consumer, and participant in the marketplace, my impression of how things are sold should not be used to replace that of the Hearing Officer without some very good reason.
13. The Appellate also highlighted that her goods were “high-priced” items and were often made to measure. In opposition proceedings, what is relevant is not what the appellant (or opponent) does in the marketplace but what is covered by the specification of the registered mark and the mark applied for: see *C-533/06 O2 Holdings v Hutchinson 3G Ltd* [2008] ECR I-4231 at paragraph 66. As both specifications cover “furniture” (and garden furniture is a sub-set of furniture) the purchasing process should cover all furniture at all price points. It also covers all types of furniture: from “cheap” flat-pack furniture to bespoke designs made for a particular premises.
14. Accordingly, the finding by the Hearing Officer that the level of attention paid to the purchase will be above average but is not of the highest degree cannot be impeached by the practice of the Appellant's actual trade.

Comparison of the trade marks

15. The Appellate challenged every aspect of the Hearing Officer's comparison of the trade marks. I will address each in turn. She began by making certain findings about the overall impression created by the marks in paragraphs 31 and 32:

31. The earlier mark consists of the single word “DREAMS”. Its overall impression rests in that word alone.

32. The contested mark includes the words “LIVING” and “DREAMS”, which are conjoined and presented in a slightly stylised typeface. There is also a small device, at the upper right of the word element, which bears some resemblance to a kite. I consider that the overall impression is dominated by the word “LIVINGDREAMS”. My view is that, notwithstanding that the words are conjoined, the average UK consumer will perceive the two common words within the mark. The device element, due to its size, position and the general rule that words speak louder than devices, which I consider applies here, plays only a weak role. If it is noticed, a still lesser role is played by the stylisation of the letters.

16. The Appellant suggests that in its mark the word LIVING is the distinctive and dominant word and DREAMS plays a subordinate role. The Hearing Officer found that both individual words would be perceived by the average UK consumer, but did not suggest either element was distinctive or dominant. I find no reason to overturn the Hearing Officer’s finding based on the Appellant’s submission.

Visual similarity

17. In relation to the visual similarity of the marks, the Hearing Officer found at paragraph 33:

There is an obvious point of visual similarity between the marks, due to the common presence of the word “DREAMS”. There is also an obvious difference because of the presence of the word “LIVING” at the beginning of the contested mark. The device adds a further point of difference. Bearing in mind my assessment of the overall impression, I consider that there is a medium degree of visual similarity.

18. The Appellant submitted that this assessment was wrong. She submitted that the device and the words are equally prominent, but the word LIVINGDREAMS is more significant than the device. I do not agree. The device appears to be no bigger than (or maybe even slightly smaller) than each letter in the Appellant’s mark and, in this case at least, I agree with the Hearing Officer that the words speak louder than the device.

19. The Appellant submitted that none of the elements is negligible. This statement was not explained further by the Appellant, nevertheless I agree that neither the word LIVINGDREAMS nor the device is negligible (that is a difference which would go unnoticed by the average consumer). But as the Hearing Officer did not find that either element was negligible (just that the device plays a smaller role), this takes the matter no further.

20. Likewise, the Appellant submits that DREAMS does not have an independently distinctive role in the mark LIVINGDREAMS. The Hearing Officer did not find that it did and so, once more, I am not sure how this submission advances the Appellant’s case. Likewise, I agree with the Appellant that the two main elements of the mark go on to contribute to the overall impression. The Hearing Officer properly found the same, but found the device played a weaker role. As I have already said I agree with this finding.

21. The Appellant then moved on to say the type face for LIVINGDREAMS is different from that for DREAMS. As the DREAM mark used for the comparison by the Hearing Officer was a simple word mark, it is treated as registered in relation to all typefaces

and fonts: see *DREAMERS CLUB* (O/91/19), paragraphs 11 and 12. Thus, the typeface used for the mark *LIVINGDREAMS* cannot be used as a point of difference.

22. All these differences, the Appellant submits, create a “significant” visual difference. It is difficult to understand this submission. The Hearing Officer found there was a medium degree of visual similarity and so, by that fact, must have found significant visual differences (no significant visual differences would make the marks identical or near so). However, what the Appellant must have really meant was that the mark has a lower degree of visual similarity than that assessed by the Hearing Officer. Nothing put forward by the Appellant has persuaded me that the Hearing Officer’s assessment was wrong.

Aural Similarity

23. The Hearing Officer considered the aural similarity in paragraph 34:

The earlier mark will be pronounced entirely conventionally as the common, single-syllable word “DREAMS”. The contested mark will also include the same one-syllable word “DREAMS” but is preceded by the additional word “LIVING”, which will also be given its ordinary pronunciation. The device will not be verbalised and plays no role in the aural comparison. The marks are aurally similar to a medium degree.

24. The Appellant accepted that the device would not be verbalised and so the comparison would be between *LIVINGDREAM* and *DREAM*. She then went on to say there is a clear phonetic difference and that the marks would be similar to a low degree. Whilst I agree there is a clear difference, so did the Hearing Officer as she found it was similar to a medium degree (and so, put another way, there was a difference to some degree). Nothing was put forward by the Appellant other than a blunt assertion that this finding was wrong and this is not sufficient to disturb the finding of the Hearing Officer.

Conceptual similarity

25. The Hearing Officer’s comparison of the conceptual similarity was longer. It was set out in paragraph 35 (footnotes omitted):

The word “DREAMS” can mean both a series of thoughts one experiences whilst asleep and an aspiration. Either of these conceptual meanings will be applied to the earlier mark, though in respect of, for example, beds, the former may be more readily brought to mind. As for the contested mark, the holder argues that “[the] word creation *LIVINGDREAMS* should awaken completely different associations: here it is about the fact that the wishes and dreams (not those which one has while sleeping) can be realized in a living and life form by the offer of the holders”. I am not persuaded either that the interpretation posited by the holder will be how the mark is understood by the consumer or that the contested mark has one clear, unambiguous concept. The device in the contested mark is insufficiently clear to convey a distinct conceptual message. The word “LIVING” has a number of meanings, the most relevant of which in this context are “alive” and, typically of a place, for recreational or ‘living’ purposes, as opposed to work. The concept of a dream, in whichever way it is understood, may be applied in the same way to both marks. Accordingly, while the contested mark may be perceived as ‘dreams which are alive’, the word “LIVING” may equally be perceived as indicating that the goods are intended for use in the living areas of a home, alongside the concept of wishes and/or dreams. If the former, there is a reasonably high degree of conceptual similarity because of the common reference to dreams, albeit a particular type of dream in the later mark. If the word “LIVING” is taken as alluding to the goods and their uses, which strikes me as the more likely scenario, the marks are conceptually similar to a very high degree.

26. The Appellant accepted the Hearing Officer's assessment of the concept of DREAMS but argued before me that LIVINGDREAMS means the dream of "beautiful living". This is little more than rephrasing the concept the Appellant put forward before the Hearing Officer; namely, "wishes and dreams... [which] can be realized in a living and life form". The marks share a common element DREAMS and as the General Court noted in relation to the mark ICEBREAKER and ICEBERG in T-112/09 *Icebreaker v OHIM*, EU:T:2010:361 at paragraph 42:

...the marks at issue have the prefix 'ice' in common, which can be considered a basic English word, understandable for most of the relevant public. Since the prefix 'ice' has a certain evocative force, it must be regarded as limiting, in the present case, the conceptual difference between the marks at issue...

27. Understandably, the Appellant has a clear view of the concept the mark conveys to her, but the assessment of similarity is an objective one: even where an applicant has a very clear idea of what they want a brand or mark to "mean". The assessment of the concept by the Hearing Officer was lengthy and, as clear from *ICEBREAKER*, the common words means there must be some conceptual similarity between the marks. The question is one of degree. Nothing the Appellant put forward demonstrates that the Hearing Officer fell into error with her reasoning and her conclusions as to the conceptual similarity.

28. Further, the Appellant mentioned certain cases where marks had been found to be conceptually similar or otherwise and submitted that the degrees of similarity between the marks in those cases were instructive as to the degree of similarity in this case. The assessment of similarity, and likelihood of confusion, in trade mark law is multi-faceted and I am reminded of what Lopes LJ said in relation to patent law in *Savage v Harris* (1896) 13 RPC 364 at 370:

Cases, so far as regards the law, are most useful, but when they are applied to particular facts, they, as a rule, are of little service. Each case depends, and must depend, on its own particular facts, and the facts of almost every case differ. Whether there is invention or not is always a question of degree...

29. This applies equally to trade mark law: the assessment of similarity between marks is one of degree and the factual conclusions in earlier cases are unlikely to be of assistance to a tribunal. Indeed, earlier cases relating to different marks for different goods are in some ways comparable to "state of the register" evidence (evidence of what has, or has not, been registered in the past) which courts rarely find helpful: see *British Sugar v Robertson* [1996] RPC 281 at 305; and C-218/01 *Henkel KGAA v Deutsches Patent- und Markenamt* [2004] ECR. I-1725 at paragraph 64.

Likelihood of confusion

30. The Hearing Officer found that there was a likelihood of direct and indirect confusion and she set out her reasoning in paragraph 39 of her Decision:

Whilst the goods at issue are identical, the consumer is likely to pay an above average level of attention in their selection. The distinctiveness of the earlier mark will vary from fairly low in respect of goods such as beds to medium for other items of furniture. The marks have a medium degree of visual and aural similarity and a reasonably high, or very high, level of conceptual

similarity, depending on how the contested mark is perceived by the consumer. As far as direct confusion is concerned, it seems to me that there is a likelihood that a significant proportion of consumers will perceive the word “LIVING” as having only low distinctiveness in relation to the goods and that they will, when the effects of imperfect recollection are taken into account, directly confuse the marks, even in respect of goods for which the earlier mark is distinctive to a fairly low degree. I accept that the order and conjoining of the words “LIVINGDREAMS” is somewhat unusual but it is not, in my view, sufficient to mitigate the likelihood of the consumer misremembering the marks and being confused. If the consumer does recall the differences between the trade marks, or does not construe “LIVING” as weakly distinctive, there is, in my view, a likelihood of indirect confusion, with the perception being of an addition to the “DREAMS” brand, perhaps with furniture specifically for the living room as opposed to, for example, the dining room. There is a likelihood of confusion.

31. The distinction between direct and indirect confusion was explained by Iain Purvis QC, sitting as the Appointed Person, in *LA Sugar v By Back Beat* (O/375/10), paragraph 16 and has been elucidated further by James Mellor QC, also sitting as the Appointed Person, in *DUEBROS* (O/547/17) at paragraph 81.3. He emphasised, in particular, that the use of the later mark drawing to mind the earlier mark (mere association) was not enough to create indirect confusion. Both cases were referred to by the Hearing Officer. Recently, and since the Hearing Officer’s decision, Amanda Michaels in *MISSDOPE* (O/601/19) pointed out that the explanation by Mr Purvis was not a statutory test but an identification of circumstances where indirect confusion might exist and that there may be other such circumstances (see paragraph 29).
32. The Appellant made no direct submissions on why the Hearing Officer was wrong to find that the low distinctiveness of LIVING could lead to direct confusion. The Appellant did, however, submit that the word LIVING is not a typical brand extension and so the Hearing Officer was wrong to find there was no indirect confusion.
33. While I entirely accept the Hearing Officer’s finding that the word “LIVING” added to “DREAMS” might be seen by the relevant public as an addition to the DREAMS brand, I am less convinced that it suggests furniture for the living room. As I agree with the substantive finding of indirect confusion, it does not matter whether I agree or not with this additional reasoning. Accordingly, I uphold the Hearing Officer’s finding that there is a likelihood of confusion between the two marks.

Conclusion

34. I therefore reject the appeal in its entirety and uphold the Hearing Officer’s decision. I award the Respondent £750 as a contribution to the costs of this appeal.

PHILLIP JOHNSON
APPOINTED PERSON
24 October 2019

Representation:

Appellant: Dr Patrich Hoch and Nicole Hoch (in person);

Respondent: Philip Harris of Lane IP.