

O-672-18

TRADE MARKS ACT 1994

**IN THE MATTER OF THE APPLICATION NO. 3259216
BY NELOVY HEALTHCARE LTD TO REGISTER:**



AS A TRADE MARK FOR GOODS IN CLASS 3

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER NO. 411518
BY THE PROCTER & GAMBLE COMPANY**

Background and pleadings

1. On 25 September 2017, NELOVY HEALTHCARE LTD (the applicant) applied to register the figurative mark shown on the front page of this decision in respect of *moisturizers* in class 3.

2. The application was published for opposition purposes on 27 October 2017. Registration is opposed by The Procter & Gamble Company (the opponent) based on grounds under Sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (the Act). Under Sections 5(2)(b) and 5(3) of the Act, the opponent relies on the following three earlier trade mark registrations:

- i. **UK1546987** was filed on 07 September 1993 and completed its registration procedure on 21 July 1995 for the sign OLAY. The goods relied upon by the opponent under UK1546987 are *cleaning preparations for the face and body; soaps; perfumery, essential oils, cosmetics* in Class 3;
- ii. **EUTM273375** was filed on 06 May 1996 and completed its registration procedure on 09 February 1999 for the sign OLAY. The goods relied upon by the opponent under EUTM273375 are *cleaning preparations, soaps, perfumery, essential oils, cosmetics; preparations for the cleaning, care and beautification of the skin; toiletries* in Class 3;
- iii. **EUTM14025258** was filed on 04 May 2015 and completed its registration procedure on 08 September 2015 for the following sign:



The goods relied upon by the opponent under EUTM14025258 are *cleansing preparations for personal use; soaps, shower gels, cosmetics, make-up, make-up preparations, toiletries; cosmetic preparations for body and beauty care; skin care preparations; preparations for the care, treatment and beautification of the skin; nail care preparations, make-up removing preparations; beauty masks* in Class 3.

3. Under Section 5(4)(a) of the Act, the opponent relies on claimed earlier unregistered

rights arising from its use of the signs OLAY and  which it claims to have used throughout the UK since, at least, 1998 and 2000 respectively, in respect of *preparations for the skin, moisturisers, skin treatment, skin cleansers, make-up removers, sun protection products, serums, cleansing wipes, toners, face clothe and face brushes.*

4. In respect of Section 5(2)(b) of the Act, the opponent has not provided any particular arguments in support.

5. Under Section 5(3) of the Act, the opponent claims that it has established a substantial reputation in connection with its earlier marks. Its main claims are:

- that use of the applied for mark would take unfair advantage of the reputation of the earlier marks;
- that there is unfair advantage because i) the applicant is trading on the back of the opponent's reputation, ii) the sales made by the applicant would be the result of the opponent's reputation and iii) the applicant's marketing could be made easier by association with the opponent's earlier marks;
- that the offering of less adequate goods could impact negatively on the opponent and cause detriment to its reputation;
- that the opponent's reputation could be harmed and tarnished as a result of a connection being made by consumers between the respective goods;
- that use of the applied for mark could cause dilution and blurring of the earlier marks.

6. Under Section 5(4)(a) of the Act, the opponent claims that use of the applied for mark would be preventable under the law of passing-off. It states that the applicant's mark is confusingly similar to the opponent's earlier marks such that the consumers will be deceived as to where the goods bearing the applicant's mark originate. This will lead to financial damage as a result of loss of sale as well as damage to the opponent's goodwill and reputation.

7. The applicant filed a defence and counterstatement, denying all the grounds.

8. Only the opponent filed evidence. I have read all the evidence but I will summarise it only to the extent I consider necessary. Neither party requested a hearing but both filed written submissions in lieu, which I will bear in mind. The applicant acts without professional legal representation. The opponent is represented by D. Young & Co LLP.

Evidence

9. The evidence consists of a witness statement, dated 4 May 2018, from Susan Felder, the opponent's assistant secretary. The following information is considered relevant:

- The opponent produces and manufactures a range of facial care products under the trade mark OLAY worldwide. The products were launched in the US under the name 'Oil of Olay' in 1963;
- The OLAY brand has been used continuously and extensively throughout the UK and in certain EU countries since as early as 2001;
- The OLAY product range includes various facial skincare products but the core products remain facial moisturisers;
- The importance of the OLAY brand is supported by UK, EU and worldwide filings for protection in, inter alia, class 3 (Exhibit PG1);
- The opponent owns and maintains numerous websites worldwide dedicated to the OLAY brand. The main corporate website is www.olay.com. Dedicated country websites include the UK websites www.olay.co.uk and www.supersavvyme.co.uk, the latter being an online platform designed to provide offers and reviews, including those relating to OLAY products. Exhibit PG2 includes prints from www.olay.co.uk and www.supersavvyme.co.uk; the copies are undated save from the printing dates of 25 April and 3 May 2018;

- www.olay.co.uk had around 550,000 visitors in 2014, 660,000 in 2015, 1.1m in 2016 and 690,000 in 2017;
- The opponent has extensively used social media to promote the OLAY brand across the UK and EU;
- Promotional spend is provided. The opponent's annual advertising spent between 2012 and 2017 has been of £16m across the EU and £7m in the UK. Due to the opponent's extensive investment and promotion, the OLAY name has become a household name in the UK and throughout the EU;
- OLAY branded products enjoy a 10.30% market share in the EU and 25.50% market share in the UK (in the six months before the date of the witness statement). The YouTube Channel dedicated to OLAY was launched on 14 October 2014 and had since had 1.3m views. The opponent has a UK Facebook page, launched in September 2015, a twitter page, launched in September 2011, and a UK Instagram page, launched in July 2016 dedicated to the OLAY brand. These have 7.7m likes and 144,000 and 4,200 followers respectively;
- Exhibit PG4 are examples of printed and TV adverts for OLEY skincare products. The printed adverts feature both the word OLAY as well as the stylised  and  marks; they are labelled as relating to the UK market, though it is not clear what are the names of the magazines where the adverts appeared. A number of adverts contains the text "World's No.1 Female Facial Skincare Brand" and "'*Based on mass market facial moisturiser and cleanser sales for past 12 months ending [June 2014], [December 2014], [June 2015]". The exhibit also includes a list of famous actresses/models who appeared in OLAY advertising between 1975 and 2015; the list is impressive and includes, inter alia, the UK personality Twiggy (2012), the British actress Thandie Newton and the British Olympic Athlete Jessica Ennis (2012);

- Exhibit PG5 are web prints showing third party articles and publications about the OLAY brand. These include, inter alia:
 - a report on 'Top 50 Beauty Brands' published on brandfinance.com. It rates OLAY as 'Top Beauty Brand 2012' with a brand value of US \$11.8 billion;
 - An article from theguardian.com dated 12 March 2012. It is headed "*A brief history of Olay. Sixty years ago Graham Wulff invented a thick pink liquid which he named 'beauty fluid'. Now someone buy the brand's moisturiser every two minutes*". The print shows a OLAY branded product with a price in pounds;
 - Various articles from UK online magazines including, inter alia, instyle.co.uk, marieclaire.co.uk, express.co.uk, dailymail.co.uk, telegraph.co.uk, cosmopolitan.com/uk, look.co.uk, theguardian.com¹, mirror.co.uk, independent.co.uk, published between 2013 and 2017, about OLAY skincare branded products. One of the articles lists a OLAY branded night cream as one of the "Best UK creams in 2016 for oily and dry skin". These include images of OLAY branded skincare products displaying both the stylised  and  marks;
 - Articles from various EU publications referring to OLAY as the world leader in skincare products;
- Exhibit PG6 is a list of UK and EU awards received by OLAY branded products in the period 2006-2017. The exhibit also includes numerous printouts from UK magazines detailing 'best buy recommendations' and awards received by OLAY branded products in the period 2002-2014.

¹ The article shows prices in UK pounds

10. The remainder of the witness statement consists of submissions and personal opinions about the opposition at issue. I will take these into account, but not detail them here.

Decision

Section 5(2)(b)

11. Section 5(2)(b) of the Act states:

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

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

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

“6.-(1) In this Act an “earlier trade mark” means –

(a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

13. Under this ground, the opponent relies on its registrations nos. UK1546987 (987), EUTM273375 (375) and EUTM14025258 (258). Since both 987 and 375 consist of identical marks and include goods which are identical to the contested goods (see below), I will confine my consideration to 987 (which is a UK mark) and 258: if the opponent cannot succeed in respect of these earlier registrations, it will be in no better position as regards its other mark. I proceed on that basis. Both of these marks are earlier marks within the meaning of section 6(1) of the Act. As 987 was registered

more than five years prior to the date the application was published, the requirements of Section 6A of the Act are, in principle, relevant to it. In the notice of opposition, the opponent provided a statement that it had used its mark for all of the goods covered by the registrations; in its counterstatement the applicant omitted to indicate whether it wished to put the opponent to proof of use. As the onus is on the applicant to require proof of use and it has not done so, this means that it has accepted the opponent's statement that it has used the mark. Consequently, the opponent can rely on all of the goods it has identified under each mark.

Section 5(2)(b) case law

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

- (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

15. In comparing the respective specifications, all the relevant factors should be taken into account. In the judgment of the Court of Justice of the European Union (CJEU) in *Canon*, Case C-39/97, the Court stated at paragraph 23:

“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”.

16. In *Gérard Meric v OHIM*, Case T- 133/05 the General Court (GC) stated:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by 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”.

17. The Collins Online English dictionary contains the following definition:

“**Moisturizer** (in British) “a cosmetic cream, lotion, etc, applied to the skin to add or restore moisture to it”

18. Both earlier marks are registered and relied upon in relation to, inter alia, *cosmetics*. The applied for goods are *moisturizers*. As shown by the dictionary definition, a moisturizer is a type of cosmetic. Therefore, the goods must be regarded as identical on the principle outlined in *Meric*.

The average consumer and the nature of the purchasing act

19. As the case law above indicates, it is necessary for me to determine who the average consumer is for the goods at issue; I must then determine the manner in which these goods will be selected in the course of trade.

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

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

21. The average consumer of the parties’ goods is the general public. The goods will most often be self-selected from a shelf or its online equivalents and the marks may be exposed visually in advertising and websites. I consider that the visual impact of the marks will take on more importance, although I will not ignore the aural impact completely as sometimes sales advisors are involved in the process.

22. As to the degree of attention consumers are likely to deploy when selecting the goods, I bear in mind that the goods will be purchased fairly frequently and that although certain types of moisturizers are purchased with greater care because they can be expensive, there are also much cheaper versions of the same product. Accordingly, I consider the purchasing process to be a normal, reasonably considered one.

Comparison of marks

23. 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 them, 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.”

24. It would be wrong, therefore, to artificially dissect the marks, although, it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. The marks to be compared are:

Application	Earlier marks
	(EUTM) 258 Mark 
	(UK) 987 Mark OLAY

Overall impression

25. The applied for mark consists of a number of elements. The first element is a capital letter 'S' written in a pink, thick and stylised script. It is depicted as a squiggly line vertically aligned, tapering at either end into curves (descending from the top and projecting to the right and ascending from the base and projecting to the left) and elongated at the centre. The second element is the partial image of a stylised female face in green, showing the nose, the mouth and the left eye closed. This graphic element is partially enclosed within the concavity created by the top half of the 'S'. The third element consists of the letters 'olav' written in lower case and placed next to the 'S', to the right hand-side; the letters are written in the same pink and thick script as that used for the 'S' (though the latter is more stretched). The opponent states:

“The contested application is presented with a standard font in the colour pink and accompanied by a figurative face device. Whilst the applicant advises that the brand name is SOLAV, this is not immediately apparent as the initial S has been significantly elongated in form to the extent that it more clearly serves to represent the hair or outline of the face device above it, a fact admitted by the applicant. Therefore, due to the stylised presentation of the Application the letters OLAV are clearly the dominant verbal element”.

And

“25. The Applicant has sought to depict its mark with the initial element 'S' appearing almost as a straight line to represent the hair or outline of the face device that sits above the letter 'O'. This serves to separate and highlight the end four letters "olav". This is pertinent considering Procter & Gamble uniformly use OLAY in a stylised manner with the letter 'Y' having a smaller tail extension than in most standard fonts which visually is closely similar to a letter 'V'. Further, OLAY products have long established use of 'OLAY' in conjunction with a face device. This means the presentation of the Applicant's trade mark closely mirrors the format of Procter & Gamble's earlier trade marks.”

26. Whilst noted, I consider that the opponent's argument represents an attempt to artificially dissect the mark. Though I accept that the 'S' is elongated and cleverly arranged in a way that some consumers might appreciate that it also serves as the outline (or the hair) for the green face device, it remains easily legible. Contrary to what the opponent says, it is very unlikely that the average consumer will not perceive the letter 'S' and regard it merely as a graphic element. This is because i) the letter 'S' is not so highly stylised that it gets lost in the device² and any sense of it being integrated into the device will be *over and above* the immediate perception of it as a stylised thick capital 'S' and ii) the composition of the two elements, namely the word element 'Solav' and the device, has been emphasised by means of two different colours, pink and green.

27. Given the relative position of the various components within the arrangement of the mark, the overall impression conveyed to me by the mark was, on first glance, of a composite mark made up of the word 'Solav' presented in title case in pink (with the initial 'S' elongated) and the representation of a woman's face in green. This is a fairly obvious perception, which is reflected in the way the mark was categorised by the UKIPO, i.e. as a 'Solav' mark, and which, I consider, it is how the average consumer will naturally perceive and memorise the mark³.

28. In terms of dominant and distinctive elements, I have already said that the overall manner of presentation of the mark means that the verbal element will be seen as the word 'Solav'. The word 'Solav' is an invented word, it is inherently high in distinctive character and makes up a higher proportion of the mark. The graphic stylisation of the first letter 'S', only increases further the attention paid to the word 'Solav' which is the dominant and distinctive element of the mark. Bearing in mind that the goods are moisturizers, the device of the female face is allusive as to the purpose of goods, namely directed at a female public and will be perceived as decorative - a point I shall consider when making my global assessment of the likelihood of confusion.

² See BL-O-169-16 and BL-O-468-17

³ Though the point was not raised by the opponent, for the sake of completeness, I should add that even considering that the colour of the applied for mark is immaterial because the earlier mark is registered in black and white (*Specsavers International Healthcare Limited & Others v Asda Stores Limited* [2011] FSR 1(High Court)) the contrast (or homogeneity) created by colour scaling can be taken into account. In light of the homogeneity created by the same colour scaling and thickness of the letter 'S' and the letters 'olav' (in contrast to the lighter grey of the device which makes it less discernible) the verbal element of the mark will still be perceived as the word 'Solav'.

29. Nonetheless, the manner in which the device is combined with the 'S' catches the eye and contributes to the distinctiveness of the mark.

30. Turning to the earlier marks, the overall impression of the 987 mark is based solely upon the word OLAY of which it consists.

31. The 258 mark consists of the word OLAY written in a stylised script with the 'O', 'A' and 'Y' in upper case and the 'l' in lower case, placed underneath a somewhat stylised but fairly conventional representation of a woman's head facing forward, in the form of a medal framed by the woman's hair. The word OLAY is larger than the device element and will be perceived as a fanciful word. The figurative element, though stylised, is allusive of the goods involved. Given its size and high level of inherent distinctiveness, the word OLAY takes on more significance but the figurative element also makes a visual contribution to the overall impression.

Visual similarity

258 Mark

32. Visually, the mark applied for and the earlier 258 mark display figurative elements consisting in the representation of a stylised woman's face. However, they differ in the specific depiction of the face and produce a different impression: the woman's face in the applied for mark has no visible outline or hair, is depicted from the top and includes the left eye, the nose and the mouth; the woman's face in the earlier mark is depicted from the front, has a sharp outline, includes both eyes, the nose, the mouth and the hair and is framed in the form of a medal. Furthermore, as these figurative elements make a reference to the goods at issue in class 3, which may be directed at women, they are less dominant features in each mark. Though the marks share the letters 'O', 'L' and 'A', the verbal elements by which each mark will be identified, i.e. 'Solav' and 'OLAY', are of different length, have different beginnings and endings and are written in different fonts. In this connection, the opponent refers to the fact that the final 'Y' of the earlier mark has only a short tail extension and, as such is similar to the final 'V' of the applied for mark. I disagree. Though the tail of the 'Y' might be shorter, it is still

clearly identifiable as a 'Y'. In my view, the marks are notably different and if there is any visual similarity between them it must be pitched to, at most, a very low degree.

987 Mark

33. Turning to the 987 mark, the only point of similarity with the applied for mark is the letters 'O', 'L' and 'A', however, as I have already said, the verbal elements by which each mark will be identified, i.e. 'Solav' and 'OLAY', are of different length, have different beginnings and endings and are written in different fonts. Further, the applied for mark incorporate a device element which has no counterpart in the earlier mark. If there is any similarity between the marks it must be to a very low degree.

Aural similarity

34. Aurally, the figurative elements of the marks will not be articulated. Both earlier marks will be articulated as O-LAY. The applied for mark will be articulated as SO-LAV. The marks are aurally different.

Conceptual similarity

35. Conceptually, the opponents accept that the position is neutral as none of the marks has a meaning in English. I agree that both 'Solav' and 'OLAY' will be perceived as invented words with no clear meaning.

36. Although it could be said that the bridging concept between the applied for mark and the 258 mark is the concept of a woman's head, as I have already found, that concept is allusive in relation to the goods concerned and, thus, has very little distinctiveness, and any distinctiveness these elements do enjoy is entirely down to their stylisation, which is different.

Distinctive character of the earlier mark

37. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated at paragraphs 22 and 23 that:

“In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

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).”

38. I have already found that the verbal element of the earlier marks, namely the word OLAY is highly distinctive per se; however, the figurative element of the 258 mark is also distinctive but to a lesser degree. I am prepared to accept that in relation to facial skincare products both earlier marks have plainly acquired a stronger distinctive character because of the extensive use made of the marks which means that the figurative element of the 258 mark is also highly distinctive in view of its use. This is so because these goods have been advertised and sold continuously in the UK and despite no breakdown in turnover figures, this seems to have been done on a large scale when considering the adverts, the marketing spent and the UK market share.

Likelihood of confusion

39. 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 marks may be offset by a greater degree of similarity between the respective goods and vice versa. 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 marks and must instead rely upon the imperfect picture of them he has retained in his mind.

40. In *L.A. Sugar Limited v By Back Beat Inc*, case BL-O/375/10 where he stated:

“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.”

41. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor Q.C., as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

42. The opponent's arguments on confusion are that the similarities between the respective marks and the respective goods together with the strong evidence of OLAY's brand awareness, will result in confusion. Reference is made to the possibility of the applied for goods being seen by the average consumer as a new line goods produced by, or in collaboration with, the opponent. The applicant on the other hand, simply denies the claims and states that the marks are not visually or aurally similar and that the average consumer would not be confused into thinking that goods branded under the mark 'Solav' are a brand extension of OLAY branded products.

43. Earlier in my decision, I rejected the opponent's main submissions that the verbal element of the applied for mark will be identified as 'olav' and I proceeded upon the premise that the verbal element of the applicant's mark is recognisable as 'Solav' for the purposes of visual, aural and conceptual comparison with the earlier marks. I found that the respective marks are visually similar only to, at most, a very low degree and aurally different. In terms of conceptual similarity, I found that the conceptual position is neutral and that though the applied for mark and the 258 mark share the concept of a woman's head, that concept has little distinctiveness in relation to the goods concerned and any distinctiveness these elements enjoy is entirely down to their stylisation, which is different. Whilst I acknowledge that consumers rarely have the opportunity to compare marks side by side and must instead rely on the imperfect picture that they have kept in mind, applying this principle and even taking into account the identity of the goods and the enhanced degree of distinctiveness of the earlier marks, the differences between the marks are too great to go unnoticed to the average consumer (who selects the goods visually with an average degree of attention) and militate against direct confusion. **There is no direct confusion.**

44. In terms of indirect confusion, I see no reason for the average consumer to conclude that the goods bearing the applicant's mark came from an economically linked undertaking, bearing in mind its imperfect recollection of the earlier marks used on identical goods. The differences in the respective get-ups and brand names, i.e. Solav *versus* OLAY will not suggest to the average consumer that the marks are used by the same or related undertakings. **There is no indirect confusion.**

Conclusion

45. **The opposition under Section 5(2)(b) fails.**

Section 5(4)(a)

46. Section 5(4)(a) states:

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

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b) [.....]

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

47. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court stated that:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the Jif Lemon case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56 In relation to deception, the court must assess whether “a substantial number” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived

(per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21)".

The relevant date

48. Whether there has been passing off must be judged at a particular point (or points) in time. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O/410/11, Daniel Alexander QC, sitting as the Appointed Person, considered the matter of the relevant date in a passing off case. He said:

"43. In *SWORDERS TM O-212-06* Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

'Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.'"

49. As there is no evidence of use of the applied for mark prior to the filing of the application, the relevant date is the date on which the trade mark application was filed, i.e. 25 September 2017.

Goodwill

50. The House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL) provided the following guidance regarding goodwill:

"What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one

thing which distinguishes an old-established business from a new business at its first start”.

51. As regards goodwill, I consider that the opponent has demonstrated that it had acquired a substantial goodwill in relation to skincare products at 25 September 2017, and that it is entitled to take action to enforce the legal rights associated with its

goodwill. I also accept that the signs OLAY and  were distinctive of the opponent’s goodwill at the relevant date to a significant number of consumers of skincare products, who are also potential consumers of the applicant’s moisturizers.

Misrepresentation

52. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148 . The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

and later in the same judgment:

“... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

53. I recognise that the test for misrepresentation is different to that for likelihood of confusion, namely, that misrepresentation requires “a substantial number of members of the public are deceived” rather than whether the “average consumer are confused”. However, as recognised by Lewinson L.J. in *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, it is doubtful whether the difference between the legal tests will produce different outcomes. Certainly, I believe that this is the case here. Even accepting that the opponent has a large goodwill identified by its signs I, nonetheless, find that members of the public are unlikely to be misled into purchasing the applicant's goods in the belief that they are the goods of the opponent. For the reasons set out earlier, I consider that the differences between the respective marks are so great that no economic connection will be made.

54. In conclusion, I find that the opponent's grounds, insofar as they are based upon section 5(4)(a), also fail.

55. The Section 5(4)(a) ground of opposition is dismissed.

Section 5(3)

56. 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”.

57. 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, *Adidas-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*).

Reputation

58. The required level of reputation was described by the CJEU in *General Motors*, Case C-375/97, in the following way:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it”.

59. I am satisfied that the opponent has demonstrated that the OLAY marks enjoys a large reputation amongst a substantial proportion of the relevant public in the UK in relation to facial skincare products (which are covered by the registered term cosmetics). This finding is sufficient to qualify the earlier 987 mark for protection under

Section 5(3). So far as the earlier 258  mark is concerned, I note that in *Pago International GmbH v Tirolmilch registrierte GmbH*, C-301/07 the CJEU held that a reputation in a single member state may be sufficient to constitute the required

reputation in “a substantial part of the territory of the Community”. I find that the

reputation of  established in the UK also qualified as a reputation in the EU.

Link

60. Having considered that OLAY enjoys a reputation, I now go on to consider whether or not the average consumer will make a link between the earlier marks and the applied for mark. As I noted above, my assessment of whether the public will make the required mental ‘link’ between the marks must take account of all relevant factors. The factors identified in *Intel* are:

The degree of similarity between the conflicting marks

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

The strength of the earlier mark’s reputation

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

61. Whilst a lesser degree of similarity between the marks may be sufficient to cause the public to make a link between them compared to that which is necessary to create a likelihood of confusion⁴ and even considering the strength of OLAY reputation, the high degree of distinctive character (both inherent and acquired through use) of the earlier marks and the identity between the respective goods, I find that the differences in the marks are so significant (and any similarity is so faint) that the relevant public when confronted with the applicant’s mark will not make any connection or establish any link with the earlier repute marks.

⁴ *Intra-Press SAS v OHIM*, Joined cases C-581/13P & C-582/13P, CJEU

62. It follows that the contested mark could not have caused any of the types of injury set out in the Section 5(3).

63. The Section 5(3) ground is rejected accordingly.

Final remarks

64. In its final submissions the applicant stated:

“Although the use of a face outlines does not mean that it mirrors other products bearing face figure, it would be agreeable to consider more intelligible style or font which serves to present Solav mark in a manner which avoid separation or highlighting the ‘olav’ letters in order for this matter to be resolved”

65. Whilst the applicant’s comments are noted, they are immaterial. Firstly, because the applicant maintains that the application should be accepted for registration. Secondly, because it is not possible to amend a mark once it has been filed.

Costs

66. The applicant has been successful and would ordinarily be entitled to an award of costs. However, as the applicant is an unrepresented party, the tribunal wrote to the applicant and asked it to complete and return a costs pro-forma if it intended to seek an award of costs. It was advised that, if the pro-forma was not returned, no award of costs would be made. The pro-forma has not been received by the tribunal and I therefore direct that the parties bear their own costs.

Dated this 23rd day of October 2018

Teresa Perks

For the Registrar

The Comptroller – General