

O-731-18

TRADE MARKS ACT 1994

IN THE MATTER OF INTERNATIONAL REGISTRATION NO. 1356340:

LIVINGDREAMS[®]

IN CLASS 20

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 410807**

Background and pleadings

1. On 13 May 2017, Nicole Hoch (“the holder”) requested protection in the UK of International Trade Mark registration number 1356340 for the trade mark **LIVINGDREAMS**[†] (“the contested mark”). The mark was published for opposition purposes on 18 August 2017 in respect of “furniture; garden furniture” in class 20.

2. The opposition is brought by Dreams Limited (“the opponent”) under s. 5(2)(b) of the Trade Marks Act 1994 (“the Act”) and is directed against all of the goods in the application.¹

3. The opponent relies upon the following trade marks, all of which are earlier marks as defined in s. 6 of the Act:

i) European Union Trade Mark (“EUTM”) 11424538 **DREAMS**. The mark was filed on 13 December 2012 and entered in the register on 24 April 2013;

ii) EUTM 11582764 . The mark has a filing date of 18 February 2013 and was entered in the register on 16 July 2013;

iii) EUTM 12933362 . The mark was filed on 3 June 2014 and registered on 14 October 2014. There is a claim to the colours purple and pink.

4. The opponent relies upon all of the goods and services for which the marks are registered. With the exception of one term in class 24, noted below, the specifications for all three EUTMs are identical and read as follows:

Class 20 Furniture; bedroom furniture; mirrors; beds; water beds; divans; bedsteads; headboards; bedding, other than bed linen; pillows;

¹ A claim based on s. 5(3) was withdrawn during proceedings: submissions dated 26 April 2018, §7.

mattresses; open spring and pocket spring mattresses; memory foam and latex mattresses; futons; air cushions and air pillows; air mattresses; sleeping bags; bed casters not of metal; bed fittings not of metal; chairs; armchairs; cabinets; chests of drawers; desks; footstools; cots and cradles; parts and fittings for all the aforesaid goods.

Class 24 Fabrics and textiles for beds and furniture; bed linen; duvets; bed covers; bed blankets, bed clothes; covers for duvets; mattress covers; covers for pillows and pillow cases; covers for cushions; bedspreads; covers for hot water bottles [in EUTMs 11582764 & 12933362: non-fitted covers of textile or fabric for hot water bottles]; pyjama cases; furniture coverings of textile; quilts; parts and fittings for all the aforesaid goods.

Class 35 Retail services relating to the sale of furniture, bedroom furniture, mirrors, beds, water beds, divans, bedsteads, headboards, bedding, pillows, mattresses, open spring and pocket spring mattresses, memory foam and latex mattresses, futons, air cushions and air pillows, air mattresses, sleeping bags, bed casters not of metal, bed fittings not of metal, chairs, armchairs, cabinets, chests of drawers, desks, footstools, cots and cradles, fabrics and textiles for beds and furniture, bed linen, duvets, bed covers, bed blankets, bed clothes, covers for duvets, mattress covers, covers for pillows and pillow cases, covers for cushions, bedspreads, covers for hot water bottles, pyjama cases, furniture coverings of textile, eiderdowns, quilts, parts and fittings for all the aforesaid goods, all provided in a retail furniture and bedding superstore, online via the Internet or other interactive electronic platforms, via mail order or catalogues or by means of telecommunications; information, advisory and consultancy services relating to all of the aforesaid.

5. The opponent claims that the marks are similar and the goods are identical or similar. It claims that there is, as a consequence, a likelihood of confusion, including the likelihood of association.

6. The holder filed a counterstatement denying the grounds of opposition and putting the opponent to proof of its claims. It claims that “DREAMS” is non-distinctive (a point to which I will return) and that the differences between the marks are sufficient to avoid any likelihood of confusion.

7. Only the opponent filed evidence. It also filed written submissions during the evidence rounds. Neither party requested a hearing but both filed written submissions in lieu. I will bear all of the submissions in mind. The holder is not professionally represented; the opponent has been represented throughout by Lane IP Limited. This decision is taken following a careful reading of all of the papers.

Evidence

Opponent’s evidence

8. The opponent’s evidence consists of the witness statement of Matthew McAleer, an Associate Trade Mark Attorney at the opponent’s professional representatives. I do not need to describe the evidence in detail. The first two exhibits consist of a list of the opponent’s other trade marks, which are not in issue in these proceedings, and a number of decisions of the EUIPO.² I have read those decisions and will bear them in mind, though they are neither binding upon me nor of particular persuasive value.

9. The final exhibit consists of prints of the opponent’s website. The date is not visible. EUTM 12933362 is visible, along with a range of furniture items.

10. That concludes my summary of the evidence.

² MM1 & MM2.

Section 5(2)(b)

11. The opposition is based upon s. 5(2)(b) of the Act, which reads as follows:

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

(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 will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

13. I will begin by assessing the position in respect of EUTM 11424538. It is closer to the application than either of the other earlier marks, as there is no stylisation, and its specification is arguably the widest. Accordingly, if the opposition fails in respect of this mark, it will also fail insofar as it is based on less similar marks.

Comparison of goods and services

14. It is necessary, in light of the holder's comments in both her counterstatement and written submissions, to explain how I must approach the comparison between the respective goods and services.

15. Once a trade mark has been registered for five years or more, s. 6A of the Act is engaged and the owner of the mark can be required to demonstrate that it has used its mark. Until that point, however, the trade mark is entitled to protection across the full width of its specification. None of the opponent's marks had been registered for five years at the date on which the contested mark was published. Accordingly, the opponent may rely upon all of the goods and services which it has identified in its notice of opposition and I must make the comparison based on the "notional" use of the earlier marks. This concept of notional use was explained by Laddie J. in *Compass Publishing BV v Compass Logistics Ltd* ([2004] RPC 41) like this:

"22. [...] It must be borne in mind that the provisions in the legislation relating to infringement are not simply reflective of what is happening in the market. It is possible to register a mark which is not being used. Infringement in such a case must involve considering notional use of the registered mark. In such a case there can be no confusion in practice, yet it is possible for there to be a finding of infringement. Similarly, even when the proprietor of a registered

mark uses it, he may well not use it throughout the whole width of the registration or he may use it on a scale which is very small compared with the sector of trade in which the mark is registered and the alleged infringer's use may be very limited also. In the former situation, the court must consider notional use extended to the full width of the classification of goods or services. In the latter it must consider notional use on a scale where direct competition between the proprietor and the alleged infringer could take place”.³

16. So far as the holder’s use of the contested mark is concerned (of which there is no evidence), in *O2 Holdings Limited, O2 (UK) Limited v Hutchison 3G UK Limited*, Case C-533/06, the Court of Justice of the European Union (“CJEU”) stated at paragraph 66 of its judgment that, when assessing the likelihood of confusion in the context of registering a new trade mark, it is necessary to consider all the circumstances in which the mark applied for might be used if it were registered. As a result, my assessment must compare the respective marks and their specifications as they appear on the register, without taking into account any differences which may exist in the actual use which has so far been made of the marks.

17. Turning to the comparison between the goods and services, 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 fur Lernsysteme v OHIM- Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

³ Endorsed by the Court of Appeal in *Roger Maier v ASOS* [2015] EWCA Civ 220 at [78] and [84].

18. Both trade marks include the term “furniture”. These goods are self-evidently identical. “Garden furniture” in the contested specification is included within the broader category “furniture” in the earlier mark. These goods are identical according to the principle outlined in *Meric*.

19. Given the identity of the above goods, the opponent’s position would not be improved were I to assess the similarity between its remaining goods and services and those in the contested specification. I do not intend to do so and will make no further mention of the remaining goods and services.

The average consumer and the nature of the purchasing act

20. It is necessary for me to determine both who the average consumer is for the respective parties’ goods and the manner in which these goods are likely to be selected by the average consumer in the course of trade. 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 parties have not commented on the identity of the average consumer. In my view, the average consumer is likely to be a member of the public. The purchasing process is likely to take place in a bricks-and-mortar retail environment, or via selection from, for example, a website or catalogue. All of these methods of selection will involve

primarily visual considerations, though I do not discount that there may be an aural aspect to the purchase.

22. The consumer will wish to select a product which satisfies their requirements in terms of function, size and aesthetic, as well as factors such as durability. The level of attention is, therefore, likely to be above average but not of the highest degree.

Distinctiveness of the earlier mark

23. The distinctive character of the earlier mark must be assessed, as the more distinctive the earlier mark, either inherently or through use, the greater the likelihood of confusion (*Sabel* at [24]). In *Lloyd Schuhfabrik*, the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-2779, 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)”.

24. The applicant argues that “DREAMS” is non-distinctive. It is not open to me to make that finding. In *Formula One Licensing BV v OHIM*, Case C-196/11P, the CJEU found that:

“41. [...] it is not possible to find, with regard to a sign identical to a trade mark protected in a Member State, an absolute ground for refusal, such as the lack of distinctive character, provided by Article 7(1)(b) of Regulation No 40/94 and Article 3(1)(b) of Directives 89/104 and 2008/95. In this respect, it should be noted that the characterisation of a sign as descriptive or generic is equivalent to denying its distinctive character.

42. It is true that, as is clear from paragraph 48 of the judgment under appeal, where an opposition, based on the existence of an earlier national trade mark, is filed against the registration of a Community trade mark, OHIM and, consequently, the General Court, must verify the way in which the relevant public perceives the sign which is identical to the national trade mark in the mark applied for and evaluate, if necessary, the degree of distinctiveness of that sign.

43. However, as the appellant rightly points out, their verification has limits.

44. Their verification may not culminate in a finding of the lack of distinctive character of a sign identical to a registered and protected national trade mark, since such a finding would not be compatible with the coexistence of Community trade marks and national trade marks or with Article 8(1)(b) of Regulation No 40/94, read in conjunction with Article 8(2)(a)(ii)”.

25. No claim has been made that the earlier marks benefit from an enhanced level of distinctive character and the evidence which the opponent has filed is insufficient to establish any enhancement through use. There is, therefore, only the inherent position to consider. From that perspective, as dreams are what one has while asleep, the word “DREAMS” is clearly suggestive in relation to goods such as beds. Its inherent distinctiveness would, for such goods, be fairly low (i.e. between low and medium). For items of furniture which have no connection to sleeping, “DREAMS” does not have any particular connotations which would put its distinctive character at below a normal level. It is inherently distinctive to a medium degree.

Comparison of trade marks

26. It is clear from *Sabel BV v Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade 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 trade marks must be assessed by reference to the overall impressions created by the trade marks, bearing in mind their distinctive and dominant components.

27. 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”.

28. It would be wrong, therefore, artificially to dissect the trade marks, although it is necessary to take into account the distinctive and dominant components of the trade

marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the trade marks.

29. The trade marks to be compared are as follows:

Earlier trade mark	Contested trade mark
DREAMS	LIVINGDREAMS [?]

30. The opponent claims that the marks are visually and aurally highly similar and conceptually identical or similar. The applicant claims that “LIVINGDREAMS is a newly created word of its own [...] the DREAMS brand is not a word creation, but a noun, which as such is not appreciable and certainly cannot stand in the way of new word creations containing this noun”.⁴

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.

⁴ Submissions, §7.

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.

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.

35. The word “DREAMS” can mean both a series of thoughts one experiences whilst asleep and an aspiration.⁵ 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”.⁶ 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.⁷ 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

⁵http://www.oxfordreference.com/view/10.1093/acref/9780199571123.001.0001/m_en_gb0244140?rskey=lcfrY&result=1 [accessed 12 November 2018].

⁶ Submissions, §16.

⁷http://www.oxfordreference.com/view/10.1093/acref/9780199571123.001.0001/m_en_gb0476140?rskey=Z4z0Vj&result=1 [accessed 13 November 2018].

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.

Likelihood of confusion

36. There is no simple formula for determining whether there is a likelihood of confusion. The factors considered above have a degree of interdependency (*Canon* at [17]). I must make a global assessment of the competing factors (*Sabel* at [22]), considering the various factors from the perspective of the average consumer and deciding whether the average consumer is likely to be confused. In making my assessment, I must keep in mind 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 (*Lloyd Schuhfabrik* at [26]).

37. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other. The concept of indirect confusion was explained by Iain Purvis Q.C., sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, BL O/375/10 as follows:

“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”.

38. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, James Mellor Q.C., sitting 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.

39. 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.

Conclusion

40. The opposition succeeds and registration will be refused.

Costs

41. The opponent has been successful and is entitled to an award of costs. I bear in mind that the relevant scale is contained in Tribunal Practice Notice (“TPN”) 2/2016. Bearing that scale in mind, but making due allowances for the light evidence, I award costs to the opponent as follows:

Official fee:	£200
Preparing the notice of opposition and considering the counterstatement:	£200
Filing evidence and submissions:	£500
Total:	£900

42. I order Nicole Hoch to pay Dreams Limited the sum of **£900**. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 14th day of November 2018

**Heather Harrison
For the Registrar**