O/0145/25

TRADE MARKS ACT 1994

IN THE MATTER OF INTERNATIONAL REGISTRATION NO. WO0000001560818
DESIGNATING THE UNITED KINGDOM
BY THREAD WALLETS LLC
IN RESPECT OF THE TRADE MARK:

THREAD

IN CLASSES 9, 14 AND 18

AND

IN THE MATTER OF THE OPPOSITION THERETO
UNDER NO. 432343
BY THREADS STYLING LTD

BACKGROUND AND PLEADINGS

1. THREAD WALLETS LLC ("the holder"), is the holder of International Trade Mark Registration number WO0000001560818 ("the IR/application"), shown on the cover page of this decision. The IR is registered with effect from 22 April 2020. With effect from 24 February 2021, the holder designated the UK as a territory in which it seeks to protect the IR under the terms of the Protocol to the Madrid Agreement. The holder seeks protection for the IR in relation to the following goods:

> **Class 9:** *Cell phones cases; lanyards for holding electronic identity cards; lanyards for holding magnetic identity cards.*
>
> **Class 14:** *Lanyards for holding keys.*
>
> **Class 18:** *Wallets; lanyards for holding wallets.*

2. The request to protect the IR was published on 31 December 2021. On 31 March 2022, Threads Styling Ltd ("the Opponent") opposed the protection of the IR in the UK based upon Sections 5(1), 5(2)(a), 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 ("the Act") relying on the following earlier trade marks:

Trade mark number: UK00002565973 ("the first earlier mark") THREADS Filing date: 01 December 2010 Registration date: 11 March 2011 The mark is registered for the following services upon which the opponent relies: **Class 45:** *consultancy services relating to personal appearance*
Trade mark number: UK00003536946

THREADS

Filing date: 24 September 2020

Registration date: 22 January 2021

The mark is registered for the following services upon which the opponent relies:

Class 35: *Retail services connected with the sale of clothing, footwear, headgear, bags, jewellery; Online retail services connected with the sale of clothing, footwear, headgear, bags, jewellery; Retail and online retail services connected with the sale of dresses, skirts, blouses, shirts, t-shirts, trousers, suits, jeans, pants, shorts, sweatshirts, hoodies, jogging suits, loungewear, tank tops, rainwear, sweaters, gloves, jackets, coats, raincoats, snow suits; Retail and online retail services connected with the sale of ties, robes, belts, scarves, sleepwear, pyjamas, underwear, suspenders, lingerie, bodices [lingerie], maternity lingerie, bodices, bras, strapless bras, sports bras, stockings, body stockings, gussets for stockings [parts of clothing]; Retail and online retail services connected with the sale of hats, caps, sun visors, beanies, boots, shoes, sneakers, running shoes, trainers, sandals, booties, socks, swimwear and costumes; Retail and online retail services connected with the sale of precious stones and precious metals, rings, necklaces, costume jewellery, badges, brooches, bracelets, cufflinks, tie pins, tie clips, earrings, key rings, pendants, watches; Retail and online retail services connected with the sale of handbags, purses, wallets, beach bags, clutch bags, cosmetic bags, luggage, travel bags, suitcases, hold-alls, trunks and valises, overnight bags, weekend bags, suit bags, tote bags, brief cases, shopping bags, sports bags, school bags, back packs, make up bags, umbrellas, parasols, walking sticks.*

Class 45: *Personal fashion consulting services; Personal wardrobe styling consultancy; Personal wardrobe styling services; Personal shopper services; Personal gift selection for others; Rental of clothing; Online social networking services; Online social networking services accessible by means of downloadable mobile applications; Intellectual property licensing services.*

3. The opponent's earlier trade marks are both subject to securities/charges, the opponent having granted a security interest over its registrations to TriplePoint Capital LLC ("the security holder"). A charge does not involve transfer of ownership, but the security holder is given the right to take ownership of the trade mark in the event of default. In the present case, the recorded charges go beyond the right to take ownership of the trade marks, as the extent of the security is as follows:

> "In addition to the right to take ownership of the trade marks, such powers include, but are not limited to, rights for the Lender/Receiver to take possession of, collect and get in all or any part of the Security Assets and/or income in respect of which he was appointed, to manage the Security Assets and the business of any Chargor as he thinks fit, to redeem any Security and to borrow or raise any money and secure payment of any money in priority to the Secured Obligations for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise, to sell, lease or otherwise dispose of all or any part of the Security Assets in respect of which he was appointed without the need to observe the restrictions imposed by Section 103 of the Law of Property Act 1925, to complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which the Chargor was concerned or interested before his appointment, to carry out any sale, lease or other disposal of all or any part of the Security Assets by conveying, transferring, assigning or leasing the same in the name of the Chargor, and to enter into covenants and other contractual obligations in the name of the Chargor, to take such proceedings as he thinks fit in respect of the Security Assets and/or income in respect of which he was appointed, to enter into or many any agreement, arrangement or compromise as he shall think fit, to insure and to renew any insurances in respect of the Security Assets as he shall think fit, to form one or more Subsidairies of the Chargor, and to transfer to any such Subsidiary all or any part of the Security Assets, to give valid receipts for all monies and to do all such other things as may seem to him to be incidental or conducive to any other power vested in him or necessary or desirable for the realisation of any Security Asset, to exercise in relation to each Security Asset all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Security Assets and to do all

such other acts and things as he may in his discretion consider to be incidental or conducive to any of the matters or powers set out in the Deed or otherwise incidental or conducive to the preservation, improvement or realisation of the Security Assets."

4. Whilst the security holder's rights include the right to convey, transfer, assign, sell or lease the opponent's earlier trade marks, there is no record of the security holder having actually exercised those rights. Consequently, the presence of the charges on the register does not affect the ability of the opponent (who was, at the filing date of the contested application and remains, to date, the recorded owner of the first and second earlier mark), to bring opposition proceedings based on its earlier rights.

5. The application originally included services in class 35 which were subsequently deleted. This explains why the opposition initially included grounds under Section 5(1) asserting double identity of both the marks and the services. Since the application no longer includes any services,[1] and the earlier marks only cover services, it is self-evident that the holder's goods in classes 9, 14 and 18 cannot be identical to any of the earlier services in classes 35 and 45, and I consider it appropriate to strike out the Section 5(1) claim as it stands no real prospect of success.

6. Under Sections 5(2)(a) and 5(2)(b) the opponent claims that due to the identity or similarity between marks and the goods and services at issue, there exists a likelihood of confusion on the part of the relevant public, which includes the likelihood of association.

7. Under Section 5(3), the opponent relies on the same earlier marks set out above, which, it claims, have a reputation in relation to the same services relied upon under Section 5(2)(a) and 5(2)(b). The opponent claims that use of the holder's mark would take unfair advantage of, or be detrimental to, the distinctive character or reputation of the earlier marks.

[1] On 19 January 2024 the opponent was informed that WIPO notified the UKIPO that Class 35 had been deleted, but the opponent subsequently confirmed that it did not intend to withdraw the opposition.

8. Under Section 5(4)(a), the opponent relies on the unregistered sign THREADS which it claims to have used throughout the UK since December 2010 in relation to *retail services relating to jewellery, rings, bracelets, necklace, earing and fashion accessories, consultancy and advisory services relating to personal appearance and personal fashion, advertising, marketing and promotional services*. The opponent claims that use of the application would constitute a misrepresentation that the holder's goods are those of the opponent, or are otherwise licensed or authorised by the opponent, which would cause damage to the opponent's business.

9. The holder filed a counterstatement denying the claims made and putting the opponent to proof of use of the first earlier mark.

10. The opponent is represented by Sheridans Solicitors. The holder is represented by HGF Limited. Only the opponent filed evidence. Neither party requested a hearing and neither party filed written submissions. This decision is taken following careful consideration of all the papers before me.

MY APPROACH

11. The two trade marks relied upon by the opponent are considered earlier marks in accordance with Section 6(1)(a) of the Act given that they were filed for registration earlier than the date of the application pursuant to which the IR was registered.

12. Only the first earlier mark had been registered for five years at the date of the application for registration and it is subject to the proof of use provisions set out in Section 6A of the Act. However, since the second earlier mark is less than 5 years old and it is not subject to proof of use, the opponent can rely on it without having to establish genuine use.

13. Since both the first and second earlier mark consist of the word THREADS and are nearly identical - the differences between the marks boiling down to a straight line underneath the word THREADS in the first earlier mark and to the thickness of the letters - and bearing in mind that the second earlier mark (which is not subject to proof of use) covers a broader spectrum of services, there is no advantage in the opponent

relying on the first earlier mark (which is subject to proof of use and is protected for a more limited specification of services). Hence, I will focus on the second earlier mark.

THE EVIDENCE

14. The opponent's evidence is given in the witness statements of Alban Radivojevic who is a solicitor employed by Sheridans Solicitors, the opponent's legal representatives. Mr Radivojevic' statement is dated 29 January 2024 and is accompanied by four exhibits being those labelled AR1-AR4.

15. I do not intend to summarise the evidence and submissions at this stage, but I confirm that I have given due consideration to all of the documents filed by both parties.

RELEVANCE OF EU LAW

16. The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, Section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

DECISION

Sections 5(2)(a) and (b)

17. Sections 5(2)(a) and (b) of the Act read as follows:

> "5(2) A trade mark shall not be registered if because –
>
> (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or

(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."

18. Section 5A of the Act is as follows:

"5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only."

19. 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 greater 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 to mind the earlier mark, 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 and services

20. When making the comparison, all relevant factors relating to the goods and services in the specifications 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 that:

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

21. Guidance on this issue has also come from Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

(a) The respective uses of the respective goods or services;

(b) The respective users of the respective goods or services;

(c) The physical nature of the goods or acts of service;

(d) The respective trade channels through which the goods or services reach the market;

(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and, in particular, whether they are or are likely to be found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance, whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

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

> "29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut für Lernsysterne 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."

23. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v OHIM,* Case T-325/06, the GC stated that "complementary" means:

> "[…] there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking."

24. In *Sanco SA v OHIM,* Case T-249/11, the GC indicated that goods and services may be regarded as 'complementary' and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different. The purpose of examining whether there is a complementary relationship between goods and services is to assess whether the relevant public are liable to believe that responsibility for the goods and services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander QC noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL O/255/13*:*

> "It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense – but it does not follow that wine and glassware are similar goods for trade mark purposes."

25. Whilst on the other hand:

"[…] it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together."

26. The competing goods and services are as follows:

The holder's goods and services	The opponent's services
Class 9: *Cell phones cases; lanyards for holding electronic identity cards; lanyards for holding magnetic identity cards.*	
Class 14: *Lanyards for holding keys.*	
Class 18: *Wallets; lanyards for holding wallets.*	
	Class 35: *Retail services connected with the sale of clothing, footwear, headgear, bags, jewellery; Online retail services connected with the sale of clothing, footwear, headgear, bags, jewellery; Retail and online retail services connected with the sale of dresses, skirts, blouses, shirts, t-shirts, trousers, suits, jeans, pants, shorts, sweatshirts, hoodies, jogging suits, loungewear, tank tops, rainwear, sweaters, gloves, jackets, coats, raincoats, snow suits; Retail and online retail services connected with the sale of ties, robes, belts, scarves, sleepwear, pyjamas, underwear, suspenders, lingerie, bodices [lingerie], maternity lingerie, bodices, bras, strapless bras, sports bras, stockings, body stockings, gussets for stockings [parts of clothing]; Retail*

	and online retail services connected with the sale of hats, caps, sun visors, beanies, boots, shoes, sneakers, running shoes, trainers, sandals, booties, socks, swimwear and costumes; Retail and online retail services connected with the sale of precious stones and precious metals, rings, necklaces, costume jewellery, badges, brooches, bracelets, cufflinks, tie pins, tie clips, earrings, key rings, pendants, watches; Retail and online retail services connected with the sale of handbags, purses, wallets, beach bags, clutch bags, cosmetic bags, luggage, travel bags, suitcases, hold-alls, trunks and valises, overnight bags, weekend bags, suit bags, tote bags, brief cases, shopping bags, sports bags, school bags, back packs, make up bags, umbrellas, parasols, walking sticks.
	Class 45: *Personal fashion consulting services; Personal wardrobe styling consultancy; Personal wardrobe styling services; Personal shopper services; Personal gift selection for others; Rental of clothing; Online social networking services; Online social networking services accessible by means of downloadable mobile applications; Intellectual property licensing services.*

27. Neither party has made any submissions as to why the goods and services should be regarded as being similar or dissimilar. Normally, in circumstances where it is not self-evident why the goods and services covered by an earlier mark are claimed to be identical, or similar, to the opposed goods and services for the purposes of Sections 5(1) or 5(2), the casework examiner might demand further particularisation of the claim about the identity/similarity of the goods and services (see Tribunal Practice Note 1/2018). In this case, the fact that this was not done does not exonerate the opponent from the burden of pleading its case, especially since it is professionally represented. This leaves me with an unparticularised claim that the goods and services are identical or similar. I bear in mind that it is not my job to go beyond the bare and unexplained assertion of identity or similarity; further, unless the goods are self-evidently identical or similar, it is not for me to find points of similarity which the opponent has neither pleaded nor argued.[2] With this in mind, I now turn to the goods and services.

28. Given the different nature of the goods and services involved, the closest clash is, in my view, that between the holder's goods and the opponent's retail services.

29. In *Oakley, Inc v OHIM*, Case T-116/06, at paragraphs 46-57, the GC held that although retail services are different in nature, purpose and method of use to goods, retail services for particular goods may be complementary to those goods, and distributed through the same trade channels, and therefore similar to a degree.

30. In *Tony Van Gulck v Wasabi Frog Ltd,* Case BL O/391/14, Mr Geoffrey Hobbs Q.C. as the Appointed Person reviewed the law concerning retail services v goods. He said (at paragraph 9 of his judgment) that:

> "9. The position with regard to the question of conflict between use of **BOO!** for handbags in Class 18 and shoes for women in Class 25 and use of **MissBoo** for the Listed Services is considerably more complex. There are four main reasons for that: (i) selling and offering to sell goods does not, in itself, amount to providing retail services in Class 35; (ii) an application for registration of a trade mark for retail services in Class 35 can validly describe the retail services

[2] See decision BL O/0911/24

for which protection is requested in general terms; (iii) for the purpose of determining whether such an application is objectionable under Section 5(2)(b), it is necessary to ascertain whether there is a likelihood of confusion with the opponent's earlier trade mark in all the circumstances in which the trade mark applied for might be used if it were to be registered; (iv) the criteria for determining whether, when and to what degree services are *'similar'* to goods are not clear cut."

31. However, on the basis of the European courts' judgments in *Sanco SA v OHIM*, Case C-411/13P and *Assembled Investments (Proprietary) Ltd v. OHIM,* Case T-105/05*,* at paragraphs [30] to [35] of the judgment, upheld on appeal in *Waterford Wedgewood Plc v. Assembled Investments (Proprietary) Ltd* Case C-398/07P, Mr Hobbs concluded that:

i) Goods and services are not similar on the basis that they are complementary if the complementarity between them is insufficiently pronounced that, from the consumer's point of view, they are unlikely to be offered by one and the same undertaking;

ii) In making a comparison involving a mark registered for goods and a mark proposed to be registered for retail services (or vice versa), it is necessary to envisage the retail services normally associated with the opponent's goods and then to compare the opponent's goods with the retail services covered by the applicant's trade mark;

iii) It is not permissible to treat a mark registered for 'retail services for goods X' as though the mark was registered for goods X;

iv) The General Court's findings in *Oakley* did not mean that goods could only be regarded as similar to retail services where the retail services related to exactly the same goods as those for which the other party's trade mark was registered (or proposed to be registered).

32. The holder's goods include cell phones cases; lanyards for holding electronic identity cards; lanyards for holding magnetic identity cards (in class 9); lanyards for holding keys (in class 14) and wallets and lanyards for holding wallets (in class 18). The dictionary definition of "lanyard" is as follows: "*a long piece of cord (= thick string), etc. worn around the neck, on which a security pass, ID card, key, etc. is hung".* The opponent's retail services relate to the sale of clothing, footwear, headgear, bags, jewellery, precious stones and precious metals, badges, brooches, cufflinks, tie pins, tie clips, key rings, pendants, watches, purses, wallets, luggage, umbrellas, parasols, walking sticks.

33. *Oakley* explains that retail services for particular goods may be complementary to those goods, and distributed through the same trade channels, and are therefore similar to a degree. Based on that guidance, I find that the holder's *wallets* in class 18 are similar to the opponent's *retail and online retail services connected with the sale of wallets*. I consider these goods and services to be similar to a low to medium degree.

34. However, I consider the holder's *lanyards for holding wallets* (in class 18) to be one step removed from the opponent's retail services, including those relating to the sale of wallets. It seems to me, in fact, that the complementarity between *lanyards for holding wallets* and *retail services connected with the sale of wallets* is insufficiently pronounced that, from the consumer's point of view, they are unlikely to be offered by one and the same undertaking. Further, from my experience, retail services normally associated with the holder's *lanyards for holding wallets* relate to the sale of merchandising, ID accessories, stationery or gadgets, whilst the opponent's *retail services connected with the sale of wallets* are usually provided in the context of selling leather goods, fashion accessories and money organisers (such as bags, purses and wallets). Hence, the connection between the two is not sufficiently close to justify a finding of similarity.

35. The same goes for the holder's *cell phones cases; lanyards for holding electronic identity cards; lanyards for holding magnetic identity cards* (in class 9) and *lanyards for holding keys* (in class 14). Even if the opponent's registration covers retail services relating to the sale of key rings, the complementarity between *lanyards for holding keys* and *retail and online retail services connected with the sale of key rings* is

insufficiently pronounced that, from the consumer's point of view, they are unlikely to be offered by one and the same undertaking. Further, and again, retail services normally associated with the sale of the holder's *lanyards for holding keys* relate to the sale of merchandising, ID accessories, stationery or gadgets whilst the opponent's *retail services connected with the sale of key rings* are usually provided in the context of selling gifts and designer goods. Hence, the connection between the two is not sufficiently close to justify a finding of similarity.

36. Hence, with the exception of *wallets,* I find that all the remaining goods in the holder's specification are dissimilar.

37. In *eSure Insurance v Direct Line Insurance,* [2008] ETMR 77 CA, Lady Justice Arden stated that:

> "49..... I do not find any threshold condition in the jurisprudence of the Court of Justice cited to us. Moreover I consider that no useful purpose is served by holding that there is some minimum threshold level of similarity that has to be shown. If there is no similarity at all, there is no likelihood of confusion to be considered. If there is some similarity, then the likelihood of confusion has to be considered but it is unnecessary to interpose a need to find a minimum level of similarity."

38. Since some similarity of goods and services is essential, the opposition ought to fail in relation to the goods which I found to be dissimilar.

Average consumer

39. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective goods and services. I must then determine the manner in which the goods and services are likely to be selected by the average consumer. 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. (as he then was) 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."

40. The average consumer for the parties' goods and services is a member of the general public.

41. The goods and services at issue are likely to be obtained by self-selection from the shelves of a retail outlet, online or catalogue equivalent (for the goods) and having considered promotional material (in hard copy and online), signage appearing on the high street (for physical retailers only) or web content from retailers' websites. Visual considerations are, therefore, likely to dominate the selection process. However, I do not discount that there will also be an aural component to the purchase, as advice may be sought from a sales assistant or representative.

42. The average consumer is likely to consider such things as materials used and aesthetic appearance (for the goods) and stock, price of the goods on offer in comparison to other retailers, expertise/knowledge of staff and delivery time (for the services). Consequently, I consider that a medium degree of attention will be paid by the average consumer when selecting both the goods and the services.

Comparison of marks

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

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

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

45. The respective marks are shown below:

The holder's mark	**The opponent's mark**
THREAD	THREADS

45. The holder's mark consists of the singular word THREAD presented in capital letters in a standard font. The opponent's mark consists of the plural word THREADS presented in a slightly stylised typeface. Whilst the opponent has pleaded Section 5(2)(a) in addition to Section 5(2)(b), I do not need to consider whether the slightly different typeface in which the competing marks are presented and the absence of the final letter S in the holder's mark is a significant change precluding identity of the two signs.[3] This is because, if the marks are not identical under Section 5(2)(a), they are, nevertheless, nearly identical or very highly similar under Section 5(2)(b), and nothing turn on the differences between the marks being identical or nearly identical/very highly similar.

[3] *S.A. Société LTJ Diffusion v. Sadas Vertbaudet SA*, Case C-291/00

47. Visually, the only difference between the marks resides in the use of a slightly different typeface and in the addition of the letter S at the end of the opponent's mark which has no counterpart in the holder's mark. Bearing in mind that the marks share the first six letters, that there is only one letter difference at the end of the opponent's mark, and that beginnings of marks tend to be more focused upon, I consider that the marks are visually similar to a very high degree.

48. Aurally, the marks will be articulated in the usual way, the only difference between them being the final S in the opponent's mark which will be pronounced together with the penultimate letter D as a Z. I consider that the marks are aurally similar to a very high degree.

49. Conceptually, the dictionary meaning of the word THREAD is that of *"(a length of) a very thin fibre",* which will be identically conveyed by both marks. The only conceptual difference between the marks is that the holder's mark is the singular form of the word 'THREAD', whilst the opponent's mark is the plural form of the same word. Accordingly, I consider that the marks are conceptually similar to a very high degree.

Distinctive character of earlier mark

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

> "22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *WindsurfingChiemsee* v *Huber and Attenberger* [1999] ECR I-0000, paragraph 49).
>
> 23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not

contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)."

51. Registered trade marks possess various degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctiveness of a mark can be enhanced by virtue of the use made of it.

52. The earlier mark consists of the word THREADS. The holder argues that the earlier mark has a very low distinctive character since the word "threads" is a slang word for clothes. Although the holder did not file any evidence to support its argument, Cambridge online dictionary contains the following entry:

"threads [plural] informal old-fashioned
clothes:
I love walking down the street and seeing someone in my threads."

53. Whilst I note that the opponent's services include retail services connected with the sale of clothes, in relation to which the holder's argument might be an effective one (had it provided evidence establishing knowledge of that meaning among the relevant public), the only services which I found to be similar to the holder's goods (and which are in play in the present case) are retail services connected with the sale of wallets. Accordingly, in the context of the service concerned, the meaning of the word 'THREADS' is not relevant. Hence, I find that the earlier mark, being a dictionary word which is neither descriptive nor allusive of the relevant services, is distinctive to a normal, or medium degree.

54. I will now consider whether the distinctiveness of the earlier mark has been enhanced through use. The relevant date is 22 April 2020.

55. The opponent's evidence is that it operates a business offering personalized luxury shopping and styling services and retail services of fashion clothing and accessories via its website at www.threadsstyling.com. Whilst Mr Radivojevic provides the number of followers of the opponent's social media accounts, these are given as they were at the date of 25 January 2024, which is nearly four years after the relevant date. Further, it is not clear whether the numbers provided relate to UK followers or worldwide followers.

56. UK turnover is given as follows: £2.7 million in 2017, £4.3 million in 2018, £10 million in 2019 and £8 million in 2020. Although Mr Radivojevic also gave the UK turnover for the years 2021 and 2022, it cannot be taken into account as it is after the relevant date. Likewise, whilst the global turnover increased from £12 million in 2017 to £54 million in 2022, that is not relevant in establishing whether the distinctiveness of the earlier mark has been enhanced because it is use outside the UK and therefore it cannot show that the earlier mark has acquired an enhanced level of distinctive character through use in the UK. Aside from the issue of only part of the turnover provided being relevant, there is no indication of how the turnover was generated. In particular, the turnover is not broken down by services, and it is not clear how the personalized luxury shopping and styling services generate revenue.

57. Copies of webpages from the opponent's website show that the opponent sells a wide variety of third-party branded goods, including jewellery, bags, and items of clothes and that it offers the option of "*chatting to a personal shopper*". Admittedly, copy of a strategic report for 2018 states that *"Threads is a luxury fashion retailer, providing exceptional levels of service to high-net-worth individuals on a personalised basis though social media"*. However, it is not clear whether this is a paid service, or whether it is provided for free as part of the retail experience.

58. Lastly, the evidence includes copies of online articles from UK magazines which give some insights into the opponent's business. An article from The Telegraph dated 1 May 2018 states:

“Sophie Hill, the founder of Threads Styling, is on a mission to bring those of us with money to spend into her brave and ultra-convenient new world of "luxury social commerce".

Threads barely even has a website, but instead does all its business through Instagram, WhatsApp, Snapchat and, in China, WeChat. Thanks to Hill's crack team of personal shoppers, there is no tiresome typing of even a www. Instead, you simply peruse Threads' Instagram Stories (mini videos that appear for 24 hours on the app), which show Dior gowns being twirled in, Rolex watches touted on wrists or Malone Souliers kitten heels being slipped into and then swipe through to buy on whichever messaging service is most convenient to you.

If it isn't showcasing exactly what you want, or never knew you needed, via its social media channels then you can send screen grabs and photos, or brief personal shoppers, and they'll do the rest of the hard work for you. They then learn what you love and send more recommendations. The majority of Threads' customers are high net worth millennial and Gen Z fashion […] The company average order value is £2,455 whilst the most expensive item ever purchased though the services came to almost $1 million” […]

"I'd had an operation and really didn't feel like going round lots of bridal stores trying things on, but needed a wedding dress as it was late May and I was getting married in mid- August," says stylist and fashion editor Georgina Lucas. "I found a Maticevski dress I loved the look of online but couldn't find it anywhere. A friend recommended I tried Threads so I Whatsapped a picture to them and told them the size I was looking for. Within four hours they had replied saying they'd found it in my size, how much it was, the returns policy and their finding fee, which was about 10 per cent [Threads also takes commission from brands]. I still have no idea how they tracked it down, but it arrived via courier and fitted perfectly.

Now Threads works with "superpower" brands like Dolce & Gabbana, Fendi and Dior, and offers services across streetwear and contemporary labels like

Alexander Wang through to couture evening wear. The Middle East is a major focus while the Far East is the next growth area. But as Hill stresses, "the location isn't relevant to the customer because it's truly international. We can get pieces from anywhere in the world and deliver them".

59. Another online article from The Telegraph from 17 August 2018 confirms that the opponent's business model is to provide a personalised service selling luxury goods via social media.

60. I now draw together all of the matters set out above to constitute the cumulative basis for my conclusion.

61. Enhanced distinctiveness requires recognition of the mark by the relevant public. 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.

62. Most of the factors listed above are not addressed in the evidence filed. For example, there is no indication of market share and no information about marketing activities and market knowledge of the earlier mark. The online articles indicate that the business was launched in 2009 and that it initially had no website, operating only through social media. In addition, even if the opponent started trading in 2009, there is no turnover for the years 2009-2016, the turnover figures only covering the years 2017-2022. Hence, the only quantifiable trade I have been provided with is that carried-out in the three years prior to the relevant date which is far from longstanding. As for the geographical area, although the existence of UK turnover proves that the opponent operates in the UK, the online articles state that the Middle East is the business' major focus and that the Far East is the next growth aera, suggesting that

the opponent's focus is not the UK market. Lastly, even if the opponent appears to have devised an original business model whereby personal shopping, retail services and social media provide a new way for luxury consumers to shop, pointing to a niche market, the services for which the mark is protected are traditional retail services, as well as personal shopper services and online social networking services. I have no idea how large the market for these services is, however, given that the registered retail services relate to ordinary goods such as clothes, bags and jewellery, that the personal shopper services are unlimited (and can relate to any type of goods) and that online social networking services are used by a growing number of individuals, it must be very large, indeed.

63. Taking all of the above into account I am not persuaded that the distinctiveness of the opponent's earlier mark has been enhanced to any material extent.

Likelihood of confusion

64. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where 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 services and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the earlier mark, the average consumer for the goods and services and the nature of the purchasing process. In doing so, I must be alive to 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 that they have retained in their mind.

65. Confusion can be direct or indirect. The difference between these two types of confusion was explained in *L.A. Sugar Trade Mark,* BL O/375/10, where Iain Purvis Q.C. (as he then was) as the Appointed Person explained that:

> "16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it

is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: "The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

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

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

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

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

66. In *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ approved Mr Purvis's formulation but added:

"13. As James Mellor QC sitting as the Appointed Person pointed out in *Cheeky Italian Ltd v Sutaria* (O/219/16) at [16] 'a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion'. Mr Mellor went on to say that, if there is no likelihood of

direct confusion, 'one needs a reasonably special set of circumstances for a finding of a likelihood of indirect confusion'. I would prefer to say that there must be a proper basis for concluding that there is a likelihood of indirect confusion given that there is no likelihood of direct confusion."

67. It is not sufficient that a mark merely calls to mind another mark: *Duebros Limited v Heirler Cenovis GmbH,* BL O/547/17. This is mere association not indirect confusion.

68. Earlier in this decision I found that:

- Most of the holder's goods are dissimilar to the services covered by the earlier mark. However, the holder's wallets are similar to a low to medium degree to the opponent's retail services connected with the sale of wallets.

- The average consumer for the goods and services is a member of the general public who will pay a medium degree of attention during the purchasing process.

- Visual considerations are likely to dominate the selection of the goods and services, although I do not discount aural considerations completely.

- The holder's mark and the second earlier mark are visually, aurally and conceptually similar to a very high degree.

- Inherently, the second earlier mark is distinctive to a medium degree and its distinctiveness has not been enhanced though use.

69. Bearing in mind the very high degree of similarity between the marks, I am of the opinion that this is one of those cases whereby there is a likelihood of direct confusion through consumers misreading or mishearing one mark for the other despite the low to medium degree of similarity between the goods and services. The difference between the singular and plural version of the identical word 'THREAD' is likely to go unnoticed or be lost in the imperfect collection of the marks, there being no other

conceptual difference capable of counteracting the aural, visual and conceptual similarities between the marks. There is a likelihood of direct confusion under Section 5(2)(b). If I am wrong in my conclusion and the marks are effectively identical, there is a likelihood of confusion under Section 5(2)(a).

Section 5(3)

70. Section 5(3) of the Act states:

> "5(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 and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark."

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

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

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; G*eneral 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* and *Environmental Manufacturing, paragraph 34.*

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

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

72. The conditions of Section 5(3) are cumulative. Firstly, the opponent must show that the earlier marks and the holder's mark are similar. Secondly, the opponent must show that the earlier marks have achieved a level of knowledge/reputation amongst a significant part of the public. Thirdly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them in the sense of the earlier marks being brought to mind by the later mark. Finally, assuming the first three conditions have been met, Section 5(3) requires that one or more of the types of damage will occur. It is unnecessary for the purposes of Section 5(3) that the goods be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

73. The relevant date for the assessment under Section 5(3) is the filing date of the application at issue, being 22 April 2020.

Reputation

74. In *General Motors,* Case C-375/97, the CJEU held that:

"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."

75. Whilst enhanced distinctiveness and reputation are different, the factors relevant to both assessments are the same. For the same reasons given above, I consider that the opponent has not demonstrated a reputation in the UK at the relevant date. The opposition under Section 5(3) fails at the first hurdle.

Section 5(4)(a)

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

"(4) 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, where the condition in subsection (4A) is met,

(aa) […]
(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."

77. 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, conveniently summarised the essential requirements of the law of passing off as follows:

> "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)."

78. Halsbury's Laws of England Vol. 97A (2021 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 636 it is noted (with footnotes omitted) that:

> "Establishing a likelihood of deception generally requires the presence of two factual elements:
>
> (1) that a name, mark or other distinctive indicium used by the claimant has acquired a reputation among a relevant class of persons; and
>
> (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other indicium which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as two successive hurdles which the claimant must surmount, consideration of these two aspects cannot be completely separated from each other.

The question whether deception is likely is one for the court, which will have regard to:

(a) the nature and extent of the reputation relied upon,

(b) the closeness or otherwise of the respective fields of activity in which the claimant and the defendant carry on business;

(c) the similarity of the mark, name etc used by the defendant to that of the claimant;

(d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."

79. Since the holder did not file evidence of use, the relevant date is the filing date of the application, namely 22 April 2020.

Goodwill

80. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 at 223:

> "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."

81. I have already commented on the opponent's evidence above. I am satisfied that, having traded in the UK since 2009 and having generated a sizeable turnover in the three years prior to the relevant date, at the same date, the opponent had a moderate goodwill under the sign THREADS which was sufficient to sustain a passing-off claim. However, there is no evidence of the opponent offering retail services connected with the sale of wallets (or any of the other goods in the holder's specification). Further, the opponent claims goodwill in relation to retail services related to goods other than those for which the holder seeks protection in the UK. Hence, even if the opponent had goodwill in the services claimed, namely *retail services relating to jewellery, rings, bracelets, necklace, earing and fashion accessories, consultancy and advisory services relating to personal appearance and personal fashion, advertising, marketing and promotional services*, I would find that they are dissimilar to the holder's goods (including the contested wallets which I found to be similar to the retail services covered by the second earlier mark).

Misrepresentation

82. The earlier sign relied upon under this ground is nearly identical to the second earlier mark which is relied upon under Section 5(2)(b); however, the services in relation to which the opponent claims to have generated goodwill are dissimilar to the holder's goods. The goods/services in question must be factored in. Although there is no requirement in passing-off for goods/services to be similar, or for there to be a common field of activity, it is nevertheless a highly relevant factor, as can be seen from the judgment in *Harrods Ltd v Harrodian School* [1996] RPC 697, where Millett LJ stated:

> There is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any

natural extension of the plaintiff's business. The expression “common field of activity” was coined by *Wynn-Parry J. in McCulloch v. May* (1948) 65 R.P.C. 58, when he dismissed the plaintiff's claim for want of this factor. This was contrary to numerous previous authorities (see, for example, *Eastman Photographic Materials Co. Ltd. v. John Griffiths Cycle Corporation Ltd*. (1898) 15 R.P.C. 105 (cameras and bicycles); *Walter v. Ashton* [1902] 2 Ch. 282 (The Times newspaper and bicycles) and is now discredited. In the *Advocaat* case Lord Diplock expressly recognised that an action for passing off would lie although “the plaintiff and the defendant were not competing traders in the same line of business”. In the *Lego case Falconer J*. acted on evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into the manufacture of plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.

The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration

> ‘…whether there is any kind of association, or could be in the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant’:

Annabel's (Berkeley Square) Ltd. v. G. Schock (trading as Annabel's Escort Agency) [1972] R.P.C. 838 at page 844 per Russell L.J.

In the *Lego case Falconer J.* likewise held that the proximity of the defendant's field of activity to that of the plaintiff was a factor to be taken into account when deciding whether the defendant's conduct would cause the necessary confusion.

Where the plaintiff's business name is a household name the degree of overlap between the fields of activity of the parties' respective businesses may often be

a less important consideration in assessing whether there is likely to be confusion, but in my opinion it is always a relevant factor to be taken into account.

Where there is no or only a tenuous degree of overlap between the parties' respective fields of activity the burden of proving the likelihood of confusion and resulting damage is a heavy one. In *Stringfellow v. McCain Foods (G.B.) Ltd.* [1984] R.P.C. 501 Slade L.J. said (at page 535) that the further removed from one another the respective fields of activities, the less likely was it that any member of the public could reasonably be confused into thinking that the one business was connected with the other; and he added (at page 545) that

> ‘even if it considers that there is a limited risk of confusion of this nature, the court should not, in my opinion, readily infer the likelihood of resulting damage to the plaintiffs as against an innocent defendant in a completely different line of business. In such a case the onus falling on plaintiffs to show that damage to their business reputation is in truth likely to ensue and to cause them more than minimal loss is in my opinion a heavy one.’

In the same case Stephenson L.J. said at page 547:

> ‘…in a case such as the present the burden of satisfying Lord Diplock's requirements in the *Advocaat* case, in particular the fourth and fifth requirements, is a heavy burden; how heavy I am not sure the judge fully appreciated. If he had, he might not have granted the respondents relief. When the alleged “passer off” seeks and gets no benefit from using another trader's name and trades in a field far removed from competing with him, there must, in my judgment, be clear and cogent proof of actual or possible confusion or connection, and of actual damage or real likelihood of damage to the respondents' property in their goodwill, which must, as Lord Fraser said in the *Advocaat* case, be substantial.’ ”

83. In my view, due to (a) the moderate level of the opponent's goodwill, (b) the distance between the goods and services and (c) the average level of distinctiveness of the earlier sign, there would be no misrepresentation under Section 5(4)(a).

84. The opposition under Section 5(4)(a) fails in its entirety.

OUTCOME

85. The opposition has partially succeeded. The application is, therefore, subject to any successful appeal of my decision, refused protection in the UK for the following goods, being those I have found to be similar under the Section 5(2)(b) ground above:

> **Class 18:** *Wallets.*

86. However, the application is, again subject to any successful appeal against my decision, permitted to proceed to obtain protection in the UK in respect of the following goods, being those which I found to be dissimilar under the Section 5(2)(b) ground, the objections based on Section 5(3) and 5(4)(a) having also failed in their entirety:

> **Class 9:** *Cell phones cases; lanyards for holding electronic identity cards; lanyards for holding magnetic identity cards.*
>
> **Class 14:** *Lanyards for holding keys.*
>
> **Class 18:** *Lanyards for holding wallets.*

COSTS

87. The holder has succeeded against all but one term and, therefore, is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. Since the opponent was successful in objecting one term, I consider that the holder's costs should be reduced by 15% to reflect this. In the circumstances, I award the holder the sum of £510 as a contribution towards its costs. The sum is calculated as follows:

Preparing a counter statement and considering the notice of opposition: £300
Considering the other party's evidence: £300
Sub-total: £600
15% reduction: -£90
Total: £510

88. I therefore order Threads Styling Ltd to pay THREAD WALLETS LLC the sum of £510. This sum is to be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 18th day of February 2025

TERESA PERKS
For the Registrar