

O/0687/26

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

IN THE MATTER OF REGISTRATION NO. UK00916477581 IN
THE NAME OF SHENZHEN ZIDOO TECHNOLOGY CO., LTD
IN CLASS 9 FOR THE MARK:



AND

IN THE MATTER OF APPLICATION NO. UK00003931087
ALSO IN THE NAME OF SHENZHEN ZIDOO TECHNOLOGY CO., LTD
TO REGISTER IN CLASS 9 THE TRADE MARK:



AND

IN THE MATTER OF AN OPPOSITION AND AN
APPLICATION FOR INVALIDATION THERETO
UNDER NOS. 445103 AND 506870
BY BEATS ELECTRONICS, LLC

BACKGROUND AND PLEADINGS

1. Shenzhen Zidoo Technology Co., Ltd (“Shenzhen”) is the proprietor of trade mark number 916477581¹ (“the first contested mark”), shown above. The first contested mark was filed on 17 March 2017 and registered on 30 June 2017 in respect of *computer peripheral devices; tablet computers; communications networks; cabinets for loudspeakers; earphones; set-top boxes; webcams; battery charge devices; portable media players and digital photo frames* in class 9.

2. On 7 July 2023, Shenzhen applied to register trade mark number 3931087 (“the second contested mark”) in the UK. The mark is reproduced on the cover page to this decision. The application was published for opposition purposes on 6 October 2023 and registration is sought for the following goods in class 9:

Computer peripheral devices; Digital media streaming devices; Computer network switches; Digital versatile disc player; Earphones; Set-top boxes; Audio players; Digital audio players; Portable media players; Decoders; Encoding and decoding apparatus and instruments; Portable vibration speakers; Digital music players; Digital to analogue converters; Electronic decoders; Audio amplifiers.

3. On 8 January 2024, Beats Electronics, LLC (“Beats”) opposed the second contested mark and applied to invalidate the first contested mark under sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 (“the Act”). For the purpose of its opposition, under both grounds Beats relies upon the following trade marks and all goods for which they are registered:

International Registration (“IR”) 1467701

¹ The first contested mark is a comparable mark deriving from an EUTM. On 1 January 2021, the UK left the EU. Under Article 54 of the Withdrawal Agreement between the UK and the EU, the UKIPO created comparable UK trade marks for all rights holders with existing EUTMs. As a result, the Contested Mark was automatically converted to a comparable UK trade mark. Comparable UK trade marks are now recorded on the UK trade marks register, have the same legal effect as if they had been applied for and registered under UK law, and the original filing dates remain the same. The same applies to Beats’ second earlier mark which is also a comparable mark.

SOLO

Headphones (class 9)

International registration date: 16 April 2019; Protection
conferred: 7 November 2019
("the First Earlier Mark")

United Kingdom Trade Mark ("UKTM") 908841959

SOLO

Headphones (class 9)

Filing date: 28 January 2010; Registered on 27 September 2010
("the Second Earlier Mark")

UKTM 801369706²

Beats Solo

Headphones (class 9)

Filing date: 7 September 2017; Registered on 14 March 2018
("the Third Earlier Mark")

UKTM 801530504

BEATS SOLO PRO

Headphones; earphones; microphones; audio cables; chargers, charging

² Beats' third and fourth marks are comparable trade marks based on pre-existing IRs designating the EU. On 1 January 2021, in accordance with Article 54 of the Withdrawal Agreement between the UK and the European Union, the UK IPO created comparable UK trade marks for all right holders with existing IR's designating the EU.

cables for use with headphones, earphones; carrying cases for headphones, earphones; protective cases for headphones, earphones; covers, bags and cases adapted or shaped to contain headphones, earphones; headphone, earphone accessories, namely, straps, clips. (class 9)

Filing date: 2 April 2020; Registered on 1 October 2020
("the Fourth Earlier Mark")

IR 1369706

Beats Solo

Headphones (class 9)

International registration date: 7 September 2017; Protection
conferred: 2 February 2018
("the Fifth Earlier Mark")

IR 1530504

BEATS SOLO PRO

Headphones; earphones; microphones; audio cables; chargers, charging cables for use with headphones, earphones; carrying cases for headphones, earphones; protective cases for headphones, earphones; covers, bags and cases adapted or shaped to contain headphones, earphones; headphone, earphone accessories, namely, straps, clips. (class 9)

International registration date: 2 April 2020; Protection conferred: 14 August 2020
("the Sixth Earlier Mark")
(together "the earlier marks")

4. For the purpose of its invalidation claim, Beats relies solely upon its second earlier mark (UKTM 908841959).

5. Under section 5(2)(b) of the Act, Beats claims that the similarity between the parties' marks, particularly the coincidence of the highly distinctive "SOLO" element, and the identity or similarity between the respective goods gives rise to a likelihood of confusion on the part of the public. In its pleadings, Beats also completed a statement of use in respect of all marks and goods relied upon.

6. Under section 5(3) of the Act, Beats claims that its earlier marks have a reputation for all goods relied upon and that use of Shenzhen's mark would, without due cause, take unfair advantage of, or cause detriment to, the distinctive character or reputation of its earlier marks.

7. Shenzhen filed a counterstatement denying each ground of opposition. It also put Beats to proof of use in respect of the second, third and fifth earlier mark.

8. The proceedings were consolidated on 23 September 2024. Beats is represented by D Young & Co LLP, whilst Shenzhen is represented by Sonder & Clay. Both parties filed evidence during the course of the proceedings. Neither party requested a hearing, though both elected to file written submissions in lieu. This decision is taken following a careful consideration of all papers on file.

EVIDENCE

9. Beats filed evidence in the form of a witness statement from its Assistant Secretary, Mr Thomas R La Perle, dated 18 June 2024. Mr La Perle's statement is accompanied by nineteen exhibits (TLP1-TLP19).

10. Shenzhen's evidence in reply came in the form of a witness statement from its IP Manager, Mr Huiqun Zhang, dated 14 November 2024. Mr Zhang's statement is accompanied by two exhibits (HZ1-HZ2).

11. I have taken both parties' evidence into consideration in reaching my decision and will refer to it below, where necessary.

RELEVANCE OF EU LAW

12. 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

13. Sections 5(2)(b) and 5(3) have application in invalidation proceedings pursuant to section 47 of the Act. Section 47 reads as follows:

“47. (1) [...]

(2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2ZA) [...]

(2A) The registration of a trademark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if –

(a) the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with their consent in relation to the goods or services for which it is registered-

(i) within the period of 5 years ending with the date of application for the declaration, and

(ii) within the period of 5 years ending with the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application where, at that date, the five year period within which the earlier trade mark should have been put to genuine use as provided in section 46(1)(a) has expired, or

(b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

(a) use of a trade mark includes use in a form (the “variant form”) differing in

elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor),
and

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

(2D)-(2DA) [Repealed]

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(2F) Subsection (2A) does not apply where the earlier trade mark is a trade mark within section 6(1)(c).

(2G) An application for a declaration of invalidity on the basis of an earlier trade mark must be refused if it would have been refused, for any of the reasons set out in subsection (2H), had the application for the declaration been made on the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application.

(2H) The reasons referred to in subsection (2G) are-

(a) that on the date in question the earlier trade mark was liable to be declared invalid by virtue of section 3(1)(b), (c) or (d), (and had not yet acquired a distinctive character as mentioned in the words after paragraph (d) in section 3(1));

(b) that the application for a declaration of invalidity is based on section 5(2) and the earlier trade mark had not yet become sufficiently distinctive to support a finding of likelihood of confusion within the meaning of section 5(2);

(c) that the application for a declaration of invalidity is based on section 5(3)(a) and the earlier trade mark had not yet acquired a reputation within the meaning of section 5(3).

(3) [...]

(4) [...]

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(5A) An application for a declaration of invalidity may be filed on the basis of one or more earlier trade marks or other earlier rights provided they all belong to the same proprietor.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made: Provided that this shall not affect transactions past and closed.”

Section 5(2)(b)

14. Section 5(2)(b) of the Act reads as follows:

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

(a)...

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected

there exists a likelihood of confusion on the part of the public, which includes

the likelihood of association with the earlier trade mark.”

15. The trade marks upon which Beats relies clearly qualify as earlier trade marks pursuant to section 6 of the Act. For the purpose of the invalidation, as the mark relied upon (Beats’ second earlier mark) had been registered for more than five years prior to the application for invalidity, it is subject to the proof of use provisions set out in section 47(2A)-(2H) of the Act.

16. For the opposition, only Beats’ second, third and fifth earlier marks are subject to the proof of use provisions. It may therefore rely upon the remaining marks it has identified without showing evidence of use.

Proof of Use

17. I have already set out the proof of use provisions as they relate to invalidation applications. For oppositions, the relevant section of the Act is section 6A and this is as follows:

“6A(1) This section applies where:

- a. an application for registration of a trade mark has been published,
- b. there is an earlier trade mark of a kind falling within section 6(1)(a), (aa) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
- c. the registration procedure for the earlier trade mark was completed before the start of the relevant period.

(1A) In this section “the relevant period” means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(2) In opposition proceedings, the registrar shall not refuse to register the trade

mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

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

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

(4) For these purposes -

a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

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

(5)-(5A) [Repealed]

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

18. Section 100 of the Act is also relevant, which reads:

“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what

use has been made of it.”

19. As Beats’ second earlier mark is a comparable mark, paragraph 7 of Part 1, Schedule 2A of the Act is relevant. It reads:

“7.— (1) Section 6A applies where an earlier trade mark is a comparable trade mark (EU), subject to the modifications set out below.

(2) Where the relevant period referred to in section 6A(3)(a) (the “five-year period”) has expired before IP completion day—

(a) the references in section 6A(3) and (6) to the earlier trade mark are to be treated as references to the corresponding EUTM; and

(b) the references in section 6A(3) and (4) to the United Kingdom include the European Union.

(3) Where [IP completion day] falls within the five-year period, in respect of that part of the five-year period which falls before IP completion day —

(a) the references in section 6A(3) and (6) to the earlier trade mark are to be treated as references to the corresponding EUTM; and

(b) the references in section 6A to the United Kingdom include the European Union”.

20. Beats’ third earlier mark is a comparable mark (IR), so paragraph 7 of Part 1, Schedule 2B of the Act applies:

“(1) Section 6A applies where an earlier trade mark is a comparable trade mark (IR), subject to the modifications set out below.

...

(3) Where IP completion day falls within the five-year period, in respect of that part of the five-year period which falls before IP completion day-

a) the references in section 6A(3) and (6) to the earlier trade mark are to be treated as references to the corresponding (IR); and

b) the references in section 6A to the United Kingdom include the European Union.”

21. I intend to deal with the invalidation first. For these purposes, pursuant to section 47 of the Act, there are two relevant periods: the five year period ending with the date of the application for the declaration of invalidity (9 January 2019 to 8 January 2024) and the five year period ending with the filing date of the application for the contested mark (18 March 2012 to 17 March 2017).

22. In *easyGroup Ltd v Nuclei Ltd & Ors*,³ Arnold LJ summarised the law relating to genuine use as follows:

“105. The principles applicable to determining whether there has been genuine use of a trade mark have been considered by the CJEU in a considerable number of cases, the principal decisions being Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159, Case C-416/04 *P Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundervsvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Marken BV v Hagelkruis Beheer BV* [EU:C:2012:816], Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], Case C-141/13 *P Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089], Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434] and Joined Cases C-720/18 and C-721/18 *Ferrari SpA v DU* [EU:C:2020:854].

³ [2023] EWCA Civ 1247

106. Ignoring issues which do not arise in the present case, such as use in relation to spare parts or second-hand goods and use in relation to a sub-category of goods or services, the principles may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29]; *Ferrari* at [32].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29]; *Gözze* at [37], [40]; *Ferrari* at [32].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56]; *Ferrari* at [33].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

23. Proven use of a mark which fails to establish that “the commercial exploitation of the mark is real” because the use would not be “viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark” is, therefore, not genuine use.

24. I take the following from Beats’ evidence:

- Beats was founded in 2008 by Andre Young (aka Dr. Dre) and Jimmy Iovine of Interscope Records. The brand is used “in connection with the marketing and sale of leading and well-known high quality headphones, earphones, speakers and further music and technology products and services.”
- In 2014, Beats was acquired by Apple, Inc, with the transaction reportedly worth \$USD 3 billion.⁴
- Beats’ SOLO brand was launched globally (including in the UK) in October of 2009 specifically in respect of headphones, positioned as a lighter and more compact alternative to Beats’ STUDIO and PRO models.
- Its SOLO products are sold online via Beats’ official website as well as a network of authorized retailers including Argos and John Lewis.
- The table below sets out various SOLO products and their respective global launch dates:⁵

<u>Product</u>	<u>Launch Date worldwide</u>
SOLO	October 2009
SOLO HD	March 2010
Justbeats SOLO	November 2010
SOLO 2	May 2014
SOLO 2 Wireless	November 2014
SOLO 3 Wireless	September 2016
SOLO PRO	October 2019

- Beats specifically targets UK consumers via websites <https://www.beatsbydre.com/uk>⁶ and <https://www.apple.com/uk>. Screenshots from these websites show Beats’ SOLO headphones for sale at various intervals from 2017 onward. Its Beats Solo3 Wireless headphones are shown for sale on 27 June 2017, 26 July 2018, 7 May 2019, 1 October 2019, 11 April 2020, 22 September 2020, 17 December 2022 and 31 March 2023. Its Beats Solo2 headphones are for sale from the same site on 27 February 2017. Its Solo Pro headphones are for sale on 11 April 2020 and 22 September 2020.

⁴ Confirmed by articles enclosed at TLP1. An article from The Guardian, for example, reads “Apple is reported to be buying Dr Dre’s headphone brand Beats for \$3.2bn”; 9 May 2014

⁵ Mr La Perle makes clear that the global launch of SOLO in October of 2009 included launch in the UK. Whilst this is not specified for the remaining SOLO products and their respective dates, taken with the advertising figures which I will move on to, I find it reasonable to infer that the ‘worldwide’ launch dates set out here will include the UK.

⁶ <https://www.beatsbydre.com/uk/>: The calendar in Wayback Machine shows instances of saved pages in 2010, 2011, 2012, 2013, 2017, 2018, 2019, 2020, 2021, 2022 and 2023

Its Solo3 Wireless headphones (Rose gold) are shown available for sale on 25 November 2020, 26 February 2021, 29 November 2022 and 30 May 2023.

- According to the archive, Beats' Beats by Dre Solo 3 On-Ear Wireless Headphones in matte black were available for sale from Argos on 30 November 2020, 26 October 2021 and 18 May 2022. Its Beats Solo3 Wireless Bluetooth On-Ear Headphones with Mic/Remote in matte gold are shown for sale from John Lewis on 25 September 2021.
- At Exhibit TLP5, Mr La Perle encloses a selection of invoices showing Beats' SOLO goods ordered by customers and suppliers across the UK⁷ with dates spanning between 3 October 2018 and 29 April 2024. Featuring predominantly throughout the invoices are goods including Beats Solo3 "WL" (presumably wireless) and SOLO PRO 1 headphones, available in various colours.
- The annual revenue of Beats' SOLO goods between 2018 and 2023 is set out in the table below:

Year	Europe (\$US millions)	United Kingdom (\$US millions)
2018	In excess of 70	In excess of 50
2019	In excess of 40	In excess of 30
2020	In excess of 20	In excess of 20
2021	In excess of 10	In excess of 10
2022	In excess of 5	In excess of 5
2023	In excess of 10	In excess of 10
TOTAL	In excess of 170	In excess of 160

- The following table shows the advertising expenditure concerning the promotion of Beats' SOLO goods⁸ in the UK between 2013 and 2017:

Fiscal Year	United Kingdom (\$US)
2013 (Oct 2012-Sept 2013)	In excess of 0.5 million
2014 (Oct 2013-Sept 2014)	In excess of 2 million
2015 (Oct 2014-Sept 2015)	In excess of 1 million
2016 (Oct 2015-Sept 2016)	---
2017 (Oct 2016-Sept 2017)	In excess of 3 million
TOTAL	In excess of 5 million

- As for the means of promotion, Beats uses methods including paid advertising and self-promotion via press releases. I reproduce below a sample of these below:

⁷ Full addresses are redacted

⁸ Mr La Perle explains that Beats does not track marketing spend "per product".



Headphones

● This article is more than 4 years old

Review

Beats Solo Pro review: Apple's on-ear noise cancelling headphones

★★★★★

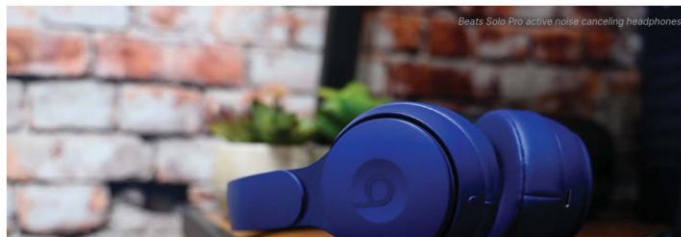
Good sound, battery and noise cancelling, with attractive design and Apple's H1 chip with Siri and cross-device connectivity

9

Review: Apple's Beats Solo Pro are the best Beats yet



Andrew O'Hara (<https://appleinsider.com/editor/andrew-o%27hara>) | Nov 06, 2019



10



New Beats Solo Pro headphones sound mightily impressive and get the AirPods' best feature

BEATS just announced the launch of their new Solo Pro wireless headphones – the firm's first on-ear cans to get adaptive noise-cancelling technology. Not only that but, just like the AirPods, the Solo Pro headphones can pair and seamlessly switch between all of your Apple devices.

11



To help us provide you with free impartial advice, we may earn a commission if you buy through our links

Home › Headphones › Beats Solo Pro review: The best Beats yet?

Beats Solo Pro review: The best Beats yet?

12

⁹ The Guardian, 15 April 2020

¹⁰ Apple Insider, 6 November 2019. Under a section "Where to buy", readers are directed to Amazon where the goods are retailing at \$299.95

¹¹ Express.co.uk [2019]

¹² ExpertReviewsco.uk, 23 June 2021



HOT DEALS

Tech

BEAT IT Beats Solo Pro Wireless Headphones are now £130 off – here's where to get them

13

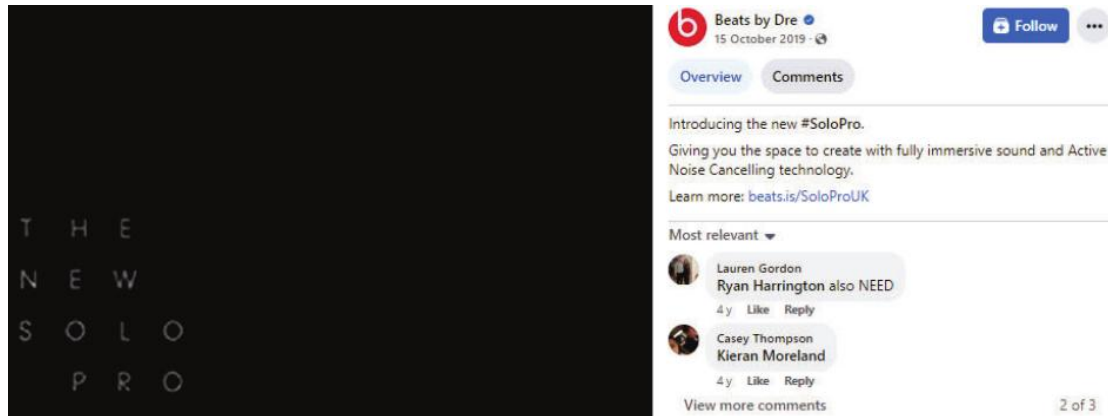
- Beats' Beats Solo 3 were included in the list of "Best headphones under £200 2020" published in British GQ on 4 May 2022. Its Beats Solo3 Wireless Headphones were also "top-rated" in a Rolling Stone article setting out "The Best Headphones for Running and Jogging"¹⁴.
- A Google search for "beats" in 2024 shows <https://www.beatsbydre.com> as the leading result. The same site was the lead result at various dates in 2014, 2016, 2019, 2020 and 2021.
- The Beats by Dre YouTube channel was created on 25 March 2010 and is available to UK viewers. As of April 2024, it boasts over 887,000 subscribers and has attracted over 206 million views. The channel features an extensive video collection which includes TV advertisements for its SOLO products.¹⁵ Various screenshots and thumbnails are provided, with a selection from 2014, 2016, 2019, 2021, 2023 and 2024. The number of subscribers has "steadily increased" since launch, with the following historical figures provided:
 - 2014: > 172,5K
 - 2016: > 492K
 - 2019: > 712K
 - 2021: > 845K
 - 2023: > 851K
- The Beats by Dre Facebook page was created in February 2013 and "actively promotes the SOLO product range" by way of featuring product adverts,

¹³ The Sun, 25 March 2021

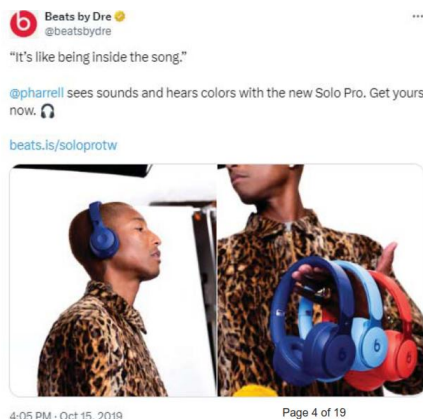
¹⁴ 9 March 2023

¹⁵ For example, a 2021 screenshot shows a video headed "Solo Pro I Beats by Dre" featured amongst the channel thumbnails.

sharing photographs of SOLO goods and announcing upcoming launches. At 3 March 2024, the page enjoyed over 7.6 million followers and, by June 2014, the page had attracted over 7 million 'likes', with an insight to the data indicating that London was the "most popular city" engaging with the page. I reproduce an example post below:



- The Beats by Dre X (formerly Twitter) account launched in April 2008. Pages from its site retrieved in June 2014 indicate that the platform enjoyed 537,000 followers, whilst it currently enjoys over 970,000 followers.



- The Beats by Dre Instagram account presently boasts 3.7 million followers, having gained more than 1.1 million by 2014. It uses the account to raise the profile of its SOLO brand in the UK and globally.
- Beats also makes use of its TikTok platform 'Beats By Dre' to promote Beats products (including its SOLO range). In 2022, Beats' page enjoyed 495,000 followers, whilst in March 2024 this had reached 619,000.
- A number of endorsements and collaborations with renowned celebrities has enhanced the notoriety of Beats' SOLO marks. An article published in *headphonesty.com* in 2018 reads "If there's one company who almost always

gets scrutinized around the web about how much they spend on celebrities to promote their products, Beats by Dre is the guilty suspect. From Lady Gaga to LeBron James, the brand knew too well who they should put on the frontline to influence the market.” Within the article, figures such as Kylie Jenner and Nicki Minaj are pictured wearing SOLO headphones (Balmain Beats Solo 3 and Beats Solo 3 Wireless, respectively).

- An article published in 2010¹⁶ announces a collaboration between Beats and Justin Bieber, which saw the launch of headphone range “Justbeats Solo”. An archived screenshot from Beats’ website¹⁷ showcases a further collaboration with Serena Williams and the Beats Solo3 Wireless headphones.
- A 2016 Mirror article reports on a new “star-studded advert” from Beats, featuring celebrities including Pharrell Williams, Michael Phelps and Steve Buscemi.¹⁸
- In 2014, to commemorate the 40th anniversary of Hello Kitty, Beats designed a new Solo2 over-ear headphone featuring the signature Hello Kitty print.¹⁹
- Further collaborations include Chen Man (2015) and Billie Eilish (2020). A quote from Billie Eilish on Beats’ website reads “Every song starts with something I need to say, but finding the right way to say it requires space, you know. ...That’s what I love about my Solo Pro. They’ve got Noise Cancelling, so I can create the space where I can really focus on the things I want to focus on.”
- Limited edition headphones have been released to mark Beats’ collaboration with “internationally recognized fashion designers and artists” including NOWHERE/A BATHING APE (2013)²⁰, FRAGMENT (2014), THIRD MAN (2017), LINE FRIENDS (2017) AND NAVYA (2019)²¹. Save where indicated, it is not clear in which territories Beats’ limited edition headphones were

¹⁶ www.cnet.com

¹⁷ 27 February 2017

¹⁸ 18 October 2016. The article makes clear that the advert is intended to promote Beats’ wireless headphone range but does not appear to make specific reference to SOLO.

¹⁹ It is not clear whether this edition was available to UK/EU consumers.

²⁰ An article from www.nitrolicious.com indicates that the Beats Solo HD x BAPE 20th Anniversary Edition headphones were “available exclusively at official BAPE stores in Hong Kong, China and Japan; with a few sets making their way to France, Korea, Singapore, Taiwan, UK and the US”.

²¹ An article from www.9to5mac.com is headed “Beats debuts punchy Solo 3 Wireless ‘Club Collection’ in collaboration with fashion and beauty show NAYVA”. The article indicates that the headphones were available via Apple’s online store (for \$200).

available.

- Mr La Perle also lists a number of public figures who have been spotted wearing Beats' SOLO products, including Cristiano Ronaldo and Ed Sheeran.
- Whilst I keep in mind that statistics such as those set out below are likely to reflect a wider range of Beats' goods and do not appear limited to its SOLO branded products, it was reported in *The Independent* in 2011 that Beats headphones accounted for 53% of the global headphone market.²² In an article published by Tech Radar in 2019, Beats is said to enjoy an "enormous market share" and is described as a "power player in the world of consumer audio since its inception, fast becoming a market leader in terms of sales alongside the likes of Sony, Sennheiser, Skullcandy, and Bose." An article from *www.9to5mac.com* in June 2022 reports on market activity from the "last quarter" and reads "Market leader Apple's TWS ("true wireless stereo") shipments were up 14%. Apple's AirPods line grew 3% to reach 19.3 million units, while Beats by Dre, Apple's audio sub-brand, contributed more significant growth, increasing 553% to reach 2.4 million units", whilst it goes on to say that its performance was "driven by the popularity of its Studio Buds and the recently launched Fit Pro."
- In terms of its share of the UK "headphone sector", Mr La Perle shares the following figures pertinent to 2013: Beats' value share was estimated to be between 20 to 30%, whilst its volume share was estimated to be between 0 and 5%.²³
- Beats Solo 3 Wireless headphones feature on a list of the "Best headphones for 2018" from *www.cnet.com*, which states that the headphones "...look great. With dramatically improved battery life and Apple's new custom Bluetooth chip... they're an easy buy". *Reviewed.com* awarded Beats' SOLO 2 Wireless headphones "Best of Year" in 2014 and 2015. In the announcement of the 2014 award, the article states that "Beats is a whirlwind force in the personal audio industry, and the Solo2 on-ears are one reason why. Their compact, durable, street-ready design yields a surprisingly balanced sound profile with ample support for bass and treble."

²² This article is not in evidence but is cited in Mr La Perle's witness statement.

²³ See Case No COMP/M.7290 – APPLE/BEATS (European Commission)

- A review of the Beats Solo2 headphones published in September 2014²⁴ claims that “Beats Electronics has taken over the music world... [specializing] in colorful, stylish headphones that are just as much of a fashion statement as they are audio tools”.

25. I remind myself here that, for the purpose of the invalidation, Beats is required to show use of its SOLO mark in respect of *headphones*. I have set out the relevant periods above. Whilst I do not intend to reproduce my findings concerning its evidence to any meaningful extent here, it seems clear, having regard to the different relevant periods at play, that Beats has put the mark to genuine use. It invested over \$5million (USD) in its UK advertising efforts pertaining to its SOLO products between 2013 and 2017. Whilst figures beyond this are not provided, the evidence shows ongoing promotional activity undertaken after this date, in addition to evidence of sales of the goods and archived images showing Beats’ goods for sale from various websites (the majority of these relevant to the second relevant period). Between 2018 and 2023, the UK turnover generated by sales of Beats’ SOLO products exceeded \$160million. The sample of exhibited invoices shows consistent UK sales between 2018 and 2024 from consumers at a range of locations. Its goods have featured in a number of articles likely to boast a significant readership (GQ and Rolling Stone, for example), with reviews celebrating the headphones’ features and providing positive ratings. The goods have also been promoted via a number of means including press releases, collaborations and social media engagement spanning a number of years, with the evidence exhibiting such use across both relevant periods.

26. In my view, whilst much of the evidence shows “SOLO” alongside “Beats” (with these words preceding various models), there is evidence of “SOLO” used independently from *Beats*, in articles, invoices or social media, for example. Nonetheless, it is well-established that the ‘use’ of a mark, for these purposes, will generally encompass both its independent use and its use as part of another mark taken as a whole *or in conjunction with* that other mark, and I see no reason to deviate from this approach in the present case. In light of these considerations, I am satisfied that the mark has been put to genuine use during both relevant periods. Beats is

²⁴ Reviewed.com, 30 September 2014

therefore able to rely upon its second earlier mark for the purpose of its invalidation claim.

27. As for the opposition, I intend to proceed with my assessment on the basis of the relied upon marks which are not subject to proof of use (i.e. Beats' first, fourth and sixth marks). I will return to consider the matter in regard to the remaining earlier marks only if it is necessary to do so.

Section 5(2)(b) – Case law

28. The following standard summary of the principles applicable to the assessment of the likelihood of confusion was approved by the Supreme Court in *Iconix Luxembourg Holdings SARL v Dream Pairs Europe Inc & Anor.*²⁵

(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

²⁵ [2025] UKSC 25

trade mark may, in certain circumstances, be dominated by one or more of its components;

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite 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 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; and

(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

29. The competing goods are laid out for ease in the table below:

The invalidation	
Beats' goods	Shenzhen's goods
<i>Headphones (class 9)</i>	<i>Computer peripheral devices; tablet computers; communications networks;</i>

	<i>cabinets for loudspeakers; earphones; set-top boxes; webcams; battery charge devices; portable media players; digital photo frames (class 9)</i>
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30. In my comparison of the parties' goods, I will consider factors including their nature, intended purpose, method of use, trade channels and whether they are in competition or are complementary.²⁶

31. As for when goods can be considered identical, in *Gérard Meric v Office for Harmonisation in the Internal Market*,²⁷ 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 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."

32. In *Kurt Hesse v OHIM*,²⁸ the Court of Justice of the European Union ("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 Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*²⁹, 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".

²⁶ *Canon*, Case C-39/97; *Treat*, [1996] R.P.C. 281

²⁷ Case T- 133/05

²⁸ Case C-50/15 P

²⁹ Case T-325/06

32. For the purpose of a comparison it is permissible to group goods together, where appropriate.³⁰

Computer peripheral devices

34. The above term, to my mind, enjoys a fairly broad remit and will encompass a range of goods which are used alongside (and are compatible with) computers to fulfil a range of functions providing, for example, access to additional capabilities or to external services. In my view, such goods may naturally include products such as headsets or speakers. On this basis, when considered against Beats' *headphones*, for example, I find there may be some coincidence in the goods' users and trade channels. The goods are not necessarily competitive but in some circumstances they may be complementary, insofar as a shared undertaking could feasibly offer both sets of goods, particularly where the goods share a similar use. Having kept in mind such opportunities for similarity, applying due weight I find the goods' similarity will generally be of a medium degree.

Tablet computers

35. Whilst I accept that *tablet computers* may be used for, for example, streaming audio or media, generally speaking the above goods will be used for a different purpose to Beats' *headphones*. The goods' users may be shared, broadly speaking, and there may be a small overlap in their respective trade channels, though their physical characteristics are likely distinct. Given their different purposes, I do not consider the goods to be competitive, though there may be a degree of complementarity. On balance, I find the goods' similarity is of no more than a low degree.

Communications networks

36. I understand that communications networks will generally encompass any means of connection between two devices that enables the transmission and reception of

³⁰ *Separate Trade Mark* BL O-399-10 (AP)

data. Any similarity between the goods' users is likely to be at a fairly general level only. The goods' use and physical nature are distinct and to my mind they will likely utilise different channels of trade. The goods are not competitive and whilst there may be an element of indispensability between them, whereby the headphones are to some degree reliant on a network (a wireless connection, for example), to my knowledge the goods would typically originate from distinct undertakings. I do not find they are complementary in line with the case law set out above. Weighing all considerations, I find the goods dissimilar.

Cabinets for loudspeakers

37. As I understand it, the aforementioned goods describe a cabinet or surrounding which is used to house a loudspeaker. Whilst both goods are broadly related to audio transmission, when considered against the earlier goods, their respective purpose is different and the goods' users are likely to be distinct as the cabinets themselves are likely to be selected for manufacturing purposes, in contrast to Beats' goods which will likely be purchased predominantly by the general public. The goods are not physically similar and they are unlikely to share trade channels. I do not find the goods competitive or complementary. All things considered, I find the goods dissimilar.

Earphones

38. Whilst not identical to Beats' *headphones*, headphones and earphones are used for much the same purpose and will be selected by the same consumers. The goods' physical nature will not be entirely the same, though there will likely be some overlapping characteristics. The trade channels are likely to be shared, the goods may be competitive on account of their shared purpose, and it would not seem unreasonable to expect a single undertaking to offer both sets of goods. I find a high degree of similarity.

Set-top boxes

39. I can see no meaningful similarity between the above goods and those relied upon by Beats. Any coincidence in the respective users is at a high level only. The use of

the parties' goods is distinct and they are unlikely to be physically similar to any meaningful degree. The goods may, in some circumstances, reach the market via the same channels of trade but they are unlikely to be sold alongside one another. The goods are not competitive and, to my knowledge, they are not complementary. Applying due weight to the relevant factors, I find the goods dissimilar.

Webcams

40. The purpose of the above goods is distinct from that of the goods relied upon. The users are likely to be shared, for the most part, and whilst there may be some broad crossover in the goods' trade channels, I do not find it likely that they will be positioned for sale in any meaningful proximity. The goods' physical nature is distinct and the goods are not competitive nor complementary. I have kept in mind that the goods may be used simultaneously during a user's video call, for example, but to my mind they are not indispensable. Applying due weight, I find the goods are dissimilar.

Battery charge devices

41. To my mind, the above term encompasses devices which are used for the purpose of charging a battery of some description, though the context of use seems fairly broad. The purpose of the parties' goods is therefore distinct though, particularly as many headphones will require charging before use, the goods are likely to be selected by the same user and may be supplied alongside one another. The goods' physical nature is not likely to be similar, save for incorporating an element of compatibility where used alongside one another. There may be a broad coincidence in the goods' trade channels and, whilst the goods are not competitive, in circumstances such as those described above there is an element of complementarity between them. It would not seem unreasonable, for example, to expect an undertaking which offers headphones to also provide a compatible battery charger. Applying due weight, I find a low degree of similarity between the goods.

Portable media players

42. The above goods will be used (or can be used) to access audio or media of some

description. To that extent, there is some similarity in the overarching purpose of these goods and those relied upon. The users are likely to be the same though the goods' physical nature is unlikely to be similar, except to the extent that there may be some element of compatibility in play. The trade channels are likely to be shared and, given that the goods will be accessed to fulfil the same purpose, it seems likely that they may be positioned for sale in some proximity. The goods are not, in my view, competitive, and whilst not strictly indispensable, in some circumstances the goods may be viewed as somewhat complementary. On balance, I find the goods are similar to a medium degree.

Digital photo frames

43. The use of the above goods is distinct from the use of those relied upon by Beats. The goods may be selected by the same users but they are not physically similar and any crossover in the respective trade channels will be in fairly broad terms. The goods are not competitive nor are they complementary. All factors considered, I do not find the parties' goods similar.

44. Given that some degree of similarity between the parties' goods is essential to a finding of confusion under the present ground,³¹ the invalidation fails at this juncture in respect of those goods I have found to be dissimilar, namely:

Communications networks; cabinets for loudspeakers; set-top boxes; webcams and digital photo frames (class 9)

The average consumer and the nature of the purchasing act

45. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purposes of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods and services in question: *Lloyd Schuhfabrik Meyer*.³²

³¹ See, for example, *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA

³² Case C-342/97

46. In *Iconix Luxembourg Holdings*, the Supreme Court approved the comments of Arnold LJ in *Lidl Great Britain Ltd & Anor v Tesco Stores Ltd & Anor*,³³ where he pointed out that:

“16. First, the average consumer is both a legal construct and a normative benchmark. They are a legal construct in that consumers who are ill-informed or careless and consumers with specialised knowledge or who are excessively careful are excluded from consideration. They are a normative benchmark in that they provide a standard which enables the courts to strike a balance between the various competing interests involved, including the interests of trade mark owners, their competitors and customers.

17. Secondly, the average consumer is neither a single hypothetical person nor some form of mathematical average, nor does assessment from the perspective of the average consumer involve a statistical test. They represent consumers who have a spectrum of attributes such as gender, age, ethnicity and social group. ... It follows that assessment from the perspective of the average consumer does not involve the imposition of a single meaning rule akin to that applied in defamation law (but not malicious falsehood). ... if having regard to the perceptions and expectations of the average consumer, the court considers that a significant proportion of the relevant public is likely to be confused, then a finding of infringement may properly be made.

18. Thirdly, assessing from the perspective of the average consumer is designed to facilitate adjudication of trade mark disputes by providing an objective criterion, by promoting consistency of assessment and by enabling courts and tribunals to determine such issues so far as possible without the need for evidence. ...

19. Fourthly, the average consumer’s level of attention varies according to the category of goods or services in question.

³³ (Rev1) [2024] EWCA Civ 262

20. Fifthly, the average consumer rarely has the opportunity to make direct comparisons between trade marks (or between trade marks and signs) and must instead rely upon the imperfect picture of the trade mark they have kept in their mind.”

47. The average consumer of the goods at issue is likely to predominantly comprise members of the general public. Whilst variable, the goods are not generally of a particularly high cost, nor would I consider them typically inexpensive. As for the frequency of the purchase, similarly I would not expect this to be at a notably high or low degree. The goods are likely to be self-selected by the consumer from traditional retail outlets or an online equivalent, suggesting that the visual weight of the marks will play the greatest role in the purchasing process. That being said, I do not overlook the relevance of the marks’ aural position as recommendations may be offered by peers or retail assistants, for example. The consumer is likely to be alive to considerations such as audio quality and compatibility, for example, and in some circumstances comfort of wear. Generally speaking, I find the average consumer is likely to apply a medium degree of attention.

Comparison of trade marks

48. It is clear from *Sabel* 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 impression created by the trade marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in *Bimbo SA v OHIM*,³⁴ 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

³⁴ Case C-591/12P

impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

49. It would be wrong, therefore, to dissect the trade marks artificially, 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.

50. The parties’ trade marks are shown below:

The invalidation	
Beats’ trade mark	Shenzhen’s trade mark
SOLO (“the second earlier mark”)	everSOLO

Overall Impression

51. Beats’ mark comprises a single word. In the absence of any additional components, the mark’s overall impression resides solely in the word itself; SOLO.

52. Shenzhen’s mark comprises a stylised representation of words “ever/solo”, conjoined to create a single word. The typeface is somewhat unusual but not remarkable, with particularly the ‘e’ and ‘s’ characters combining curves with sharp lines. Nonetheless the mark will be viewed as a combination of ordinary words ‘ever’ and ‘solo’, with neither word more dominant to any meaningful degree. To my view, the word ‘ever’ may be presented in a slightly bolder typeface, but not to an extent that will lead it to carry a greater weight. I have kept in mind that *so/o* may in some circumstances be perceived as a nod toward the nature of use, i.e. that the goods are intended to be used by an individual.

53. Visually, the parties’ marks share an identical element in the word “solo”. Whilst

this is the only element in Beats' mark, in Shenzhen's mark the element is preceded by a word of equal length; 'ever'. I also take note of the style of font adopted in Shenzhen's mark and have due regard to the rule of thumb concerning the beginnings of marks which, generally speaking, have more of an impact on the consumer than their endings.³⁵ On balance, I find the parties' marks are visually similar to no more than a medium degree.

54. Aurally, the earlier mark will be articulated in the usual way, comprising two syllables SO/LO. Shenzhen's mark will likely comprise four syllables, EH/VER/SO/LO. The syllables SO/LO are clearly present in each mark, these representing the entirety of Beats' mark and the latter two of four syllables in Shenzhen's mark. Keeping in mind the impact of the beginnings of marks in particular, I find the marks are aurally similar to no more than a medium degree.

55. Beginning with Beats' mark, the word "SOLO" is an ordinary dictionary word with a definition which will be easily retrieved by the average consumer of (broadly) a way to describe an activity undertaken by a single person. In Shenzhen's mark, ever/solo combines two ordinary words which will be readily understood – *ever* evoking a notion of something which is 'everlasting' and *solo* as described above. To my mind, whilst the words in combination do not necessarily create a clear unitary meaning, the mark may vaguely create a notion of a long-lasting 'solo' undertaking. Weighing all considerations, I find a medium degree of conceptual similarity on account of the marks' shared SOLO element.

Distinctive character of the earlier mark

56. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*,³⁶ 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

³⁵ *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02

³⁶ Case C-342/97

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)."

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

58. I begin with the inherent position. Beats' SOLO mark will promote a readily perceptible concept but, to my mind, it is not one which has any *meaningful* relationship with the relevant goods and is not what I would consider descriptive or allusive, other than perhaps providing a broad implication that the goods are intended for independent use. With this in mind, and given that the mark comprises a single ordinary word, I find the mark's inherent distinctiveness is between a fairly low and medium degree.

59. I turn now to consider the matter of enhanced distinctiveness in respect of Beats' second earlier mark, "SOLO". For the invalidation, the relevant date of assessment is

the filing date of 17 March 2017. Whilst a significant amount of the evidence post-dates the relevant date, Beats has provided a range of evidence taken from the years prior. By March of 2017, Beats had globally launched six of its SOLO models; SOLO, SOLO HD, JustBeats SOLO, SOLO2, SOLO2 Wireless and SOLO 3 Wireless. Beats invested large sums into the promotion of such products in the UK, exceeding \$5million between October 2012 and September 2017.³⁷ Beats' social media platforms, which it uses to promote its SOLO goods, boasted a significant number of followers/subscribers at various junctures prior to the relevant date. For example, it enjoyed over 490,000 subscribers to its YouTube platform in 2016 and, by 2014, its posts had attracted over 7 million 'likes' on Facebook³⁸, gained 537,000 followers on Twitter³⁹ and over 1.1 million followers on Instagram. Whilst Beats' social media figures are not broken down geographically to show the proportion of UK subscribers, I note, for example, that London was the most "popular city" engaging with Beats' Facebook page as of 31 May 2014, and Beats has also provided a sample of 'Tweets' made by UK consumers concerning its SOLO products. Prior to the relevant date, Beats had collaborated with, or featured in its adverts, public figures such as Justin Bieber, Pharrell Williams and Michael Phelps, with exhibited articles announcing the same. The evidence also indicates that Beats' value share of the UK headphones sector was between 20 and 30% in 2013, though I keep in mind that this does not appear to be limited to its SOLO goods. Whilst not all of these insights are exclusive to UK use or users, taken with, for example, the promotional figures which concern the UK specifically, I am satisfied that the distinctiveness of Beats' SOLO mark has been enhanced by virtue of its use. Allowing for the variation in the mark's inherent position, I find the enhancement would elevate the mark's distinctiveness to between a medium and fairly high degree in respect of *headphones*.

Likelihood of confusion

60. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of

³⁷ I take into account that a portion of this falls beyond the relevant date.

³⁸ As of June 2014

³⁹ June 2014

similarity between the respective goods or services and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of the earlier trade mark, as the more distinctive it is, the greater the likelihood of confusion. Conversely, the less distinctive it is, the lower the likelihood of confusion.

61. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one trade mark for the other, while indirect confusion is where the average consumer realises the trade marks are not the same but puts the similarity that exists between the trade marks and the respective goods and/or services down to the responsible undertakings being the same or related.

62. I take note of the comments made by Mr Iain Purvis Q.C., as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*,⁴⁰ where he 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

⁴⁰ Case BL O/375/10

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)".

63. In *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors*,⁴¹ 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."

64. I keep in mind the findings reached throughout the course of my decision including the similarity of the parties' goods, the average consumer and nature of the purchasing process, the similarity between the parties' marks and the degree of distinctiveness enjoyed by the earlier mark.

65. I will begin by considering the matter of direct confusion in respect of identical goods. Even in these circumstances, notwithstanding the distinctiveness enjoyed by

⁴¹ [2021] EWCA Civ 1207

Beats' earlier mark, I find the average consumer will be able to readily identify that the parties' marks are not the same, particularly so given the distinction in the marks' first elements which are generally more impactful. It follows that there is even less opportunity for the consumer to mistake one mark for the other when viewed in respect of goods which share a lesser degree of similarity. I dismiss a likelihood of direct confusion.

66. As for indirect confusion, I have kept in mind the examples set out above in *L. A. Sugar*, though these are not intended to be exhaustive. The common element between the parties' marks is the word "SOLO" (which is the sole element in the earlier mark). Whilst inherently this may not be greatly distinctive, I find the enhanced distinctiveness enjoyed by this shared element will likely lead the average consumer to erroneously conclude that the goods, which I have found similar to varying degrees, originate from the same or at least a related undertaking. Goods bearing the *eversolo* mark may be perceived as a special 'legacy' edition or extended range of goods, for example, originating from, or at least endorsed by, Beats. In other words, I find that there will be indirect confusion.

67. The invalidation under section 5(2)(b) of the Act succeeds in respect of the following goods:

Computer peripheral devices; tablet computers; earphones; battery charge devices; portable media players (class 9)

The opposition

68. I will now return to consider the opposition under section 5(2)(b), proceeding on the basis of only the earlier marks which are not eligible for proof of use (Beats' first, fourth and sixth earlier marks). The case law and principles set out above apply.

Comparison of goods

69. The goods to be compared are laid out in the table below:

The opposition	
Beats' goods	Shenzhen's goods
<i>Headphones (class 9)</i> (“the first earlier mark”) <i>Headphones; earphones; microphones; audio cables; chargers, charging cables for use with headphones, earphones; carrying cases for headphones, earphones; protective cases for headphones, earphones; covers, bags and cases adapted or shaped to contain headphones, earphones; headphone, earphone accessories, namely, straps, clips. (class 9)</i> (“the fourth earlier mark”) <i>Headphones; earphones; microphones; audio cables; chargers, charging cables for use with headphones, earphones; carrying cases for headphones, earphones; protective cases for headphones, earphones; covers, bags and cases adapted or shaped to contain headphones, earphones; headphone, earphone accessories, namely, straps, clips. (class 9)</i> (“the sixth earlier mark”)	<i>Computer peripheral devices; Digital media streaming devices; Computer network switches; Digital versatile disc player; Earphones; Set-top boxes; Audio players; Digital audio players; Portable media players; Decoders; Encoding and decoding apparatus and instruments; Portable vibration speakers; Digital music players; Digital to analogue converters; Electronic decoders; Audio amplifiers. (class 9)</i>

Computer peripheral devices

70. Earlier in my decision I found a medium degree of similarity between the aforementioned goods and Beats' *headphones*, for which each of the earlier marks is registered. I make the same finding here.

Digital media streaming devices; Digital versatile disc player; Audio players; Digital audio players; Portable media players; Digital music players

71. I apply the same reasoning here as at paragraph 42 for *portable media players*. When considered in comparison to Beats' *headphones*, I find a medium degree of similarity.

Earphones

72. The fourth and sixth earlier mark are registered for *earphones*, which is plainly identical to Shenzhen's term.

73. The specification for Beats' first earlier mark is limited to *headphones*. I have already considered the similarity between *earphones* and *headphones*. For the reasons already given in paragraph 38, the goods are highly similar.

Computer network switches

74. Other than a vague opportunity for coincidence in the goods' users, I cannot see any real similarity between the above goods and those relied upon. The goods are used for different purposes, are not physically similar and are unlikely to reach the market through the same channels. The goods are not competitive and I do not find them complementary. I find the goods are dissimilar.

Set-top boxes; Decoders; Encoding and decoding apparatus and instruments; Digital to analogue converters; Electronic decoders

75. For similar reasons to those set out at paragraph 39 to this decision, I do not

consider there to be any similarity between the above goods and Beats' *headphones*.

76. I note, however, that Beats' fourth and sixth earlier marks are registered for *audio cables*. Whilst the goods' immediate use is distinct, there may be some overlap in the goods' users, particularly as they may be used in the same setting. The goods may occupy the same trade channels and, whilst not competitive, there may be a degree of complementarity whereby the goods are used in combination. I find the goods' similarity is between a low and medium degree.

Portable vibration speakers; Audio amplifiers

77. The above goods are concerned with the amplification or transmission of sound. In this respect, I find there is an element of similarity when considered against Beats' goods such as *earphones* or *headphones*. The goods are likely to be accessed by the same users and reach the market through the same channels. Whilst it may not always be the case, given the degree of similarity in the goods' use, there may be circumstances whereby the goods are sold near to one another from the shelves of a traditional retail outlet. Notwithstanding their similar purpose, I do not consider the goods would necessarily be competitive; the user will generally require one or the other. The goods are not indispensable but may be offered by a single or related undertaking. I find a medium degree of similarity.

78. As above, given that a likelihood of confusion requires at least some degree of similarity between the parties' terms, the opposition falls here in respect of the following goods:

Computer network switches (class 9)

The average consumer and the nature of the purchasing act

79. I make much the same conclusions in respect of the average consumer as I have above. For the most part, the average consumer is likely to be a member of the general public, with the goods typically self-selected from the shelves of a retail outlet or online website. The goods are not inexpensive but are unlikely to be of a particularly high

cost, and the frequency of purchase will vary. The marks' visual impact is likely to play the greater role in the purchasing process, though I do not discount the significance of the marks' aural impression. The consumer will have regard to a number of considerations when approaching the goods' selection, quality and compatibility for example. I find the consumer's level of attention will typically be of a medium degree.

Comparison of trade marks

80. The parties' marks are laid out in the table below:

The opposition	
Beats' trade marks	Shenzhen's trade mark
SOLO ("the first earlier mark") BEATS SOLO PRO ("the fourth and sixth earlier mark")	

81. In the absence of any additional elements, the overall impression of Beats' first earlier mark resides in the single word it comprises: SOLO.

82. In Beats' "BEATS SOLO PRO" mark, I find a greater weight will be carried by the mark's "BEATS/SOLO" elements, with the mark's third word element, "PRO", generally interpreted as a common shortening of "professional", which would likely go to the quality of the goods or intended user. It is by no means a negligible element but will for this reason make a lesser contribution. I find the weight attributed to the marks' BEATS and SOLO elements roughly equal though BEATS, being the first element, may be slightly more impactful. I have taken into account in making these findings that SOLO may in some circumstances be viewed as an indicator of how the goods are intended to be used (or at least by how many people).

83. Shenzhen's mark comprises a depiction of the words 'ever' and 'solo', with 'ever' positioned on top of 'solo'. The typeface is, again, unremarkable but somewhat unusual, with particularly letters 'e' and 's' combining contrasting curves and straight lines. 'Ever' seems to be slightly bolder than 'solo' but the difference is not significant and is unlikely to affect the weight attributed to each element. Generally, I find both elements will make a fairly equal contribution to the mark's overall impression, which resides predominantly in its word elements, with the stacking effect and typeface playing lesser roles.

The first earlier mark

84. Where the marks coincide visually is the identical 'solo' element. This is the only element in Beats' mark and the second (or lower-positioned) element in Shenzhen's mark. Having due regard to the effect of the beginnings of marks and the typeface adopted in Shenzhen's mark, I find the marks' visual similarity is of no more than a medium degree.

85. Given that I find the parties' marks will be articulated in the same way as those considered in the invalidation, for the reasons already given I find the aural similarity is of no more than a medium degree.

86. I make the same findings in regard to the marks' conceptual position as I have above at paragraph 55. I find a medium degree of conceptual similarity.

The fourth and sixth earlier mark

87. Visually, both marks incorporate the word SOLO. This is the second of three word elements in Beats' mark and the second (or lower) word element in Shenzhen's mark. Shenzhen's mark also adopts a somewhat unusual (though unremarkable) typeface. Weighing all considerations, I find the visual similarity is of a low degree.

88. Aurally, both marks comprise a combination of ordinary dictionary words which will be awarded their usual articulation. Beats' earlier mark will likely comprise four syllables, BEATS/SO/LO/PRO, whilst Shenzhen's mark will also comprise four

syllables, EH/VER/SO/LO. Each mark incorporates the identical syllabic sequence SO/LO, though the sequence is situated differently in each of the respective marks. I find the aural similarity between the marks is of a low degree.

89. Conceptually, the word 'Beats' in the earlier mark will provide a concept which will be easily grasped by the average consumer, with a number of possible definitions. In the context of the relevant goods, I find its most likely interpretation will be a reference to percussive musical 'beats'.⁴² I have already set out my findings concerning the concept offered by 'SOLO', which will retain its ordinary meaning. Whilst I have found the mark's PRO element will likely carry a lesser weight, it introduces a notion of professionalism which is absent to Shenzhen's mark. To my mind, the words in Beats' mark will retain their ordinary respective meanings. Shenzhen's mark will evoke the same conceptual impression as that set out above. Whilst SOLO remains an identical concept between the marks, keeping in mind the differences between the marks' remaining elements, I find the marks' conceptual similarity is of a fairly low degree.

Distinctive character of the earlier marks

90. I apply the same findings concerning the inherent distinctiveness of Beats' "SOLO" mark as I have above, both being registered for the same goods. I therefore find the first earlier mark inherently distinctive to between a fairly low and medium degree.

91. I have already considered the conceptual impression likely to be evoked by Beats' "BEATS SOLO PRO" mark. Whilst I have found that *BEATS* is likely to be perceived in the present context as a nod toward a percussive musical beat, I do not consider it descriptive of the relevant goods. Similarly to the mark's SOLO element, it does not serve to describe the goods themselves but rather there may be seen to be a broad implication or suggestiveness concerning the nature or method of use. The marks' PRO element plays a lesser role and is likely to be viewed as an indicator that the goods are of a professional standard or are intended for use by professionals. All

⁴² Whilst conceptual comparisons are usually done without reference to the goods at issue, the consumer nonetheless looks to the goods to inform the meaning of the mark, particularly where there is a link between the conceptual meaning of the mark and the goods to which it is affixed. (See *EMILIANA*, BL O/052/22 and *LIGHT VITAMIN*, BL O/1174/25).

things considered, I find the mark inherently distinctive to no more than a medium degree.

92. As for whether the distinctiveness of the marks relied upon has been enhanced through use, the relevant date for the purpose of the opposition is 7 July 2023. Whilst many of my earlier findings extend to this later date (social media insights and collaborations, for example), the evidence also benefits from figures pertaining to the annual revenue generated by sales of Beats' SOLO goods in the UK (which includes various SOLO models and the BEATS SOLO PRO model, which were celebrated in a number of UK-based publications⁴³). By way of example, this exceeded \$30 million in 2019, \$20 million in 2020, \$10 million in 2021 and \$5million in 2022. Coupled with what is shown in the evidence elsewhere, which I have already considered above, having taken into account again that some of the evidence is not specific to the UK, I am satisfied that the distinctiveness of the marks relied upon has been enhanced to between a fairly high and high degree by virtue of their use in relation to *headphones*.

Likelihood of confusion

93. Beginning with direct confusion, I find there are sufficient differences between the parties' marks (particularly visually, which is likely to be the greatest factor in the selection process) to overcome a likelihood of the consumer simply mistaking one mark for the other. Notwithstanding the marks' shared element, the consumer will easily recognise that the marks are not the same. I reach this conclusion in respect of all goods that remain at issue, notwithstanding the degree of similarity they share.

94. I move to consider the matter of indirect confusion. I will do so (at least initially) on the basis of Beats' SOLO mark. Whilst I have found that the average consumer is likely to identify the marks' differences, I find it just as likely that the consumer will identify that the marks share an identical element in SOLO. Given the enhanced distinctiveness enjoyed by the earlier mark, of which SOLO is the sole element, I find it likely that the average consumer will be minded to erroneously conclude that the respective marks originate from the same, or a related, undertaking. Shenzhen's

⁴³ See, for example, headlines from The Express (2019) and The Sun (2021) reproduced earlier in my decision

Ever/Solo goods may be perceived as an extended product line, for example, or a legacy range, originating from an economically-linked undertaking. In other words, I find a likelihood of indirect confusion in respect of those goods I have found to be similar to Beats' *headphones*, particularly in light of the elevated distinctiveness enjoyed by the marks' common element in relation to these goods.

95. I will now consider the position in relation to the goods which I have not found similar to *headphones*, namely:

Set-top boxes; Decoders; Encoding and decoding apparatus and instruments; Digital to analogue converters; Electronic decoders

Earlier in my decision I found the above goods similar to Beats' *audio cables*, for which its fourth and sixth earlier marks are registered. I found the similarity was between a low and medium degree. As there is no evidence showing use of Beats' BEATS SOLO PRO mark in respect of *audio cables*, there can be no enhanced distinctiveness in relation to these goods. Given that the distinctiveness of the earlier mark therefore retains its inherent position, and having regard to my findings concerning the marks' overall impressions, I consider the differences between the competing marks are sufficient to overcome a likelihood of both direct and indirect confusion. Whilst the consumer may identify the marks' common element, I find the parties' shared use of SOLO will likely be attributed to mere coincidence. In other words, I do not consider there to be a likelihood of confusion in respect of these goods.

96. The opposition under section 5(2)(b) of the Act succeeds in respect of the following goods:

Computer peripheral devices; digital media streaming devices; digital versatile disc player; earphones; audio players; digital audio players; portable media players; portable vibration speakers; digital music players; audio amplifiers (class 9)

97. For completeness, it would not have put Beats in any better position to have also considered the matter in light of its second, third or fifth earlier mark as their respective specifications are limited to *headphones* only.

Section 5(3)

98. 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.”

99. Section 5(3A) of the Act states:

“Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected.”

100. Paragraph 10 of Part 1, Schedule 2A of the Act is relevant to Beats’ comparable marks. It reads as follows:

“(1) Sections 5 and 10 apply in relation to a comparable trade mark (EU), subject to the modifications set out below.

(2) Where the reputation of a comparable trade mark (EU) falls to be considered in respect of any time before IP completion day, references in sections 5(3) and 10(3) to-

(a) the reputation of the mark are to be treated as references to the reputation of the corresponding EUTM; and

(b) the United Kingdom includes the European Union.”

101. Paragraph 10 of Part 1, Schedule 2B of the Act applies to comparable trade marks (IR). It reads:

“(1) Sections 5 and 10 apply in relation to a comparable trade mark (IR), subject to the modifications set out below.

(2) Where the reputation of a comparable trade mark (IR) falls to be considered in respect of any time before IP completion day, references in section 5(3) and 10(3) to-

(a) the reputation of the mark are to be treated as references to the reputation of the corresponding (IR), and

(b) the United Kingdom includes the European Union.”

102. 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’Oréal v Bellure* and *Case C-323/09, Marks and Spencer v Interflora* and *Case C-383/12P, 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; *General Motors*, paragraph 26.

c. It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

d. Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks

and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42

e. Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

f. Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel*, paragraphs 76 and 77 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*)."

103. The conditions of section 5(3) are cumulative. Firstly, Beats must show that the earlier marks and Shenzhen's marks are similar. Secondly, Beats 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 marks. 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.

104. The relevant date for the assessment under Section 5(3) is the filing date of the application(s) at issue, being 17 March 2017 (for the invalidation) and 7 July 2023 (for the opposition).

Similarity of the marks

105. I have already found the parties' marks to be similar, with reasons set out above.

Reputation

106. In *General Motors*,⁴⁴ the CJEU held that:

⁴⁴ Case C-375/97

“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.”

107. Whilst enhanced distinctiveness and reputation are different, the factors relevant to both assessments are the same. Given that the use documented in evidence is limited to *headphones*, I will proceed on the basis of Beats’ SOLO mark as the remaining marks do not improve its position. For the same reasons given above, I consider that Beats enjoyed at least a fairly strong reputation in the UK for *headphones* at each of the relevant dates. The evidence as a whole creates a picture of a brand which is highly regarded, with its goods perceived as high-quality and possibly somewhat trendy or fashionable on account of the celebrity endorsements.

Link

108. As I noted above, my assessment of whether the public will make the required mental ‘link’ between the marks must take account of all relevant factors. The factors identified in *Intel* are:

The degree of similarity between the conflicting marks

In the invalidation, I found the parties' marks visually and aurally similar to no more than a medium degree and conceptually similar to a medium degree.

In the opposition, I found the visual and aural similarity between the first earlier mark and Shenzhen's mark was of no more than a medium degree, and that the marks' conceptual similarity was of a medium degree.

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

In the invalidation, I found some of the parties' goods dissimilar, with the similarity between the remaining goods ranging from a low to high degree.

In the opposition, I found some of the parties' goods dissimilar, with the remaining goods' similarity ranging from between a low to medium and high degree.

I apply the same findings in relation to the relevant public and purchasing process as set out above.

The strength of the earlier mark's reputation

The earlier marks enjoy at least a fairly strong reputation in relation to *headphones*.

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

In the invalidation, I found Beats' second earlier mark inherently distinctive to between a fairly low and medium degree, with the distinctiveness enhanced through use to between a medium and fairly high degree in relation to

headphones.

In the opposition, I found Beats' first mark inherently distinctive to between a fairly low and medium degree. I found the marks' distinctiveness had been enhanced through use to between a fairly high and high degree in relation to *headphones.*

Whether there is a likelihood of confusion

Earlier in my decision, in considering the invalidation I found a likelihood of confusion in respect of the following goods:

Computer peripheral devices; tablet computers; earphones; battery charge devices; portable media players

In the opposition, I found a likelihood of confusion in respect of the following goods:

Computer peripheral devices; digital media streaming devices; digital versatile disc player; earphones; audio players; digital audio players; portable media players; portable vibration speakers; digital music players; audio amplifiers

In both the opposition and invalidation, I did not find a likelihood of confusion in respect of Shenzhen's goods which I found dissimilar to Beats' *headphones*, for which its SOLO marks are solely registered.

109. With regard to all goods which I have found similar to some degree to Beats' *headphones* (in respect of which it has shown a reputation), in light of the strength of its reputation and the distinctiveness of the "SOLO" mark, this being the marks' common element, I am satisfied that the relevant public would make a link between the parties' marks.

110. As for the remaining goods which I have found are not similar to Beats' *headphones*, whilst I acknowledge that under the present ground there is no

requirement for the respective goods to be similar, I take the view that, notwithstanding the level of reputation Beats enjoys, in light of the distance between the respective goods (having kept in mind any opportunity for coincidence in the *Treat* factors), the relevant public would not be minded to make a link between the parties' marks. Even if they were to make a link on observing the marks' "SOLO" element, it would be merely fleeting, such that it could not give rise to any unfair advantage or damage.

111. As indicated above, in light of my findings throughout, I do not consider that considering the matter on the basis of its remaining marks puts Beats in any stronger a position.

Damage

112. I must now consider whether any of the pleaded types of damage will arise in respect of those goods where I have found there will be a link.

Unfair advantage

113. In its submissions in lieu, Beats states as follows:

"120. If the Contested Goods are offered under the Eversolo Marks, the benefit of Beats' marketing and investment in the SOLO Marks and the resulting reputation, image and positive characteristics that the solo Marks enjoy would be unfairly transferred to the Eversolo Marks. Shenzhen would obtain a real economic advantage by 'free-riding' on the coattails of Beats' goodwill and reputation in the SOLO Marks. Further, the Eversolo Marks will unfairly benefit from the power of attraction that the SOLO Marks enjoy. The economic advantage gained by Shenzhen through the power of attraction, reputation and prestige that the SOLO Marks enjoy will not only lead to increased sales of Shenzhen's own goods, but also provide Shenzhen with the ability to unfairly exploit Beats' reputation by achieving increased sales and/or entrance into the market without the need to invest in advertising and marketing of the Eversolo Marks and brand. "

114. To the extent that the relevant public believe that Shenzhen's goods are the

goods of (or economically linked to) Beats, there will plainly be unfair advantage as the consumer will be inclined to purchase the goods in a mistaken belief that they are endorsed to some extent by Beats. The evidence shows that Beats has invested heavily in promoting its earlier marks and has made consistent efforts to raise the brand's profile, benefitting from much celebration within the market, so it is clear that there is potential for Shenzhen to gain an unfair advantage by benefitting from that investment, without having to invest in its own marketing activities. I have already found that the nature of its reputation is such that the relevant public associate Beats' headphones with high quality and possibly fashionable connotations, which would likely be attractive to the relevant purchasing public and therefore give rise to an unfair advantage.

115. As I have found there to be unfair advantage, I need not consider the other pleaded heads of damage.

116. Beats' pleading under section 5(3) of the Act succeeds in part.

CONCLUSION

117. The invalidation has succeeded in respect of the following goods. **Subject to any successful appeal against my decision, the first contested mark will be declared invalid in respect of:**

Computer peripheral devices; tablet computers; earphones; battery charge devices; portable media players

118. The invalidation has failed in respect of the following goods. **Subject to any successful appeal against my decision, the first contested mark will remain registered for:**

Communications networks; cabinets for loudspeakers; set-top boxes; webcams; digital photo frames

119. The opposition has succeeded in respect of the following goods. **Subject to any**

successful appeal against my decision, the second contested mark will be refused registration for:

Computer peripheral devices; digital media streaming devices; digital versatile disc player; earphones; audio players; digital audio players; portable media players; portable vibration speakers; digital music players; audio amplifiers

120. The opposition has failed in respect of the following goods. **Subject to any successful appeal against my decision, the second contested mark will be registered for:**

Computer network switches; set-top boxes; decoders; encoding and decoding apparatus and instruments; digital to analogue converters; electronic decoders

COSTS

121. Both parties have achieved a measure of success, which I consider to be roughly equal. In such circumstances, I direct that each party should bear its own costs.

Dated this 31st day of July 2026

**Laura Stephens
For the Registrar**