O/0804/25

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00003932232
BY ENPING YIN PENG E-COMMERCE CO., LTD.
TO REGISTER:

AS A TRADE MARK IN CLASS 9

AND

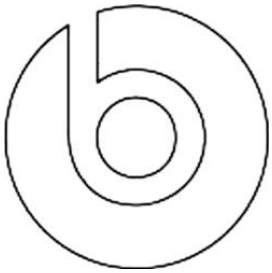
IN THE MATTER OF THE OPPOSITION THERETO
UNDER NO. 445015 BY
BEATS ELECTRONICS, LLC

BACKGROUND AND PLEADINGS

1. On 11 July 2023, Enping Yin Peng E-commerce Co., Ltd. ("the applicant") applied to register the trade mark shown on the cover page of this decision in the UK ("the applicant's mark"). The applicant's mark was published for opposition purposes on 6 October 2023 and registration is sought for the following goods:

   Class 9: Cabinets for loudspeakers; Megaphones; Microphones; Sound recording apparatus; Portable media players; Personal stereos; Headphones; Webcams.

2. On 2 January 2024, the applicant's mark was opposed by Beats Electronics, LLC ("the opponent"). The opposition is based upon sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 ("the Act") and is reliant upon the following marks:



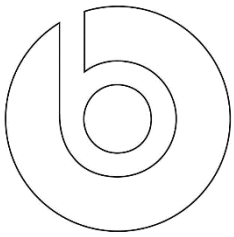
   UK registration no. 917916513
   Filing date 12 June 2018; registration date 10 July 2018
   Priority date: 24 January 2014 (IR)
   Relying on some goods and services, namely:

   Class 9: Speaker stands; multifunctional electronic devices for displaying, measuring, and uploading to the internet information including time, date, body and heart rates, global positioning, direction, distance, altitude, speed, steps taken, calories burned, navigational information, weather information, the temperature, wind speed, and the declination of body and heart rates, altitude

and speed; electronic monitoring devices incorporating microprocessors, digital display, and accelerometers, for detecting, storing, reporting, monitoring, uploading and downloading sport, fitness training, and activity data to the internet, wearable digital electronic devices in the form of a wrist watch, wrist band or bangle capable of providing access to the internet and for sending and receiving phone calls, electronic mails and messages; tablets; televisions; portable speaker mount for bicycles; remote controls for digital music systems; remote controls for stereos; handheld devices for playing, organizing, downloading, transmitting, manipulating and reviewing audio, and media files; handheld devices for controlling speakers, amplifiers, stereo systems and entertainment systems; computer software for use in playing, organizing, downloading, transmitting, manipulating, and reviewing audio files, and media files; computer software for use in controlling speakers, amplifiers, stereo systems, home theater systems, and home entertainment systems; computer software for use in controlling digital music systems; home theater systems comprised of digital music players, digital music controllers, speakers, amplifiers, and wireless handheld controllers; home entertainment systems comprised of digital music players, digital music controllers, speakers, amplifiers, and wireless handheld controllers.

Class 35: On-line retail store services featuring consumer electronics and accessories therefor.

(“the opponent’s first mark”); and



UK registration no. 907157357
Filing date 13 August 2008; registration date 30 June 2009
Priority date: 4 June 2008 (USA)
Relying on some goods, namely:

Class 9: Headphones; loudspeakers; audio equipment; audio equipment components; microphones: audio and video electric cables and connectors; sound and video recording apparatus and equipment; sound reproduction and transmitting apparatus; portable telephones and accessories; compact disc players and equipment; record players and equipment; stereo players and equipment; eyewear and sunglasses.

("the opponent's second mark").

3. The opponent's marks are both comparable marks based on earlier EUTMs. 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 EUTMs. These comparable marks enjoy the same filing and registration dates as their European counterparts.

4. The opponent's position under its section 5(2)(b) ground is that the marks bear a strong resemblance to one another in respect of the 'b' device elements. It is claimed that the word 'Debra' in the applicant's mark does not detract from the similarity of the marks as the 'b' device retains an independent distinctive role in the applicant's mark. In respect of the goods and services at issue, the opponent

claims that they are identical and similar. Further, the opponent claims that its marks enjoy a high degree of inherent and acquired distinctive character in the UK. As a result, the opponent's position is that it is clear that a likelihood of confusion, including a likelihood of association would arise on the part of the public in the UK.

5. Under the section 5(3) ground, the opponent claims that its first mark enjoys a reputation in respect of the goods I have underlined above and, for its second, all of the goods listed above. The opponent's position is that its reputation, together with the similarity of the marks and the identity/similarity of the goods, will lead the consumer to believe that the marks at issue are economically connected. It is claimed that the applicant's use of its mark would give rise to the applicant taking unfair advantage of the opponent's marks. Further, it is claimed that use of the applicant's mark would also cause detriment to the reputation and/or distinctive character of the earlier marks.

6. The applicant filed a counterstatement wherein it denied the claims against it in detail. It is noted that the applicant also made a request that the opponent provide proof of use for some of the class 9 goods relied upon in both of its specifications. Those goods for which the proof of use was requested are as follows:

The opponent's first mark

Speaker stands; portable speaker mount for bicycles; remote controls for digital music systems; remote controls for stereos; handheld devices for playing, organizing, downloading, transmitting, manipulating and reviewing audio, and media files; handheld devices for controlling speakers, amplifiers, stereo systems and entertainment systems; computer software for use in playing, organizing, downloading, transmitting, manipulating, and reviewing audio files, and media files.

The opponent's second mark

Headphones; loudspeakers; audio equipment; audio equipment components; microphones: audio and video electric cables and connectors; sound and video recording apparatus and equipment; sound reproduction and transmitting apparatus; portable telephones and accessories; compact disc players and equipment; record players and equipment; stereo players and equipment

7. The applicant is represented by Marcin Ociepka and the opponent is represented by D Young & Co LLP. Only the opponent filed evidence in chief. No hearing was requested and only the opponent filed written submissions in lieu of the same. This decision is taken after careful consideration of the papers.

8. 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.

EVIDENCE

9. The opponent's evidence in chief came in the form of the witness statement of Thomas R La Perle dated 18 June 2024. Mr La Perle is an Assistant Secretary of the opponent and also a Senior Director at Apple Inc's legal department. It is noted that Apple acquired the opponent on 31 July 2014. Mr La Perle has been employed by Apple since 1999 and by the opponent since 2014. The evidence was adduced in order to demonstrate use of the opponent's marks and in order to prove that they enjoy a reputation. The statement is accompanied by 37 exhibits, being TLP1 to TLP37.

10. I do not intend to summarise the opponent's evidence in full here (or its submissions, for that matter). However, I confirm that I have taken all filed documents into account and will summarise them to the extent that I deem necessary below.

DECISION

Proof of use

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

> "(6)(1) In this Act an "earlier trade mark" means –
>
> (a) a registered trade mark or international trade mark (UK) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,
>
> (aa) a comparable trade mark (EU) or a trade mark registered pursuant to an application made under paragraph 25 of Schedule 2A which has a valid claim to seniority of an earlier registered trade mark or protected international trade mark (UK) even where the earlier trade mark has been surrendered or its registration has expired;
>
> (ab) a comparable trade mark (IR) or a trade mark registered pursuant to an application made under paragraph 28, 29 or 33 of Schedule 2B which has a valid claim to seniority of an earlier registered trade mark or protected international trade mark (UK) even where the earlier trade mark has been surrendered or its registration has expired.

[…]

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered."

12. Section 6A is also relevant. It reads:

"(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."

13. Section 100 of the Act is also relevant. It reads:

"100. 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."

14. Given their earlier filing dates, the opponent's marks both qualify as earlier trade marks under the above provisions. As set out above, the applicant requested that the opponent provide proof of use in respect of some of its class 9 goods. As a result, the opponent's marks are subject to the use provisions on the basis that they completed their registration processes more than five years prior to the filing date of the applicant's mark.

15. As the opponent's marks are comparable marks, paragraph 7 of Part 1, Schedule 2A of the Act is also 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".

16. In *easyGroup Ltd v Nuclei Ltd & Ors* [2023] EWCA Civ 1247, 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 Merken 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].
>
> 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]."

17. Section 6A of the Act (cited above) confirms that the relevant period for the present assessment is the five-year period ending with the filing date of the applicant's mark, being 11 July 2023. The relevant period is, therefore, 12 July 2018 to 11 July 2023. As set out above, the relevant territory prior to 31 December 2020 is the EU at large which, at that time, included the UK.

18. Proven use of a mark which fails to establish that "the commercial exploitation of the mark is real"[1] because the use would not be "viewed as warranted in the

[1] *Jumpman* BL O/222/16

economic sector concerned to maintain or create a share in the mark for the goods or services protected by the mark" is, therefore, not genuine use.

Evidence of use

19. The opponent was founded in 2008. It claims to offer a variety of audio equipment and accessories under the marks relied upon. It is claimed that the goods cover mobile accessories, playback and control devices, stands, mounts and software designed for audio management. In respect of the goods sold, the opponent has provided printouts taken from its own website that shows a list of retailers that stock the opponent's goods.[2] Some of the printouts were obtained via the internet archive facility, the Wayback Machine, and are dated within the relevant period. Having considered this evidence, I note that it includes retailers from all over the EU but, in relation to the UK, it references retailers such as (but not limited to) HMV, John Lewis and Argos. In addition, I note that the UK retailers include a range of well-known mobile phone providers such as EE and Vodafone.

20. In respect of the goods sold, I note that the opponent has provided printouts from its own website, again obtained from the Wayback Machine, that show the goods that the opponent sold during that time.[3] The printouts have been condensed down so that two pages fit on one, being a practice that, in my view, circumvents the purpose of Tribunal Practice 1/2015 which sets the limit of evidence in chief to 300 pages. The evidence, as filed, stands at 299 pages in length and given the use of double pages, the evidence stands in excess of the 300-page limit. While this issue was not picked up upon the filing of the evidence, I must now consider the evidence before me. That being said, the condensing of the screenshots has led to some of the information being unclear. For example, the dates of some of the printouts are blurred so I am unable to make them out.

[2] TLP3
[3] TLP4

21. The above issue aside, the printouts are separated out by their years so while the exact dates of some printouts may be unclear, it is clear what year they are from. Of those from within the relevant period, the printouts show goods such as headphones (both in and over ear), cable accessories[4] and portable speakers. In addition, a printout is provided dated November 2017 that shows use of a mount for the portable speaker so that it may be attached to a bicycle. While noted, this is from outside the relevant period so is of no assistance here. I note that this same exhibit shows an information page for this product on the opponent's website. This page is from within the relevant period but it is not the offering for sale of a product. Instead, it is merely a product support page that does not constitute evidence that these goods were sold during the relevant period. On this point, it is reasonable to infer that the sale of this product may have ceased prior to the relevant period but that the opponent merely continued to offer support pages for such goods during the relevant period. In my view, this does not constitute use of said goods.

22. I also note that there is a printout of a support page for a speaker stand and a speaker case in evidence.[5] This is taken from the opponent's website and is dated from within the relevant period. For the same reasons as discussed in the preceding paragraph, I find that because this is a support page, it does not constitute the offering of such goods for sale during the relevant period.

23. While the goods discussed in the two preceding paragraphs are all under the 'BEATS' brand, the headphones and portable speaker themselves are emblazoned with the marks relied upon. That being said, it is not clear from the evidence whether the cables shown as being sold individually are sold under this branding or whether they are simply referred to as 'BEATS' branded products.

[4] I note that screenshots from the opponent's website showing the features of this cable is provided at TLP5. This demonstrates that the cable can be used to control the volume of the headphones and that it can be used to accept calls.
[5] TLP6

24. In respect of software, the opponent has provided evidence that points to the features offered by its headphone products. This includes active noise cancellation, something referred to as 'transparency' mode and button/control features on the headphones themselves.[6] While noted, these are features integrated into the headphones themselves so are not the provision of goods under the mark with the aim of creating or preserving a market share for 'software' related goods. The evidence moves on to discuss 'apps' that the opponent offers via the Google Play Store and the Apple App Store.[7] While this is noted, no figures are provided in respect of how many users have downloaded these apps in the UK or the EU. Additionally, it is not clear whether the use of these applications is important or necessary for the use of the headphone or speaker goods offered.

25. The evidence then moves to discuss sales figures for the goods offered. In terms of actual turnover figures provided, I note the following sales in the UK between 2018 and 2023:

Year	**UK sales (US$)**
2018	In excess of 80 million
2019	In excess of 90 million
2020	In excess of 50 million
2021	In excess of 40 million
2022	In excess of 50 million
2023	In excess of 50 million
Total	**In excess of 360 million**

26., I note that the figures provided are from the calendar years of January to December. Given that the relevant period begins and ends in July of 2018 and 2023, respectively, it is inevitable that the above figures cover turnover that accrued outside the relevant period. I have no way to determine what proportion of

[6] TLP8 and TLP9
[7] TLP10

the 2018 and 2023 figures this applies to. That being said, even taking this issue into account together with the fact that the figures are provided in US dollars and are only 'figures in excess of', the above figures still represent a very large turnover.

27. In support of the turnover provided, the opponent has provided a range of invoices from covering sales to retailers[8] and customers[9] in the UK. I note that some of the invoices are from outside of the relevant period but some are from within it. I do not intend to discuss the content of these invoices in full but note that they cover the Beats Pill product (being the portable speaker), cables and a range of different headphones.

28. In respect of marketing, the opponent has provided evidence as to its marketing spend in the UK in relation to its Beats products. This is as follows:

Year	**UK sales (US$)**
2018	In excess of 8 million
2019	In excess of 11 million
2020	In excess of 6 million
2021	In excess of 1 million
2022	In excess of 2 million
2023	In excess of 0.4 million
Total	**In excess of 28.4 million**

29. As was the case with the turnover above, some of the figures for 2018 and 2023 will have been spent outside of the relevant period. However, this does not take away from the fact that the above evidence represents a significant spend in the UK. Evidence of some marketing campaigns has been provided and while some of this relates to advertising outside of the UK (such as billboards in Time Square,

[8] TPL11
[9] TPL12

New York City), I note that some images are provided of shop displays in London in 2019 as well as an advert placed on the BFI IMAX London, albeit in 2017.[10]

30. In terms of press coverage, the opponent has provided excerpts from articles wherein its products were discussed.[11] I do not intend to discuss these in full but note that some of them are US-based publications which refer to prices in US dollars, for example.[12] That being said, there are a range of articles that can be said to be from UK-based publications or those that discuss use in the UK or EU (prior to IP Completion Day). Of these, I note that between 2018 and 2023, the opponent's brand appeared in articles from popular publications such as Guardian, Marie Claire UK, Tech Radar UK, Vogue and The Independent.

31. The evidence includes discussions surrounding the opponent's market share.[13] While noted, I do not consider that it is necessarily helpful in the present case, especially in light of the specific UK use referred to above. I say this because the evidence relates to the global market and while I accept that the opponent clearly operates on a large global scale (in 2011, it had a 53% share of the global headphone market), the assessment I must make here is based on the UK and EU markets. In respect of this evidence though, I will say that it relates to the global headphone market which, plainly, demonstrates that the opponent's main focus is on headphones.

32. Lastly, I appreciate that there is a range of additional evidence provided speaking to the opponent's social media presence,[14] collaborations with other brands,[15] appearances of the opponent's products in mainstream movie products or music videos[16] and evidence of awards won.[17] While this evidence is noted, I do not

[10] TPL13
[11] TPL14 to TPL21
[12] See the Tech Radar article at page 5 of TLP16.
[13] TLP33
[14] TLP22 to TLP27
[15] TLP28 and TLP29
[16] TLP30
[17] TLP34 and TLP35

consider it necessary to discuss this any further here. I take this approach as this evidence only serves to corroborate the marketing and sales figures I have already discussed above, both of which plainly show extensive use.

Assessment of the evidence

33. I am of the view that I can dealt with the assessment of genuine use relatively swiftly. Given the size of the turnover and advertising spend in the UK during the relevant period as well as the level of press coverage, I find that the opponent has genuinely used its mark in the UK. That being said, I do not consider that the opponent has effectively demonstrated use for all of the goods which are subject to proof of use (the goods which are not subject to proof of use may, in fact, be relied upon regardless of whether the opponent has genuinely used the marks in relation to them or not) As a result, I consider it necessary to conduct a full fair specification assessment.

Fair specification

34. I note that the opponent's submissions contain detailed discussions surrounding the use of the terms relied upon and how the evidence correlates to such goods. I do not consider it necessary to discuss this in full here as the assessment I must make is based on my own assessment of the evidence before me. However, for the avoidance of doubt I will say that I have given these submissions due consideration in making the following assessment.

35. In considering a fair specification, I remind myself of the case of *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited,* BL O/345/10, wherein Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

> "In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there

has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned."

36. In addition, I am guided by paragraphs 245 to 249 of *Merck KGaA v Merck Sharp & Dohme Corp & Ors* [2017] EWCA Civ 1834 as well as paragraph 47 of *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch).

37. I remind myself that the opponent's goods that are subject to the proof of use request are set out at paragraph 6 above. For ease of reference, however, these are as follows:

The opponent's first mark

Speaker stands; portable speaker mount for bicycles; remote controls for digital music systems; remote controls for stereos; handheld devices for playing, organizing, downloading, transmitting, manipulating and reviewing audio, and media files; handheld devices for controlling speakers, amplifiers, stereo systems and entertainment systems; computer software for use in playing, organizing, downloading, transmitting, manipulating, and reviewing audio files, and media files.

The opponent's second mark

Headphones; loudspeakers; audio equipment; audio equipment components; microphones: audio and video electric cables and connectors; sound and video recording apparatus and equipment; sound reproduction and transmitting apparatus; portable telephones and accessories; compact disc players and equipment; record players and equipment; stereo players and equipment

38. The opponent's headphones and portable speakers appear repeatedly throughout the evidence. These goods are, plainly, of a significant focus for the opponent. While I have no breakdown of the turnover figures provided, I am of the view that they can predominantly be attributed to the headphones and portable speaker that the opponent offers. As such, I am satisfied that the finding of genuine use applies to these goods. I will now consider what terms in both of the opponent's marks such use can be said to cover.

39. I note that the opponent's first mark does not consist of the terms "headphones" or any other term that can be said to cover such goods. The second mark, however, includes the term "headphones" so the reliance upon this term may proceed for that mark.

40. As for the opponent's portable speakers, I am of the view that such goods can reasonably be said to fall within the term "handheld devices for playing, organizing, downloading, transmitting, manipulating and reviewing audio, and media files", being a term within the opponent's first mark. Having said that, given that the speaker only covers the playing of audio, I consider that the term should be appropriately limited to "handheld devices for playing audio". The opponent's second mark includes the term "loudspeakers". Given that the only speakers shown in evidence are portable ones, I consider that the average consumer would describe the use in this way and, as such, I hereby limit this term to "portable loudspeakers".

41. In respect of the remaining terms relied upon across both of the opponent's specifications, I consider it necessary to deal with these in turn below.

Stereo systems and entertainment systems (in the opponent's first mark's specification) and *audio equipment; sound reproduction […] apparatus; stereo players and equipment* (in the opponent's second mark's specification).

42. The evidence before me shows use of goods that fall within the above terms. For example, headphones and portable speakers are items of audio equipment. However, given the limited nature of the opponent's use, I am of the view that to grant use for the above terms would be on the basis that they are limited to include headphones and portable speakers only. I say this because the consumer will fairly describe the opponent's use as being headphones and portable speakers, as opposed to being general audio equipment or stereo systems, for example. Therefore, if I were to grant use, the above terms would be limited in the appropriate way. Given that the opponent has already been permitted to rely on such goods, I see no benefit in making a fair specification assessment in respect of the above terms. Therefore, the above terms are to be removed from the opponent's specification for the purpose of this decision.

Audio equipment components and *audio and video electric cables and connectors* (in the opponent's second mark's specification).

43. The first term listed above can, in my view, cover audio cables. Therefore, I consider it appropriate to deal with the above terms together.

44. Cables are shown in evidence and while I accept that the opponent's headphone and speakers were likely sold with cables, I have issues with the evidence provided in respect of these goods. I say this because the sale of headphones that includes cables is not a genuine attempt to create or preserve a market share for the above terms. It is, instead, the sale of headphones, not cables. As for the sale of these goods as accessories, there is nothing to suggest how these goods are packaged and while they may refer to the 'BEATS' branding, it is not clear whether they were sold under the opponent's marks. Even if these goods were sold under the relevant branding, it is not clear how many of the actual cables were sold separately. On this point, I appreciate that the opponent's turnover is significant. However, the focus of the opponent appears to be on the actual headphones or speakers it sells

so it is not possible for me to attribute any proportion of the turnover solely to the cable goods.[18] To do so would, in my view, be the result of an unreasonable inference. As a result, I find that the opponent has not proven that it has genuinely used its marks for these goods.

Computer software for use in playing, organizing, downloading, transmitting, manipulating, and reviewing audio files, and media files (in the opponent's first mark's specification).

45. In relying on its software goods, the opponent appears to be relying on the fact that its headphones offer features such as 'active noise cancellation'. While I appreciate that this is a function controlled by software, it is by no means the provision of software as a good. As was the case with the cable goods above, this does not constitute a genuine attempt to create or preserve a market share for software. Such use is, therefore, of no assistance.

46. In addition, I note that the evidence does make reference to the actual provision of software. In considering this evidence, I remind myself of the issues discussed at paragraph 24 above. In short, there are no download figures and while I accept that the opponent's headphones and speakers are sold in high volumes, there is nothing to suggest that use of this software is required in order to use the headphones/speakers. Therefore, I do not consider it a reasonable inference to find that each user who bought a headphone or speaker went on download the opponent's app. Without anything sufficiently solid on this point, I am of the view that the evidence in respect of any type of software is insufficient. The opponent has not, therefore, proven genuine use for the above term.

[18] On this point, I remind myself that even the market share evidence discussed at paragraph 31 above refers only to the headphone market.

Remote controls for digital music systems; remote controls for stereos; handheld devices for controlling speakers, amplifiers, stereo systems and entertainment systems (in the opponent's first mark's specification).

47. I accept that the opponent's portable speakers, audio cables and some headphones all include buttons for control of functions such as volume, pause/play or for accepting calls. While they clearly offer control functions, they are not remote controls in the context of the above terms. They are merely features that the opponent's goods offer. In respect of this claimed use, I repeat what I have in paragraph 44 above in that the sale of headphones or portable speakers (or audio cables, for that matter) does not constitute a genuine attempt to create or preserve a market share for the above goods, regardless of whether they offer controls or not. Therefore, I do not consider that the opponent has shown genuine use for these goods.

Portable speaker mount for bicycles; speaker stands (in the opponent's first mark's specification).

48. While the evidence does include one printout covering the offering for sale of the first term for sale via Argos in 2017, this is before the relevant period so is of no assistance here. In respect of these goods generally, I note that the opponent has provided support pages from the opponent's website from within the relevant period. However, as I have discussed above, the presence of support pages is not the same as the offering of goods for sale. Lastly, even if the goods were sold during the relevant period, I have nothing to demonstrate how much of the opponent's turnover can be attributed to the above goods and, given the opponent's focus on headphones and portable speakers, I do not consider it reasonable to infer that a sufficient level of sales is attributable to these goods simply because the opponent is a large business operation. As a result, I do not consider that the evidence before me is sufficiently solid so as to allow me to find that the use by the opponent during the relevant period is in any way attributable

to the above goods. Therefore, I do not consider that the opponent has provided genuine use for the same.

Transmitting apparatus; microphones: sound […] recording apparatus and equipment (in the opponent's second mark's specification).

49. In respect of the above goods, the opponent seeks to rely on the fact that the wire that comes with its headphones (or which is sold separately) includes a microphone to allow the user to take phone calls and that said microphone will transmit audio or record it. While I appreciate that this may very well be the case, the sale of the headphone (or an audio cable accessory) itself does not constitute the sale of a microphone from a trade mark perspective (or of a transmitting or recording apparatus, for that matter). Further, the sale of an audio cable for connecting to headphones is not an attempt to create or preserve a market share for microphones (or for transmitting or recording apparatus, for that matter). As a result, I am of the view that the opponent has failed to demonstrate genuine use for the above goods.

Video recording apparatus and equipment; portable telephones and accessories; compact disc players and equipment; record players and equipment (in the opponent's second mark's specification).

50. I do not consider that the opponent has demonstrate any use for the above terms. As a result, it is not permitted to rely on any of these goods for the purpose of this decision.

51. In light of what I have said above and the fact that the proof of use assessment applied to only some of the opponent's class 9 goods, I consider that the opponent may rely upon the following goods and services only:[19]

[19] For the avoidance of doubt, the goods that remain underlined in the first mark are those that may proceed in respect of the section 5(3) ground. As for the second mark, all goods listed below may proceed under that ground.

The opponent's first mark

Class 9: Handheld devices for playing audio; multifunctional electronic devices for displaying, measuring, and uploading to the internet information including time, date, body and heart rates, global positioning, direction, distance, altitude, speed, steps taken, calories burned, navigational information, weather information, the temperature, wind speed, and the declination of body and heart rates, altitude and speed; electronic monitoring devices incorporating microprocessors, digital display, and accelerometers, for detecting, storing, reporting, monitoring, uploading and downloading sport, fitness training, and activity data to the internet, wearable digital electronic devices in the form of a wrist watch, wrist band or bangle capable of providing access to the internet and for sending and receiving phone calls, electronic mails and messages; tablets; televisions; computer software for use in controlling digital music systems; home theater systems comprised of digital music players, digital music controllers, speakers, amplifiers, and wireless handheld controllers; home entertainment systems comprised of digital music players, digital music controllers, speakers, amplifiers, and wireless handheld controllers

Class 35: On-line retail store services featuring consumer electronics and accessories therefor.

The opponent's second mark

Class 9: Headphones; portable loudspeakers; eyewear and sunglasses.

Section 5(2)(b): legislation and case law

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

> "(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 or association with the earlier trade mark."

53. Section 5A of the Act states as follows:

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

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

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods and services

55. The competing goods and services are as follows:

The opponent's goods	The applicant's goods
The opponent's first mark <u>Class 9</u> Handheld devices for playing audio; multifunctional electronic devices for displaying, measuring, and uploading to the internet information including time, date, body and heart rates, global positioning, direction, distance, altitude, speed, steps taken, calories burned, navigational information,	<u>Class 9</u> Cabinets for loudspeakers; Megaphones; Microphones; Sound recording apparatus; Portable media players; Personal stereos; Headphones; Webcams.

weather information, the temperature, wind speed, and the declination of body and heart rates, altitude and speed; electronic monitoring devices incorporating microprocessors, digital display, and accelerometers, for detecting, storing, reporting, monitoring, uploading and downloading sport, fitness training, and activity data to the internet, wearable digital electronic devices in the form of a wrist watch, wrist band or bangle capable of providing access to the internet and for sending and receiving phone calls, electronic mails and messages; tablets; televisions; computer software for use in controlling digital music systems; home theater systems comprised of digital music players, digital music controllers, speakers, amplifiers, and wireless handheld controllers; home entertainment systems comprised of digital music players, digital music controllers, speakers, amplifiers, and wireless handheld controllers. <u>Class 35</u> On-line retail store services featuring consumer electronics and accessories therefor.	

The opponent's second mark <u>Class 9</u> Headphones; portable loudspeakers; eyewear and sunglasses.	

56. When making the comparison, all relevant factors relating to the goods and services in the specifications should be taken into account. In the judgment of the Court of Justice of the European Union ("CJEU") in *Canon*, Case C-39/97, the court stated at paragraph 23 that:

> "Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary".

57. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

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

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

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

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

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

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

58. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-133/05, the General Court ("GC") stated that:

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

Headphones.

59. The above term of the applicant appears in the opponent's second mark's specification. These terms are, therefore, self-evidently identical.

Portable media players; personal stereos.

60. A stereo is a device that plays music. As far as I understand it, a personal stereo is commonly a reference to a music player that is portable. If this is incorrect then I will say that the above term is broadly worded so may, therefore, cover a portable stereo in any event. Further, a media player can be a player of audio. As a result, I find that both of the above terms can be said to encompass the terms of "handheld devices for playing audio" and "portable loudspeakers" in the opponent's first and second marks' specifications, respectively. These goods are, therefore, identical under the principle outlined in *Meric*.

Cabinets for loudspeakers; megaphones; microphones; sound recording apparatus; webcams.

61. The above goods are all either consumer electronics or accessories therefor. As a result, I consider that the opponent's best case lies in the term "on-line retail store services featuring consumer electronics and accessories therefor" in class 35 of its first mark's specification. I say this because the opponent's retail service is capable of the retail of the above goods. On this point, I remind myself of the case of *Oakley, Inc v OHIM*, Case T-116/06, at paragraphs 46 to 57, wherein the GC held that although retail services are different in nature, purpose and method of use to goods, retail services for particular goods may be complementary to those goods, and distributed through the same trade channels, and therefore similar to a degree. In the present case, I consider it likely that the goods will share trade channels and users with the opponent's service and, further, the consumer will consider them to be important to one another to the point that they would believe them to be the responsibility of the same undertaking.[20] As a result, I consider that these goods and services are similar to a medium degree.

The average consumer and the nature of the purchasing act

62. The case law, as set out earlier, requires that I determine who the average consumer is for the respective parties' goods and services. I must then decide the manner in which these goods and services are likely to be selected by the average consumer in the course of trade. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. (as he then was) described the average consumer in these terms:

[20] *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM),* Case T-325/06

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

63. The opponent submits that the average consumer will be a member of the general public at large who selects the goods via predominantly visual means, though I note that the opponent does not dismiss the aural component. These are submissions I agree with on the basis that the goods at issue are ordinary consumer electronic goods that will be available via physical retailers or their online equivalents. In physical premises, the goods will be placed on shelves or on displays where they will be self-selected by the consumer. The selection of the goods online will take place after the consumer views an image of the goods on a website. As submitted by the opponent, the goods are also subject to word-of-mouth recommendations or advice from sales assistants. As for the services at issue, I find that these too will be selected by members of the general public at large. They are likely to be selected having considered, for example, promotional material (in hard copy or online) or signage appearing on the high street. Therefore, the visual component will also dominate the selection process for the services, with an aural component not being ignored.

64. While I consider that the goods at issue will vary in price, I do not consider that they will necessarily be cheap goods and neither will they be particularly expensive. In terms of the frequency of selection, I am of the view that this will be fairly moderate with some goods selected more frequently than others. In terms of the degree of attention paid, I note that the opponent submits that this will be at a medium level. I agree because, when selecting the goods, I consider that consumers will pay attention to a range of relatively ordinary factors such as the sound quality of the

product, any additional features offered (such as noise cancellation, for example), the materials used and the durability of the goods.

65. As for the services, these will be selected on a frequent basis and will be relatively inexpensive selections. Regardless of the cost of the goods subject to the services, they will be selected after the consumer gives consideration to relatively ordinary factors such as stock, delivery methods (if selected online, for example) and the price of goods. Taking all of this into account, I am of the view that the selection process for the services is likely to attract a medium degree of attention.

Comparison of the marks

66. It is clear from *Sabel v Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the trade marks must be assessed by reference to the overall impressions created by the trade marks, bearing in mind their distinctive and dominant components.

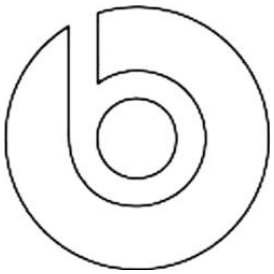
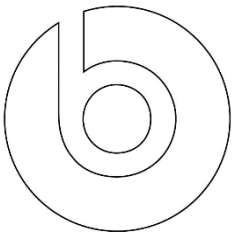
67. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

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

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

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

69. The respective trade marks are shown below:

The opponent's marks	The applicant's mark
 ("the opponent's first mark")  (" the opponent's second mark")	

70. While the device in the opponent's marks is placed differently across both marks (being placed centrally in the first mark and placed in the top left section of the second mark), I am of the view that the marks are essentially identical. I will, therefore, compare them together and, in doing so, will refer to them in the singular, being the opponent's mark.

71. I have comments from both parties in respect of the comparison of the marks. These came in the applicant's counterstatement and in the opponent's

submissions. I do not intend to discuss these in full but I do wish to mention the fact that the opponent's submissions appear geared towards a comparison of the device in the applicant's mark and its own mark. While I appreciate the argument stems from the application of the *Medion* principle,[21] the marks comparison I must make here is based on the marks as they are registered. Instead, I will consider the application of the *Medion* principle when it comes to the issue of confusion.

72. In respect of the remainder of the parties' comments, I can confirm that I have borne them in mind in making the following comparison.

Overall impression

The applicant's mark

73. The applicant's mark is a figurative mark that consists of a device element and the word 'Debra'. The device element is a rounded diamond shape in black, within which sits a number of white shapes that consists of circular and straight elements. The opponent's position is that this will be viewed as the letter 'b'. I agree that the letter 'b' will be noticed. However, there are additional points that will also be noticed. It is my view that the majority of consumers will see this device as cleverly conveying both a reference to the name 'Debra' and the audio goods offered under the mark. I say this because consumers will not only see the device as containing the letter 'D', within which sits the lower case letter 'b' (both of which are in the word 'Debra'), but also as a stylised headphone (being the type that sits within the ear canal but sits around the outer ear) or a stylised ear device. The word element, as above, is the word 'Debra' in black. While the typeface used is very slightly stylised, it is fairly standard.

[21] *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH,* Case C-120/04

74. As consumers tend to be drawn towards the word element of marks, I am of the view that despite the placement of the device at the beginning of the mark and even where the device is viewed as ‘Db’, I consider that the word ‘Debra’ will play the greater role in the overall impression of the mark with the device element playing a lesser role.

The opponent’s mark

75. The opponent’s mark is a figurative mark that consists of one device element. The device is a black lined circle with a white interior. At the centre of the circle is a black lined letter ‘b’ with a white interior. The vertical arm of the letter ‘b’ extends to the outer circle and intersects it. There are no other elements that contribute to the overall impression of the opponent’s mark, which lies in the device itself.

Visual comparison

76. Visually, the marks differ in the presence of the dominant and distinctive word ‘Debra’ in the applicant’s mark. While the device element in the applicant’s mark is not the same as the opponent’s mark, I appreciate that there is a degree of similarity between them, especially given that the device in the applicant’s mark will be perceived as consisting of a letter ‘b’ which will also be identified within the opponent’s device, though the letter ‘D’ will also be perceived and act as a point of difference between the devices. Further, the perception of this element as a headphone or an ear will also act as a point of difference. In respect of these devices, I note that in its submissions, the opponent has overlayed the devices on top of one another in order to demonstrate how similar they are. While this is noted, and I appreciate that they do share a similar construction, this is not how consumers will compare the marks. Taking into account the overall impression of the applicant’s mark and the presence of the wholly distinct word ‘Debra’ in the same, I find that these marks are visually similar to a low degree.

Aural comparison

77. While the device in the applicant's mark will be perceived as the letters 'Db', I do not consider that consumers will seek to articulate it. Instead, the applicant's mark will be pronounced as the word 'Debra', which will be pronounced in the normal way. As for the opponent's mark, this will simply be pronounced as the letter 'b'. While I appreciate that the letter 'b' sits within the word 'Debra', I do not consider that this is sufficient to give rise to a finding that the marks are aurally similar to any degree. Therefore, I find that they are, aurally, dissimilar.

Conceptual comparison

78. In its submissions, the opponent appears to set out that the conceptual similarity between the marks was conceded in the applicant's counterstatement at paragraph 16. While noted, this paragraph in the counterstatement simply repeats a principle laid down in case law and sets out that there are no sufficient elements in the compared trade marks to establish a likelihood of confusion since, when the marks are assessed as a whole, there is no such risk. The applicant's counterstatement does not, therefore, concede the opponent's point so I am unsure as to what the opponent was getting at with this submission. I will, therefore, disregard it.

79. The concept of the applicant's mark lies in the word 'Debra', which will be perceived as a female forename. Any concept that is derived from the opponent's mark is simply in the letter 'b'. In its submissions, the opponent made reference to the fact that there can be conceptual similarity where marks consist of the same single letter. In making this point, it referred to paragraph 75 of the GC's decision in the case of *Apple Inc., vs. Apo International Co. Ltd*, T-104/17. Having considered that case law, the discussion at paragraph 75 is associated with the concept of an apple, not a single letter. As such, I see no merit in the opponent's argument on this point. In any event, the applicant's mark is associated with a female forename and not a single letter. As a result, I find that the marks are conceptually dissimilar.

80. For the avoidance of doubt, I am of the view that if any concept is associated with the applicant's device element, this will be the letters 'Db' or a reference to audio or an ear. Even though the device shares one letter with the opponent's mark, I am of the view that the devices are conceptually neutral to one another.

Distinctive character of the opponent's marks

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

> "22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).
>
> 23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)."

82. 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 or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctiveness of marks can be enhanced through use, and I note that the opponent has filed evidence of the use of its marks and has argued that its marks enjoy an enhanced degree of distinctive character. I will, therefore, consider whether this evidence is sufficient to give rise to a finding that the distinctiveness of the opponent's marks has been enhanced through use. Before doing so, I will consider the inherent position.

83. As set out above, the opponent's marks consist solely of the same device. The device will be perceived as consisting of the letter 'b' but, outside of that, it will not be attributed any meaning. On this point, I appreciate that use of a single letter in a trade mark is not particularly distinctive.[22] However, in the present case, the opponent's marks are stylised to such a degree that they cannot be simply said that they are single letter marks. The marks are not descriptive of the goods at issue but neither are they particularly remarkable, even taking into account the stylisation. As a result, I find that the inherent distinctiveness of the marks at issue sits at a medium level.

84. I turn now to consider the position in respect of the opponent's claim that its marks enjoy an enhanced degree of distinctive character. In considering this point, I note that the opponent has filed a decision of the EUIPO wherein the opposition division found that the opponent's EUTM counterpart marks enjoyed a reputation. The opponent's position is that the factors for considering reputation apply to the assessment of enhanced distinctiveness. While noted, this is not necessarily correct as the assessment I must make here is based on the UK consumer, not the EU consumer so the findings of the EUIPO are of no assistance to me here. That

[22] I say this on the basis that, as per *OHIM v BORCO-Marken-Import Matthiesen GmbH & Co. KG*, Case C-265/09 P, single letter marks are harder to registered as trade marks compared to other types of marks.

being said, I do not consider much turns on this point. I say this because the evidence I have summarised at paragraphs 19 to 32 is sufficient to result in a finding that the distinctiveness of the marks at issue has been enhanced to a high degree in respect of “handheld devices for playing audio” in the opponent’s first mark and “headphones” and “portable speakers” in its second. I say this because the turnover and advertising spend of the opponent is significant and while the opponent purports to sell other goods, the evidence has a clear focus on these goods to the point that I can attribute a majority of the turnover and advertising spend to the same. As a result of the use shown, I consider that the evidence is capable of pointing to the fact that a proportion of consumers would strongly identify the goods as originating from the opponent.

Likelihood of confusion

85. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods down to the responsible undertakings being the same or related. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the earlier marks, the average consumer for the goods and services and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that they have retained in their mind.

86. In respect of the goods and services at issue, I have found them to be either identical or similar to a medium degree. The average consumer base is formed of members of the general public who will select the goods and services by primarily visual means, although I do not discount an aural component. I have concluded that the average consumer will pay a medium degree of attention when selecting the goods and services at issue. In respect of the similarity of the marks, I have found them to be visually similar to a low degree, aurally dissimilar and conceptually the marks are, as wholes, dissimilar, though I remind myself that I have found that the device element in the applicant's mark and the opponent's mark are conceptually neutral. Lastly, I have found the opponent's marks to possess a medium degree of inherent distinctive character. However, this has been enhanced to a high degree in respect of the opponent's "headphones", "portable speakers" and "handheld devices for playing audio".

87. The opponent's pleaded case is that the device element in the applicant's mark retains its own independent distinctive character within the mark itself. As such, the opponent's case is that confusion will occur in line with the *Medion* principle, the correct approach to which was set out by Arnold J. (as he then was) in the case of *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch). In this case, he considered the impact of the CJEU's judgment in *Bimbo,* Case C-591/12P, on the court's earlier judgment in *Medion v Thomson.* and set out that:

> "18 The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.
>
> 19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and

conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors."

88. Applying the approach set out above, I am of the view that the applicant's mark is a composite mark that, when perceived as a whole, will be understood by the consumer as consisting of two signs, being the word 'Debra' and the device element. Each of these signs will have distinctive significance which is independent of the whole.[23] As such, it is permissible, under this approach, to consider whether confusion would occur in respect of the opponent's marks and the device element

[23] For the avoidance of doubt, I consider that this applies even though I have found that 'Debra' plays the greater role in the overall impression of the mark.

of the applicant's mark. That being said, I remind myself that, at paragraph 21 of the case law cited above, the similarity of this element does not automatically mean that there must be a likelihood of confusion as I am required to continue to make a global assessment based on all relevant factors. As such, it does not follow that the word 'Debra' must be ignored outright.

89. In comparing the marks in this manner, I remind myself that I have proceeded on the basis that the device element of the applicant's mark will be perceived as the letters 'Db' stylised in a way to appear as a headphone or an ear. Either way, these concepts will be understood by the average consumer through the perception/processing of what will be seen as a highly stylised logo that conveys a reference to the brand name 'Debra' (in the letters 'Db') and the nature of the goods sold which relate to audio equipment, or both. While I appreciate that the device elements do share a degree of similarity, I am of the view that, in this scenario, the consumer will notice the points of difference between them, namely the fact that the applicant's mark will be seen as 'Db' whereas the opponent's mark will be seen as the single letter 'b'. In addition, while these elements are of a similar construction, their overall shape differs. These points will, in my view, lead the consumer to being able to accurately recall the marks for one another. Consequently, I do not consider that there exists a likelihood of direct confusion between the marks at issue. For the avoidance of doubt, I find that this applies regardless of any identity between some of the goods at issue and in the scenario where the opponent's marks enjoy a high degree of enhanced distinctive character.

90. I will now proceed to consider indirect confusion. In doing so, I remind myself of the case of *L.A. Sugar Limited v By Back Beat Inc*, BL O/375/10, wherein Mr Iain Purvis Q.C., as the Appointed Person, explained that:

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

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

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

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

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

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

91. While the above examples in *L.A. Sugar* are noted, they are not intended to be treated as an exhaustive list of the only instances wherein indirect confusion occurs.

92. Further, I note the case of *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, wherein Arnold LJ referred to the comments of James Mellor Q.C. (as he then was), sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria* (O/219/16), where he said at paragraph 16 that "a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion". Arnold LJ agreed, pointing out that there must be a "proper basis" for concluding that there is a likelihood of indirect confusion where there is no likelihood of direct confusion.

93. I appreciate that the opponent's marks are highly distinctive in respect of certain goods relied upon. However, I do not consider that the shared use of a similarly stylised single letter 'b', regardless of the distinctiveness of the opponent's mark, is so strikingly distinctive that consumers would think that only one undertaking would use it. I say this especially given that the stylisation used for the letter 'b' is particularly not remarkable. Further, I make this finding in light of the additional points of difference in the applicant's device element. On this point, I remind myself that the applicant's device will be perceived as consisting of the letters 'Db', being something that further points away from a finding that indirect confusion will occur on this basis. Additionally, the way in which the applicant's device is stylised is such that consumers will perceive it as a headphone or an ear. Regardless, these are points that, again, direct the consumers away from being confused. While there are some similarities in the construction of the device elements, they are not the same and I am of the view that consumers will not believe them to be economically connected. Further, I see no reason why consumers would believe that the opponent would alter the overall shape of its highly distinctive mark and add a figurative element to its device so as to include the capital letter 'D' and the representation of a headphone or an ear, and use it with a different brand name,

i.e. the word ‘Debra’. This carries no meaning and would not, therefore, be viewed as a logical indicator of a sub-brand or brand extension. Taking all of this into account and bearing in mind the case law cited in the preceding paragraph, I do not consider that there exists a likelihood of indirect confusion, even where the marks are viewed on identical goods.

94. In conclusion, I find that the present ground of opposition fails in its entirety and I will now consider the section 5(3) ground.

Section 5(3)

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

> “5(3) A trade mark which –
>
> > is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark.”

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

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

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; 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 Salomon, 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 holder 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).

97. Under the present ground, I remind myself that the opponent relies on the same marks as it did under the section 5(2)(b) ground. In respect of the goods relied upon, however, the opponent relies on a more limited range of goods in its first mark than it did under the above ground. In addition, I remind myself that the outcome of the genuine use assessment above is equally applicable to the present ground.

98. The consequence of the above is under the section 5(3) ground the opponent may rely on the following class 9 goods only (either because these goods have passed the test for proof of use or because they have not been put to proof of use):

The opponent's first mark

Handheld devices for playing audio; home theater systems comprised of digital music players, digital music controllers, speakers, amplifiers, and wireless handheld controllers; home entertainment systems comprised of digital music players, digital music controllers, speakers, amplifiers, and wireless handheld controllers.

The opponent's second mark

Headphones; portable loudspeakers; eyewear and sunglasses.

99. The conditions of section 5(3) are cumulative. Firstly, the opponent must show that the marks are similar. Secondly, the opponent must show that its marks have achieved a level of knowledge/reputation amongst a significant part of the public throughout the relevant territory. Thirdly, it must be established that the level of reputation and the similarities between the parties' marks will cause the public to make a link between them. 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.

Reputation

100. I have assessed the opponent's evidence of use at paragraphs 19 to 32 above. I do not intend to repeat this evidence in full but remind myself that when

considering the issue of enhanced distinctiveness, I found that the opponent's marks enjoy a high degree of distinctive character in respect of some goods, namely "headphones", "portable speakers" and "handheld devices for playing audio". In proceedings before the Tribunal, it is not uncommon for findings in respect of a reputation to mirror those reached in respect of enhanced distinctiveness. I see no reason why this cannot apply here given the high level of use shown in the opponent's evidence. I, therefore, find that the opponent's marks enjoy a strong reputation in respect of those same goods.[24]

Link

101. As 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.

102. The applicant's mark is visually similar to a low degree, aurally and conceptually dissimilar to the opponent's marks. In respect of the latter point, I remind myself that I have found that the device element in the applicant's mark and the opponent's marks are conceptually neutral.

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.

103. While I have conducted a goods comparison under the section 5(2)(b) ground above, it is not directly applicable here. I say this because that finding was reliant

[24] I appreciate that the first mark includes goods that were not subject to the proof of use assessment. However, the evidence before me, when it comes to speakers, relates only to portable speakers and not larger home or theatre entertainment systems (being what the additional terms cover). As such, I do not consider that the reputation extends to such terms.

upon some services that are not relied upon here. That being said, I remind myself that the reputed goods of the opponent were found to be identical to the applicant's "headphones", "portable media players" and "personal stereos". I turn now to consider those goods that remain, namely "cabinets for loudspeakers", "megaphones", "microphones", "sound recording apparatus" and "webcams". These goods differ in nature, method of use and purpose with the opponent's reputed goods. Further, the goods do not share a complementary or competitive relationship with each other. That being said, I am of the view that they overlap in trade channels and user. This is on the basis that audio equipment companies are likely to produce and sell all of these types of goods and, further, they will be sought by the same group of users. I am of the view that the aforementioned overlaps are sufficient to give rise to a finding that these goods are similar to a low degree.

The strength of the earlier mark's reputation.

104. The opponent's marks enjoy a strong reputation.

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

105. I have found that the opponent's marks are inherently distinctive to a medium degree. However, I have found that this has been enhanced to a high degree in respect of the reputed goods, namely "headphones", "portable speakers" and "handheld devices for playing audio".

Whether there is a likelihood of confusion

106. I have found there to be no likelihood of confusion.

Conclusion on link

107. Under the present ground, I note that the opponent's pleaded case in respect of a link is as follows:[25]

> "[T]he Opponent enjoys a significant reputation in the UK for the Opponent's Mark in relation to the goods relied upon in these proceedings. In view of the high degree of similarity between the marks, the high degree of inherent and acquired distinctiveness of the Opponent's Mark and the goods being directed at the general public, consumers will inevitably assume that the marks are used by the same undertaking or that there is an economic connection between the two undertakings. Such a belief may entice consumers to purchase goods from the Applicant believing them to be economically connected in some way with the reliable and trusted goods offered under the Opponent's Mark."

108. The nature of this pleading causes some difficulty for the opponent as its case is that the marks will be viewed as those that are used by the same undertaking or that they are economically connected. The opponent's argument is not that the relevant public will simply call to mind its earlier marks when confronted with the applicant's mark. In my view, the threshold for the actual pleaded case is higher than if the opponent were to have argued that, under link, there exists a calling to mind. In the present case, I am of the view that while the applicant's device does share a degree of similarity with the opponent's marks, I fail to see how the consumers would believe them to be economically connected. I say this because the consumer will not believe that a mark with the device, being 'Db' and a headphone/ear, will originate from the opponent or from an economically connected undertaking to that of the opponent's reputed marks. The reasons for this will, in my view, follow those I have given when considering whether there exists a likelihood of confusion at paragraphs 86 to 93 above. For the avoidance

[25] See question 6 of section B of the opponent's Form TM7

of doubt, I acknowledge that the level of similarity required for the public to make a link between the marks for the purposes of 5(3) may be less than the level of similarity required to create a likelihood of confusion.[26] However, in the present case, this is not how this ground has been pleaded.

109. For the sake of completeness, I am of the view that even if the opponent had pleaded that consumers would call to mind the opponent's marks[27] when confronted with the applicant's, this would assist the opponent. I say this because, in my view, the strong reputation and high degree of distinctive character in the opponent's marks are offset by the differences between the marks at issue. In circumstances where consumers who are aware of the opponent's marks are confronted by the applicant's mark, I see no reason why they would believe them to be linked. If any link were to be made, it is my view that it would be so fleeting (based on simply a shared use of a letter 'b' in a similarly structured device element) that it could not result in an unfair advantage for the applicant or damage to the opponent.

110. As a result of what I have said above, the section 5(3) ground fails in its entirety.

CONCLUSION

111. The opposition fails in its entirety and the applicant's mark is, subject to any successful appeal of my decision, permitted to proceed to registration for all of the goods applied for.

[26] *Intra-Presse SAS v OHIM,* Joined cases C-581/13P & C-582/13P

[27] I note on this point that, at question 7 of section B of the opponent's Form TM7, there is reference to a calling to mind. However, this pleading is in relation to a head of damage (being an unfair advantage) which can only be considered once a link is established.

COSTS

112. The applicant has been successful and it is, therefore, entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 1/2023. While the applicant did not file its own evidence, I do consider it appropriate to award it some costs for consideration of the opponent's evidence. In the circumstances, I award the applicant the sum of £900 as a contribution towards its costs. The sum is calculated as follows:

Considering a notice of opposition and preparing a counterstatement:	£300
Considering the opponent's evidence:	£600
Total:	**£900**

113. I hereby order Beats Electronics, LLC to pay Enping Yin Peng E-commerce Co., Ltd. the sum of £900. The above sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 29th day of August 2025

A COOPER
For the Registrar