

TRADE MARKS ACT 1994

IN THE MATTER OF UK OF UK TRADE MARK APPLICATION

NO. 3099357 BY CHANEL LTD FOR THE MARK 11.12

AND IN THE MATTER OF OPPOSITION NO.404579 BY LACOSTE

DECISION

INTRODUCTION

1. This is an appeal from the decision of the hearing officer, Mr Oliver Morris, acting for the Registrar, in which he largely upheld an opposition to registration by Chanel Limited (“the applicant” and main appellant) of the mark **11.12** in respect of various goods contained within class 18 as follows:

Leather and imitation leather; skins and hides; handbags; pocket wallets, umbrellas, parasols, vanity cases (not fitted), briefcases, articles of luggage, wallets, purses (not of precious metal or coated therewith), leather belts; bags; sporrans; credit card holders; card holders; make-up bags and cases; cloth pouches and sleeves; key holders; pet clothing; carrying cases; parts and fittings for the aforesaid goods.

Basis of opposition

2. The main basis of the opposition was the prior European Union trade mark (“EUTM”) 9564345 for the mark **L.12.12**, which was filed on 1 December 2010 and registered on 24 September 2014 by Lacoste (“the opponent”), in respect of a range of goods in classes 3, 18 and 25, including many which are similar or identical. The class 18 goods, which were particularly relevant, are as follows:

Class 18: Leather and imitation leather; articles made of leather, namely: luggage (excluding textile packaging bags and bags for the transport and storage of materials in bulk), travel bags, sports' bags (excluding sports bags specifically designed to hold certain objects), leather ware, vanity cases, toiletry cases (empty), handbags, beach bags, rucksacks, document holders, satchels, wallets, card holders, purses, coin holders (not of precious metal), belt pouches,

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pouches; skins, hides and pelts; trunks and suitcases; umbrellas, parasols and walking sticks; whips, harness and saddlery.

3. The opposition succeeded on the basis of sections 5(2)(b) of the Trade Marks Act 1994 but the hearing officer rejected the opposition based on sections 5(3), principally on the footing that it had not been established on the evidence that the earlier mark enjoyed sufficient reputation. He did not decide a section 5(4) case either because the opponent accepted that it added nothing to the section 5(2)(b) case.
4. The section 5(2)(b) ground succeeded, save in respect of “pet clothing: parts and fittings” as to which the opponent maintains a cross-appeal. A procedural issue arises in relation to that appeal, because no notice of cross-appeal was given but the points were included in a respondent’s notice served after the time for appealing had expired. There is also a minor appeal by the applicant relating to an aspect of costs.

BACKGROUND TO THE CASE

5. This is a dispute between two undertakings whose main marks are well known in the fashion industry (LACOSTE and CHANEL).

Evidence relating to the respective marks

The L.12.12 mark

6. It appears from the evidence recorded by the hearing officer that the opponent’s L.12.12 mark originates from the late 1920s, when the tennis player René Lacoste began to develop a new type of sports clothing to be worn by tennis players. The L.12.12 mark was originally used for a short sleeved polo shirt which was designed to be light, absorbent and more comfortable than the then current form of clothing and continues to be used for such clothing on a substantial scale. The polo shirt was denoted with the reference L.12.12, the L standing for Lacoste, 1 for the material, 2 for the short sleeve and 12 for the number of versions presented to Mr Lacoste before he accepted the design. The hearing officer recorded that this kind of polo shirt is the biggest selling Lacoste product and that, in the UK alone, between 33,000 and 41,000 shirts per year were sold between 2013 and 2015. The evidence showed that there had also been reasonably substantial use in relation to a number of articles other than shirts, including bags of various kinds using a description “LACOSTE L.12.12”. Sales of the bags

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(including in the UK) began in 2012 and in the UK were around 12,500 in 2012, 4,500 in 2013, 3,500 in 2014 and 1,000 in 2015. There was also evidence of some use on belts and perfumes.

7. The hearing officer rightly drew attention to the fact that the opponent's main brands are Lacoste and the crocodile device and that the L.12.12 mark was not necessarily used to the same extent or in the same way. However, the evidence explained that while both retailers and distributors use the designation, consumers will also have become familiar with the mark and will have had exposure to it through other channels.

The 11.12 mark

8. The applicant's 11.12 mark is of more recent origin and also reflects a product code, in this case for a particular bag which was presented in that format as a subtle reference to the iconic Chanel "2.55" quilted bag which, the evidence shows, is one of the best known bags in the fashion business. Use of the 11.12 mark for bags appears to have started in 2015.

APPROACH TO APPEAL

9. In *Apple Inc v Arcadia Trading Ltd* [2017] EWHC 440 (Ch) (10 March 2017) Arnold J approved the summary of the principles in *TT Education Ltd v Pie Corbett Consultancy Ltd* (O/017/17) as follows:

"Standard of review

The principles applicable on an appeal from the Registrar of Trade Mark were recently considered in detail by Daniel Alexander QC sitting as the Appointed Person in *TT Education Ltd v Pie Corbett Consultancy Ltd* (O/017/17) at [14]-[52]. Neither party took issue with his summary at [52], which is equally applicable in this jurisdiction:

"(i) Appeals to the Appointed Person are limited to a review of the decision of Registrar (CPR 52.11). The Appointed Person will overturn a decision of the Registrar if, but only if, it is wrong (Patents Act 1977, CPR 52.11).

(ii) The approach required depends on the nature of decision in question (*REEF*). There is spectrum of appropriate respect for the Registrar's determination depending on the nature of the decision. At one end of the spectrum are decisions of primary fact reached after an evaluation of oral evidence where credibility is in issue and purely discretionary decisions. Further along the spectrum are multi-factorial decisions often dependent on inferences and an analysis of documentary material (*REEF, DuPont*).

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(iii) In the case of conclusions on primary facts it is only in a rare case, such as where that conclusion was one for which there was no evidence in support, which was based on a misunderstanding of the evidence, or which no reasonable judge could have reached, that the Appointed Person should interfere with it (*Re: B* and others).

(iv) In the case of a multifactorial assessment or evaluation, the Appointed Person should show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. Special caution is required before overturning such decisions. In particular, where an Appointed Person has doubts as to whether the Registrar was right, he or she should consider with particular care whether the decision really was wrong or whether it is just not one which the appellate court would have made in a situation where reasonable people may differ as to the outcome of such a multifactorial evaluation (*REEF, BUD, Fine & Country* and others).

(v) Situations where the Registrar's decision will be treated as wrong encompass those in which a decision is (a) unsupportable, (b) simply wrong (c) where the view expressed by the Registrar is one about which the Appointed Person is doubtful but, on balance, concludes was wrong. It is not necessary for the degree of error to be 'clearly' or 'plainly' wrong to warrant appellate interference but mere doubt about the decision will not suffice. However, in the case of a doubtful decision, if and only if, after anxious consideration, the Appointed Person adheres to his or her view that the Registrar's decision was wrong, should the appeal be allowed (*Re: B*).

(vi) The Appointed Person should not treat a decision as containing an error of principle simply because of a belief that the decision could have been better expressed. Appellate courts should not rush to find misdirections warranting reversal simply because they might have reached a different conclusion on the facts or expressed themselves differently. Moreover, in evaluating the evidence the Appointed Person is entitled to assume, absent good reason to the contrary, that the Registrar has taken all of the evidence into account. (*REEF, Henderson* and others)."

10. Neither side took issue with that summary, which has been applied in other cases. It is consistent with other more recent authorities on the approach to appeals before the Appointed Person.

I. THE APPLICANT'S MAIN APPEAL

Section 5(2)(b)

11. The hearing officer set out the relevant provisions of the law in para. [18] of the decision and no complaint is made of his summary, which was as follows:

“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 MetroGoldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C- 120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P:

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

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

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

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

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

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

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

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

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

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

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

12. It is also not in dispute that relevant goods were either identical or highly similar. Nor is it in dispute that the L.12.12 mark is averagely distinctive.

THE DECISION AND GROUNDS OF APPEAL

13. The hearing officer made careful findings as to the similarity of the respective marks. In particular, having analysed them both in detail, he concluded that the respective marks had a medium level of visual and aural similarity and a moderate level of conceptual similarity. He considered that the similarities he had identified gave rise to three potential kinds of confusion. He concluded that there was a sufficient risk of confusion to preclude registration of the applicant’s mark for most of the goods.

14. The applicant’s appeal focussed on two broad areas of alleged error: first, the analysis of similarity of the respective marks and, second, in the hearing officer’s approach to finding that there was a likelihood of confusion as a result, including a risk of indirect confusion.

Similarity of marks

15. First, it is said that the hearing officer ought to have concluded that there was a low level of conceptual and aural similarity between the respective marks.

16. Before addressing these points, it is necessary to bear in mind that the hearing officer made observations both on the approach to comparison of the marks and on visual

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similarity, which are not susceptible to any real criticism and were not seriously challenged on appeal. He said at para. [44]:

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

11.12 v L.12.12

45. In terms of the overall impressions, both marks comprise a numeric/alpha-numeric string and in neither do I think that any of the particular numbers/letter dominates the other numbers/letter in the respective marks.

46. Visually, the eye will notice that both marks contain a numeric element comprising two double digits. One double digit is the same (12), the other similar (11/12). The way in which the numbers/letters are separated by a dot(s) is another aspect of visual similarity. There is, though, a notable point of difference in that the earlier mark has the additional letter L (and dot) at its beginning. That the difference is at the beginning of the mark was something highlighted by Ms Broughton. I note, however, that it is just a rule of thumb that the beginnings of marks take on more importance. I have already found, for example, that the overall impression of the earlier mark is not dominated by the letter L. Therefore, whilst I bear in mind the position of this point of difference, and whilst the difference clearly impacts on the degree of visual similarity, I do not consider the position of the point of difference to be highly significant in this case. Weighing the points of difference and similarity, I consider there to be a medium degree of visual similarity.”

17. Those findings as to visual similarity are of some significance given the view the hearing officer took of the characteristics of the average consumer which, again, are not challenged. These were set out in para. [41] of the decision as follows:

“41. Where the goods overlap, and whilst accepting that there will be a range of prices, they are not generally expensive items. They may not, though, be everyday purchases, but will nevertheless be purchased reasonably frequently. The goods will be subject to a reasonable degree of consideration in respect of style, colour, fitness for purpose etc. I consider that this equates to a reasonable, no higher or lower than the norm, level of care and consideration. The goods will be perused in physical premises (department stores, leather goods shops etc) and the online equivalent, they may be seen in advertisements and on websites. This means that the visual impression of the marks may take on more significance, but the aural impact of the marks should not be ignored from the assessment completely. The matter may be slightly different in respect to pet clothing, with an obviously different trade channel, but the underlying

principles are the same in terms of the level of care and consideration and the nature of the purchasing act.”

18. In summary, in undisputed findings, the hearing officer considered that the marks looked rather similar and that visual impression was of greater significance having regard to the goods and services in question. It is against that background that the specific criticisms of the findings of aural and conceptual similarity have to be assessed.

(i) Conceptual similarity

19. The hearing officer dealt with conceptual similarity at paras. [50] and [58] of the decision. At para. [50], he said

“Conceptually, Mr Hicks focused on the similar compositions of a numeric/alpha- numeric string, separated by dots. Ms Broughton submitted that this did not really create a concept and that, in fact, the applicant’s mark may be perceived as a date, something which the opponent’s mark does not. Whilst the applicant’s mark could potentially be seen as a date, I do not think that this would immediately jump out to the average consumer. Both marks will, instead, be perceived as what they are: numeric/alpha-numeric strings separated by dots. That being said, I do not consider that this equates to a particularly high level of conceptual similarity for two reasons: i) neither strings conjures up a particular meaning or significance beyond the number/letter combination that underpins them, and ii) the strings themselves are not the same. Therefore, whilst there is some conceptual similarity, I consider this to be of a moderate level.”

20. At para. [58], the hearing officer commented on the impact of conceptual similarities on the assessment of whether confusion was likely, saying that “the fact that neither of the strings in question has a particular significance means that there is no specific conceptual hook to use as a point of recollection”. Taken as a whole, the hearing officer neither considered that there was particularly great conceptual similarity nor that it was of overwhelming significance in the evaluation of whether confusion was likely.

21. The applicant contends that the only factor giving rise to any conceptual connection is that the marks are both alphanumeric/numeric strings and that the hearing officer should not have concluded that there was a “moderate” degree of conceptual similarity but instead that there was no or very low similarity.

22. I am not persuaded by this criticism. It is often difficult to express precisely why two marks share conceptual similarity where such similarity as there is may exist at a rather abstract level. That is partly because such marks do not denote any particular thing or have a particular informational content. Such marks may be, in some sense, nonsensical, but may nonetheless be nonsensical in a similar way. That, in effect, was what the hearing officer held. The hearing officer did not draw particular attention, in this aspect of his evaluation, to the fact that both marks included the element “.12”, albeit at the end of the mark, and could both be seen as (in essence) “n.12” with the L being treated as somewhat separate element, although he appears to have had this in mind from his evaluation of the visual similarities. Overall, the hearing officer was entitled to find that there was a moderate level of conceptual similarity and did not fall into error in so doing.

(ii) Aural Similarity

23. The applicant criticises the hearing officer’s conclusion at paras. [48]-[49] that there was a medium level of aural similarity on the basis that his conclusions only supported a finding that that there was a low level of aural similarity. The hearing officer said:

“47. Aurally, Mr Hicks submitted that both marks have the same (or at least similar) beginning sound EL (from the L) and EL (from the beginning of the 11). He submitted that both marks end with the same sound, the common articulation of the number 12. Ms Broughton submitted that the beginning sound was not that similar as the letter L and the number eleven did not sound particularly similar as 11 has more of an EH rather than EL sound. She also highlighted the longer form of articulation inherent in L.12.12 compared to 11.12.

48. Regardless of whether the initial articulation of 11 is an EH or an EL, there is still some similarity, although, this is countered to a degree by the fast transition of that sound to the rest of the articulation of the number. In contrast, the L in the opponent’s mark has a more truncated sound given that it is single element. The most likely articulations are:

11.12 EL-EVEN TWELVE or EH-LEVEN TWELVE
L.12.12 EL TWELVE TWELVE

49. As you will see, I think it unlikely that the dots will be articulated. Whether they are or not, the identical ending, combined with there being some similarity in the beginning sound, must be weighed against the longer articulation of L.12.12 (and additional middle part). I consider there to be a medium degree of aural similarity.”

24. The applicant drew attention particularly to the following in its skeleton argument: (i) that similarity “*was countered to a degree by the fast transition*” of the initial sound ‘EL’ to the rest of the articulation of the ‘11’; (ii) that the ‘L’ of the L.12.12 mark has a more truncated sound; (iii) the dots will not be articulated and; (iv) that the applicant’s mark would be articulated more quickly than opponent’s. The applicant says that, in the light of these findings, the hearing officer’s conclusion that there was a medium level of aural similarity was wrong. It is also said that the hearing officer erred in considering the rest of the articulation of the ‘11’, following his consideration of the initial ‘EL’.
25. Again, I am not persuaded by these criticisms. The hearing officer referred to a number of matters which would lead to aural similarity and analysed the factors in favour and against such fairly. It would, in my view, also be quite easy for a person to get an aural impression of the opponent’s mark that it was really a “twelve dot twelve” or “twelve twelve” mark with an “EL” sound at the beginning. That is not so dissimilar to “eleven dot twelve” or “eleven twelve”. The applicant’s mark also uses as its first number the two digit number, 11, which of two digit numbers is the most similar in initial sound to the letter “L”. Taken as a whole, again here, the hearing officer was entitled to conclude that there was a medium level of similarity and he did not leave relevant factors out of account in so doing.
26. It follows that I consider that the hearing officer was entitled to approach the case on the basis that (a) there was a medium level of visual similarity and visual comparison was important (b) there was a medium level of aural similarity and a moderate level of conceptual similarity and feed those into his evaluation of the likelihood of confusion, together with the identity or close similarity of many of the goods.

Likelihood of confusion

(i) Approach to the average consumer

27. The first issue raised with respect to likelihood of confusion may best be regarded as an objection to the way in which the hearing officer dealt with the evaluation of similarity from the perspective of the average consumer. The hearing officer considered likelihood of confusion in paras. [57]-[59] of the decision as follows:

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“57. I will consider the position first in relation to bags, such as handbags. Mr Hicks submitted that the average consumer, taking into account the concept of imperfect recollection, may mistake one mark for the other. He further argued that even if direct confusion was not applicable, some average consumers would assume that the goods come from the same (or a related) undertaking given the similar numeric/alpha- numeric strings in play. He argued that their assumption would be that the goods are one up or one down in the same range, moving from the 11.12 to the 12.12 or vice versa. He did not feel that the letter L was sufficient to overcome such an assumption. Ms Broughton did not feel the marks were similar enough (indeed she said they were not similar at all) to cause confusion because of the different strings involved and the additional letter L at the start of the earlier mark.

58. My views are in line with that of Mr Hicks, despite Ms Broughton’s forceful submissions to the contrary. I have assessed the degrees of visual and aural similarity to be medium. The goods are identical and the earlier mark averagely distinctive. Whilst the conceptual similarity per se is not high, the fact that neither of the strings in question has a particular significance means that there is no specific conceptual hook to use as a point of recollection. That does not mean that any string may be confused with any other string, but in the case before me, with the dots that separate two numbers which are one up in number (the 11) or the same (12), irrespective of the additional letter L, I consider that there is a likelihood of confusion.

59. In terms of what type of confusion that will be, I agree with Mr Hicks that this could be a mixture. Due to imperfect recollection, some average consumers may simply mistake one mark for the other. There then may be average consumer who spot the differences but make the assumption that the closeness of numbering and the format (with the dots) is indicative of a brand extension. The letter L may be seen as part of such an extension. There is also a third possibility, some average consumers may imperfectly recall the numbers, so that the only difference they notice is the additional L, which would not do enough, in my view, to avoid confusion, with this being seen as some form of brand variant. I accept that some average consumers may not be confused. However, total confusion amongst average consumers is not a requirement. I consider that the combination of the three types of confusion I have mentioned would represent the majority of average consumers. The opposition under section 5(2)(b) in respect of bags succeeds.”

28. The applicant criticises para. [59] of the decision for saying that the “majority of average consumers” would be confused and contends that this is an inappropriate aggregation of different average consumers, who may be likely to suffer different types of confusion, direct and indirect. The applicant contends that there is a single notional average consumer whose perspective should be considered and who is taken to be representative of consumers generally. It contends that hearing officer should only have considered whether that average consumer would be likely to be confused, guarding

against too “nanny” a view of protection and discounting the careless and the stupid. It argues that it is wrong to consider sections of consumers which may be confused in different ways and then determine whether, numerically, or proportionally this represents a majority of actual consumers as (it is said) the hearing officer did.

29. First, although there is some language in para. [59] which could be taken to suggest that the hearing officer took the approach criticised by the applicant, I do not think that this is what the hearing officer was doing. Rather, he was drawing attention to the various ways in which consumers with the characteristics he had identified would view the respective marks.

30. Second, the applicant refers to the passage of *Interflora v M&S* [2012] EWCA Civ 1501, where Lewison LJ said at [33]-[34]:

“33. I should also refer to *Reed Executive Plc v Reed Business Information Ltd* [2004] EWCA Civ 159; [2004] RPC 40. In the course of his judgment in that case Jacob LJ (with whom Auld and Rix LJ agreed) said (§ 82):

“Next the ordinary consumer test. The ECJ actually uses the phrase “average consumer” (e.g. *Lloyd* paras [25] and [26]). The notion here is conceptually different from the “substantial proportion of the public” test applied in passing off (see e.g. *Neutrogena Corp v Golden Ltd* [1996] RPC 473). The “average consumer” is a notional individual whereas the substantial proportion test involves a statistical assessment, necessarily crude. But in the end I think they come to the same thing. For if a “substantial proportion” of the relevant consumers are likely to be confused, so will the notional average consumer and vice versa. Whichever approach one uses, one is essentially doing the same thing—forming an overall (“global”) assessment as to whether there is likely to be significant consumer confusion. It is essentially a value judgment to be drawn from all the circumstances. Further conceptual over-elaboration is apt to obscure this and is accordingly unhelpful. It may be observed that both approaches guard against too “nanny” a view of protection—to confuse only the careless or stupid is not enough.”

34. I agree entirely that the average consumer (in trade mark infringement) is conceptually different from the substantial proportion of the public test (in passing off). What I find difficult to accept is that they come to the same thing. If most consumers are not confused, how can it be said that the average consumer is? I do not think that this particular paragraph of Jacob LJ’s judgment is part of the ratio of the case and, with the greatest of respect, despite Jacob LJ’s vast experience of such cases I question it. In some cases the result will no doubt be the same however, the question is approached; but I do not think that it is inevitable.”

31. In my view, the Court of Appeal was not saying in this passage that it was erroneous to consider the various ways in which different kinds of consumers, who had the relevant characteristics of an average consumer, of a normal level of attention and so forth, may be confused as a means of determining whether or not the average consumer would be confused. Nor does the case law suggest that such a rigid approach should be taken to evaluating the likelihood of confusion in the light of actual populations of actual consumers which tend to exhibit perceptual inhomogeneity. Arnold J summarised the approach in EU law to considering the average consumer in the light of all of the judgments in the long-running *Interflora* litigation in *Enterprise v. Europcar* [2015] EWHC 17. His observations bear repetition in full:

“The average consumer

130. It is well established that many questions in European trade mark law, including infringement claims under Article 9(1)(b) and (c) of the Regulation, are to be assessed from the perspective of the "average consumer" of the relevant goods or services, who is deemed to be reasonably well-informed and reasonably observant and circumspect. I discussed the concept of the average consumer at some length in *Interflora Inc v Marks and Spencer plc* [2013] EWHC 1291 (Ch), [2013] ETMR 35 ("*Interflora (Trial)*") at [194]-[224] and again in *Jack Wills* at [50]-[68]. Since then, the matter has been considered by Kitchin LJ delivering the judgment of the Court of Appeal in *Interflora Inc v Marks and Spencer plc* [2014] EWCA Civ 1403 ("*Interflora (CA III)*") at [107]-[130]. I would summarise the position as follows.

131. First, the average consumer is, as Lewison LJ put it in *Interflora (CA I)* at [44] and [73], a "legal construct".

132. Secondly, the average consumer provides what the EU legislature has described in recital (18) of the European Parliament and Council Directive 2005/29/EC of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market as a "benchmark". By assessing matters from the perspective of a consumer who is reasonably well-informed and reasonably observant and circumspect, confusion on the part of those who are ill-informed or unobservant is discounted. In this way, as Kitchin LJ explained in *Interflora (CA III)* at [113], the court is able "to strike the right balance between various competing interests including, on the one hand, the need to protect consumers and, on the other hand, the promotion of free trade in an openly competitive market".

133. Thirdly, as Lewison LJ stressed in *Interflora (CA I)* at [45]-[56], in a case concerning ordinary consumer goods and services, the court is able to put itself into the position of the average consumer without requiring expert evidence or

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a consumer survey. As Chadwick LJ said in *BACH and BACH FLOWER REMEDIES Trade Marks* [2000] RPC 513 at [41], in a passage which Lewison LJ emphasised in *Interflora (CA I)* at [41]-[43]:

"The task for the court is to inform itself, by evidence, of the matters of which a reasonably well informed and reasonably observant and circumspect consumer of the products would know; and then, treating itself as competent to evaluate the effect which those matters would have on the mind of such a person with that knowledge, ask the [relevant] question".

134. Fourthly, the average consumer test is not a statistical test in the sense that, if the issue is likelihood of confusion, the court is not trying to decide whether a statistical majority of the relevant class of persons is likely to be confused.

135. Fifthly, the average consumer test does not amount to a single meaning rule or a rule restricting consideration to the reactions of a single hypothetical person. On the contrary, as Kitchin LJ explained in *Interflora (CA III)*:

"129. ... In deciding a question of infringement of a trade mark, and determining whether a sign has affected or is liable to affect one of the functions of the mark in a claim under Article 5(1)(a) of the Directive (or Article 9(1)(a) of the Regulation), whether there is a likelihood of confusion or association under Article 5(1)(b) (or Article 9(1)(b)), or whether there is a link between the mark and the sign under Article 5(2) (or Article 9(1)(c)), the national court is required to make a qualitative assessment. It follows that it must make that assessment from the perspective of the average consumer and in accordance with the guidance given by the Court of Justice. Of course the court must ultimately give a binary answer to the question before it, that is to say, in the case of Article 5(1)(b) of the Directive, whether or not, as a result of the accused use, there exists a likelihood of confusion on the part of the public. But in light of the foregoing discussion we do not accept that a finding of infringement is precluded by a finding that many consumers, of whom the average consumer is representative, would not be confused. To the contrary, if, having regard to the perceptions and expectations of the average consumer, the court concludes that a significant proportion of the relevant public is likely to be confused such as to warrant the intervention of the court then we believe it may properly find infringement.

130. In the circumstances of this case we are, of course, concerned with a claim under Article 5(1)(a) (and Article 9(1)(a)) in the context of internet advertising and the question to be answered was whether the advertisements in issue did not enable reasonably well-informed and observant internet users, or enabled them only with difficulty, to ascertain whether the goods and services so advertised originated from Interflora or an undertaking economically linked to Interflora or, on the contrary, originated from M & S, a third party. In answering this question we consider the judge was entitled to have regard to the effect

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of the advertisements upon a significant section of the relevant class of consumers, and he was not barred from finding infringement by a determination that the majority of consumers were not confused."

136. Sixthly, if it is shown that the claimant's trade mark has a distinctive character, or an enhanced distinctive character, amongst a significant proportion of the relevant public, then it is necessary to consider the impact of an allegedly infringing sign upon the proportion of the relevant class of persons to whom the trade mark is distinctive. This does not require the court to assume that the mark is equally distinctive to all such persons, however.

137. Seventhly, the "relevant public" (an expression which is also frequently used by both the Court of Justice and the General Court) of whom the average consumer is representative normally consists of people with a spectrum of attributes such as gender, age, ethnicity and social group. But if there is evidence that the trade mark is more likely to have acquired distinctive character amongst one demographic segment of the relevant class of persons than another, it is proper to take that into account.

138. Eighthly, the level of attention exercised by the average consumer depends on the nature of the goods or services in issue."

32. A number of points relevant to the criticisms made by the applicant emerge from that summary.
33. In particular, it is important not to approach the exercise of determining whether there is a likelihood of confusion in an overly mechanistic or abstract manner as a result of the case law that says that, for the purpose of trade mark law, what counts is the average consumer. The average consumer is a legal construct primarily intended to set a benchmark or standard representative of a potentially diverse population. Because the average consumer is supposed to be representative of the relevant public, the concept of the average consumer can, in my view, legitimately reflect some diversity of response. One might say (albeit in a metaphorical sense) that the average consumer exhibits a "standard deviation" which may be taken into account in an appropriate case in evaluating whether confusion is likely. That is supported by the decision of the High Court in *SoulCycle Inc v. Matalan* [2017] EWHC 496 at [30], where the approach taken by the hearing officer in that case, which involved taking account of the fact that some average consumers would have one perception and others would have another, was said to be "within the exercise anticipated by *Interflora*".

34. In my view, the hearing officer was therefore entitled to evaluate whether or not, a risk of confusion would arise, having regard to the various different responses of real consumers in selection or purchasing situations.

35. I therefore do not think this ground of appeal is well founded.

(ii) Not enough direct confusion?

36. The applicant next contends that the hearing officer recognised that there was “not enough” of a likelihood of direct confusion to conclude that there was a sufficient likelihood of confusion overall to warrant the court’s intervention. The applicant submits that, had the hearing officer thought that there was enough of a likelihood of confusion arising from the risk of direct confusion alone, there would have been no need for him to have aggregated the two types of indirect confusion in order to reach his conclusion that there was a sufficient risk of damage to the essential function of the earlier mark.

37. I do not read para. [59] of the decision in that way and therefore do not consider that this is a valid criticism. In particular, I do not accept the argument that, without a finding of the possibility of indirect confusion, the hearing officer would have only been left with direct confusion which was of such limited extent as to preclude a finding of a likelihood of confusion overall. Nor do I accept that the Hearing Officer must have considered that the majority of average consumers would either not have been confused at all or recognised that the earlier mark was different to the later mark. This is also not what para. [59] says. To the contrary, the hearing officer is there drawing attention to the fact that the likelihood exists of different types of confusion, not saying that the existence of only one type would not be enough. Even if the hearing officer had concluded that there was only a risk of direct confusion he would, in my judgment, have been entitled to conclude that taken as a whole, there was sufficient risk of confusion to preclude registration.

(iii) Indirect confusion

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38. A finding of an additional risk of indirect confusion adds to that risk of confusion. The hearing officer held that such confusion may occur, based on a perception that parts of the earlier mark would be recognised and that the later mark would be seen as a brand extension. The applicant contends that there is no basis for such a conclusion and that his findings as to the limited degree of conceptual similarity were inconsistent with it.
39. In particular, it is said that there was no conceptual “hook” or meaning in the earlier L.12.12 mark which is common to the 11.12 mark and there was no evidence to suggest that the average consumer would perceive the mark as indicating a brand extension. I am not persuaded by this ground either for the following reasons.
40. The principles relevant to the evaluation of indirect confusion are not in doubt. As Mr Iain Purvis QC explained in *LA Sugar Ltd v By Back Beat Inc.* O/375/10, a risk of indirect confusion arises where a consumer appreciates that there is a difference between the two marks but thinks that they nonetheless denote goods or services coming from the same trade source, because key features of the respective marks are common. The paradigm case is one in which the consumer is likely to think that there has been a brand extension.
41. The applicant’s counsel undertook a careful forensic analysis of the process of reasoning by which a consumer could reach the conclusion that there may be a brand extension with a view to establishing that there was no such risk and that the hearing officer’s approach and conclusion were wrong. The essential arguments and my conclusions on them are as follows.
42. First, it was argued that there was no possibility of confusion arising because the common elements were not strikingly distinctive. While that may be true, I am unpersuaded that it is necessary for there to be a finding of “striking” distinctiveness before it may be appropriate to consider that there was a risk of perception as a brand extension.
43. Second, it was argued that the 11.12 mark was simply adding a non-distinctive element of the kind that the average consumer would expect to find in a sub-brand or brand extension and the case was unlike the examples given in *LA Sugar* (LITE, EXPRESS

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and WORLDWIDE namely words which the consumer would ordinarily expect as sub-brands as they are commonly used as such). While that is, again, correct, there is no formulaic requirement for a finding that the average consumer may perceive there to be a brand extension only if the term added is of this kind.

44. Third, as the applicant submitted, the hearing officer had mainly in mind a situation in which the earlier mark comprises a number of elements and a change of one element appears entirely logical and consistent with brand extension. However, the applicant argued that this would not found a belief that there may be brand extension for the following reasons (gathering together the key points from the grounds of appeal and skeleton argument):

- i. Such confusion would require the average consumer to recognise the earlier mark and expect part of the mark to indicate brand extension either on the evidence or taking into account normal consumer expectations. The common element had to be recognised as a brand and a brand that could be extended.
- ii. In this case there was no evidence that the ‘L’, the dot or the number ‘12’ had any brand significance or would be recognised by the average consumer of these goods. The ‘L’ is not relevant to this type of confusion anyway as it is not common to both marks. There was no conceptual meaning to the ‘L’, dots or 12 and no well-known brands that use an ‘L’, dots or ‘12’ giving any of them brand recognition.

45. I do not consider that it is necessary for there to be a finding of a risk of indirect confusion that the similarities between the marks are of the kind identified in the applicant’s argument. A family resemblance sufficient to lead consumers to believe that the two marks denote goods from the same or related trade sources is not always shown by pointing to a single common element of particular significance. Sometimes, it may be shown by a combination of elements and my reading of para [59] of the decision in its context is that the hearing officer was taking a more global view of the respective marks. I do not consider that in this case he can be criticised for doing so, given the nature of the marks and the similarities and dissimilarities between them.

(iv) Evaluation of likelihood of confusion - general

46. Finally, there are more general criticisms of the evaluation as a whole. The applicant contends that the hearing officer's analysis of the likelihood of confusion was wrong in its approach and that it failed to take sufficient account of his earlier findings. In particular, it is said that the reasoning in para. [58] ignores parts of the marks that he should have considered and his own earlier findings on the visual, aural and conceptual similarity. Attention is drawn to an alleged inconsistency in his approach in treating the dot between the two numbers as significant but then not treating the additional dot in the earlier mark as a significant point of difference. Moreover, it is said that his approach was inconsistent with his earlier finding that the dots played no role in the aural similarities and that the conceptual similarity that "neither string conjures up a particular meaning or significance beyond the number/letter combination that underpins them". I do not think he was inconsistent. He was pointing out that both marks contained a dot and two numbers.

47. It is also said that his analysis ignores the fact that one mark has a letter "L" rather than just numbers. I am not satisfied that he did ignore this factor. He had it in mind and the weight to be given to differences of this kind was a matter for him.

48. Taken as a whole, I am not satisfied that he failed to have proper regard to relevant factors in making an overall assessment. His conclusion was not reasonably open to him on the facts.

Conclusion on section 5(2)

49. For the above reasons, I reject the appeal relating to section 5(2)(b) of the Act.

II. THE APPLICANT'S APPEAL ON COSTS

50. The applicant criticises the decision of the hearing officer at para. [69] of the decision, whereby he ordered it to pay the opponent its costs of filing and considering evidence

on the basis that the hearing officer had held that this evidence did not assist the opponent on either the section 5(2) or the section 5(3) ground. The sum in issue on costs is modest (indeed, it is likely to be rather less than the price of a single Chanel 11.12 handbag).

51. In my judgment, the hearing officer was entitled to take the view that, since the opponent had substantially succeeded overall, the applicant should make a contribution to the opponent's costs in respect of all of the heads of costs even though the opponent had not succeeded on the grounds to which the evidence specifically went. Nor am I persuaded that it would have been right to award the applicant a sum in costs to reflect the fact that certain grounds of opposition did not succeed. In trade mark cases where the essential issue in dispute is whether marks are sufficiently similar to give rise to confusion and where the case is advanced on the grounds of prior registration, prior reputation and passing off, it can be less straightforward than in other cases to separate out categories of evidence in respect of which deductions in an overall award of costs should be made. Moreover, the scale costs before the Registrar infrequently provide full recompense for actual costs and attempting to make fine distinctions for what is in any event a rough exercise is unproductive.

Conclusion on the costs appeal

52. I reject the applicant's appeal on costs.

III. THE OPPONENT'S APPEAL AND RESPONDENT'S NOTICE

The opponent's appeal with respect to "Pet clothing: parts and fittings"

53. The opponent appeals against the decision of the hearing officer to permit the mark to be registered for "Pet clothing: parts and fittings".

(i) Procedural issues – respondent's notice cf. notice of appeal

54. The applicant, first, objects to an aspect of the respondent's case on appeal on procedural grounds.

55. As to this, there appears to have been an element of procedural mix-up. It is said that the applicant was only sent the opponent's respondent's notice, dated 3 April 2017, in August 2017. It is said that the Registrar had not previously forwarded a copy. The

precise facts surrounding this issue are not wholly clear but if that had been the only point, I think this could have been corrected.

56. However, more fundamentally, the opponent is seeking to overturn the finding that the mark should proceed to registration in relation to “pet clothing: parts and fittings”. The applicant contends that in paras. [9]-[12] of the Respondent’s Notice the opponent is, in reality, seeking to alter the outcome of the case rather than contend that the decision was right for additional reasons. The applicant therefore contends that the opponent should have filed a notice of appeal on Form TM55P and it is out of time to do so.
57. Neither side provided extended argument on the procedural issues. The applicant raised them in its skeleton argument and orally and contended, in essence that this aspect of the case was not properly before the tribunal. The opponent did not address the procedural issues in its skeleton at all.
58. Neither side referred to the practice guidance (such as that set out in Tribunal Practice Note 2/2008 of which relevant extracts are reproduced below, with emphases added) or the case law relating to appeals under the CPR.

“Respondent’s notice

8: There is no prescribed period for filing a respondent’s notice. However, a period of 21 days from the date of the letter serving the notice of appeal on the respondent should be regarded as appropriate. There is also no prescribed form for filing a respondent’s notice.

9: If the respondent to an appeal wishes only to see the Registrar’s decision upheld for the reasons given in the decision, then there is no need to serve a respondent’s notice. This means that if the respondent is content with the decision they need do nothing.

10: If the respondent to an appeal wishes the Registrar’s decision to be upheld in its totality, but for additional or different reasons from those given in the decision, then they ought to file a respondent’s notice with the Registrar setting out the reasons.

11: The respondent must serve a copy of the respondent’s notice on the appellant.

Extensions of time for appeal

12: The Rules do not provide for a party to wait to see whether the other party to proceedings files an appeal before deciding whether to proceed with an appeal of their own with a view to reversing, setting aside or varying some aspect of the Registrar’s decision.

13: However, the Rules do provide power for the Registrar to grant extensions of time for the filing of appeals to the Appointed Person.

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14: In exercising that discretion the Registrar will take account of the following comments of the Appointed Person in *Whiteline Windows Limited v. Brugmann Frisoplast GmbH* (BL O/299/00):

“Whilst I accept that the Registry has power under.....the current Trade Marks Rules 2000, rule 68, to extend the time of 28 days provided for an appeal, this is a matter which must be approached with the greatest caution so as to ensure that the exercise of discretion does not undermine the purpose underlying the statutory provision. Appeals create uncertainty and it is in the interests of everyone that appeals are disposed of timeously. Extensions of time in which to enter notices of appeal are therefore not to be encouraged.”

and

“.....I should not like it to be thought that extensions of time for serving appeal documents will be granted lightly.”

15: These comments carry even more force where a request to extend the period for filing an appeal is made after the end of the relevant period.

16: Each case will be decided on its own merits. An extension of time for appealing may, in appropriate circumstances, be allowed after expiry of the 28 day period: *Virgin Records Ltd v Ministry of Sound Recordings Ltd* (BL O/136/03).

59. Those latter points have been reinforced by subsequent decisions (see, for example, *LEUKIC TM* Appointed Person, Geoffrey Hobbs QC, O-048-10 and *Liquid Force* [1999] RPC 429 where Mr Hobbs Q.C., again sitting as the Appointed Person, said: “...it is for the party in default to satisfy the court that despite his default, the discretion to extend time should nevertheless be exercised in his favour, for which purposes he could rely on any relevant circumstances”).

No notice of appeal

60. Rule 76 of the Trade Marks Rules 2008 provides:

71.—(1) Subject to paragraph (1A), notice of appeal to the person appointed under section 76 shall be filed on Form TM55 which shall include the appellant’s grounds of appeal and his case in support of the appeal. 1(A) Where the appeal arises in proceedings between two or more parties, notice of appeal to the person appointed under section 76 shall be filed on Form TM55P, which shall include the appellant’s grounds of appeal and his case in support of the appeal.

61. Rule 71(5) provides that the respondent’s notice

...shall specify any grounds on which the respondent considers the original decision should be maintained where these differ from or are additional to the grounds given by the registrar in the original decision” (emphasis added).

62. It does not seem to me possible to get round the obligation to file a notice of appeal within 28 days (unless that time is extended) by putting some reasons why the Registrar is said to have been wrong in his ultimate conclusion and why it should be overturned into a document entitled “Respondent’s Notice” which mainly contains reasons why the Registrar is said to have been right and ought to be upheld.
63. In my judgment, in this case the opponent is seeking a different substantive outcome and that should have been sought by notice of appeal, not by a respondent’s notice. The opponent said that it would undertake to file a notice of appeal, if necessary, but I am not satisfied that it is possible to address this matter in this way since, in effect, what is required is a decision that time for appealing should be extended as well. The opponent would doubtless rely on the fact that the substantive grounds of appeal were provided in the respondent’s notice and so it would only be a matter of moving text from one document into another. However, because the respondent’s notice did not even come to the applicant’s attention until August, I do not think that it is possible to address this issue in quite that straightforward a way. Since neither side fully developed the arguments on this issue at the hearing, it would not, in my view, be appropriate to address this issue in such a summary matter.
64. However, the opponent addressed substantive arguments to this issue and before reaching a conclusion as to whether time should be extended for filing a notice of appeal, it is appropriate to have regard to these.

(ii) Substantive points

65. The opponent contended that the hearing officer was wrong to conclude that there were no goods similar to “pet clothing” in the range of goods in the opponent’s specification and that he should have held that such goods were similar to “harnesses and saddlery”. It is said that each such article is worn by an animal and each is an article which cats and dogs may wear. It is also said that horses may be fairly described as pets.
66. The hearing officer did not conclude that “pet clothing” and “harnesses and saddlery” were wholly dissimilar. He said at para. [36]:

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“Pet clothing has no obvious counterpart. Mr Hicks highlighted that the opponent’s specification includes items such as saddlery. However, a horse is not an animal usually associated with being a pet. Therefore, any similarity between such goods would be extremely low. Even though the opponent’s specification covers clothing items in class 25, these are for humans and any similarity with pet clothing is, again, extremely low.”

67. In my judgment, this was a conclusion open to him. It is well established that in comparing the respective specifications, all relevant factors should be considered. In *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* the CJEU stated at para. [23] of its judgment:

“In assessing the similarity of the goods or services concerned...all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

68. No evidence was directed to these factors and the hearing officer had to make an evaluation on the basis of first impression. It is true that he did not engage in a detailed evaluation of the exact nature, intended purpose and method of use of the respective goods and the market position but, in my judgment, that was not necessary in this case nor was there any factual material concerning matters such as the channels of trade through which the respective goods were supplied to supplement his own evaluation. His assessment was not, in my view, clearly wrong. He was entitled to focus on the fact that, broadly speaking, “pets” were different end users to the kind of animals which would ordinarily wear harnesses and saddlery. He was right to include in the assessment that, for these goods, there was very low similarity.

69. I do not consider that the basis of the opposition was any more convincing on section 5(3) grounds and that point was only faintly advanced at the hearing. The dissimilarity of the goods reduces further the prospects of a link regardless of whether reputation had been established. It seems to me plain that, even if such reputation were shown in the L.12.12 mark with respect to certain goods (shirts and bags), the prospect of the use of the mark 11.12 in relation to “pet clothing” either taking unfair advantage of or adversely affecting the distinctive character of such marks is negligible.

70. In those circumstances, even if permission were to be granted to file a notice of appeal out of time, the opponent's appeal on this point would not succeed.

Conclusion on “pet clothing: parts and fittings”

71. For these reasons, the opponent's appeal is dismissed. Formally, permission is refused to serve the notice of appeal out of time but I do not consider that this matters in substance.

Section 5(3) - the respondent's notice

72. The opponent contends that the hearing officer erred in his evaluation of the distinctiveness and reputation of the earlier marks relied on and that he ought therefore to have found that the basis for opposition was made out under section 5(3) as well as section 5(2)(b). The nub of the argument is that the hearing officer imposed too high a requirement for proof of reputation.

73. The hearing officer was critical of the evidence before him and said at para. [66] that *“Put simply, what has been shown to have been done to educate the public in this regard is far from compelling.”* It is not in dispute that the hearing officer had previously recited the correct test in law and referred to the relevant case law requiring that it should be shown that the mark had to be used to such an extent that it is “known by a significant part of the relevant public”. He was not satisfied that the evidence showed that it was.

74. In the light of the conclusion I have reached as to section 5(2)(b) I do not consider that these points arise and I would prefer not to decide, on this occasion, the precise extent and nature of the opponent's reputation in the L.12.12 mark. It suffices to say that while the hearing officer was not clearly wrong in his evaluation of this material, by reference to the standard of reputation, he was not clearly right either – there is something in the point that the relatively modest threshold of reputation required for a section 5(3) case to succeed had been overcome. However, and again without reaching a final conclusion, I am un-persuaded that even if there was a relevant reputation and a relevant link would have been made, the section 5(3) ground would have been made out and it would not in any event have precluded registration in circumstances in which section 5(2)(b) did

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not (see by analogy *Maier v. ASOS* [2015] EWCA Civ 200 at paras. [143]). Accordingly, the section 5(3) case does not advance the dispute beyond the section 5(2)(b) case and I do not consider that it is appropriate to hold that the decision of the hearing officer should be upheld on this additional ground. For similar reasons, I do not consider it to be necessary to revisit the hearing officer's findings on distinctiveness of the opponent's mark.

OVERALL CONCLUSION

75. Both the appeal and the cross appeal are dismissed.

Costs of this appeal

76. The opponent has succeeded on this appeal but not succeeded on the respondent's notice (or cross appeal). Having regard to the degree of success and failure, the importance of the issues on which the opponent was unsuccessful, the scale of costs and the fact that the hearing took about ½ day with a relatively short skeleton from the opponent, it would not be right to award a large sum in costs. The right sum in respect of preparation and attendance is £750.

DANIEL ALEXANDER QC

Appointed Person

29 September 2107

Representation

Andrew Norris instructed by Withers and Rogers for the applicant/appellant

Michael Hicks instructed by Wedlake Bell for the opponent/respondent