

O-488-19

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATIONS NO. UK00003306207 AND NO.
UK00003306202**

**BY GAS MONKEY HOLDINGS, LLC
TO REGISTER THE TRADE MARKS**

GAS MONKEY GARAGE

AND

GAS MONKEY ENERGY

IN CLASS 25

AND

**IN THE MATTER OF CONSOLIDATED OPPOSITIONS THERETO
UNDER NO. 413369 AND NO. 413370 BY
GROTTO S.P.A.**

BACKGROUND AND PLEADINGS

1. On 24 April 2018, Gas Monkey Holdings, LLC (“the applicant”) applied to register the following trade marks in the UK:

GAS MONKEY GARAGE

(“the First Application”)

Publication date 11 May 2018

Registration is sought for the following goods:

Class 25 Men's, women's and children's clothing, namely, shirts, t-shirts, jackets, sweatshirts, hooded sweatshirts and headgear, namely, hats and beanies.

GAS MONKEY ENERGY

(“the Second Application”)

Publication date 11 May 2018

Registration is sought for the following goods:

Class 25 Headgear, namely, hats and beanies; hooded sweatshirts for men, women and children; jackets for men, women and children; shirts for men, women and children; sweatshirts for men, women and children; t-shirts for men, women and children.

2. The applications are opposed by Grotto S.p.A. (“the opponent”) based upon section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opponent relies on EUTM registration no. 882548 for the mark **GAS**, which was filed on 20 July 1998 and registered on 20 November 2000. The opponent relies on the following goods for which the earlier mark is registered:

Class 25 Clothing, footwear, headgear.

3. The opponent submits that the respective goods are identical or similar and that the marks are similar.

4. The applicant filed counterstatements denying the claims made and requesting that the opponent prove use of its mark.

5. On 22 October 2018, the Registry wrote to the parties to confirm that the proceedings would be consolidated pursuant to rule 62(g) of the Trade Marks Rules 2008.

6. The opponent is represented by Kempner & Partners LLP (subsequently Haseltine Lake Kempner LLP) and the applicant is represented by Marks & Clerk LLP. The opponent filed evidence in the form of the witness statement of Claudio Grotto dated 17 January 2019. The applicant filed written submission during the evidence rounds dated 18 March 2019. The opponent did not file evidence in reply. No hearing was requested and neither party filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

EVIDENCE

7. As noted above, the opponent's evidence consists of the witness statement of Claudio Grotto dated 17 January 2019, which was accompanied by 6 exhibits. Mr Grotto is the President of the opponent; a position he has held since 1996.

8. Mr Grotto states that the opponent's trade mark has been used in relation to clothing, footwear and accessories since 1984. Mr Grotto states that the opponent's goods are sold in 3,000 retail outlets, including 110 in the European Union (around 70 of which are in Italy). The evidence does not specifically identify any stores located in the UK¹.

9. Since 1998, the opponent has been a sponsor of the Repsol Honda team in the MotoGP World Championship². A print out from the opponent's website dated 24 February 2018 confirms that the following mark had been used in relation to shirts, jeans, trousers, t-shirts and underwear³:

¹ Exhibit CG1

² Exhibit CG2

³ Exhibit CG3



10. Mr Grotto has also provided examples of the mark being used in relation to headwear and footwear, but this is dated after the relevant period⁴.

11. Mr Grotto has provided the following details in relation to sales in the UK⁵:

<u>Year</u>	<u>Quantity</u>	<u>Turnover (£)</u>
2015 -	2,618	84,000
2016 -	2,549	64,000
2017 -	61,692	770,000
2018 (up to 24 April) -	80,760	800,000

12. Mr Grotto provides the following figures for goods sold under the earlier mark in the EU since 2015:

<u>Year</u>	<u>Quantity</u>	<u>Turnover (Euro)</u>
2015 -	2.3 million	61,300,000
2016 -	2 million	55,500,000
2017 -	1.9 million	49,300,000
2018 (up to 24 April) -	700,000	15,000,000

13. The same mark shown in paragraph 9 above has been used on invoices dated between January 2015 and February 2018 addressed to recipients located both across the UK and across the EU (including Belgium, Germany, Slovenia, Austria, Spain and Italy)⁶. These amount to sales of over €200,000 in relation to various items (some of which are listed in other languages and cannot, therefore, be identified)

⁴ Exhibit CG4

⁵ Witness statement of Mr Claudio Grotto, para. 9

⁶ Exhibits CG5 and CG6

including t-shirts, jeans, shorts, trousers, jackets, sweatshirts, vests, caps, bags, scarves, knitwear, dresses and shoes.

DECISION

Proof of Use

14. The first issue is whether, or to what extent, the opponent has shown genuine use of the earlier mark. The relevant statutory provisions are as follows:

“Raising of relative grounds in opposition proceedings in case of non-use

6A-(1) This section applies where –

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) 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 period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the period of five years ending with the date of publication of the application 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 differing in elements which do not alter the distinctive character of the mark in the form of which it was registered, 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) In relation to a Community trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(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.”

15. Section 100 of the Act is also relevant, which 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.”

16. The parties have both calculated the relevant period for the purposes of proof of use based upon the application date for the mark in issue. This is a reference to the new provisions that came into force under EU Directive 2015/2436 on 14 January

2019. However, as these proceedings were commenced prior to that date, the old provisions apply. Consequently, pursuant to section 6(3)(a) of the Act, the relevant period in which genuine use must be established is the five-year period ending on the date of publication of the applied for marks. The relevant period is, therefore, 12 May 2013 to 11 May 2018.

17. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J summarised the law relating to genuine use as follows:

“114.....The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), 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 Bunderversvereinigung 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], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, 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] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases 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]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(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]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(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] and [22]. 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]; *Reber* at [29].

(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]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(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] and [76]-[77]; *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].”

18. As the earlier mark is an EUTM, the comments of the Court of Justice of the European Union (“CJEU”) in *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, are relevant. The court noted that:

“36. It should, however, be observed that [...] the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase ‘in the Community’ is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use.”

And:

“50. Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as ‘genuine use’, it cannot be

ruled out that, in certain circumstances, the market for the goods or services for which a Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark.”

And:

“55. Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77)”.

At paragraphs 57 and 58, the court held that:

“Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to ‘genuine use in the Community’ within the meaning of that provision.

A Community trade mark is put to ‘genuine use’ within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the mark concerned, the nature of the goods or

services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity.”

19. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. reviewed the case law since the *Leno* case and concluded as follows:

“228. Since the decision of the Court of Justice in *Leno* there have been a number of decisions of OHIM Boards of Appeal, the General Court and national courts with respect to the question of the geographical extent of the use required for genuine use in the Community. It does not seem to me that a clear picture has yet emerged as to how the broad principles laid down in *Leno* are to be applied. It is sufficient for present purposes to refer by way of illustration to two cases which I am aware have attracted comment.

229. In Case T-278/13 *Now Wireless Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* the General Court upheld at [47] the finding of the Board of Appeal that there had been genuine use of the contested mark in relation to the services in issue in London and the Thames Valley. On that basis, the General Court dismissed the applicant’s challenge to the Board of Appeal’s conclusion that there had been genuine use of the mark in the Community. At first blush, this appears to be a decision to the effect that use in rather less than the whole of one Member State is sufficient to constitute genuine use in the Community. On closer examination, however, it appears that the applicant’s argument was not that use within London and the Thames Valley was not sufficient to constitute genuine use in the Community, but rather that the Board of Appeal was wrong to find that the mark had been used in those areas, and that it should have found that the mark had only been used in parts of London: see [42] and [54]-[58]. This stance may have been due to the fact that the applicant was based in Guilford, and thus a finding which still left open the possibility of conversion of the community trade mark to a national trade mark may not have sufficed for its purposes.

230. In *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC), [2015] ETMR 37 at [25] His Honour Judge Hacon interpreted *Leno* as establishing that “genuine use in the Community will in general require use in more than one Member State” but “an exception to that general requirement arises where the market for the relevant goods or services is restricted to the territory of a single Member State.” On this basis, he went on to hold at [33]-[40] that extensive use of the trade mark in the UK, and one sale in Denmark, was not sufficient to amount to genuine use in the Community. As I understand it, this decision is presently under appeal and it would therefore be inappropriate for me to comment on the merits of the decision. All I will say is that, while I find the thrust of Judge Hacon’s analysis of *Leno* persuasive, I would not myself express the applicable principles in terms of a general rule and an exception to that general rule. Rather, I would prefer to say that the assessment is a multi-factorial one which includes the geographical extent of the use.”

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

Form of the mark

21. In *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, which concerned the use of one mark with, or as part of, another mark, the CJEU found that:

“31. It is true that the ‘use’ through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas ‘genuine use’, within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, ‘use’ within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish ‘use’ within the meaning of Article 15(1) for the purpose of preserving the rights of the proprietor of the registered trade mark.

32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestle*, the ‘use’ of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition of a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

35. Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term ‘genuine use’ within the meaning of Article 15(1)". (emphasis added)

22. In *Nirvana Trade Mark*, BL O/262/06, Mr Richard Arnold Q.C. (as he then was), sitting as the Appointed Person, summarised the test under section 46(2) of the Act as follows:

“33. ...The first question [in a case of this kind] is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period...

34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all."

23. Although this case was decided before the judgment of the CJEU in *Colloseum*, it remains sound law so far as the question is whether the use of a mark in a different form constitutes genuine use of the mark as registered. The later judgment of the CJEU must also be taken into account where the mark is used as registered, but as part of a composite mark.

24. The mark has been used as registered in the opponent's evidence and this will, clearly, be use upon which the opponent may rely. The opponent's mark has also been used in the following variant:



25. This displays the opponent's mark used in combination with a device. As noted above, use in combination with additional matter is use upon which the opponent can rely (as explained in *Colloseum*). Consequently, this is an acceptable variant use of the opponent's mark.

Sufficient Use

26. An assessment of genuine use is a global assessment, which includes looking at the evidential picture as a whole, not whether each individual piece of evidence shows use by itself⁷.

27. The opponent claims to have used the mark since 1984, with goods being available in 3,000 stores (110 of which are in the EU). The opponent has provided both turnover figures and invoices to demonstrate that sales of goods have been made under the mark in both the EU and the UK during the relevant period. I note that the turnover figures for the EU are significantly higher. Taking the evidence as a whole into account, I am satisfied that the opponent has demonstrated genuine use of its mark during the relevant period.

Fair Specification

28. I must now consider whether, or the extent to which, the evidence shows use in respect of all the goods relied upon.

29. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, 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.”

30. In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Mr Justice Carr summed up the law

⁷ *New Yorker SHK Jeans GmbH & Co KG v OHIM*, T-415/09

relating to partial revocation (and is equally applicable to the assessment of genuine use in opposition proceedings) as follows:

“iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria’s Secret UK Ltd* [2014] EWHC 2631 (Ch) (“Thomas Pink”) at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 (“Asos”) at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider

to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46.”

31. I note the applicant’s submissions that the opponent has not provided translations of the invoices upon which it seeks to rely. Consequently, portions of these invoices are of little use to the opponent. However, a number of descriptions for the goods to which the invoices relate use the English word. Where this is the case, a translation is not necessary, and I am able to identify the goods in respect of which the opponent’s mark has been used.

32. It seems to me that the opponent’s evidence demonstrates use of the earlier mark in relation to a number of clothing items as well as shoes and “caps”. However, there is nothing in the opponent’s evidence to suggest that they have used their mark in relation to anything other than casual clothing, footwear and headgear. Consequently, I consider a fair specification to be:

Class 25 Casual clothing, casual footwear, casual headgear.

DECISION

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

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

(a)...

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

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

34. 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, international trade mark (UK) or Community trade mark or international trade mark (EC) 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

(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.”

35. The trade mark upon which the opponent relies qualifies as an earlier trade mark under the above provisions.

Section 5(2)(b) – case law

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

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

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed

and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

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

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

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

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

(g) a lesser degree of similarity between the goods or services may be offset by a 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 to mind the earlier mark, is not sufficient;

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

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

Comparison of goods

37. The competing goods are as follows:

Opponent's goods	Applicant's goods
<p><u>Class 25</u> Casual clothing, casual footwear, casual headgear.</p>	<p>The First Application <u>Class 25</u> Men's, women's and children's clothing, namely, shirts, t-shirts, jackets, sweatshirts, hooded sweatshirts and headgear, namely, hats and beanies.</p> <p>The Second Application <u>Class 25</u> Headgear, namely, hats and beanies; hooded sweatshirts for men, women and children; jackets for men, women and children; shirts for men, women and children; sweatshirts for men, women and children; t-shirts for men, women and children.</p>

38. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the 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 for 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.”

39. “Men's, women's and children's clothing, namely, shirts, t-shirts, jackets, sweatshirts, hooded sweatshirts” in the specification of the First Application falls within the broader category of “casual clothing” in the opponent’s specification.

40. “Headgear, namely, hats and beanies” in the specification of both the First Application and the Second Application falls within the broader category of “casual headgear” in the opponent’s specification.

41. “Hooded sweatshirts for men, women and children”, “jackets for men, women and children”, “shirts for men, women and children”, “sweatshirts for men, women and children” and “t-shirts for men, women and children” in the specification of the Second Application fall within the broader category of “casual clothing” in the opponent’s specification.

42. All of the goods can, therefore, be considered identical on the principle outlined in *Meric*.

The average consumer and the nature of the purchasing act

43. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties’ goods. I must then determine the manner in which the goods are likely to be selected by the average consumer. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively

by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

44. I consider that the average consumer for the goods will be a member of the general public. Whilst purchases of the goods will not be particularly expensive or infrequent, a number of factors will still be taken into consideration during the purchasing process (such as material, cut and aesthetic appearance). Consequently, I consider that a medium degree of attention will be paid during the purchasing process.

45. The goods are most likely to be obtained by self-selection from the shelves of a retail outlet or from an online or catalogue equivalent. Consequently, visual considerations are likely to dominate the selection process. However, I do not discount that there may be an aural component to the purchase of the goods given that advice may be sought from a sales assistant or orders may be placed by telephone.

Comparison of trade marks

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

47. 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 impression created by the marks.

48. The respective trade marks are shown below:

Opponent's trade mark	Applicant's trade marks
GAS	GAS MONKEY GARAGE and GAS MONKEY ENERGY

49. I have no detailed submissions from the opponent on the similarity of the marks. I have lengthy submissions from the applicant and, in particular, I note the following:

“49. Comparing the applied-for marks to the Earlier Trade Mark, which consists solely of the three letter word GAS, the visual differences between the marks far outweigh any similarity resulting from use of the word GAS as one small element of the Opposed Marks. In practical terms, the Opposed Marks contain the three letters of the Earlier Trade Mark but these letters are very much lost within each mark as a whole; they do not stand out and do not visually draw to mind the Earlier Trade Mark.”

And:

“52. Phonetically, the marks only coincide in that both contain the element GAS, however they differ substantially in length due to the additional elements MONKEY GARAGE on the one hand and MONKEY ENERGY on the other. Whereas the Earlier Trade Mark consists only of one syllable, the Opposed

Marks consist of five and six syllables respectively – GAS/MON/KEY/GAR/AGE and GAS/MON/KEY/E/NER/GY.”

And:

“55. From the point of view of the English-speaking consumer – which is the relevant consumer in the subject case – the signs are clearly distinct. The earlier sign GAS denotes an air-like fluid substance which expands freely to fill any space available. In contrast, GAS MONKEY is a commonly used slang term for a mechanic; the applied-for marks therefore suggest entirely different concepts to the earlier sign, being a mechanic who owns a garage in the case of the mark GAS MONKEY GARAGE, or a mechanic who provides power to vehicles in the case of the mark GAS MONKEY ENERGY.”

50. The opponent’s mark consists of the word GAS. There are no other elements to contribute to the overall impression which lies in the word itself. The applicant’s marks each consist of three words – GAS MONKEY GARAGE and GAS MONKEY ENERGY. The overall impression lies in the combination of these words with none of the words dominating.

51. Visually, the marks coincide in the fact that the opponent’s mark is entirely replicated in both of the applicant’s marks. As a general rule, the beginnings of marks tend to make more impact than the ends⁸. However, the marks differ in the presence of two additional words in each of the applicant’s trade marks. I consider the marks to be visually similar to a low to medium degree.

52. Aurally, the word GAS will be given its ordinary English pronunciation in both marks. The words MONKEY, GARAGE and ENERGY will be given their ordinary English pronunciation in the applicant’s trade marks. These will be a point of aural difference. I consider the marks to be aurally similar to a low to medium degree.

⁸ *El Corte Ingles, SA v OHIM*, Cases T-183/02 and T-184/02

53. The applicant argued in its written submissions that the words GAS MONKEY in its marks have a particular meaning to the UK average consumer i.e. a slang term for a mechanic. I acknowledge this submission and that, if this were the case, then those consumers would view the words GAS MONKEY as a unit. However, the applicant has filed no evidence to demonstrate that the words GAS MONKEY have this meaning or that this meaning will be known by the UK average consumer for the goods in issue. In my view, the majority of average consumers will view the applicant's marks as three unrelated words, which will each be given their ordinary dictionary meaning. The word GAS in the opponent's mark will also be given its ordinary dictionary meaning. The marks overlap conceptually, therefore, to the extent that they both refer to GAS. They differ in the references to a MONKEY and a GARAGE or ENERGY in the applicant's marks which have no counterpart in the opponent's mark. I consider the marks to be conceptually similar to a low to medium degree.

Distinctive character of the earlier mark

54. 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-2779, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promotion of 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).”

55. 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 a mark can be enhanced through use.

56. The opponent has filed evidence to show use of its mark but has not pleaded enhanced distinctiveness. I will, however, consider this for the sake of completeness. The relevant market for determining whether a mark’s distinctiveness has been enhanced through use in this case is the UK market. The opponent confirms that it has 110 stores in the European Union, 70 of which are in Italy, but does not state whether any of the remaining 40 stores are located in the UK. I recognise that the opponent has sponsored a MotoGP team, but little information is provided about this sponsorship and the press coverage that this has received in the UK. UK turnover has increased since 2015, but still only amounted to £700,000 in 2017 and £800,000 for the first part of 2018. Whilst this is not insignificant, it would amount to a low market share, given what must undoubtedly be an extensive market in the UK for the goods in issue. Taking all of this into account, I do not consider that the opponent’s evidence is sufficient to demonstrate that the distinctiveness of its mark has been enhanced through use.

57. I have, therefore, only the inherent position to consider. The opponent’s mark consists of the word GAS. This is an ordinary English word, but has no particular meaning in relation to the goods. I, therefore, consider that the opponent’s mark is inherently distinctive to at least a medium degree.

Likelihood of confusion

58. 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 and services 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 opponent's trade mark, the average consumer for the goods 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 he has retained in his mind.

59. I have found the parties marks to be visually, aurally and conceptually similar to a low to medium degree. I have found the earlier mark to have at least a medium degree of inherent distinctive character. I have identified the average consumer to be a member of the general public who will select the goods primarily by visual means (although I do not discount an aural component). I have concluded that the degree of attention paid during the purchasing process is likely to be medium. I have found the parties' goods to be identical.

60. Bearing in mind the visual, aural and conceptual differences between the marks, I do not consider that the average consumer will mistakenly recall one mark for the other. I do not consider there to be a likelihood of direct confusion.

61. It now falls to me to consider the likelihood of indirect confusion. Indirect confusion was described in the following terms by Iain Purvis Q.C., sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10:

“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.”

62. In *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41, Kitchin L.J. stated that:

“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 it may properly find infringement.”

63. This was, of course, in the context of infringement. However, the same approach is appropriate under section 5(2)⁹. It is not, therefore, necessary for me to find that the majority of consumers will be confused. The question is whether there is a likelihood of confusion amongst a significant proportion of the public displaying the characteristics attributed to an average consumer.

64. I have already dismissed the applicant’s submissions that the words GAS MONKEY will be perceived a unit and in the absence of any evidence to support this submission I cannot conclude that a significant proportion of average consumers will understand this meaning and perceive the applicant’s marks as such. As noted above, in my view, consumers will view the applicant’s marks as three unrelated words.

⁹ *Soulcycle Inc v Matalan Ltd* [2017] EWHC 496 (Ch), Mann J.

Consequently, the word GAS will have distinctive significance which is independent of the whole¹⁰. Bearing in mind my conclusions summarised above, particularly the fact that the parties' respective goods are identical and the opponent's mark is inherently distinctive to at least a medium degree, I consider that the presence of the word GAS in all three marks will create an expectation on the part of the average consumer that the goods originate from the same or economically linked undertakings. The addition of the words MONKEY, GARAGE and ENERGY in the applicant's marks will be seen as alternative marks being used by the same undertakings (such as part of a different range). In my view, there is a likelihood of indirect confusion.

CONCLUSION

65. The opposition is successful, and the applications are refused in their entirety.

COSTS

66. As the opponent has been successful, it is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award the opponent the sum of **£1,100** as a contribution towards the costs of the proceedings. This sum is calculated as follows:

Preparing statements and considering the applicant's statements	£300
Preparing evidence and considering the applicant's submissions	£600
Official fee x 2	£200
Total	£1,100

¹⁰ *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch)

67. I therefore order Gas Monkey Holdings, LLC to pay Grotto S.p.A. the sum of £1,100. This sum should be paid within 14 days of the expiry of the appeal period or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings.

Dated this 20th day of August 2019

S WILSON

For the Registrar