



Neutral Citation Number: [2019] EWHC 672 (Ch)

Case No: CH-2018-000332

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
CHANCERY APPEALS (CHANCERY DIVISION)

Rolls Building
Fetter Lane, London, EC4A 1NL

Date: 22 March 2019

Before :

MR JUSTICE ARNOLD

Between :

VIRGIN ENTERPRISES LIMITED

Appellant

- and -

VIRGINIC LLC

Respondent

Mark Vanhegan QC (instructed by **AA Thornton & Co**) for the **Appellant**
Aaron Wood (instructed by **Novagraaf UK**) for the **Respondent**

Hearing date: 18 March 2019

Approved Judgment

I direct that pursuant to CPR PD 39A para 6.1 no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

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MR JUSTICE ARNOLD

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Introduction

1. This is an appeal by the Appellant (“Virgin”) against a decision of Andrew Feldon acting for the Registrar of Trade Marks dated 20 November 2018 (BL O/739/18) to dismiss Virgin’s opposition to United Kingdom Trade Mark Application No. 3,232,156 to register the word VIRGINIC in respect of goods in Class 3 (“the Application”) filed by the Respondent (“Virginic”) on 17 January 2018. Virgin opposed the Application under section 5(2)(b) of the Trade Marks Act 1994, which implements Article 5(1)(b) of European Parliament and Council Directive 2015/2436/EU of 16 December 2015 to approximate the laws of the Member States relating to trade marks (recast) (“the Directive”), relying upon two earlier registrations of the word VIRGIN for goods in Class 3, namely EU Trade Mark No. 15,255,235 filed on 3 June 2013 and UK Trade Mark No. 3,163,212 filed on 5 May 2016 (“the Earlier Marks”).
2. It is pertinent to observe at the outset that Virgin elected for a fast-track opposition, and accordingly neither side filed any evidence or requested a hearing, but simply filed brief written submissions. The Hearing Officer decided the case on the papers. In other words, the Hearing Officer did not receive the same degree of assistance that I have had.

The Hearing Officer’s decision

3. The Hearing Officer’s decision may be summarised as follows. Having directed himself in accordance with the Trade Mark Registry’s standard summary of the principal decisions of the Court of Justice of the European Union concerning Article 5(1)(b) of the Directive and similar provisions, he concluded that:
 - i) the goods specified in the Application were wholly contained within those covered by the Earlier Marks, and therefore identical to them;
 - ii) the average consumer was a member of the general public;
 - iii) the level of attention paid by the average consumer would be average;
 - iv) the trade marks were visually similar to a high degree;
 - v) the trade marks were aurally similar to a high degree;
 - vi) the trade marks were conceptually similar to a medium degree;
 - vii) the Earlier Marks had a normal degree of distinctive character;
 - viii) there was no likelihood of direct confusion between the trade marks; and
 - ix) there was no likelihood of indirect confusion between the trade marks.

Grounds of appeal

4. There is no challenge by either side to conclusions (i)-(v) or (viii) above. Virgin contends that the Hearing Officer made a number of errors in reaching conclusions (vi), (vii) and (ix).

Standard of review

5. It is common ground that, as is now very well established, the Court should not interfere with the Hearing Officer's decision unless it contains a distinct and material error of principle or is clearly wrong.

Inherent distinctiveness of the Earlier Marks

6. The Hearing Officer assessed the inherent distinctiveness of the Earlier Marks at [37] as follows:

“In this instance, the common element ‘VIRGIN’ has no link or association with the goods at issue and can be said to be an arbitrary choice when considering the nature of the goods. Consequently, the mark is found to have a normal degree of inherent distinctive character”

7. Virgin contends that this assessment is erroneous for two reasons. First, Virgin points out that there is no such thing as a “normal” degree of inherent distinctive character. Secondly, even assuming in favour of the Hearing Officer that this is merely infelicitous drafting and that he meant to say “average”, Virgin submits that the conclusion does not follow from the (correct) premise that the word is arbitrary in relation to the goods in question. Virgin accepts that VIRGIN is an ordinary English word, and not an invented word, but argues that it cannot be right only to categorise invented words as being highly distinctive.
8. I accept these submissions. Given the Hearing Officer's unchallenged finding that VIRGIN is arbitrary in relation to the goods in question, it follows that it has a fairly high degree of inherent distinctive character, albeit not so high as would be the case if it were an invented word.

Conceptual similarity

9. The Hearing Officer considered the conceptual similarity of the trade marks at [32] as follows:

“The earlier marks comprise the word ‘VIRGIN’, which conveys the concept of ‘someone who has never had sex; something that has never been used or spoiled’. The applied for mark ‘VIRGINIC’ has no clear or obvious meaning as a whole, however, it is likely that the element ‘VIRGIN’ which constitutes the beginning of that mark, will be perceived by the average consumer, as it is a fairly common English word. As such, the marks can be said to be conceptually similar to a

medium degree as the later mark will be perceived to be evocative of ‘VIRGIN’.”

10. Virgin contends that this assessment is erroneous for two reasons. First, because it is inconsistent with the Hearing Officer’s assessment that there was a high degree of visual and aural similarity. I do not accept this. It is possible for marks to be visually and aurally similar without being conceptually similar at all, let alone so conceptually similar.
11. Secondly, Virgin points out that the Hearing Officer found that the average consumer would perceive the VIRGIN- element in VIRGINIC, but failed to go on to consider the -IC element. Moreover, the Hearing Officer failed to address Virgin’s argument that -IC was a well-known suffix in the English language which means “of” or “pertaining to” the root word. Virgin gave a number of examples of this in its written submissions to the Hearing Officer, including acid/acidic, atmosphere/atmospheric, hero/heroic, impressionist/ impressionistic, opportunist/opportunistic and symbol/symbolic. Thus, Virgin contends, the average consumer would understand VIRGINIC to mean “of or pertaining to VIRGIN”, and hence the trade marks are conceptually highly similar.
12. Virginic ripostes that the Hearing Officer did find that VIRGINIC was evocative of VIRGIN, and contends that he was justified in not going any further because VIRGINIC is not a recognised adjectival form of VIRGIN, the recognised adjectival form being VIRGINAL.
13. In my judgment, once he had found that the average consumer would perceive the VIRGIN- element in VIRGINIC, the Hearing Officer did fall into error in not considering how average consumer would perceive the -IC element. In my assessment the average consumer would perceive -IC to be playing its usual role as a suffix, and hence would perceive VIRGINIC as a newly-minted adjective meaning “of or pertaining to VIRGIN”. It follows that there is a fairly high degree of conceptual similarity between the trade marks.

Independent distinctive role?

14. Virgin contends that the Hearing Officer erred in failing to conclude that the VIRGIN element played an independent distinctive role in VIRGINIC in accordance with the decisions of the CJEU in Case C-120/04 *Medion AG v Thomson Sales Germany & Austria GmbH* [2005] ECR I-8551 and C-591/12 P *Bimbo SA v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:305]. I reviewed those authorities in *Aveda Corp v Dabur India Ltd* [2013] EWHC 589 (Ch), [2013] ETMR 33 at [19]-[38] and in *Whyte and Mackay Ltd v Origin Wine UK Ltd* [2015] EHC 1271 (Ch), [2015] ETMR 29 at [17]-[21]. For present purposes, it is sufficient to re-iterate that, in *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to an earlier mark.
15. The Hearing Officer can be forgiven for not addressing this contention in his decision, because it was not clearly articulated in Virgin’s written submissions to him, and no

reference was made to any of the four authorities cited in the preceding paragraph. (The Hearing Officer did himself cite *Bimbo* for the proposition that the overall impression made on the target public by the respective signs must be considered, however.)

16. Be that as it may, in my judgment this principle does not apply to the present case. VIRGINIC is not a composite mark consisting of two signs, one of which has a distinctive significance independent of the significance of the whole. This is not simply because it is a single word. Counsel for Virgin reminded me that I had given GLAXOWELLCOME as an example of a case where this principle would apply in *Aveda v Dabur* at [45]. That example concerned a composite mark formed by conjoining two pre-existing trade marks, however. In the present case, however, it is Virgin's own case, which I have accepted, that the average consumer would perceive VIRGINIC as a newly-minted adjective meaning "of or pertaining to VIRGIN". Thus it is not even a case where the meaning of one (separate) component is qualified by another (separate) component, rather it is a case of a single sign into which the VIRGIN-element has been subsumed to form a new, conceptually-related whole.

Likelihood of indirect confusion

17. The Hearing Officer concluded that that there was no likelihood of indirect confusion for reasons he expressed as follows:

"44. Mr Iain Purvis QC, sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10 noted that:

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

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

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

- (b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).
 - (c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).’
- 45. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor Q.C., as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion
- 46. I believe that the average consumer of the goods at issue will not, when faced with the mark ‘VIRGINIC’, assume that it is a logical brand extension or an evolution of ‘VIRGIN’ products. Whilst the earlier marks have been found to be inherently distinctive to a normal degree, it cannot be said to be the case that the word ‘VIRGIN’ is strikingly distinctive when applied to the goods at hand.
- 47. Therefore, although it is likely that the average consumer may recognise the element ‘VIRGIN’ within the applied for mark ‘VIRGINIC’, this will merely serve to bring the earlier marks to mind but will not, in my opinion, result in indirect confusion.”
- 18. Virgin contends that the Hearing Officer fell into error in two respects. First, Virgin argues that he failed to apply the interdependency principle. The Hearing Officer expressly mentioned this principle at the beginning of his consideration of likelihood of confusion at [38], however. It is therefore clear that he had it in mind. It was not necessary for him to re-iterate the point when addressing the likelihood of indirect confusion.
- 19. Secondly, Virgin argues that the Hearing Officer misapplied the guidance given by the Appointed Person in *LA Sugar v Back Beat*. In dismissing the prospect of indirect confusion on the ground that VIRGIN was not strikingly distinctive for the goods in question, the Hearing Officer addressed Mr Purvis QC’s category (a), but Virgin says that the present case is an example of his category (b).
- 20. In support of this argument, counsel for Virgin referred in his skeleton argument to a number of instances in which either owners of well-known brands had deliberately adopted adjectival versions of their brands incorporating the suffix -IC (e.g. NIKONIC) or such terms had been used by members of the public when referring to well-known brands (e.g. ROLEXIC). As Virginic’s attorney pointed out, however, no evidence of

such usage was adduced by Virgin before the Hearing Officer, and no application to adduce fresh evidence on appeal was made by Virgin.

21. As counsel for Virgin submitted, on the other hand, this does not detract from Virgin's underlying point that, because the average consumer would perceive VIRGINIC as a newly-minted adjective meaning "of or pertaining to VIRGIN", the average consumer would be likely to think that VIRGINIC was a brand extension of VIRGIN.

Re-assessment of the likelihood of confusion

22. It follows that I must re-assess the likelihood of confusion. The conclusions that the goods are identical, that the level of attention paid by the average consumer would be average, that the trade marks are visually and aurally similar to a high degree and conceptually similar to a fairly high degree and that the Earlier Marks are fairly highly distinctive all point towards a likelihood of confusion. There is no challenge to the Hearing Officer's conclusion that direct confusion is not likely, but I conclude that indirect confusion is likely for the reasons discussed above.

Conclusion

23. The appeal is allowed and Virgin's opposition to the Application is upheld.