

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No 2209385
by HHS Trading (UK) Plc to register a trade mark
in Class 14**

**AND IN THE MATTER OF Opposition thereto
under No 50764 by Montres Rolex S.A.**

INTRODUCTION

1. On 23 September 1999 Health & Home Shopping Limited made an application in Class 14 to register the trade mark BELLINI in respect of:

Jewellery; precious stones, precious metals and goods made therefrom or from imitations thereof; horological and chronometric apparatus instruments; parts and fittings for all the aforesaid goods.

2. The application was accepted for registration and the mark was duly advertised in the Trade Marks Journal.

3. The trade mark was subsequently assigned to HHS Trading (UK) Plc.

4. On 20 February 2000, opposition to the proposed registration was filed by Montres Rolex S.A. of Geneva, Switzerland. The Grounds of Opposition are, in summary, that:

- (a) the opponent is the registered proprietor of UK trade mark registration Nos 1284955 and 1438016, which consist of the word CELLINI in stylised and block capital form respectively, and which are registered in Class 14 for goods which are identical or similar to those in respect of which registration is sought;
- (b) the trade mark of the applicant is similar to the earlier trade marks of the opponent and there exists a likelihood of confusion, including the likelihood of association;
- (c) the proposed registration would therefore be contrary to Section 5(2) of the Trade Marks Act 1994;
- (d) further or in the alternative, the opponent's trade marks have a reputation in the UK such that use of the applicant's mark is liable to be prevented by the law of passing off;
- (e) registration would therefore be contrary to Section 5(4)(a) of the Trade Marks Act 1994.

5. There was originally a further ground of opposition under Section 5(3) of the Act, but this is no longer pursued and I need say no more about it.

6. The applicant filed a Counterstatement denying, or refusing to admit, the grounds of opposition.

7. Both sides seek an award of costs.

OPPONENT'S EVIDENCE

8. The opponent's evidence includes a Statutory Declaration dated 28 February 2001 by Bruno Mettler and Stewart Wicht, who are the Manager and Assistant Manager of Montres Rolex S.A.. The main points which emerge from their evidence are as follows:

- (i) the CELLINI trade mark has been used continuously in the United Kingdom since 1965;
- (ii) the mark that has generally been used is a stylised form as registered under trade mark No 1284955;
- (iii) the mark appears in small letters on the face of virtually all the watches sold under the trade mark;
- (iv) the mark is also displayed on plaquettes which are displayed in close proximity to the watches by retailers of the goods;
- (v) the mark has also been advertised in publications such as Time Magazine, News Week, Vogue, Vanity Fair, Country Life and Tatler;
- (vi) the approximate average yearly advertising expenditure in the United Kingdom in the five years up until February 2001 amounted to a figure in excess £100,000 per annum;
- (vii) the total advertising figures for advertisements in Time and News Week alone since 1995 amounted to more than £62,000 and £37,000 respectively;
- (viii) the use demonstrated in the exhibits to the Statutory Declaration indicate that the mark has always been used in conjunction with the trade mark Rolex; Rolex being the house mark and CELLINI being the mark for a particular watch;
- (ix) the average annual turnover of goods sold under the CELLINI brand in the UK in the five years up until February 2001 was in excess of £2.1 million; the average retail price for a CELLINI watch in the UK is around £2,700; this indicates that the opponent has sold less than 1,000 watches bearing the trade mark in the five years up until February 2001.

9. The evidence also implies that the trade mark CELLINI has been used in relation to jewellery that matches the opponent's watches. However, the evidence goes no further than stating that this jewellery has been promoted at the Basle Fair in Switzerland, which is attended by dealers in quality watches and jewellery from around the world, including the UK. There is no express claim that any of this jewellery was sold to such dealers let alone placed on the UK market as a result of such sales.

10. The opponent's evidence also includes five Witness Statements from members of the jewellery trade. Mr Michael Laing is the joint owner of Laing the Jeweller Ltd, which is a retail jewellery group selling quality jewellery and watches. It has five stores located in England, Wales and Scotland. Mr Lang says that as a result of his many years in the industry he has extensive knowledge of the watch industry and the public that purchases quality watches. He says that his company specialises in prestigious watches such as Rolex, Cartier etc. He further says that because of his responsibility for sales he comes into direct contact with the public. Mr Laing explains that his company has carried a selection of CELLINI watches for the last 15 years.

11. He says that, in the watch industry, the CELLINI brand is only associated with Montres Rolex S.A., and that no other quality brand has a name that is even similar to this. He offers the opinion that, *"if BELLINI were to be used on watches in direct competition to CELLINI, the name BELLINI would be too similar to that of CELLINI and such use would be confusing to customers"*.

12. Mr Laing states that Rolex is the most widely known quality watch in the world. He says that customers frequently come into his shop asking for a watch by a particular name. They rely on the reputation for quality associated with that name. He says the same applies to the name CELLINI. He continues:

"Customers do not, however, always remember the exact details of the advertising they have seen and may not be able to distinguish the difference where slight variations of name are involved. This is because watches are largely advertised in magazines where the reader browses through the advertisements and is often only peripherally aware of the brand involved. The key message which the reader retains is that of 'Life Style' so that the customer's perception of the brand involved is not literal but image based.

Further, of the small area of a watch face, the representation is usually small and generally seen from a minimum distance of a foot or more away, or in the case of a watch displayed in a shop window, from a distance of two to three feet away.

Where a word is foreign, such as is the case with both BELLINI and CELLINI, a customer may tend not to look closely at the name, and in fact will often look at the shape of the letters and what they would expect them to be. For example, if a name is unfamiliar they may substitute part of it for a more familiar form and quite often mispronounce words of foreign origin."

13. Mr Laing concludes by stating that even if his customers noticed that the name on the

watch was BELLINI rather than CELLINI, they might still think that BELLINI and CELLINI were part of a range produced by the same manufacturer.

14. Further evidence and opinions on the likelihood of confusion, corresponding to those expressed by Mr Laing, are given by:

a) a Mr Ronald Jones, who is the senior buyer for Ernest Jones, a division of Signet Trading Plc, which has 180 jewellery and watch stores based throughout the country.

b) Mr Simon Walton is a Director of Berens & Co which trades as Berrys Jewellers. Berrys has nine retail shops in the north of England and sells high quality jewellery and watches. Mr Walton has worked for Berrys for 12 years and manages their Leeds store.

c) Mr James Gurney who is the Editor of International Wrist Watch magazine, which is a magazine dedicated entirely to watches, mainly at the premium end of the market. Mr Gurney has been Editor of the magazine for five years.

Mr Gurney makes an additional point, that the type of flowing script used by Rolex for the CELLINI watch contributes to the difficulty consumers face ascertaining the exact brand name on the watch.

APPLICANT'S EVIDENCE

15. The applicant's evidence is provided by Mr John Sless, who is the Managing Director of HHS Trading (UK) Plc. The original applicant, Health & Home Shopping Ltd, is a subsidiary company to HHS Trading (UK) Plc.

16. Mr Sless states that the trade mark BELLINI has been used in relation to a range of watches since June 1999. At exhibit JS1 he provides examples of the trade mark in use. Mr Sless explains that the goods are sold through three different media. They are advertised in national newspapers and can be purchased through mail order in response to those advertisements. They are advertised in a mail order mailing magazine, which is sent to selected households across the United Kingdom. The goods are also sold through a third party organisation trading as Publishers Clearing House, which promotes and sells the product via its own direct marketing.

17. Exhibit JS2 to Mr Sless' declaration consists of an example of a national advertisement for the goods. The example comes from The People magazine of 11 June 2000. Exhibit JS3 to Mr Sless' declaration consists of copies of all the advertisements which appeared in the 'Health & Home Shopping' direct mailing catalogue together with copies of the cover of each such catalogue. I have been unable to ascertain if any of these magazines were published prior to the relevant date in these proceedings, which is 23 September 1999.

18. Exhibit JS4 consists of some examples of promotional materials used by Publishers Clearing House in order to promote goods under the trade mark BELLINI.

19. Exhibit JS5 to Mr Sless' Declaration consists of a sales history for the goods sold under the trade mark BELLINI. This indicates that between June 1999 and June 2001 the applicant sold 10,400 watches bearing the trade mark. The cost of most of these watches was £29.99. About 1,700 of the BELLINI watches were sold prior to the relevant date in these proceedings.

20. Exhibit JS6 consists of a customer profile for the applicant's products. This shows that over 80 percent of the recipients of the magazine 'Health & Home Shopping' are 50 years old or older and of relatively modest income.

HEARING

21. The matter came to be heard on 30 May 2002 when the opponent was represented by Mr S Malynicz of Counsel, instructed by Clifford Chance, and the applicant was represented by Mr B Marsh of Wilson Gunn M'Caw.

DECISION

22. I propose to deal with the objection under Section 5(2) of the Act first. Section 5(2) is as follows:

"5.-(2) A trade mark shall not be registered if because -

- (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or*
- (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."

Distinctive character of the earlier trade mark

23. It is evident from the European Court of Justice's (ECJ) judgment in the case of **SABEL BV v PUMA AG** [1998] RPC 199 (paragraph 24 of the Court's judgment) that the likelihood of confusion may be increased where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it.

24. The mark CELLINI would be an unfamiliar word to the average British consumer of watches and jewellery. There is no suggestion that it is in anyway descriptive of the goods at issue. In my judgment it is a mark which has a relatively high distinctive character per se. Mr Malynicz sought to buttress this by pointing to the use that the opponent has made of the mark CELLINI prior to the relevant date in these proceedings. He accepted that the number of watches sold under the trade mark was "*not colossal*" but he pointed out that the goods

were at the luxury end of the market and that the promotional activities of the opponent were likely to have resulted in the mark having a reputation which was disproportionate to the number of goods actually sold.

25. Mr Marsh pointed out that the evidence indicated that the mark CELLINI was invariably used as a secondary trade mark to the better known Rolex trade mark.

26. It is true that the opponent has expended considerable sums of money promoting the CELLINI mark. One hundred thousand pounds per annum is not a small amount but I doubt if it is sufficient to elevate the status of the trade mark to that of a household name. The relevant section of the public is composed of those who are actual or potential customers for watches and jewellery. It is not appropriate to limit the section of the public further to those who are actual or potential customers for luxury watches and jewellery: **DUALIT LTD'S TRADE MARK APPLICATIONS** [1999] RPC 890 (at paragraph 36). On the basis of these factors, I conclude that the opponent's trade mark does not enjoy a substantially enhanced distinctive character as a result of the use made of it in relation to watches. However, in view of my earlier finding that the earlier trade mark has an inherently high distinctive character, nothing turns on this point.

Similarity of goods

27. The opponent's earlier trade mark No 1284955 consists of the stylised form of the word CELLINI shown below:



28. The trade mark is registered in respect of:

“watches, watch cases, buckles, bracelets, parts and fittings for all the aforesaid goods; jewellery; all included in Class 14.”

29. The opponent's registration of the mark CELLINI under 1438016 has a more limited specification of *“watches and watch cases”*.

30. It is evident from a comparison of the applicant's specification of goods with that of earlier trade mark No 1284955, that the respective goods are identical. Both specifications include the term *“jewellery”*. I believe that this term covers *“precious stones, precious metals and goods made therefrom or from imitations thereof”*, which also appear in the applicant's specification. Similarly, I believe that the term *“horological and chronometric instruments”* in the applicant's specification, covers identical goods to the description

“watches”, which appears in the specification of the opponent's earlier trade mark.

Similarity of marks

31. According to the ECJ in **SABEL BV v PUMA AG**, I must assess the visual, aural and conceptual similarities of the trade marks and assess the overall impressions created by the marks bearing in mind their distinctive and dominant components. The visual similarity between the marks is self evident. The applicant's mark is the same as the opponent's earlier trade mark CELLINI except that the first letter of the two marks differ. At first sight it might be thought that the opponent's earlier registration of the CELLINI trade mark in a stylised script is less similar to the applicant's mark. However, I must allow for normal and fair use of the mark applied for, which as Mr Marsh accepted, includes use in the slightly stylised form shown in the applicant's evidence. An example of this is reproduced below.



32. When the respective trade marks are used in these stylised forms the difference in the first letter of the respective marks becomes a little less obvious than is the case when the words are used in block capitals. Mr Marsh suggested that the opponent's earlier trade marks could be pronounced variously as K-ELLINI, or as S-ELLINI, or as CH-ELLINI. Whichever of these pronunciations is preferred, there is still a noticeable difference between it and the mark BELLINI. Turning to conceptual similarity, both words are recognisable as being of Italian origin. They may be taken as names or as words having some other (unknown) meaning in Italian. Beyond that there is no conceptual similarity.

Likelihood of Confusion

33. Mr Marsh drew my attention to the ECJ's judgment in **SABEL BV v PUMA AG**, at paragraph 22, in which it is stated that the likelihood of confusion must be appreciated globally, taking into account all relevant factors. He submitted that it was relevant that the parties were operating at opposite ends of the market because this is likely to reduce any likelihood of confusion. For reasons which I gave at greater length in **REACT TRADE MARK** [1999] RPC 529, I believe it is appropriate to consider the result of normal and fair use of the applicant's mark across the full range of goods for which protection is sought. Similarly, it is appropriate to protect the earlier trade mark in relation to all the goods for which it is registered. In the case of watches, this means watches of all kinds and not merely luxury watches in respect of which the earlier mark has been used.

34. Mr Marsh further submitted that I should place weight on the absence of evidence of any confusion despite the fact that the applicant had made use of its mark over a period of some two years. It is well established that the absence of evidence of confusion is not decisive. See,

for example, **BALI v BERLEI** [1969] RPC 472 at 492 (lines 12 to 21) and 498 (lines 1 to 16) and **ELECTRUX** [1953] RPC 127 at 132. However, it may be of some significance if there is no explanation for the absence of confusion: see **KIMBERLEY-CLARK v FORT STERLING** [1997] FSR 887. The first point I should make is that, although it is true that the opponent has brought forward no evidence of confusion between the trade marks, the applicant's witness has not said that the applicant is unaware of any instances of confusion between the trade marks. This could be an important omission. However, given the positioning of the respective products at different ends of the market it is quite easy to accept that, in this case, confusion is unlikely to have arisen as a result of the use that has taken place so far. It is, of course, open to either party to alter the nature of the use that has taken place to date in such a way as to bring the respective marks into closer competition. Furthermore, either party is free to assign the mark to any other undertaking who can use these marks in respect of watches and jewellery in any or all of the sections of the market for such goods. This is one of the opponent's concerns. In the circumstances, I do not intend to attach any significant weight to the absence of evidence of confusion as a result of the use that has taken place so far.

35. A change in the first letter of the respective trade marks is plainly of some importance because the beginning of a trade mark is not usually overlooked. However, a difference in the first letter does not exclude the likelihood of confusion between trade marks. See, for example, **BOLIVAR v MOLIVAR** [1921] 38 RPC 97 and **ANADIN v INADIN** [1992] RPC 421. There are two further points which support the opponent's case that the difference in the first letters of respective marks should not be determinative of the matter. Firstly, the evidence that the applicant uses the mark **BELLINI** in a form of script which is not dissimilar to that of the mark registered under No 1284955. Secondly, the evidence from the trade witnesses that it is common practice for trade marks to appear in fairly small script on the face of watches where small differences can easily be lost when viewed from a distance of just a few feet. Furthermore, I must bear in mind that the respective goods in this case are identical and as the ECJ stated in their decision in the case of **LLOYD SCHUHFABRIK MEYER & CO GmbH v KLIJSEN HANDEL BV** [2000] FSR 77 (at paragraph 27), a lesser degree of similarity between the trade marks may be offset by a greater degree of similarity between the goods, and vice versa. (emphasis added.)

36. It is now well established that the matter must be determined by reference to the likely reaction of an average consumer of the sort of goods in question, who is deemed to be reasonably well informed, reasonably observant and circumspect. I would expect the average consumer for watches and jewellery to pay a relatively high degree of attention when purchasing such goods. However, that does not mean that the average consumer for these goods is immune from the likelihood of confusion. The average consumer generally relies upon the imperfect picture of the earlier trade mark that he or she has kept in his or her mind and must therefore rely upon the overall impression created by the trade marks in order to avoid confusion. In this case I believe the identity of the goods coupled with the relatively high degree of distinctive character of the marks and the similarity between them, is sufficient to give rise to a likelihood of confusion within the meaning of Section 5(2)(b) of the Act.

37. This conclusion is consistent with the views expressed by the opponent's trade witnesses. Mr Malynicz accepted that their evidence was not decisive and that I should give it such

weight as I thought appropriate. As is evident from Kerly's Law of Trade Marks and Trade Names (13th Edition) (at paragraph 16-93 to 16-96) the admissibility and value of evidence from the trade about the likelihood of confusion is not without controversy. However, in this case the views expressed by the trade witnesses correspond with the view that I would have come to even without the assistance of their evidence. There is therefore no need for me to address further the weight that can properly be given to opinion evidence of this type.

38. As my finding under Section 5(2)(b) applies to all the goods applied for, there is no need for me to consider the second ground of opposition under Section 5(4)(a).

COSTS

39. The opposition having succeeded, the opponent is entitled to a contribution towards its costs. I order the applicant to pay the opponent the sum of £1,200 within seven days of the end of the period allowed for appeal, or in the event of an unsuccessful appeal, within seven days of the final determination of the matter.

Dated this 19 Day of September 2002

**Allan James
For the Registrar**