

O-378-03

**TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No 2303619
IN THE NAME OF DREAMKIT LIMITED**

AND

**IN THE MATTER OF
OPPOSITION THERETO UNDER NO. 91246
BY KTS GROUP LIMITED**

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In the matter of application No 2303619
in the name of Dreamkit Limited**

And

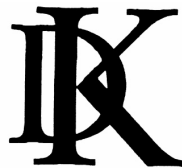
**In the matter of opposition thereto
under No. 91246
by KTS Group Limited**

BACKGROUND

1. On 25 June 2002, Dreamkit Limited applied to register a trade mark in Class 25 in respect of:

Articles of clothing, swimwear, underwear, footwear and headgear.

2. The mark applied for is as follows:



DREAMKIT

3. On 14 November 2002, KTS Group Limited filed notice of opposition, the grounds on which the opposition is based being as follows:

1. Under Section 5(2)(b) because the mark applied for is a similar mark to the opponents' earlier marks and is sought to be registered for identical or similar goods to those covered by the earlier marks such that there exists a likelihood of confusion.

2. Under Section 5(4)(a) by virtue of the law of passing off.

4. The applicants filed a counterstatement in which they deny the grounds on which the opposition is based.

5. Both sides ask that an award of costs be made in their favour.

6. Only the opponents filed evidence in these proceedings. Neither party took up the offer of an oral hearing, preferring instead to make written submissions and have the matter determined from the papers.

Opponents= evidence

7. This consists of a Statutory Declaration dated 16 May 2003, from Tahir Sharif, a Director of KTS Group Limited, having been with the company since its formation. He says that his company is the ultimate holding company of KTS Holdings Limited, KTS Fashions Limited, and Flick Fashions Limited, each company having made common use of the trade marks owned by the group.

8. Mr Sharif says that his company has licensed use of the mark DREAM, although apart from saying that they have received over , 100,000 in royalties, gives no further details. He says that KTS group companies have been retailing DREAMS branded clothing since 1982, and goes on to set out the approximate turnover and unit sales figures derived from his own company's use, the figures being as follows:

Year	Approximate Turnover	Approximate Units sold
1996	, 6.5 million	1.4 million
1997	, 5.7 million	1.1 million
1998	, 5.6 million	1.1 million
1999	, 5.1 million	1.0 million
2000	, 4.6 million	0.9 million

9. He says that his company markets its DREAMS branded goods to retailers throughout the UK, although gives no details, and sells its clothing directly through their own chain of TIME clothing stores, which he lists. This shows the opponents to have been trading through nine stores located in London, Essex, Watford and Kent, the first shop having opened in 1978. He details the turnover from these stores, stating that at least 40% consists of sales of DREAMS branded clothing.

10. Mr Sharif goes on to say that the applicants appear to use DREAMKIT to market particular items of ladies clothing in the colours of football team kits, and accordingly, that KIT must be descriptive with any distinctiveness resting in the word DREAM. Mr Sharif asserts that the use of the DK monogram serves to highlight that the applicants' mark is composed of these two elements. The rest of his Declaration consists of submissions on the relative merits of the case, or introduces the following exhibits:

TS1(A) consists of various letters confirming, inter alia, that the companies forming the KTS group are authorised users of the DREAMS and/or TIMELESS DREAMS trade mark registrations,

TS1(B) list of customers, including some in the UK, although not detailing what was purchased or when,

- TS1(C) letters from customers detailing their knowledge of the DREAMS trade mark, the earliest dating back to 1982, the use being in respect of goods such as trousers, T-shirts, blouses, dresses, cardigans, jumpers, jackets, etc. Some give their opinion of the quality of DREAMS merchandise, or express a view on the likelihood of confusion, although seemingly as an unqualified personal opinion,
- TS1(D) extract from the applicants' website showing them to trade in women's lingerie styled along the lines of football club kit,
- TS1(E) photographs of KTS DREAMS clothing, depicting various tops, vests, shorts and a skirt, although there is nothing that indicated these goods were on sale prior to, or at the relevant date, or even that they are currently on sale.

11. That concludes my review of the evidence insofar as it is relevant to these proceedings.

Decision

12. In his written submissions on behalf of the applicants, Mr Weatherley of Venner Shipley & Co enclosed some examples of how the applicants use their mark, and details of a search for possible conflicting trade marks conducted by the applicants prior to filing their application.

13. The examples of how the applicants use the mark is, in effect, evidence, and should properly have been presented in the prescribed manner during the evidence rounds; they elected not to do so. Whilst it provides an insight into how the applicants are likely to use their mark in normal and fair use, it is the mark as applied for that I must consider.

14. Then there are the existing registrations. In my view, what I have to consider under Section 5(2) is whether the mark applied for should be prevented from proceeding to registration because of a likelihood of confusion with the opponents' earlier trade marks. I can see nothing that suggests I should have regard to other registrations, nor have I been directed to any authority in support of such a proposition. The existence of other registrations is no more than a state of the register evidence. In *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 Mr Justice Jacob commented

"Both sides invited me to have regard to the state of the register. Some traders have registered marks consisting of or incorporating the word "Treat". I do not think this assists the factual inquiry one way or the other, save perhaps to confirm that this is the sort of word in which traders would like a monopoly. In particular the state of the register does not tell you what is actually happening out in the market and in any event one has no idea what the circumstances were which led the registrar to put the marks concerned on the register. It has long been held under the old Act that comparison with other marks on the register is in principle irrelevant when considering a particular mark tendered for registration, see e.g. *MADAM Trade Mark* and the same must be true under the 1994 Act. I disregard the state of the register evidence."

15. Having disposed of these two points, I turn first to consider the ground under Section 5(2)(b). That section reads as follows:

A5.-(2) A trade mark shall not be registered if becauseB

- (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.@

16. An earlier trade mark is defined in Section 6 of the Act as follows:

A6.- (1) In this Act an Aearlier trade mark@meansB

- (a) a registered trade mark, international trade mark (UK) or Community trade mark 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,@

17. In my consideration of a likelihood of confusion or deception I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] 45 F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723. It is clear from these cases that:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*,
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, 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; *Lloyd*

Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.,

- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*,
- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*,
- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,
- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v Puma AG*,
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*,
- (h) further, 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; *Marca Mode CV v Adidas AG*,
- (i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*.

18. The opponents rely on four earlier trade marks, three (Nos. 1172512, 1255183 and 2060937) being for the word DREAMS, the fourth (2216417) for the word DREAM. All are registered in respect of articles of clothing. I propose to conduct my comparison based on the registration for DREAM, as in my view this is their best case, and if they are unsuccessful in respect of this registration, they will be in no better a position in respect of the other three.

19. Both the specification of the application, and the opponents' earlier mark, contain the terms 'clothing, footwear and headgear' which encompasses all items of clothing to be found in Class 25, so identical goods are involved. In neither case is there any form of limitation, and I must therefore assume that they notionally share the same channels of trade, from manufacturer to retailer, and also the same consumer. Although, in general, clothing may not seem to be so expensive, technical or specialised so as to warrant a high degree of attention, the purchase is a considered and deliberate act. The average consumer will pay attention to

the purchase, taking care in the selection of the style, colour, price, etc, although some of this may be of secondary importance to the brand conscious consumer seeking the in-vogue designer label.

20. The mark applied for consists of the word DREAMKIT as one word in upper case, placed below a monogram composed of a letter D and a K. It seems likely to me that the letters are intended to be in this order so as to mirror the word below. Whilst the monogram is a distinctive element of the mark, I take the view that a consumer referring to the mark is more likely to do so by reference to the word DREAMKIT than by the monogram. The opponents argue that having this monogram reinforces the likelihood of confusion and of association, by predisposing the reader to mentally separate DREAM and KIT...¹⁰ Even though the case law states that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details¹¹, I do not consider this to be an unreasonable contention. The monogram is there and the fact that it is composed of the letters D and K, in my view serves to emphasise, and will lead the consumer to see that the mark is made up of two words run together. It also suggests that this is the way that the applicants themselves view the mark, and in fact, is how they present the word DREAMKIT in the examples provided with Mr Weatherley's written submissions.

21. Even though the requirement is that marks be compared as a whole, it is inevitable that where they are composed of a number of elements, one of which is particularly distinctive and dominant, that the focus of attention will be on that element, a position recognised in the *Sabel* case. Apart from the slightly laudatory connotation of the word DREAM, I consider the word to have no relevance for clothing, and to be capable of functioning as a badge of origin for such goods. As the applicants' own website highlights, the word AKIT¹² has a particular relevance for clothing linked to sporting activities, and I also take judicial note of the entry in Collins English Dictionary giving, amongst others, the meaning of clothing and other personal effects, esp those for travellers¹³. I do not consider that either of these uses would be a stranger to someone conversant with the English language.

22. As I have already stated, the average consumer is considered to perceive a mark as a whole, and that in any comparison, the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions that they create. I am, however, mindful of the decision of Mr Simon Thorley QC, sitting as the Appointed Person in the *React* trade mark case [2000] RPC 285. In considering the question of the importance of the eye and the ear in the selection of clothing, Mr Thorley said:

There is no evidence to support [Counsel's] submissions that, in the absence of any particular reputation, consumers select clothes by the eye rather than by placing orders by word of mouth. Nevertheless, my own experience tells me it is true of most casual shopping. I have not overlooked the fact that catalogues and telephone orders play a significant role in that trade, but in my experience the initial selection of goods is still made by eye and subsequent order usually placed primarily by reference to a catalogue number. I am therefore prepared to accept that a majority of the public rely primarily on visual means to identify the trade origin of clothing, although I would not go so far as to say that aural means of identification are not relied upon.¹⁴

23. Whilst the *React* trade mark case indicates that in a case such as this it is the visual similarity of the respective marks that is of primary importance, it does not say that I should give no weight to the question of aural and/or conceptual similarity. The applicants' mark contains the opponents' mark in its entirety, with a descriptive word tagged on the end, and I consider there to be a strong visual similarity. Clearly the additional element, distinctive or not, has an effect on the oral and aural similarity. I do not know whether a consumer is likely to order goods by requesting some ADREAM@kit, but it does not seem to be beyond the realms of possibility, nor do I consider that a retailer receiving an enquiry about DREAMKIT will take this to be an enquiry relating to DREAM clothing. But whatever, given that both marks are, or incorporate the word DREAM, there must be a good degree of oral and aural similarity. I believe that for the reasons I have given above, there must also be a similarity in the idea created by both marks.

24. The evidence suggests that the opponents have been using the trade mark DREAMS for some considerable time, and that they have made reasonably significant sales of a number of items of clothing, albeit not the full range covered by their earlier mark. There is, however, no specific evidence of any sales, only anecdotal comments from persons and traders who attest to having purchased items of DREAMS clothing from the opponents, or an associated company. As such I do not consider that the evidence justifies granting the opponents' earlier mark wider protection than it would otherwise have been afforded.

25. Setting aside the monogram, in my view, DREAM is the distinctive, and also the dominant component of the applicants' mark, and more so given its positioning at the beginning of the mark. I consider the consumer will, either on first impression, or will be led, to take the view, that DREAMKIT is made up of two words, and will regard DREAM as the badge of origin, KIT being a reference to the goods.

26. On a global appreciation of these and all of the other surrounding circumstances, there is every likelihood that the public will be led into wrongly believing that the respective goods come from the same or economically linked undertakings, and there is a likelihood of confusion, particularly so given the potential for imperfect recollection. Accordingly, the objection under Section 5(2)(b) succeeds.

27. My finding under Section 5(2)(b) means that I do not need to go on to consider the ground under Section 5(4)(a). Nor do I believe that if I were to do so, and the opponents' were successful, that they would be in any better position, for their evidence attests to use in respect of a much narrower range of goods. I am also conscious of the effect of the lack of any real evidence of sales, particularly given the comments of Pumfrey J in *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenmy Gary Stringer (a partnership)* case, [2002] RPC 19, in which he said:

There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirement of the objection itself are considerably more stringent than the enquiry under Section 11 of the 1938 Act (See *Smith Hayden (OVAX)* (1946) 63 RPC

97 as qualified by BALI [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised the applicant must rebut the prima facie case. Obviously he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur.®

28. Whilst the evidence contains some of the facts®, it is, as I have said, anecdotal, with little or nothing to substantiate how, what, where or when the trade attested to took place.

29. The opposition having been successful, the opponents are entitled to an award of costs. I order the applicants to pay the opponents the sum of , 1,200 as a contribution towards their costs. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 3rd day of December 2003

**Mike Foley
for the Registrar
the Comptroller General**