

O-251-07

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2399575
BY CHORKEE LTD
TO REGISTER THE TRADE MARK:**



IN CLASSES 16 AND 25

AND

**THE OPPOSITION THERETO
UNDER NO 94024
BY
CHEROKEE INC**

Trade Marks Act 1994

**In the matter of application no 2399575
by Chorkee Ltd
to register the trade mark:**



**in classes 16 and 25
and the opposition thereto
under no 94024
by Cherokee Inc**

INTRODUCTION

1) On 17 August 2005 Chorkee Ltd, which I will refer to as CL, applied to register the above trade mark. The application was published for opposition purposes in the *Trade Marks Journal* on 30 September 2005. The specification of the application reads:

paper, cardboard and goods made from these materials, not included in other classes; printed matter; book binding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers' type; printing blocks;

clothing, footwear, headgear.

The above goods are in classes 16 and 25 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

2) CL's trade mark is in colour but there has been no claim to colour.

3) On 29 December 2005 Cherokee Inc, which I will refer to as Inc, filed a notice of opposition to the application. In its notice of opposition Inc lists four trade mark registrations upon which it relies:

- United Kingdom registration no 1270418ⁱ of the trade mark CHEROKEE. The application for registration was made on 2 July 1986 and the trade mark was registered on 27 July 1990. It is registered for the following goods:

articles of clothing; but not including footwear.

The above goods are in class 25 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. Inc claims that the trade mark has been used for all goods in the specification within five years of the date of the publication of CL's application.

- United Kingdom registration no 1182781 of the trade mark CHEROKEE. The application for registration was made on 4 October 1982. It is registered for the following goods:

footwear being articles of clothing.

The above goods are in class 25 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. Inc claims that the trade mark has been used for all goods in the specification within five years of the date of the publication of CL's application.

- Community registration no 1490184 of the trade mark CHEROKEE. The application for registration was made on 3 February 2000 and the trade mark was registered on 13 April 2005. It is registered for the following goods:

soaps for face and body, facial scrubs, beauty cream, cold cream, skin moisturising creams, skin toners, vanishing cream, shaving creams, hair shampoos, hair conditioners, lipstick, lip glosses, rouges, eye makeup, eyebrow pencils, mascara, blush and nail polish, suntan lotion, perfumery and essential oils;

eyewear, namely eyeglasses, eyeglass chains, eyeglass frames, eyeglass lenses, contact lenses, sunglasses and cases and parts therefor; binoculars and parts therefor; pre-recorded audio and video tapes, discs and cassettes featuring sports and fashion, blank audio and video tapes, cassettes and discs; phonograph, musical sound recordings, stereos, CD players and recorders, tape and cassette players and recorders, televisions and monitors, video recorders and players, radios, speakers, headphones, batteries and battery packs, tuners, receivers, amplifiers, equalisers, telephones, answering machines, and computer programs recorded on discs, cartridges and tapes for use in the sports and fashion fields; audio, video and camera equipment, namely cameras, camera cases, tripods, exposed film; computer software; telephones; helmets; and electric hair curlers;

jewelry, horological and chronometric instruments including clocks, watches, wrist watches; goods comprising, containing or coated with precious metals or their alloys, and precious stones;

leather and imitation of leather, animal skins, hides and goods made of these and other materials, namely gym bags, athletic bags, sports bags, travel bags, back

packs, fanny packs, waist packs, handbags, purses, cases and brief cases, wallets, coin holders, cosmetic cases, beach chairs, beach umbrellas, luggage and luggage straps;

towels, washcloths, sheets, pillow cases; bed, bath and table covers; textiles and other textile goods not included in other classes;

clothing, footwear, headgear.

The above goods are in classes 3, 9, 14, 18, 24 and 25 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

- Community registration no 2480218 of the trade mark:



The application for registration was made on 21 November 2001 and the trade mark was registered on 1 August 2003. It is registered for the following goods:

soaps for face and body; facial scrubs; cosmetics, namely, beauty cream, cold cream, vanishing cream, shaving cream, rouges, eyebrow pencils, mascara, lipstick, lip glosses, eye makeup, eyebrow pencils, blushes and nail polish; suntan lotion; perfumery and essential oils; non-medicated hair care preparations, hair shampoos, hair conditioners; non-medicated skin care preparations, namely, wrinkle-removing skin care preparations, skin abrasive preparations, skin lotion, skin toners, and skin moisturiser; baby wipes, baby soap, baby oil, baby lotion, baby powder, and baby shampoo;

eyeglasses; sunglasses, eyeglass cases, eyeglass chains, eyeglass frames, and eyeglass lenses; compact disc players, compact disc recorders, mini disc players, mini disc recorders, cassette players, micro-cassette recorders, radios, stereo receivers, stereo tuners, phonographs, audio speakers, headphones, blank compact discs, blank mini discs, blank cassette tapes, compact disc cleaning kits comprised of disc cleaners and cleaning solution, speaker cables, stereo cables; blank video cassette tapes, blank DVD discs, DVD disc cleaning kits comprised of disc cleaners and cleaning solution; video cameras, camcorders, cameras; palm-type computers; calculators; personal computers, computer hard drives, computer monitors, computer keyboards, computer mouse, blank CD-Roms, modems, computer printers, optical scanners, digital cameras for the computer, electronic organisers; telephone cords, telephone headsets, cellular phones, caller ID boxes, telephone answering machines and voice-mail systems comprised

of hardware and general use interactive computer software for answering and routing telephone calls, for recording, saving and relaying messages and for paging the user, for use by telephone users, facsimile machines and cellular phone cases; namely, 12-volt portable stove, 12-volt coffee maker, 12-volt beverage heater, 12-volt mini cooler and warmer and 12-volt lights; two-way radios; wireless modems, power inverters; emergency weather alert warning radios, avalanche beacons; radio scanners, radar detectors; blank recording discs; cash registers; data processors; fire extinguishers;

precious metals; namely silver, gold, and platinum; goods of precious metal or coated therewith, precious gemstones; jewellery; clocks, watches and timekeeping instruments and parts and fittings therefor;

luggage, purses, gym bags, brief cases, wallets, coin purses, cosmetic cases sold empty, handbags, waist packs, backpacks, fanny packs, small leather goods; diaper bags, baby carriers worn on the body, nurser bags for use with babies; and belts;

armchairs; bed frames; bedroom furniture; beds; benches; furniture cabinets; wood carvings, chairs; furniture chest, couches; cushions; divans; embroidery frames, figures and figurines of bone, ivory, plaster, plastic, wax or wood; lawn furniture; living room furniture; love seats; magazine racks; wood boxes; plastic boxes; furniture mirrors; non-metal money boxes; picture frame mouldings; magazine racks; sculptures of bone, ivory, plaster, plastic, wax or wood; sideboards; sofas; statuettes of bone, ivory, plaster, plastic, wax or wood; stools; storage racks; furniture tables; venetian blinds; waterbeds; and window shades;

textiles and textile goods; towels, wash cloths, sheets, pillow cases, pillow shams, bed spreads, comforters, quilts, eiderdowns, bed blankets, mattress covers, quilt covers, bed linen, upholstery fabrics, curtains, table covers, napkins, table mats, place mats, oven gloves and mitts, handkerchiefs, cloths for washing of the body, bath linen;

men's and women's clothing, namely, shirts, shorts, pants, jeans, jackets, skirts, slacks, blouses, dresses, vests, coats, sweaters, scarves, swimsuits, underwear, underpants, slips, camisoles, bras, nightgowns, robes, socks, hosiery; infants' and children's clothing, namely t-shirts, sweaters, long sleeved shirts, shorts, pants, jumpers, jumpsuits, overall, one-piece playsuits, pyjamas, socks, dresses, skirts; men's, women's, children's and infant's footwear and headwear.

The above goods are in classes 3, 9, 14, 18, 20, 24 and 25 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

4) Inc states that the goods of its earlier registrations are identical and similar to *clothing, footwear, headgear* of the application. It claims that the respective trade marks are similar. Consequently, there is a likelihood of confusion and registration of the trade mark would be contrary to section 5(2)(b) of the Trade Marks Act 1994 (the Act). Inc claims that the reputation that it enjoys in relation to its trade marks will increase the likelihood of confusion.

5) Inc claims that its trade marks have a reputation for articles of clothing and accessories etc (sic), house wares and small electronics. Inc claims:

“The Opponent enjoys a significant reputation under the mark in the UK and throughout Europe in relation to a wide range of products and particularly articles of clothing, accessories and the like; house wares and small electronics. Products under the CHEROKEE sign are widely marketed in the U.K. through the Tesco Stores chain Use of the similar sign CHORKEE in relation to any of the goods covered by the application would cause dilution to the reputation enjoyed by the Opponent in the mark and erosion of the opponent’s rights in the mark.”

In its statement of grounds Inc also states that it enjoys a significant reputation in the United Kingdom in relation to the trade mark CHEROKEE and that use of the trade mark by CL would take unfair advantage of that reputation and would be detrimental to the distinctive character and repute of its trade mark. Consequently, registration of the trade mark would be contrary to section 5(3) of the Act.

6) Inc seeks the total refusal of the application and an award of costs.

7) CL filed a counterstatement. CL requires proof of use of trade mark registration nos 1182781 and 1270418. CL denies that the respective trade marks are similar. CL denies that the earlier trade marks have a reputation in the United Kingdom (and in the case of the Community trade marks that they have a reputation in the European Union). CL states that any reputation that the earlier trade marks may have is restricted to their use in Tesco stores, with whom they are closely associated. CL states that it does not sell any of its products in Tesco and so the likelihood of confusion is further reduced. CL denies the validity of the objections under sections 5(2)(b) and 5(3) of the Act. CL requests that the application is registered and seeks an award of costs.

8) Only Inc filed evidence.

9) The sides were advised that they had a right to a hearing and that if neither side requested a hearing a decision would be made from the papers and any written submissions that were received. Neither side requested a hearing; Inc submitted written submissions.

EVIDENCE AND DECISION

10) The evidence consists of a witness statement by Emer Kelly. Ms Kelly is the intellectual property manager of Tesco. The beginning of Ms Kelly's statement deals with part of the history of Tesco, I cannot see the relevance of this in this case. Ms Kelly's statement has significant flaws. The facts of this case have to be considered at the date of application, 17 August 2005 (the material date), except in relation to proof of use of the two United Kingdom registrations; the period of proof of use runs up to the date of publication of the application, 30 September 2005. Included in Ms Kelly's evidence are four exhibits. All of exhibit EK2 consists of material emanating from November 2006. There is no indication as to the date from which the material exhibited at EK3 emanates. The material exhibited at EK4(i), (ii) and (iii) emanates from 30 November 2006, March/April 2007 and 9 March 2007 respectively. All of the aforesaid exhibits emanate from well after the material date (and the proof of use date) or are without a date and so I will not take them into account. Exhibit EK1 consists of two annual reviews and summary financial statements from Tesco for 2005 and 2006. The years that are used in relation to the reports are slightly misleading as the reports really relate mostly to the previous years (the financial year for 2006 ending on 25 February 2006). So all of the 2005 report can be taken into account. The 2006 report states (at page 26) that the CHEROKEE range of clothing was introduced in the Czech Republic, Poland and Slovakia in February 2006 and that there were plans to launch the range in Hungary in the autumn. This use and proposed use is after the date of application for registration and so is of no assistance to Inc's claim under section 5(3) in relation to its Community trade marks. The evidence of Ms Kelly gives no turnover figures in relation to use in the European Union, which is significant in relation to the claim of reputation of the Community trade marks. There is also no evidence of use of trade mark registration no 2480218.

11) Ms Kelly states that it was decided in the early part of 2002 to enter into an exclusive distribution agreement with Cherokee Inc and CHEROKEE clothing was launched by Tesco as part of the autumn/winter range for 2002. Ms Kelly does not advise if this exclusive distribution agreement was for the United Kingdom alone or for the European Union at large or in part. Ms Kelly states that the CHEROKEE brand provides Tesco customers with a fashionable range of denim, casual and activity outdoor clothing. She states that in the early part of 2002 this was a general range of clothing but the emphasis was towards children clothing. She states that since the end of 2004/2005 CHEROKEE has been virtually exclusively for children. (The evidence exhibited at EK4 shows that there were still adult ranges of clothing sold under the brand as late as April 2007, see pages 75 – 77 of *Tesco Magazine*.) Ms Kelly states that men's and women's clothing is sold under the brands Florence & Fred or F&F.

12) Ms Kelly gives the turnover for clothing sold by Tesco under the CHEROKEE brand in the United Kingdom as follows:

2002 £59 million
2003 £162 million

2004 £243 million
2005 £305 million

13) Ms Kelly states that CHEROKEE branded goods represent 50% of all clothing sold by Tesco. She states that clothing is not sold in all of Tesco's stores but mainly in the new Extra or Plus stores. Ms Kelly states that, as of 8 March 2007, there were 360 stores in the United Kingdom that sold CHEROKEE clothing and a further 350 stores that sold CHEROKEE branded essentials (socks and underwear). She states that where Tesco has a "clothing format/department" the CHEROKEE name is "promptly and clearly seen by customers shopping in the store". I am unsure as to how Ms Kelly can make this statement. She could state that there is clear and prominent signage but she can hardly state what customers see and/or what they perceive; without research to this effect. Ms Kelly states that in the 52 weeks ending 17 September 2006 Tesco clothing amounted to 7% of all "units" sold in the United Kingdom clothing market.

14) Ms Kelly states that the following amounts were spent on marketing and promotion:

2002 £0.5 million
2003 £0.8 million
2004 £1.0 million
2005 £4.0 million

Ms Kelly states that this consists of advertisements, in-store promotion and designing and promoting CHEROKEE on the Internet for tesco.com.

15) Despite the claims in the statement of case and notice of opposition there is no indication of use of the trade mark CHEROKEE on anything other than clothing.

16) There is no evidence of use at all of the trade mark the subject of Community registration no 2480218 and so Inc cannot claim a reputation in respect of this trade mark for the purposes of either section 5(2)(b) or section 5(3) of the Act. In the case of Community trade mark registration no 1490184, for the purposes of section 5(3) of the Act, Inc has to show a reputation in the European Union, not just in the United Kingdomⁱⁱ. The evidence fails totally to address this matter and so Inc cannot claim a reputation in respect of the section 5(3) objection based on this registration.

17) In relation to the two United Kingdom registrations, Inc has to establish that it enjoyed a reputation as of the date of application, in relation to its claims of a reputation under section 5(2)(b) and 5(3)(b) of the Act; it also has to prove use of the trade mark within a period of five years prior to the date of publication. The nature of the witness statement and the failings of the exhibit mean that there is, to some extent, a lack of specificity either to the nature of the goods that have been sold under the trade mark and as to date.

18) In relation to the requirement for proof of use of the United Kingdom registrations it is clear that clothing has been sold under the trade mark and in large quantities but

clothing can be subdivided into various sub-categoriesⁱⁱⁱ¹ and it is difficult from the evidence to ascertain the precise nature of the clothing that had been sold at the date of publication of the application. (Ms Kelly has stated that Tesco has an exclusive deal with Inc and so use by Tesco must be accepted as being with the consent of Inc. There has been no challenge to this statement of Ms Kelly^{iv}.) Ms Kelly refers to denim, casual and activity outdoor clothing. The 2005 annual review and summary financial statement states that the brand “offers high quality, fashionable casual wear”. Ms Kelly also refers to socks and underwear but the use of the trade mark in relation to these goods cannot be tied down to a period prior to the date of publication of the application. In the 2006 annual review and financial statement (at page 26) the following appears:

“The Cherokee range is available for women, men, kids and babies and we are planning to extend the range to footwear, accessories and nightwear.”

The report emanates from after both the dates of application and publication of the application and so indicates that the trade mark was not being used in relation to such goods at either of these dates.

19) There is no indication of the trade mark CHEROKEE having been used in the United Kingdom in relation to footwear in the five year period prior to the publication of the application. Indeed, the opposite is the case, there is a clear indication that it had not been used on such goods (see above). Consequently, as per section 6A of the Act^v registration no 1182781 cannot be taken into account in relation to these proceedings.

20) The evidence shows use, in the five year prior to the date of publication of the application, for various items of clothing. It is necessary to decide what would be a fair specification, a specification that is neither too wide nor overly pernickety^{vi}. It is necessary to decide what would be a fair way to describe the use of the CHEROKEE trade mark. The 1995 annual review and summary financial statement describes CHEROKEE as offering “high quality, fashionable, casual wear”. The 2006 annual review and summary financial statement refers to the brand being for women, men, kids and babies. **Taking into account all the evidence before me I consider that a fair specification for registration no 1270418 is: casual clothing; but not including footwear (the exclusion being born of the original specification).** (Casual clothing appears to me to be a recognisable sub-category of clothing.)

21) In order to be able to seek assistance from section 5(3) of the Act Inc must establish that “a significant part of the public concerned by the products or services covered^{vii}” have knowledge of the CHEROKEE trade mark in respect of the goods of the specification in paragraph 20. The evidence shows use only in Tesco stores. Use in only one retailer could be damning, there is a de facto limitation of the potential “audience”. However, the size of Tesco is a notorious fact, as its position in the market place. (The two annual reviews and summary financial statements also show this.) Sale in Tesco stores gives rise

¹ In this decision there are references to the ECJ, the European Court of Justice, and the CFI, the Court of First Instance (also a court of the European Union). All judgments of both courts can be found at the URL <http://curia.europa.eu/jurisp/cgi-bin/form.pl?lang=en>.

to a huge, potential audience, I note that CHEROKEE goods have not been available in Tesco stores. There are many flaws in the evidence but I consider that the turnover figures are of such a scale that Inc has established the requisite reputation in respect of *casual clothing; but not including footwear*.

22) Inc also relies upon reputation in respect of section 5(2)(b) of the Act. I will deal with this later in the decision.

Likelihood of confusion – section 5(2)(b) of the Act

23) According to section 5(2)(b) of the Act a trade mark shall not be registered if because:

“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.”

Section 6(1)(a) of the Act defines an earlier trade mark as:

“a registered trade mark, international trade mark (UK), 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”

Inc’s two Community trade mark registrations are earlier trade marks within the meaning of the Act. As per section 6A of the Act registration no 1182781 cannot be taken into account and registration no 1270418 can only be taken into account in respect of *casual clothing; but not including footwear*. Registration no 2480218 includes a device element and a stylisation of the word element, consequently, Inc’s position in relation to this trade mark, taking into account the specification for registration 1490184, must be worse than for the latter trade mark. Consequently, I consider that it is only necessary to consider registration nos 1490184 and 1270418, both for the trade mark CHEROKEE.

Average consumer and purchasing process

24) The goods in question are bought by the public at large. In my experience there is a good deal of brand consciousness in relation to clothing, headgear and footwear, the brand often being as important or even more important than the actual garment; this is indicated by the propensity of brand owners to put the trade mark on the outside of clothing and footwear. The purchasers of clothing take a reasonable degree of care and interest in the purchasing of clothing and footwear. The case law holds that in relation to clothing it is the visual impression of the trade mark is important^{viii}.

Comparison of goods

25) Registration no 1490184's class 25 specification is identical to that of the application, so the goods are identical. *Clothing* of the specification of the application encompasses *casual clothing; but not including footwear*. "Goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application^{ix}". Consequently, *clothing* of the application is identical to the goods of registration no 1270418, as determined under section 6A of the Act.

26) In assessing the similarity of goods it is necessary to take into account, inter alia, their nature, their intended purpose^x, their method of use and whether they are in competition with each other or are complementary^{xi}. In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J considered that the following should be taken into account when assessing the similarity of goods and/or services:

- “(a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

In “construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade^{xiii}”. Words should be given their natural meaning within the context in which they are used, they cannot be given an unnaturally narrow meaning^{xiii}. The class of the goods in which they are placed is relevant in determining the nature of the goods^{xiv}. Consideration should be given as to how the average consumer would view the goods^{xv}. In considering *headgear* in relation to the section 6A specification, one of the relevant contexts is that the terminology emanates from the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. The class heading for class 25 is clothing, footwear and headgear; in the context of use it must be presumed that clothing and headgear are separate, that they do not encompass the same goods. The nature of the specific specification for registration no 1270418 specifically excludes footwear. Consequently, I do not consider that the remaining goods of the application can be considered to be identical to those of registration no 1270418.

27) The goods of registration no 1274018 and *footwear* and *headgear* are all for wear, they have this in common and have, consequently, the same basic intended purpose and method of use, even if on a fairly general level. I do not consider that one would readily substitute one set of the goods for another set of goods and so cannot see that they are in competition. The goods could be made of the same materials but many goods are made of leather or fabric and so I do not consider that this in itself tells a great deal. In my experience it is not uncommon for *casual clothing* and *footwear* and *headgear* to be sold in the same outlets and so to have the same distribution channels^{xvi}. The CFI has held that goods may be considered complementary if they “have a common aesthetic function by jointly contributing to the external image (‘look’) of the consumer concerned^{xvii}”. The CFI went on to state:

“50 The perception of the connections between them must therefore be assessed by taking account of any attempt at coordinating presentation of that look, that is to say coordination of its various components at the design stage or when they are purchased. That coordination may exist in particular between clothing, footwear and headgear in class 25 and the various clothing accessories which complement them such as handbags in class 18. Any such coordination depends on the consumer concerned, the type of activity for which that look is put together (work, sport or leisure in particular), or the marketing strategies of the businesses in the sector. Furthermore, the fact that the goods are often sold in the same specialist sales outlets is likely to facilitate the perception by the relevant consumer of the close connections between them and strengthen the perception that the same undertaking is responsible for the production of those goods.”

Headgear and *footwear* could readily be purchased to coordinate items of *casual clothing*; one often sees this in relation to that clothing which is both for casual wear and potentially for sports wear eg trainers, tracksuits and various hats. I consider that the respective goods are complementary. **Taking into account the nature of the trade and various other points of conjunction, I consider that there is a good deal of similarity between *casual clothing*; but not including *footwear* and *footwear* and *headgear*.**

Comparison of trade marks

28) The trade marks to be compared are:

Inc’s trade mark:

CHEROKEE

CL’s trade mark:



29) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details^{xviii}. 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^{xix}. Consequently, I must not indulge in an artificial dissection of the trade marks, although I need to take into account any distinctive and dominant components. The average consumer 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 he/she is deemed to be reasonably well informed and reasonably circumspect and observant^{xx}. The assessment of the similarity of the trade marks must be made by reference to the perception of the relevant public^{xxi}.

30) Inc states in its submissions that “[t]he meaning and how the word is pronounced will be lost on the average customer and most likely children.” I assume that Inc is referring to the meaning of its trade mark. I find it difficult to envisage that the average consumer for the goods will not be aware that the Cherokee Nation is a native American tribe. Native Americans have long been a staple of the films and television shows, many of which are aimed at children. I consider that Cherokee has a well-known meaning and that Inc’s trade mark will be inextricably linked to that meaning. I am of the view that there is no individual distinctive and dominant component of Inc’s trade mark; the distinctiveness lies in the trade mark as a whole. CL’s trade mark includes a coloured oval background, for which colour has not been claimed. I am of the view that the oval will be seen primarily as a background and that the distinctive and dominant element of the trade mark is the invented word CHORKEE. I cannot see that this word can be divided into different elements in respect of distinctiveness and dominance.

31) CHEROKEE as a well-established and readily grasped meaning. CHORKEE has no meaning. Consequently, there is a conceptual dissimilarity; although not the extreme dissimilarity of conceptual dissonance where each trade mark has a meaning and those meanings have different conceptual associations.

32) The well-known meaning of CHEROKEE means that it is likely to be pronounced in a standard fashion of CHE – RO – KEY or CHE – ROH – KEY. It will be spoken as a three syllable word. CHORKEE has two syllables. In its counterstatement CL claimed that its trade mark is likely to be pronounced as chalky. It seems to me that this is the most likely manner of pronunciation and, as chalky is common English word, CL’s trade mark is likely to be heard as chalky. Hearing is a perception, one is not just considering sound recorded on a graph; as a perception it engages what the brain has learnt. So if two sounds are heard with divergent meanings the brain is going to distinguish between them, after all this is the basis of language. Consequently, if CHEROKEE and chalky are heard, then the listener will clearly distinguish between them; will not confuse the two sounds. The sounds of the two trade marks will create a conceptual dissonance. Therefore, in my view, any apparent similarity in sound will be lost in the processing of the sound by the brain and lead to the sounds being perceived differently.

33) All of the letters of CL's trade mark occur in the trade mark of Inc. The visual difference lies in additional E and the inversion of the letters OR. I am of the view that there is a good deal of visual similarity between the respective trade marks.

Likelihood of confusion – conclusion

34) In considering whether there is a likelihood of confusion various factors have to be taken into account. There is the interdependency principle – a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods, and vice versa^{xxii}. In respect of the Community trade mark the respective goods are identical, in respect of the United Kingdom trade mark there are identical and highly similar goods. It is necessary to consider the distinctive character of the earlier trade mark; the more distinctive the earlier trade mark (either by nature or nurture) the greater the likelihood of confusion^{xxiii}. The distinctive character of a trade mark can be appraised only, first, by reference to the goods or services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public^{xxiv}. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the mark to identify the goods 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^{xxv}. CHEROKEE does not allude to the class 25 goods, as a well-known word it has the ability to hook onto the memory of the purchaser. I consider that it has a good degree of inherent distinctiveness. If the trade mark was not at the top end of the distinctiveness scale intrinsically, it would be pushed there, in the United Kingdom, by the reputation that it has. Reputation can also come into play where there is a distance between the respective goods; in this case the goods are either identical or very similar.

35) “[G]enerally, the purchase of an item of clothing involves a visual examination of the marks^{xxvi}.” The respective trade marks are not conceptually similar; owing to the conceptual dissonance that would arise in oral use, they are not phonetically similar (although they might have phonetic similarities). Inc's case rests very much on the visual similarity, something which is of importance in relation to the respective goods. It has been well established that conceptual differences can counteract visual and aural similarities^{xxvii}, as long as the meaning is clear and can be grasped immediately^{xxviii}. In this case the meaning of CHEROKEE will be grasped immediately. In oral use there is a conceptual dissonance between the words CHEROKEE and chalky. One has both a lack of conceptual similarity and conceptual dissonance on one side and a good deal of visual similarity on the other. In considering whether trade marks are similar the perception of the relevant public has to be taken into account^{xxix} and so I take into account the average consumer and the nature of the purchasing process. I also have to take into account that trade marks are rarely compared directly, the average consumer will be prey to imperfect recollection. The average consumer, whether directed in his or purchase by a child (as suggested in the submissions of Inc) will have conceptual hooks in relation to the earlier trade mark upon which the memory can hang. **I consider that taking all the factors of this case into consideration that there is not a likelihood of confusion and that the grounds of objection under section 5(2)(b) of the Act should be dismissed.**

Section 5(3) of the Act

36) Section 5(3) of the Act reads:

“(3) A trade mark which is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

37) I have already decided that Inc enjoys the requisite reputation in respect of United Kingdom trade mark registration no 1270418 in respect of *casual clothing*; *but not including footwear*.

38) Likelihood of confusion is not a requirement in respect of section 5(3) of the Act^{xxx}. However as with likelihood of confusion it is necessary to make a global appreciation^{xxxii}. In order to succeed under section 5(3) it is necessary to establish that the relevant section of the public would make a link between the earlier trade mark and the later trade mark^{xxxii}. It needs to be a link that affects economic behaviour^{xxxiii}. Lindsay J has held that there has to be an additional link^{xxxiv}. Unfortunately, despite repeated reading of Lindsay J’s judgment I am unable to grasp exactly what this additional link is. The damage or advantage must be more than a mere hypothetical possibility^{xxxv}. In a global appreciation Inc’s best case must lay with the goods that are the closest to those for which it has a reputation, the identical goods ie *articles of clothing* of the application. Taking into account all the factors that need to be considered in the global appreciation,^{xxxvi} I consider that owing to the differences in the respective trade marks, as discussed in relation to likelihood of confusion, that the relevant public in most unlikely to make a link between the respective trade marks in respect of even identical goods. **Consequently, the grounds of opposition under section 5(3) of the Act must be dismissed.**

COSTS

39) Chorkee Ltd having been successful is entitled to a contribution towards its costs. I award costs upon the following basis (based upon the scale):

Considering notice of opposition	£200
Counterstatement	£300
Considering evidence of Inc	£250
Total	£750

40) I order Cherokee Inc to pay Chorkee Ltd the sum of £750. This sum is 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 30th day of August 2007

David Landau
For the Registrar
the Comptroller-General

ⁱ This trade mark registration expired on 2 July 2007, after the filing of the opposition; having expired, it is open to question as to whether Inc can rely on this registration in the proceedings (see *MIP METRO Group Intellectual Property GmbH & Co KG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-191/04, which appears to be of a piece with the judgment of the ECJ in *Levi Strauss & Co v Casucci SpA* Case C-145/05.) The decision of Professor Annand, sitting as the appointed person, in BL O/227/05 also deals with this issue (if in an invalidation action). However, this issue has not been raised by CL; I cannot see that it can be proper for me to raise it on my own motion. Section 6(3) of the Act also states:

“A trade mark within subsection (1)(a) or (b) whose registration expires shall continue to be taken into account in determining the registrability of a later mark for a period of one year after the expiry unless the registrar is satisfied that there was no bona fide use of the mark during the two years immediately preceding the expiry.”

ⁱⁱ See the decision of Richard Arnold QC, sitting as the appointed person, in *Mobis Trade Mark* BL O/020/07:

“30. The opponent contends that, where an opponent relies upon a Community trade mark, it is sufficient for the purposes of section 5(3) to show that it has a reputation in the United Kingdom and that the hearing officer was wrong in law to hold that it was required to show a reputation in the Community.

31. I am unable to accept this argument. Section 5(3) on its face expressly distinguishes between what is required in the case of an earlier national mark, namely “a reputation in the United Kingdom”, and what is required in the case an earlier Community trade mark, namely “a reputation ... in the European Community”. This distinction reflects the difference between Article 4(4)(a) of the Directive, which requires that “the earlier [national] trade mark has a reputation in the Member State concerned”, and Article 4(3), which requires that “the earlier Community trade mark has a reputation in the Community”. The same distinction is also to be found in Article 5(5) of Council Regulation 30/94 of 20 December 1993 on the Community trade mark. I cannot see any basis on which the Act, the Directive and the Regulation can be interpreted as merely requiring that the Community trade mark relied upon should have a reputation in the Member State in question. Nor did the opponent’s attorney cite any authority or commentary to support such an interpretation. Furthermore, as the applicant’s attorney pointed out, the judgment of the ECJ in Case C-375/97 *General Motors Corp v Yplon SA* [1999] ECR I-5421 at [25]-[29], while not directly on point, tends to support the opposite interpretation.

32. It follows that the hearing officer did not make the error of law alleged.”

ⁱⁱⁱ See *Reckitt Benckiser (España), SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-126/03:

“45 It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition proceedings, only for the sub-category or sub-categories relating to which the goods or services for which the trade mark has actually been used actually belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not possible to make any significant sub-divisions within the category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.”

^{iv} See the decision of Richard Arnold QC, sitting as the appointed person, in *Tripp Limited v Pan World Brands Limited* BL O/161/07:

“36. Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness’s evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness’s evidence.”

^v Section 6A of the Act reads:

“(1) This section applies where –

- (a) an application for registration of a trade mark has been published,
 - (b) there is an earlier trade mark 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 trade 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 in 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, 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.

(7) Nothing in this section affects –

(a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4)(relative grounds of refusal on the basis of an earlier right), or

(b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration).”

^{vi} *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32:

“29 I have no doubt that Pumfrey J. was correct to reject the approach advocated in the Premier Brands case. His reasoning in paras [22] and [24] of his judgment is correct. Because of s.10(2), fairness to the proprietor does not require a wide specification of goods or services nor the incentive to apply for a general description of goods and services. As Mr Bloch pointed out, to continue to allow a wide specification can impinge unfairly upon the rights of the public. Take, for instance, a registration for "motor vehicles" only used by the proprietor for motor cars. The registration would provide a right against a user of the trade mark for motor bikes under s.10(1). That might be understandable having regard to the similarity of goods. However, the vice of allowing such a wide specification becomes apparent when it is envisaged that the proprietor seeks to enforce his trade mark against use in relation to pedal cycles. His chances of success under s.10(2) would be considerably increased if the specification of goods included both motor cars and motor bicycles. That would be unfair when the only use was in relation to motor cars. In my view the court is required in the words of Jacob J. to "dig deeper". But the crucial question is--how deep?

30 Pumfrey J. was, I believe, correct that the starting point must be for the court to find as a fact what use has been made of the trade mark. The next task is to decide how the goods or services should be described. For example, if the trade mark has only been used in relation to a specific variety of apples, say Cox's Orange Pippins, should the registration be for fruit, apples, eating apples, or Cox's Orange Pippins?

31 Pumfrey J. in *Decon* suggested that the court's task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under s.10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a

person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use.”

Reckitt Benckiser (España), SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-126/03

“42 The Court observes that the purpose of the requirement that the earlier mark must have been put to genuine use is to limit the likelihood of conflict between two marks by protecting only trade marks which have actually been used, in so far as there is no sound economic reason for them not having been used. That interpretation is borne out by the ninth recital in the preamble to Regulation No 40/94, which expressly refers to that objective (see, to that effect, *Silk Cocoon*, cited at paragraph 27 above, paragraph 38). However, the purpose of Article 43(2) and (3) of Regulation No 40/94 is not to assess commercial success or to review the economic strategy of an undertaking, nor is it to restrict trade-mark protection to the case where large-scale commercial use has been made of the marks (Case T-334/01 *MFE Marienfelde v OHIM – Vétoquinol (HIPOVITON)* [2004] ECR II-0000, paragraph 32, and Case T-203/02 *Sunrider v OHIM – Espadafor Caba (VITAFRUIT)* [2004] ECR II-0000, paragraph 38).

43 Therefore, the objective pursued by the requirement is not so much to determine precisely the extent of the protection afforded to the earlier trade mark by reference to the actual goods or services using the mark at a given time as to ensure more generally that the earlier mark was actually used for the goods or services in respect of which it was registered.

44 With that in mind, it is necessary to interpret the last sentence of Article 43(2) of Regulation No 40/94 and Article 43(3), which applies Article 43(2) to earlier national marks, as seeking to prevent a trade mark which has been used in relation to part of the goods or services for which it is registered being afforded extensive protection merely because it has been registered for a wide range of goods or services. Thus, when those provisions are applied, it is necessary to take account of the breadth of the categories of goods or services for which the earlier mark was registered, in particular the extent to which the categories concerned are described in general terms for registration purposes, and to do this in the light of the goods or services in respect of which genuine use has, of necessity, actually been established.

45 It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition proceedings, only for the sub-category or sub-categories relating to which the goods or services for which the trade mark has actually been used actually belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not possible to make any significant sub-divisions within the category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.

46 Although the principle of partial use operates to ensure that trade marks which have not been used for a given category of goods are not rendered unavailable, it must not, however, result in the proprietor of the earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner. The Court observes in that regard that in practice it is impossible for the proprietor of a trade mark to prove that the mark has been used for all conceivable variations of the goods concerned by the registration. Consequently, the concept of ‘part of the goods or services’ cannot be taken to mean all the commercial variations of similar goods or services but merely goods or services which are sufficiently distinct to constitute coherent categories or sub-categories.

53 First, although the last sentence of Article 43(2) of Regulation No 40/94 is indeed intended to prevent artificial conflicts between an earlier trade mark and a mark for which registration is sought, it must also be

observed that the pursuit of that legitimate objective must not result in an unjustified limitation on the scope of the protection conferred by the earlier trade mark where the goods or services to which the registration relates represent, as in this instance, a sufficiently restricted category.”

Animal Trade Mark [2004] FSR 19:

“20 The reason for bringing the public perception in this way is because it is the public which uses and relies upon trade marks. I do not think there is anything technical about this: the consumer is not expected to think in a picky way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. Thus, for instance, if there has only been use for three-holed razor blades imported from Venezuela (Mr T.A. Blanco White's brilliant and memorable example of a narrow specification) "three-holed razor blades imported from Venezuela" is an accurate description of the goods. But it is not one which an average consumer would pick for trade mark purposes. He would surely say "razor blades" or just "razors". Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods--are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made.”

^{vii} *General Motors Corporation v Yplon SA* Case C-375/97 [2000] RPC 572.

^{viii} See *Société provençale d'achat and de gestion (SPAG) SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-57/03 and *React Trade Mark* [2000] RPC 285.

^{ix} *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-133/05. This was also the position of Professor Annand, sitting as the appointed person in *Galileo International Technology LLC v Galileo Brand Architecture Limited* BL 0/269/04.

^x The earlier incorrect translation of ‘Verwendungszweck’ in the English version of the judgment has now been corrected.

^{xi} *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117.

^{xii} *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281.

^{xiii} *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267.

^{xiv} *Altecnic Ltd's Trade Mark Application* [2002] RPC 34.

^{xv} *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 dealt with a non-use issue but are still pertinent to the consideration of the meaning and effect of specifications:

“In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under section 10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use”

^{xvi} *El Corte Inglés SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T- 443/05*. “37 In assessing the similarity of the goods, all the relevant factors relating to those goods should be taken into account, including, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary (*Canon*, paragraph 35 above, paragraph 23). Other factors may also be taken into account such as, for example the distribution channels of the goods concerned (Case T-164/03 *Ampafrance v OHIM – Johnson & Johnson (monBeBé)* [2005] ECR II-1401, paragraph 53).”

^{xvii} *El Corte Inglés SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T- 443/05*.

^{xviii} *Sabel BV v Puma AG* [1998] RPC 199.

^{xix} *Sabel BV v Puma AG* [1998] RPC 199.

^{xx} *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77.

^{xxi} *Succession Picasso v OHIM - DaimlerChrysler (PICARO) Case T-185/02*.

^{xxii} *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117.

^{xxiii} *Sabel BV v Puma AG*.

^{xxiv} *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91.

^{xxv} *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

^{xxvi} *Société provençale d'achat and de gestion (SPAG) SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-57/03*. This is also the position of Mr Simon Thorley QC, sitting as the appointed person, in *React Trade Mark* [2000] RPC 285: “There is no evidence to support Ms Clark's submission that, in the absence of any particular reputation, consumers select clothes by 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 this 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.”

^{xxvii} The CFI in *Phillips-Van Heusen Corp v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-292/01* [2004] ETMR 60:

“54. Next, it must be held that the conceptual differences which distinguish the marks at issue are such as to counteract to a large extent the visual and aural similarities pointed out in paragraphs 49 and 51 above. For there to be such a counteraction, at least one of the marks at issue must have, from the point of view of the relevant public, a clear and specific meaning so that the public is capable of grasping it immediately. In this case that is the position in relation to the word mark BASS, as has just been pointed out in the previous paragraph. Contrary to the findings of the Board of Appeal in paragraph 25 of the contested decision, that view is not invalidated by the fact that that word mark does not refer to any characteristic of the goods in respect of which the registration of the marks in question has been made. That fact does not prevent the relevant public from immediately grasping the meaning of that word mark. It is also irrelevant that, since the dice game Pasch is not generally known, it is not certain that the word mark PASH has, from the point of view of the relevant public, a clear and specific meaning in the sense referred to above. The fact that one of the marks at issue has such a meaning is sufficient - where the other mark does not have such a meaning

or only a totally different meaning - to counteract to a large extent the visual and aural similarities between the two marks.”

^{xxviii} *GfK AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-135/04.*

^{xxix} *Succession Picasso v OHIM - DaimlerChrysler (PICARO) Case T-185/02 [2005] ETMR 22.*

^{xxx} *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd Case C-408/01 [2004] ETMR 10.*

^{xxxi} *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd Case C-408/01 [2004] ETMR 10.*

^{xxxii} *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd Case C-408/01 [2004] ETMR 10.*

^{xxxiii} *Electrocoin Automatics Limited v Coinworld Limited and others [2005] ETMR 31.*

^{xxxiv} *esure Insurance Limited v Direct Line Insurance plc [2007] EWHC 1557 (Ch) Lindsay J.*

^{xxxv} *Mastercard International v Hitachi Credit (UK) Plc [2005] ETMR 10, esure Insurance Limited v Direct Line Insurance plc [2007] EWHC 1557 (Ch), Antartica Srl v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-12/04, Spa Monopole v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-67/04 and Intel Corporation Inc v CPM United Kingdom Ltd [2006] ETMR 90.*

^{xxxvi} A very helpful summary of the factors to be considered was given by the First Board of Appeal in *Mango Sport System SRL Socio Unico Mangone Antonio Vincenzo v Diknah SL (Case R 308/2003-1) [2005] ETMR 5:*

“13 The infringements referred to in that article, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them. The protection conferred thereby is not conditional on a finding of a degree of similarity between the mark with a reputation and the sign such that there exists a likelihood of confusion between them on the part of the relevant section of the public. It is sufficient for the degree of similarity between the mark with a reputation and the sign to have the effect that the relevant section of the public establishes a link between the sign and the mark (see, to that effect, ADIDAS, at [29] and [30] and Case C-375/97 General Motors [1999] E.C.R. I-5421, at [23]).

14 The existence of such a link must, just like a likelihood of confusion, be appreciated globally, taking into account all factors relevant to the circumstances of the case (see, to that effect, ADIDAS, at [30]).

15 The condition of similarity between the mark and the sign, referred to in the above article, requires the existence, in particular, of elements of visual, aural or conceptual similarity (see, to that effect, judgment of the Court of 23 October 2003 Adidas Salomon AG and Adidas Benelux BV v Fitnessworld Training Ltd in Case R C-408/01 "ADIDAS", at [28]).

16 A knowledge threshold is implied in the above provision as regards both the public concerned and the territory concerned. The degree of knowledge must be considered when the earlier mark is known by a significant part of the public concerned, either the public at large or a more specialised public depending on the product or service marketed and covered by that mark. Territorially, the knowledge condition is fulfilled where the trade mark has reputation in a substantial part of the territory of the Member State in question (see, to that effect, judgment of the Court of 14 September 1999 in Case C-375/97 General Motors Corp v Yplon SA ("Chevy") [1999] E.C.R. I-5421, at [22] to [28]).

17 If the condition as to the existence of reputation is fulfilled as regards both the public concerned and the territory in question, it must next be examined whether use without due cause of the trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

18 The requirements of the latter condition are not cumulative. It is sufficient that the mark applied for would either take unfair advantage of the distinctive character or the repute of the earlier trade mark, or that the mark applied for would be detrimental to the distinctive character or the repute of the earlier trade mark.

19 As to unfair advantage, which is in issue here since that was the condition for the rejection of the mark applied for, that is taken when another undertaking exploits the distinctive character or repute of the earlier mark to the benefit of its own marketing efforts. In that situation that undertaking effectively uses the renowned mark as a vehicle for generating consumer interest in its own products. The advantage for the third party arises in the substantial saving on investment in promotion and publicity for its own goods, since it is able to "free ride" on that already undertaken by the earlier reputed mark. It is unfair since the reward for the costs of promoting, maintaining and enhancing a particular trade mark should belong to the owner of the earlier trade mark in question (see, to that effect, decisions of the First Board of Appeal of 8 February 2002 in Case R 472/2001-1-- BIBA/BIBA (fig. MARK), First Board of 20 October 2003 in Case 2003-R 1004/2000-1-- KINDERCARE (fig. MARK)/kinder et al., at [26], and of the Fourth Board of Appeal of 26 July 2001 in Case R 552/2000-4 COSMOPOLITAN COSMETICS/COSMOPOLITAN).

20 In that regard, it should be observed that the stronger the earlier mark's distinctive character and reputation the easier it will be to accept that unfair advantage has been taken or detriment has been caused (see, to that effect, judgment of the Court of 14 September 1999 in Case C-375/97 General Motors Corp v Yplon SA ("Chevy") [1999] E.C.R. I-5421, at [30]).

21 Furthermore, the closer the similarity between the marks the greater is the risk that unfair advantage will be taken. An identity or a very high degree of similarity is a factor of particular importance in establishing if an unfair advantage will be taken (see KINDERCARE (fig. MARK)/kinder et al., and Decision of the Second Board of Appeal of 8 November 2001 in Case R 303/2000-2-- Magefesa (fig. MARK)/ Magefesa (fig. MARK), at [21] and [23]).

22 The greater the proximity between the goods and the circumstances in which they are marketed, the greater the risk that the public in question will make a link between the mark and the sign in question. The existence of the similarity of the goods may be taken into account to the extent that the greater the similarity between the goods in question, the greater the risk that unfair advantage will be taken of the earlier mark (see decision of the Third Board of 25 April 2001 in Case R 283/1999-3 HOLLYWOOD/HOLLYWOOD)."