

IN THE MATTER OF THE TRADE MARKS ACT 1994

IN THE MATTER OF UK TRADE MARK APPLICATION NO. 2622621 IN THE NAME OF CONQUEST CONFIGURATIONS LTD

IN THE MATTER OF OPPOSITION NO. 104001 BY COMPAGNIE DES MONTRES LONGINES, FRANÇILLON SA

IN THE MATTER OF THE APPEALS OF THE APPLICANT AND OF THE OPPONENT FROM THE DECISION OF MRS ANN CORBETT DATED 2 AUGUST 2013

DECISION

1. This is a double appeal against a decision of Mrs Ann Corbett, the Hearing Officer for the Registrar, dated 2 August 2013, BL O/306/13, in which she upheld in part an opposition by Compagnie Des Montres Longines, Françillon SA ("Longines") to a trade mark application by Conquest Configurations Ltd ("CCL") trading as "Secret Conquest." Longines appealed against Mrs Corbett's rejection of its opposition to the application in so far as it related to precious metals and alloys in Class 14. CCL also appealed against Mrs Corbett's decision to uphold the opposition in part and against her decision on costs.

Background

2. CCL applied on 28 May 2012 to register a mark consisting of a moderately stylised version of the words "Secret Conquest" for a variety of goods in Classes 14, 18 and 25. Longines opposed the application in all three classes on the basis of its earlier UK trade mark No. 1238568, consisting of a stylised version of the word "Conquest" and registered for horological and chronometric instruments and parts and fittings therefor in Class 14. By the time of the hearing before Mrs Corbett, the opposition had been narrowed to rely only upon sub-section 5 (2)(b) of the 1994 Act and related only to the Class 14 goods within the application, namely "Precious metals and their alloys, jewellery, costume jewellery, precious stones." CCL did not put Longines to proof of use

of its earlier mark. A brief witness statement was filed by Longines. No evidence was filed by CCL. A hearing took place by video link and telephone at which Longines was represented by its attorney, Mr Krause, and CCL by its solicitor, Dr Mashate.

3. Mrs Corbett concluded at [38] of her decision that there was a likelihood of indirect confusion insofar as CCL sought registration of its mark in respect of jewellery and costume jewellery, so that the opposition succeeded in respect of those goods only. The application could therefore proceed in relation to precious metals and alloys and precious stones. The Hearing Officer considered that there had been a measure of success on each side and ordered that each side should bear its own costs.

Standard of review

4. This appeal is by way of a review; it is not a rehearing. *Reef Trade Mark* [2003] RPC 5 (“*Reef*”) and *BUD Trade Mark* [2003] RPC 25 (“*BUD*”) show that neither surprise at a Hearing Officer’s conclusion, nor a belief that he has reached the wrong decision, suffice to justify interference in this sort of appeal. Instead, if I am to uphold the appeal, I need to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was clearly wrong (*Reef*). As Robert Walker LJ (as he then was) said at [28]:

“...an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance to interfere in the absence of a distinct and material error of principle.”

This guidance is particularly important when considering appeals which turn on the assessment of the likelihood of confusion. In *Digipos* [2008] R.P.C. 24, Mr Alexander QC held:

“5. It is important at the outset to bear in mind the nature of appeals of this kind. ... As Lord Hoffmann said in *Biogen v. Medeva* [1997] RPC 1 at 45, appellate review of nuanced assessments requires an appellate court to be very cautious in differing from a judge's evaluation. In the context of appeals from the Registrar relating to section 5(2)(b) of the Act, alleged errors that consist of wrongly assessing

similarities between marks, attributing too much or too little discernment to the average consumer or giving too much or too little weight to certain factors in the multi-factorial global assessment are not errors of principle warranting interference. I approach this appeal with that in mind.”

These appeals

6. Longines was represented at the appeal by its attorney, Mr Krause. Mrs Mashate who is a director of CCL appeared at the hearing with two supporters, Mr Yahaya (who told me that he had completed his LPC but was not qualified as a solicitor) and Dr Mashate (who had previously acted as CCL’s solicitor). Mrs Mashate wished Mr Yahaya to address me on behalf of CCL, and as Mr Krause had no objection to that course, I agreed that he might do so. In the event, Dr Mashate also made some submissions to me.

Longines’ appeal

7. Longines' appeal challenged the Hearing Officer's finding that there was no similarity between some of the parties’ respective Class 14 goods, namely Longines’ horological and chronometric instruments (which I shall refer to as ‘watches’ in this judgment), and the parts and fittings therefor in its specification, and CCL’s precious metals and their alloys.
8. Longines submitted that the Hearing Officer had erred in finding no similarity between those Class 14 goods. Longines relied on the following factors in support of its argument that that there are significant similarities in the nature, intended purpose and potential customers for the respective goods:
 - a. Watches and watch parts may not merely contain components made of precious metals, but the high proportion of precious metal in watches or watch parts can be a significant feature of them. In addition, watches are not just functional items used for time-keeping but are also items of adornment, so bringing them closer to the uses of precious metals.
 - b. Precious metals might also be bought not just for use e.g.in jewellery but also for investment, and that is also a function of high-cost watches.

- c. Precious metals and watches may be purchased by the same consumers in similar commercial circumstances. Longines submitted in particular that the Hearing Officer had erred in her assessment of the identity of the relevant consumer by ignoring the importance of retailers as ‘consumers’ of watches. Longines argued that consumers of precious metals/alloys would include the trade consumers of watches, especially jewellers, including high-street retailers, who as well as selling watches made of precious metals or having component parts made from precious metal, might sell precious metals in their own right as well as in the form of jewellery. That, it was submitted, meant that the trade channels for the different goods overlapped.
- d. Longines therefore submitted that in all the circumstances a jeweller might expect both watches and precious metals to have a common commercial source, and that there was a certain degree of similarity between the parties' respective goods.

9. The Hearing Officer directed herself on the question of how to assess the similarity of the goods in a conventional manner, by reference to the principles set out in *British Sugar* [1996] RPC380 and *Canon* [1999] RPC 117. She considered the similarity of these parts of the parties' specifications in [23] and [24] of her decision. She held:

“23. I compare, first, the opponent’s goods with the applicant’s *precious metals and their alloys* in class 14. The applicant’s goods will include materials such as gold or platinum. Whilst these may be sold in e.g. ingot or bar form, these materials will require some sort of processing to enable them to be made into or used as part of something else. They are used by manufacturers who will fashion them into (a component of) an end product. Mr Krause submitted that each of these respective goods is such as are bought for investment purposes and they are therefore similar goods. Many goods may be bought with an eye to future profit, e.g. a classic car or property but that is not, of itself, justification for finding that the goods have any similarity. Mr Krause also submitted that each of the respective goods are sold in a jeweller’s, however, as far as precious metals and their alloys are concerned this is not something that I am prepared to accept without evidence. In my view, precious metals and their alloys, as opposed to

goods made from them, are likely to be sold by specialist bullion dealers rather than a high street jeweller's. Whilst watches are goods bought by large numbers of the general population, it is highly unlikely that precious metals and their alloys, as raw materials, are so widely purchased. I accept that horological and chronometric instruments, sometimes at least, contain components made of precious metals and their alloys, however, I take note of the findings made in *Les Éditions Albert René V Office for Harmonisation in the Internal Market (Trade Marks & Designs) (OHIM) T-336/03*, where it was held:

“The mere fact that a particular good is used as a part, element or component of another does not suffice in itself to show that the finished goods containing those components are similar since, in particular, their nature, intended purpose and the customers for those goods may be completely different.”

24. In my view, these respective goods are dissimilar. Whilst it is possible they may each be bought with investment in mind, their nature, intended purpose, users and trade channels all differ and they are not complementary goods.”

10. I shall consider each of Longines' submissions in turn. First, it seems to me that the Hearing Officer cannot be said to have erred in finding that precious metals and their alloys are primarily materials which require some form of processing to enable them to be used for the manufacture of different products, in contrast to both watches and watch parts, which are finished products. Whilst in some cases the fact that one type of good may be a component part of another may lead to similarity, as the Hearing Officer observed, that is not always the case. In my judgment it was open to the Hearing Officer to find that even though watches may contain a high proportion of precious metal this does not suffice to render them similar to precious metals.

11. Longines' argument based on the fact that watches may be used for personal adornment in my view suffers from the problem that it seeks to equate watches to items of jewellery. Many watches will of course be chosen for their design and decorative function, as well as for their function as a time-piece, but this does not erode the distinction between jewellery and watches as separate goods in the Nice classification. In my view, the Hearing Officer was right to distinguish between those goods and was

entitled to find similarity between precious metals and jewellery but not between precious metals and watches.

12. The Hearing Officer accepted that both precious metals and watches may be seen by some as suitable as investments, but again I can see no error in her view that this would not render them similar, any more than it would render watches similar to fine wines or classic cars. The difficulty as I see it with Longines' submission on this point is that the Hearing Officer accepted its argument but concluded that it was not sufficient to render the goods similar. That seems to me to be a conclusion which it was open to her to reach.
13. The Hearing Officer also considered the argument that precious metals and watches may be purchased by the same consumers in jeweller's shops, but was not prepared to accept it without evidence that precious metals and their alloys as raw materials would be widely purchased by the general public. Again, it does not seem to me that there is any error in this part of her decision. Longines however sought to put that point rather differently on the appeal, arguing that the Hearing Officer had left out of account the role of jewellers as consumers of precious metals and as intermediaries in the sale of watches. It is not clear to me to what extent the argument was put in that way before the Hearing Officer, certainly it is not explicit in Longines' skeleton argument below. But in any event, in my judgment this would at most show a possible overlap in the channels of trade for the goods, if only at the wholesale or intermediary level. Moreover, in the absence of any evidence to that effect, I do not accept that the Hearing Officer should have found that a jeweller would expect both watches and precious metals to have a common commercial source.
14. Longines' main submission on the likelihood of confusion was that the Hearing Officer had erred in failing to consider the *combined* impact of the various elements discussed above and in dealing discretely with each element of potential similarity. I do not accept that criticism of the decision below. The Hearing Officer appears to have weighed all of the factors relating to similarity together in reaching her conclusion. Even if she had given more weight to the possibility that there would be some overlap of trade

channels, I do not consider that she ought therefore to have found the goods to be similar, in the absence of any of the other potential elements of similarity.

15. For those reasons, the Hearing Officer did not need to consider whether there was a likelihood of confusion between precious metals/alloys and watches/parts. I therefore dismiss Longines' appeal.

CCL's appeal

16. The basis of CCL's appeal was very much less clear from the very brief Grounds of Appeal included on its Form TM55 dated 29 August 2013. This simply asserted that the Hearing Officer was wrong to rule in favour of Longines against the weight of evidence, and wrongfully considered irrelevant issues and disregarded relevant issues. It asserted that the Hearing Officer wrongly failed to grant CCL its costs in spite of "compelling grounds to do so," which were not specified. Lastly it purported to reserve the right to submit further reasons and grounds of appeal and supporting witness statements after obtaining a transcript of the hearing of 19 July 2013.
17. No such further document(s) had been filed by CCL by the time the documents were provided to me and I ordered any such further documentation to be filed by 26 February 2014, a date which was then extended to 1 March 2014. Nevertheless, the documents upon which CCL wished to rely were served only on 14 March 2014 with no proper explanation for the delay, save the "sudden withdrawal" of its solicitors. Longines' attorneys not surprisingly objected to the late production of these documents and to their admission into the proceedings. In particular, they objected in writing to an apparent attempt by CCL to introduce on the appeal evidence which had not been before the Hearing Officer.
18. The documents produced on 14 March 2014 consisted of a witness statement, with a number of exhibits, from Elizabeth Namaganda Mashate who described herself as a director of CCL. Mrs Mashate made various statements as to the honesty of her belief in the contents of the document, although it did not include a statement of truth in the usual form.

19. Mrs Mashate exhibited a document seeking to expand upon the brief terms of the Grounds of Appeal in the TM55, as well as a number of documents supporting the points made in it, such as some correspondence and the transcript of the hearing before Mrs Corbett. In addition the witness statement contained a number of submissions, many of which related to the merits of Longines' appeal rather than to CCOL's own appeal, and made some illustrative reference to a few pages downloaded from the Internet showing the use of precious metals upon other goods such as shoes and bags.

20. CCL's expanded Grounds of Appeal can be summarised as follows:

- a. The claim that the Hearing Officer was wrong to rule in favour of Longines against the weight of evidence is explained as being a complaint that the Hearing Officer failed to take into account evidence establishing that CCL had been trading since 2009 and so was entitled to register its mark pursuant to section 7 of the 1994 Act.

Mrs Mashate identified and exhibited the documents upon which she wished to rely: a letter from CCL's solicitors to Longines' trade mark attorneys dated 8 November 2012, a letter from CCL itself to the attorneys dated 2 October 2012 and the transcript of the hearing on 19 July 2013, in which her solicitor Dr Mashate submitted that CCL had been trading for a number of years. In fact, the transcript also shows that Dr Mashate said that CCL had been trading on-line and suggested that its website was in the public domain and within the knowledge of anyone who was interested.

- b. The claim that the Hearing Officer wrongfully considered irrelevant issues and disregarded relevant issues is explained as being a complaint that she failed to take into account some case-law mentioned by Dr Mashate at the hearing, and did not summarise all of his submissions.
- c. The complaint about the costs was expanded; I consider this further below.
- d. No further reasons were given save to repeat the point about CCL's past trade, honest concurrent use and section 7 of the Act.

21. The late expansion of CCL's Grounds of Appeal in this manner is obviously very unsatisfactory and Longines' objections to such expansion are understandable, whilst its submission that the merits of the proposed new material are poor is also broadly justified. However, most of the new documentation consisted of submissions rather than evidence, which it seemed to me could be considered without unfairness to Longines, whilst the reasons for Longines' objections to the new material indicated that their attorneys had had time to consider them before the hearing. In the circumstances, I was prepared to consider the impact (if any) of CCL's new documents *de bene esse*.

22. Longines objected that in relation to its first Ground of Appeal, CCL was seeking to introduce fresh evidence on appeal without satisfying the usual test. In *Du Pont De Nemours & Company v S.T. Dupont* [2003] EWCA Civ 1368 May LJ said at [95] that on "an appeal by way of review the court will not receive evidence which was not before the lower court unless it orders otherwise. There is an obligation on the parties to bring forward all the evidence on which they intend to rely before the lower court, and failure to do this does not normally result in indulgence by the appeal court." *Ladd v. Marshall* [1954] 1 WLR 1489 identified three considerations for admitting fresh evidence on appeal which, it is well established, apply to trade mark appeals, together with certain other criteria which I do not need to consider for present purposes. The three requirements which are basic to the exercise of my discretion are that (1) the evidence could not have been obtained with reasonable diligence for use at the hearing below, (2) the further evidence is such that, if given, it would probably have an important influence on the result of the case, though it need not be decisive, and (3) the evidence is such as is presumably to be believed.

23. It is abundantly clear in this case that the two letters upon which CCL wishes to rely did not provide any evidence at all of the nature or extent of any trading by CCL under the Secret Conquest mark in any goods in Class 14. Neither of the letters gave any details as to the nature, extent or duration of the trading relied upon, nor of the manner in which the mark may have been used on or in relation to any goods. No figures were given, either as to turnover in or advertising of any such goods. As a result, the letters contained nothing more than assertions that CCL had been trading, and the same must

be said for the submissions made by Dr Mashate to the Hearing Officer. One of Mrs Mashate's additional exhibits (EX10) showed a bracelet sold by CCL, but the product was apparently marketed in Ireland rather than the UK, and appears to have been offered for sale in 2013, well after the relevant date. Again, this document is of no probative value and I will not permit CCL to adduce it in evidence on the appeal.

24. Longines was not put to proof of use of its earlier Conquest mark and therefore filed no evidence of such use. In the circumstances, I do not know whether it had used its mark on any of the goods in its own specification prior to the relevant date. There is therefore no evidence at all before me to suggest that there had been any period of concurrent use of the parties' respective marks in relation to their respective goods, or any period of "peaceful co-existence" of the marks on the market (as considered in e.g. Case T-467/11 *Colgate Palmolive Company v. OHIM*, 10 December 2013, at [72]). In the absence of such evidence, CCL could not have made good the substance of its claim (mistakenly described as pertaining to s 7) that there was a period of parallel trading without confusion, tending to show that there is no likelihood of confusion between the parties' respective marks when used in relation to Class 14 goods.
25. There was no explanation for the lateness of production of the evidence in Mrs Mashate's witness statement, but it was tolerably clear to me at the hearing of the appeal that Dr Mashate, who was acting for CCL at the relevant time, and who also made submissions to me at the hearing of the appeal, was simply unaware of the need to file such evidence. Even had there been some proper explanation for the delay in producing the evidence, it is clear to me that the documents would have no influence whatsoever on the result of the appeal, and to the extent that CCL wishes to adduce them as evidence on the appeal, I decline to permit it to do so. Equally, I cannot place any reliance upon the submissions made by Dr Mashate at the hearing below, which were also unsupported by any evidence at all. For these reasons, the first of CCL's expanded Grounds of Appeal must be rejected.
26. At the hearing before me, I was told that the real complaint reflected in the second Ground of Appeal was that the Hearing Officer said in her decision that CCL had not cited any case-law to her, although in fact Dr Mashate had cited three cases to her. I have read the transcript of the hearing below, and it is correct that some rather vague

references were made to three cases by Dr Mashate. Nevertheless, it seems to me that this complaint is misconceived. What the Hearing Officer actually said in paragraph 42 of her decision, whilst considering costs, was that Dr Mashate at times "appeared to be unfamiliar with various aspects of opposition proceedings and case law." Moreover, Dr Mashate could not identify any impact which the case law he had mentioned should (in his view) have had on the Hearing Officer's decision. This element of CCL's appeal also fails.

27. Next, CCL complained that the Hearing Officer failed to consider all of the submissions it had made to her. Again, this complaint is misconceived. There is no obligation upon a judge (or a Hearing Officer) to deal with every argument put to him. As Lewison LJ said in *Fage v Chobani* [2014] EWCA Civ 5, 28 January 2014 at [115]:

"...There is no duty on a judge, in giving his reasons, to deal with every argument presented by counsel in support of his case. His function is to reach conclusions and give reasons to support his view, not to spell out every matter as if summing up to a jury. Nor need he deal at any length with matters that are not disputed. It is sufficient if what he says shows the basis on which he has acted."

28. In the circumstances, CCL has not shown any error on the part of the Hearing Officer in this regard.
29. CCL's last substantive point went to the costs of the opposition. It complained that the Hearing Officer had wrongly taken into account an argument raised by Mr Krause which was described at [41] of the decision. The Hearing Officer stated that she considered it unreasonable to raise that issue only at the hearing and it is plain to me that she did not take that point into account in exercising her discretion as to costs. CCL's complaint is therefore unfounded. It also submitted that the Hearing Officer had not given enough weight to the fact that Longines had abandoned its opposition to its Class 18 and 25 goods just before the hearing. I do not accept this criticism of the Hearing Officer's decision on costs. She set out the various factors which she should take into account in [40-42] of the decision and the fact that each side had achieved some measure of success. Her decision to make no order as to costs was reasoned and well within the 'generous ambit' open to her. CCL's appeal fails on this basis also.

Conclusion

30. Both appeals fail. In the circumstances, I will make no order as to the costs of the appeal.

Amanda Michaels
The Appointed Person
2 May 2014

MR. MARTIN KRAUSE of Haseltine Lake LLP appeared for the Opponent/Respondent.

MR. SULEIMAN YAHAYA and DR. JESSE MASHATE appeared for the Applicant/Appellant