

O-262-15

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 3046015 BY
LAURA PHILLIPSON**

TO REGISTER:

The Pretty Penguin Company

AS A TRADE MARK IN CLASSES 3 & 44

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 402444 BY
PERRY ELLIS INTERNATIONAL, INC.**

BACKGROUND & PLEADINGS

1. On 10 March 2014, Laura Phillipson applied to register the words **The Pretty Penguin Company** as a trade mark for goods in class 3 and services in class 44. The application was published for opposition purposes on 4 April 2014.
2. The application is opposed by Perry Ellis International, Inc (“the opponent”). The opposition, which is based upon section 5(2)(b) of the Trade Marks Act 1994 (“the Act”), was directed against all the goods and services in the application. However, as Miss Phillipson subsequently deleted class 3 from her application, only the services in class 44 are relevant. These are as follows:

Class 44 - Beautician services; Beauty care for human beings; Beauty consultation; Beauty salon services; Beauty salons; Beauty therapy services; Beauty therapy treatments; Beauty treatment; Beauty treatment services; Beauty-salon services; Make-up application services; Make-up services; Manicure services; Manicuring; Manicuring services; Massage services; Pedicurist services; Facial beauty treatment services; Make-up application services; Salons (Beauty -).

The opponent relies upon the goods shown below in Community Trade Mark (“CTM”) registration no. 5866819 for the trade mark: **PENGUIN**; applied for on 30 April 2007 and for which the registration procedure was completed on 6 April 2009:

Class 3 - Soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices.

In its Notice of Opposition, the opponent indicates that its trade mark is subject to the proof of use provisions (a point to which I will return below) and indicates that its trade mark has been used upon all of the goods shown above.

3. Miss Phillipson filed a counterstatement in which she asks the opponent to provide proof of use in relation to: “Class 3: Essential oils, cosmetics”. As the counterstatement contains the only substantive comments I have from Miss Phillipson, her comments are reproduced below in full:

“I do not agree that my trade mark has similar goods and services. Class 3 was included in my application with only essential oils within that class matching the other party’s trade mark. I have since removed all of class 3 as a gesture of goodwill. I have done some research and found that the other party has no use of class 3: essential oils or cosmetics. That is why I am filing for proof of use. I would also like to point out that my business will be a beauty salon and mobile beauty service mainly offering nail treatments, whereas the other party is mainly a clothing company. I am offering services to a client list which mainly consists of women, whereas my opponent specialises in men’s fashion clothing. I believe our trademarks are very different as are our businesses and believe there could be no confusion over the two trade marks.”

4. The official record indicates that that the opponent sought additional time to file its evidence-in-chief, a request which was subsequently refused at a Case Management Conference held in January 2015; that decision was not appealed. The relevance of including this background will become obvious later in this decision.

5. Neither party filed evidence. Whilst neither party asked to be heard, the opponent filed written submissions in lieu of attendance at a hearing.

DECISION

6. The opposition is based upon section 5(2)(b) of the Act, which reads as follows:

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

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

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“6.-(1) In this Act an “earlier trade mark” means -

(a) a registered trade mark, international trade mark (UK) or 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,

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

Preliminary issue

7. Although the trade mark upon which the opponent is relying qualifies as an earlier trade mark under the above provisions, an issue arose as to whether it was subject to the proof of use provisions contained in section 6A of the Act. On 14 May 2015, I wrote to the parties; I stated:

“The above set of proceedings has been passed to me to issue a decision from the papers.

In preparing the case, I note that the opponent is relying upon Community Trade Mark (“CTM”) no. 5866819 for the trade mark: **PENGUIN** applied for on 30 April 2007 and for which the registration procedure was completed on 6 April 2009. In its Notice of Opposition, the opponent indicates that its trade

mark is subject to the proof of use provisions and indicates that it has been used upon the following goods:

Class 3 - Soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices.

In response to this claim, in her counterstatement, Miss Phillipson asked the opponent to provide proof of use in relation to “essential oils” and “cosmetics”.

An earlier trade mark is, however, only subject to the proof of use provisions contained in section 6A of the Act, if its registration process was completed 5 years or more before the publication date of the application for registration. As far as I am aware, the registration process of the earlier trade mark was completed on 6 April 2009 and Miss Phillipson’s application was published for opposition purposes on 4 April 2014. Given the interplay between those dates, it appears to me that the indication contained in the Notice of Opposition that the earlier trade mark was subject to proof of use was incorrect, because at the date at which Miss Phillipson’s trade mark was published i.e. 4 April 2014, the opponent’s earlier trade mark had not been registered for five years (the five year anniversary occurring on 6 April 2014). The opponent’s approach to the proof of use provisions led Miss Phillipson to ask for proof of use on the basis indicated above, which in turn led the opponent, in its written submissions, to indicate that it is only relying upon “soaps”, “perfumery”, “hair lotions” and “dentifrices” i.e. the goods specified in its Notice of Opposition minus those goods for which Miss Phillipson asked for proof of use and for which no proof of use was provided.

In my view, the opponent is, as a matter of law, entitled to rely upon all of the goods in class 3 listed in its Notice of Opposition, and it is upon the basis of those goods that I must proceed. However, before doing so, and to ensure that my understanding of the relevant dates is correct, **the opponent is allowed 14 days from the date of this letter to review the position and comment. Its letter should be copied to Miss Phillipson, who is then allowed a further 14 days from the date of the receipt by her of the opponent’s letter, to provide any comments she may wish to make.**

At the conclusion of that period, I will review the parties’ submissions and proceed accordingly.”

8. In an e-mail dated 18 May 2015 (copied to Miss Phillipson), the opponent stated:

“We confirm that the earlier registration 5866819 was registered on 6 April 2009 and therefore this mark had not been registered for five years or more at the date of publication of the mark the subject of the UK opposition. We agree therefore that it is not subject to the proof of use provisions.”

9. In an official letter dated 21 May 2015, the Tribunal advised Miss Phillipson that the deadline for her to comment expired on 1 June 2015. In an e-mail dated 1 June 2015, Miss Phillipson responded in the following terms:

“The only comment I can add at this point is that I have removed class 3 completely from my application. I have stated this in my counter statement previously.”

Section 5(2)(b) – case law

10. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles:

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

The correct approach to the comparison of goods and services

11. In her counterstatement, Miss Phillipson comments on the investigations she has undertaken and draws various conclusions; her approach is, however, incorrect. As it is now clear that the opponent's earlier trade mark is not subject to the proof of use provisions, what I am required to do is to make a notional comparison of the services in Miss Phillipson's application with all of the goods relied upon by the opponent in class 3 of its earlier trade mark. A notional comparison is based upon what the specification covers "notionally" rather than upon actual use (if any). The competing goods and services are, therefore, as follows:

Opponent's goods in class 3	Miss Phillipson's services in class 44
Soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices.	Beautician services; Beauty care for human beings; Beauty consultation; Beauty salon services; Beauty salons; Beauty therapy services; Beauty therapy treatments; Beauty treatment; Beauty treatment services; Beauty-salon services; Make-up application services; Make-up services; Manicure services; Manicuring; Manicuring services; Massage services; Pedicurist services; Facial beauty treatment services; Make-up application services; Salons (Beauty -).

The case law relating to similarity of goods and services

12. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

- a) The respective users of the respective goods or services;
- b) The physical nature of the goods or acts of services;

- c) The respective trade channels through which the goods or services reach the market;
- d) 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;
- e) 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.

13. In *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another*, [2000] F.S.R. 267 (HC), Neuberger J. (as he then was) stated that:

“I should add that I see no reason to give the word “cosmetics” and “toilet preparations”... anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context.”

14. In *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

“... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

15. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the General Court (“GC”) stated that “complementary” means:

“...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking”.

In *Sanco SA v OHIM*, Case T-249/11, the GC indicated that goods and services may be regarded as ‘complementary’ and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different, i.e. *chicken* against *transport services for chickens*. The purpose of

examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander Q.C. noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL-0-255-13:

“It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes.”

Whilst on the other hand:

“.....it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together.

16. In its submissions, the opponent states:

“The goods covered by the opponent’s mark are highly similar to the services covered by the application. The goods of the opponent’s mark are or will be used in the applicant’s business. As the applicant states in her defence and counterstatement, her business will be a “beauty salon and mobile beauty service”. The goods in the opponent’s mark will be used in the provision of those services.”

17. In support of the above approach, the opponent points to three decisions of the Opposition Division of the Office for Harmonisation in the Internal Market (“OHIM”), the relevant parts of which it indicates are as follows:

Decision no. B 2 040 874 – 9 July 2013

“Contested services in Class 44:

There is a certain link between the contested *services of a cosmetic and beauty salon* and the opponent’s goods in Class 3. Besides being complementary (in order to provide the applicant’s services, the opponent’s goods are needed), they are in competition, meaning that consumers may choose to buy the opponent’s goods and apply them by themselves, or visit the applicant’s establishments and make use of its services. Furthermore, it is common for beauty centres to offer cosmetic products for sale, even tailor made according to the customer’s needs. Consequently, despite the different nature of the goods and services compared, it should be concluded that they can coincide in producers, end users and distribution channels. They are, therefore, similar.”

Decision no: 2 107 798 – 18 July 2013

“Contested services in Class 44:

The contested *beauty salons* are, despite the difference in nature between intangible services and tangible goods, similar to the opponent’s *cosmetics*.

They share the same general purpose of beauty care and are directed at the same consumers. It is common that an undertaking operating in the field of cosmetic treatments and beauty care provides both products and treatment in the same places (beauty salons). The products can be the same as those already applied during a beauty session in one of these centres. Thus, if the results are satisfactory and their periodical use is recommended, the client will expect to be able to acquire that product in that beauty centre or hairdressing salon. Therefore, the goods and services share the same distribution channels and points of sale and are complementary.”

Decision no. B 2 030 107 – 18 November 2014

“Contested services in class 44

The contested *Services in the field of hygiene and beauty care* require the usage of earlier goods *cosmetics*. The earlier goods are essential for the rendering of services in class 44, therefore they complement them. Their producers, end users and purpose are similar. These services are similar to the opponent’s earlier goods.”

18. The conclusions reached in the above decisions accord with my own view of the matter, and, in my experience, the state of the market in the United Kingdom for such goods and services. As the above decisions make clear, the nature of a product is different to the provision of a service. However, as, in particular, the “essential oils”, “cosmetics” and “hair lotions” in the opponent’s specification are, in my view, indispensable for the provision of Miss Phillipson’s beauty services, I find there is a complementary relationship between them and a shared intended purpose. I also agree with the conclusions reached in the above decisions to the effect that as it is common place for, for example, beauty salons to sell beauty products, there is also similarity in the respective trade channels and users of the competing goods and services. In addition, as the average consumer may, for example, elect to purchase a particular beauty product to use at home rather than obtaining the same result by utilising the services of, for example, a beautician, I also agree that there is an element of competition between the competing goods and services. Considered overall, I find that the combination of these factors results in at least a reasonable degree of similarity between, in particular, the opponent’s “essential oils”, “cosmetics” and “hair lotions” and all of Miss Phillipson’s beauty related services in class 44.

The average consumer and the nature of the purchasing process

19. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties’ goods and services; I must then determine the manner in which these goods and services are likely to be selected by the average consumer in the course of trade. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

20. The average consumer of the opponent’s goods and Miss Phillipson’s services is a member of the general public. Such goods and services are, in my experience, selected fairly frequently, although the services are, I think, likely to be selected less frequently than the goods. As the goods at issue are most likely to be obtained by self selection from the shelf of, for example, a supermarket or from the pages of a website, visual considerations are likely to dominate the selection process. The cost of some of the goods, for example, perfumes, can, in my experience, vary considerably (often requiring designer perfumes to be displayed in locked cabinets), which in turn requires the intervention of a sales assistant and the introduction of an oral/aural component to the selection process. As Miss Phillipson’s beauty services will, in my view, be selected primarily from signage on the high street or from the pages of magazines and websites, once again, visual considerations are likely to loom large in the selection process. However, as such services are, in my experience, the subject of oral recommendations, aural considerations are likely to be a not insignificant feature of the selection process.

21. As to the degree of care the average consumer will display when selecting the goods and services at issue, with the exception of, for example, designer perfumes, which, given their cost, are likely to attract a heightened degree of attention, none of the goods and services are, as a general rule, highly expensive. However, as all of the goods at issue are for use in or on the average consumer’s person and as all of the services are for the average consumer’s beautification, I would expect an above average degree of attention to be paid to their selection.

Comparison of trade marks

22. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the trade marks must be assessed by reference to the overall impressions created by the trade marks, bearing in mind their distinctive and dominant components. The Court of Justice of the European Union (“CJEU”) stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

23. It would be wrong, therefore, artificially to dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the trade marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the trade marks. The trade marks to be compared are as follows: **PENGUIN v The Pretty Penguin Company**. In its submissions, the opponent states:

“...all of the opponent’s mark is included in the applicant’s mark. The words “The” and “Company” in the applicant’s mark are non-distinctive words. Furthermore, the word “Pretty” in the applicant’s mark describes the word Penguin. The word “penguin” is the distinctive and dominant part of the applicant’s mark. There is visual, phonetic and conceptual similarity between the marks. In particular there is a high degree of conceptual similarity as both marks evoke the bird Penguin which is an unusual image for class 3 goods and class 44 services. The marks are therefore highly similar.”

24. As the opponent’s trade mark consists exclusively of the well known English language word PENGUIN presented in upper case, it has no distinctive or dominate components; its overall impression will be of a single word the meaning of which will be very well known. Turning to Miss Phillipson’s trade mark, this consists of the words The Pretty Penguin Company presented in title case. Although the words “The” and “Company” (the latter of which will be understood as a descriptive and non-distinctive reference to a commercial undertaking) are not negligible within the context of the trade mark as a whole, they are, in my view, likely to have less relative weight in the overall impression her trade mark creates. Rather, in my view, the overall impression of Miss Phillipson’s trade mark will be dominated by the distinctive combination of words “Pretty Penguin”. Having reached those conclusions, I must now compare the competing trade marks from the visual, aural and conceptual standpoints.

25. Although Miss Phillipson’s trade mark also contains the words “The” and “Company”, the presence in her trade mark of the words “Pretty Penguin” as a distinctive and dominant component results, in my view, in at least an average degree of visual similarity between the competing trade marks. When considered from an aural perspective, as all of the words will be well known to the average consumer the pronunciation of the competing trade marks is highly predictable i.e. the opponent’s trade mark will be pronounced as a two syllable word i.e. PEN-GUIN and Miss Phillipson’s trade mark as the eight syllable phrase The-Pret-ty-Pen-guin-Com-pa-ny. The presence in the competing trade marks of the words “PENGIN”/“Pretty Penguin” again results in at least an average degree of aural similarity between them. Finally, insofar as conceptual similarity is concerned, the presence in Miss Phillipson’s trade mark of the distinctive combination “Pretty Penguin” leads, notwithstanding the fact that the word Penguin is qualified by the word Pretty, to a high degree of conceptual similarity between the competing trade marks.

Distinctive character of the opponent’s earlier trade mark

26. The distinctive character of a trade mark can be appraised only, first, by reference to the goods in respect of which registration is sought and, secondly, by

reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade 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 trade mark to identify the goods for which it has been registered as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585. As the opponent did not file any evidence of the use it may have made of its trade mark, I have only its inherent characteristics to consider. As I mentioned above, in its submissions the opponent stated:

“...evoke the bird Penguin which is an unusual image for class 3 goods and class 44 services.”

27. Although the word PENGUIN and its meaning will be well known to the average consumer, there is nothing to suggest it is either descriptive of or non-distinctive for the goods for which the opponent’s trade mark stands registered. In my view, it is, absent use, possessed of an above average degree of inherent distinctive character.

Likelihood of confusion

28. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of the opponent’s trade mark as the more distinctive this trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods and services, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind. Earlier in this decision I concluded that:

- the opponent’s earlier trade mark is not (despite the error which occurred when the Notice of Opposition was completed) subject to proof of use. The opponent is, as consequence, entitled to rely upon all the goods in class 3 for which it is registered;
- the average consumer is a member of the general public who will select the goods in class 3 by predominantly visual means and the services in class 44 by a mixture of visual and aural means;
- in view of the nature of the goods and services at issue, the average consumer is likely to pay an above average degree of attention during the selection process;
- there is at least a reasonable degree of similarity between the opponent’s goods and Miss Phillipson’s services;

- the competing trade marks are visually and aurally similar to at least an average degree and conceptually similar to a high degree;
- the opponent's earlier trade mark is possessed of above average degree of inherent distinctive character.

29. The presence of the additional elements in Miss Phillipson's trade mark are, in my view, likely to be sufficient to avoid the competing trade marks being directly confused i.e. one mistaken for the other. That leaves indirect confusion to be considered. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10, Mr Iain Purvis Q.C. as the Appointed Person noted that:

"16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: "The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

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

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

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as "LITE", "EXPRESS", "WORLDWIDE", "MINI" etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension ("FAT FACE" to "BRAT FACE" for example)."

30. I have already concluded that the opponent's "PENGUIN" trade mark possesses an above average degree of inherent distinctive character. Bearing that conclusion in mind, the position in these proceedings falls, in my view, into category (a) above. That is to say, that notwithstanding the other elements present in Miss Phillipson's trade mark and the above average degree of care that will be taken during the selection process, the presence of the distinctive word "Penguin" (as part of the distinctive combination "Pretty Penguin") is sufficient, given the at least reasonable degree of similarity in the competing goods and services and the degree of similarity

in the competing trade marks I have identified earlier, to lead the average consumer to assume that the competing goods and services originate from undertakings which are economically linked.

Overall conclusion

31. The opposition has been successful and, subject to any successful appeal, Miss Phillipson's application will be refused.

Costs

32. As the opponent has been successful it is entitled to a contribution towards its costs. Awards of costs are governed by Annex A of Tribunal Practice Notice (TPN) 4 of 2007 (which can be found at):

<http://webarchive.nationalarchives.gov.uk/tna/20140603093547/http://www.ipo.gov.uk/pro-types/pro-tm/t-law/t-tpn/t-tpn-2007/t-tpn-42007.htm>

Using that TPN as a guide, but having reduced the amount I would have otherwise awarded to the opponent in respect of the first item shown below (to reflect a contribution to Miss Phillipson's costs in respect of her success at the CMC mentioned above), I award costs to the opponent on the following basis:

Preparing a statement and considering Miss Phillipson's statement:	£100
Opposition fee:	£100
Written submissions:	£200
Total:	£400

33. I order Laura Phillipson to pay to Perry Ellis International, Inc the sum of **£400**. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 8th day of June 2015

C J BOWEN
For the Registrar
The Comptroller-General