

O-021-16

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK REGISTRATION 3046744
IN THE NAME OF GREEN STRIPE LAWN CARE (WILTSHIRE) LTD
IN RESPECT OF THE FOLLOWING TRADE MARK IN CLASSES 1 & 5:**



AND

**AN APPLICATION FOR INVALIDATION (NO. 500773) BY
OMS INVESTMENTS, INC**

Background

1. This is the second time that the parties identified above have locked horns with regard to the subject trade mark. Put simply, the applicant for invalidation here (OMS Investments, Inc) previously opposed the registration of the subject mark, an opposition which it lost. The opposition decision, which was not appealed, was issued by Ms Beverley Hedley on 1 December 2014 (BL O-506-14). The mark was then subsequently registered. The applicant now seeks the invalidation of that registration. The opposition was pleaded under section 5(2)(b) of the Trade Marks Act 1994 ("the Act") and was brought under the Fast Track procedure. As is envisioned by the Fast Track procedure, no evidence was filed by either party. The most notable differences this time around are that:

- i) The applicant pleads more earlier marks than it did in the opposition case.
- ii) The applicant, in addition to section 5(2)(b), also pleads grounds under sections 5(3) and 5(4)(a) of the Act.
- iii) The applicant has filed evidence relating to its reputation in the relevant field.

2. The proprietor filed a counterstatement denying the grounds of invalidation. Both parties have also filed written submissions in these proceedings. Neither party requested a hearing, but both filed written submissions in lieu. The applicant is represented by Dummett Copp LLP. The proprietor, Green Stripe Lawn Care (Wiltshire) Ltd, has represented itself.

3. I will detail the claims, counterclaims, evidence and submissions in more depth when it is necessary to do so.

Status of the opposition decision

4. I note that in a submission dated 4 October 2015 the proprietor states:

"The whole issue of similarity has so far been hammered out when there was an opposition by the Applicant to the registration of this mark. The decision then was that the similarity was not sufficient to allow a successful opposition."

5. In my view, the decision in the opposition proceedings plays no significant part in these invalidation proceedings. There are two reasons for saying this. Firstly, it has been established by case-law that no form of estoppel arises from opposition proceedings under the Act (see, to that effect, the decision of the Chancellor of the High Court, Sir Andrew Morritt, in *Special Effects LTD V L'Oreal SA, L'Oreal UK Ltd (2006) EWHC 481*). Secondly, the decision of a fellow hearing officer in the trade marks tribunal creates no form of binding precedent. Indeed, I would go so far as to say that any persuasive value is quite limited. The best one can say is that the earlier decision is noted, but it is for me to form my own conclusions, even on points that have already been dealt with before. In any event, and as the applicant submits, there are additional features to these proceedings (as noted above) that did not form part of the opposition case.

The section 5(2)(b) ground of invalidity

6. Section 5(2)(b) of the Act states that:

“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.”

7. The following principles are gleaned from the judgments 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:

(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 competing mark/goods

8. The following table contains the relevant details of the competing marks:

Proprietor's mark	Applicant's marks
<p data-bbox="188 891 692 1003">UK registration 3046744 which was filed on 13 March 2014 and registered on 16 January 2015</p>  <p data-bbox="188 1234 692 1671">Class 1: Synthetic fertilisers for plants of all descriptions; organic fertilisers for plants of all descriptions; foliar feeding products; root drench products; soil enrichment products; lawn tonic; fertiliser for soil and potting soil; foliar fertiliser for application to crops during periods of rapid growth; foliar fertiliser for application to crops during periods of stress.</p> <p data-bbox="188 1709 692 1821">Class 5: Lawn moss treatment products, lawn moss killer products.</p>	<p data-bbox="715 891 1402 1003">Community trade mark ("CTM") registration 10448959 which was filed on 28 November 2011 and registered on 11 May 2012</p>  <p data-bbox="715 1249 1402 1547">Class 1: Chemicals for use in agriculture, horticulture or forestry; fertilisers; manures; compost; plant foods; plant growth regulatory preparations and substances; plant growth stimulators and enhancers; soil conditioners; soil wetting agents; soils; garden soils; planting soils; potting mixes and soils; top soil; coir; humus; peat; loam; lawn sands.</p> <p data-bbox="715 1585 1402 2027">Class 5: Preparations for controlling or destroying vermin, weeds or pests; herbicides; pesticides; parasiticides; fungicides or ovidicides; rodenticides; miticides; herbicides, pesticides, parasiticides, fungicides, ovidicides, rodenticides or miticides in combination with fertilizers; moss control agents and compositions; slug, ant, fly, wasp or insect killing or controlling agents and preparations, compositions or papers, traps or other articles containing or carrying them in solid or liquid form; animal repellents; insect repellents.</p>

	<p>Class 31: Agricultural, horticultural and forestry products; mulches and litters; chipped and composted bark for use as a mulch; seeds, seedlings, and live plants, grass seed, turf or shrubs; seeds in combination with fertilizer.</p>
	<p>CTM registration 10448892 which was filed and registered on the same dates as above, and also covers the same goods</p> 
	<p>UK registration 1519230 which was filed on 18 November 1992 and registered on 23 June 1995</p>  <p>Class 1: Chemical products for use in horticulture and agriculture; fertilisers; plant foods; fertiliser spikes; preparations for controlling the acidity of the soil; all included in Class 1.</p> <p>Class 8: Sprayers for use in watering and applying fertilizers to flowers, plants and the ground; parts and fittings for sprayers; all included in Class 8.</p>
	<p>CTM registration 2114700 which was filed on 21 February 2001 and registered on 10 October 2003</p>  <p>Class 1: Chemical products used in agriculture and horticulture, fertilisers.</p>

	<p>Class 5: Herbicides; preparations for destroying vermin.</p> <p>Class 7: Spreaders for use in applying fertilisers and/or other chemical products.</p> <p>Class 8: Sprayers for use in watering and/or applying fertilisers; spreaders.</p> <p>Class 31: Trees, shrubs, turf, seeds, natural plants, flowers</p>
	<p>CTM registration 2096089 for the mark MIRACLE-GRO which was filed on 20 February 2001 and registered on 8 September 2003 for the same goods as above.</p>
	<p>UK registration 1519228 for the mark MIRACLE-GRO which was filed on 18 November 1992 and registered on 12 May 1995 for the following goods:</p> <p>Class 1: Chemical products for use in horticulture and agriculture; fertilisers; plant foods; fertiliser spikes; preparations for controlling the acidity of soil; all included in Class 1.</p> <p>Class 8: Sprayers for use in watering and applying fertilisers to flowers, plants and the ground; parts and fittings for sprayers; all included in Class 8.</p>

9. The third, fourth, fifth & sixth marks detailed above were registered more than five years prior to the application for invalidation being made. This means that those earlier marks are subject to the proof of use provisions contained in section 47(2A) of the Act. However, the proprietor did not ask the applicant to prove use and, so, the applicant is entitled to rely on the marks to the extent to which it has claimed that they have been used, a claim which matches the whole of the specification.

10. I do not intend to make a comparison with all six earlier marks. I will initially limit my assessment to earlier marks 10448892 and 2096089. I will return to the other earlier marks if it is necessary to do so.

Comparison of goods

11. The subject mark covers various fertilisers and horticultural treatments in classes 1 & 5. The applicant's marks also cover such goods, the specifications containing a number of broad terms. The proprietor accepts in its written submissions that the goods are identical. I need say no more than this.

Average consumer and the purchasing act

12. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97. 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.”

13. The goods will be purchased by either members of the general public for use in gardening or by gardeners/farmers. The goods do not strike me as being particularly expensive, indeed, at least in terms of the applicant's goods, one exhibit in the evidence¹ shows products which range between £4 and £15. Nevertheless, this does not mean that the goods will be selected in a completely casual manner. Be it a member of the public or a professional gardener/farmer, some care will be taken to ensure that the goods are fit for purpose and, for example, whether they contain any harmful chemicals. This, therefore, equates to a normal, reasonably considered purchase, one that is neither materially higher nor lower than the norm.

14. The goods will be selected from the shelves of retail stores such as supermarkets, DIY stores or garden centres (and their online equivalents). This suggests a predominantly visual selection process. However, there is room for aural use of the marks as part of seeking advice in store as to the suitability of products. Therefore, the aural impact of the marks will not be ignored in the assessment.

Comparison of marks

15. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a 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 marks must be assessed by reference to the overall impressions created by the 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

¹ Exhibit 5 of Ms Hill's witness statement

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.”

16. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. The marks to be compared are:

Applicant’s marks	Proprietor’s mark
	

17. In terms of the overall impression of the proprietor’s mark, although it has a non-negligible diamond shaped black blocked background, it is the words Magical-Gro that have the greatest relative weight in its overall impression. The yellowing colouring plays only a minor role. There is also what appears to be the letters TM (signifying TRADE MARK) at the end of the word GRO, but on account of its size and its lack of distinctiveness, I regard this as negligible.

18. In terms of the overall impression of the applicant’s figurative mark, although it has a non-negligible circular shaped black blocked background (with a yellow line on the outside), the word element, in this case Miracle-Gro, has the greatest relative weight. There is also a leaf device above the “l” in MIRACLE, but this plays only a minor role, as does the yellow circular line. The overall impression of the Applicant’s word mark is based purely on the word combination MIRACLE-GRO, a combination which hangs together as a unit, with one word qualifying the other.

19. Conceptually speaking, the applicant’s word mark MIRACLE-GRO sends a message of miraculous growth. The same message is sent by the applicant’s figurative mark as that is its only conceptual hook likely to be perceived and retained by the average consumer. The proprietor’s mark sends a message of magical growth. Whilst the word MAGICAL and MIRACLE (and the concepts they create) have different definitions, they both nevertheless send a highly similar conceptual message that the growth achieved by the use of the goods will be beyond expectations – magical/miracle growth. The marks have a reasonably high degree of conceptual similarity.

20. Visually, comparing firstly the applicant’s figurative mark with the proprietor’s mark, there is a degree of similarity on the basis of the MIRACLE-GRO/MAGICAL-

GRO elements, the elements which play the greatest role in the respective marks. Those elements are made up of two hyphenated words, elements which are of similar length as a whole, with the second words (GRO) being identical, and with the first words both beginning with the letter M and both sharing other letters in similar positions (a C towards the middle and an L towards the end). I bear in mind, though, that there are differences in the other letters of the first words of the verbal elements. Both marks also feature a splash of yellow, but this should not be overplayed given my assessment that the colour plays only a minor role in the overall impression of the respective marks. There is a difference on account of the diamond black blocked background as opposed to a circular black back background, however, that both have a simple geometric shaped black blocked background could be said to be a point of similarity. There is a further difference on account of the leaf device in the earlier mark, but, again, this difference should not be overplayed given that the leaf plays only a minor role in the overall impression. I conclude that there is a medium degree of visual similarity. Comparing the applicant's word mark with the proprietor's mark, whilst the absence of the geometric shape and leaf device alters the assessment from that already made, I conclude that there is still a medium degree of similarity resulting from the MAGICAL-GRO/MIRACLE-GRO elements, which is the only part of the applicant's mark and the element which has greatest weight in the proprietor's mark.

21. From an aural perspective, whichever of the applicant's marks is being considered, the assessment is the same as both will be articulated as MIH-RI-CLE-GRO. The proprietor's mark will be articulated as MAH-JI-CAL-GRO. Both articulations are of 4 syllables overall. The final syllable is identical. The third syllable is either identical, or virtually so. Although the first two syllables are not the same, there are some similarities in terms of how they will be articulated. I consider this equates to a reasonably high (but not the highest) degree of aural similarity.

Distinctive character of the earlier marks

22. The degree of distinctiveness of the earlier mark must be assessed. This is because the more distinctive the earlier mark, based either on inherent qualities or because of use made, the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services 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 (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically

widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

23. As stated earlier, one of the main differences between the opposition proceedings and these invalidation proceedings is that the applicant has filed evidence to demonstrate its reputation. The evidence comes from i) Ms Lynn Sheree Harris, a trade mark attorney working for Dummett Copp LLP, whose evidence provides certain details about the use made and which includes a lengthy report produced by Amsel & Co (who appear to be a firm that investigates the use of IP), and, ii) Ms Sheila Hill, the General Manager of an affiliate of the applicant, who gives evidence of the history and use of the mark.

24. I think it clear that the applicant’s marks have a low inherent starting point given their highly allusive characteristics in relation to the goods for which they are registered. However, I also consider it clear from the evidence that the earlier marks are well-known in the relevant field. Indeed, I note from the proprietor’s written submissions that it accepts that the applicant’s marks have a reputation. In terms of the strength of that reputation, I note some of the relevant facts from the applicant’s evidence:

- i) The MIRACLE-GRO mark has been used for over 25 years.
- ii) Annual turnover is in the region of £20 million.
- iii) Annual advertising spend is in the region of £1.5 million.
- iv) The mark is used on a range of goods, notably compost and plant feed, but also on goods such as seeds, planter bags etc.
- v) Advertising is conducted via TV, radio and press and various social media platforms.
- vi) MIRACLE-GRO has won a number of product awards over the years.

25. The above is just a flavour of the evidence provided. It establishes, in my view, that MIRACLE-GRO, and by extension the marks which contain those words in a prominent way, have a strong reputation. The applicant submits that it is the market leader, whilst it is not possible to say that this is so, it is clearly a market leader.

Likelihood of confusion

26. The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.

27. I note in passing that in the proprietor's submissions reference is made to the origin of its mark, which it states is from another of its registered marks JOHNNY MCGUIRE'S MAGICAL-GRO, which itself stemmed from the use of the word GENIE in a number of company names the proprietor's director had incorporated. The point made is that it was the magic of a genie which gave rise to the use of the word "magical" in the mark. Whilst noted, these points have no pertinence. I must consider the matter on the basis of the marks before me, regardless of how they were coined.

28. Some factors point towards confusion, for example, the goods are identical and the applicant's marks are highly distinctive on account of their reputation. Furthermore, there is a reasonably high degree of conceptual and aural similarity and a medium degree of visual similarity. Imperfect recollection must also be taken into account. Weighing the various factors, I come to the conclusion that there is a likelihood of confusion, indeed, I consider that there is a likelihood of direct confusion which means that one mark may be mistaken for the other. The differences in the backgrounds (or the absence of a background) is easily something which could be overlooked, particularly bearing in mind that such elements have less weight in the overall impression. Whilst there is a difference between the more dominant elements, there is still a medium level of visual similarity and reasonably high degrees of aural and conceptual similarity between the marks, the net effect of which could lead to the elements being misremembered/misrecalled for each other. **There is a likelihood of confusion.**

The section 5(4)a ground of invalidity

29. Section 5(4)(a) of the Act reads:

"A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)...

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of "an earlier right" in relation to the trade mark."

30. Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing-off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

"The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House."

31. Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

32. I will deal with this ground briefly. Whilst it is not always the case, a successful finding under section 5(2)(b) will often signify a successful finding under section 5(4)(a). In this case, there can be no doubt that the applicant’s business has the requisite goodwill, at least in association with the marks I have dealt with above. The assessment of the marks is the same. The assessment of the goods is very similar. I come to the view that in this case, for similar reasons given under section 5(2)(b), a damage causing misrepresentation will occur. **The ground under section 5(4)(a) succeeds.**

The section 5(3) ground of invalidity

33. Section 5(3)² of the Act reads:

“5-(3) A trade mark which-

(a) 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 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.”

34. The proprietor has already accepted that the applicant’s marks have a reputation. I have already held that the respective marks will be confused. Causing members of the relevant public to believe that the proprietor’s goods are those of (or are related to) the applicant would clearly create an unfair advantage and would impact upon the distinctive character or repute of the applicant’s mark. **Therefore, the ground under section 5(3) also succeeds.** However, in case I am wrong to have concluded that there would be confusion, I will also consider whether, absent confusion, the ground under section 5(3) would be made out.

² Section 5(3) was amended by The Trade Marks (Proof of Use, etc) Regulations 2004 (SI 2004 No. 946) giving effect to the judgments of the CJEU in *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd* (C- 292/00) and *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* (“*Addidas-Salomon*”) (C-408/01)).

Reputation

35. The earlier mark must have a reputation. In *General Motors Corp v Yplon SA (Chevy)* [1999] ETMR 122 and [2000] RPC 572 the CJEU stated:

“The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.”

36. The proprietor has accepted the applicant’s reputation. As stated earlier, I consider the reputation to be a strong one.

The required link

37. In addition to having a reputation, a link must be made between the subject trade mark and the earlier marks. In *Adidas-Salomon*, the CJEU stated:

“The infringements referred to in Article 5(2) of the Directive, 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 (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23). The existence of such a link must, just like a likelihood of confusion in the context of Article 5(1)(b) of the Directive, be appreciated globally, taking into account all factors relevant to the circumstances of the case (see, in respect of the likelihood of confusion, *SABEL*, paragraph 22, and *Marca Mode*, paragraph 40).”

38. In *Intel Corporation Inc v CPM (UK) Ltd (C-252-07)* (“Intel”) the CJEU provided further guidance on the factors to consider when assessing whether a link has been established. It stated:

“41 The existence of such a link must be assessed globally, taking into account all factors relevant to the circumstances of the case...”

42 Those factors include:

- the degree of similarity between the conflicting marks;
- the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;
- the strength of the earlier mark’s reputation;
- the degree of the earlier mark’s distinctive character, whether inherent or acquired through use;
- the existence of the likelihood of confusion on the part of the public”.

Similarity of marks

39. I have already assessed the similarity between the marks at paragraphs 17-21 above.

The goods

40. The proprietor has accepted that the goods are identical. Even if one were to focus purely on the goods for which the applicant's reputation is strongest, which on the basis of the evidence is likely to be its plant foods, the goods are still identical or, in my view, highly similar.

Reputation and distinctive character

41. Whilst the earlier marks have a low degree of inherent distinctiveness, I come to the view that in respect of the reputed goods, the resultant reputation is strong and that the mark, in respect of the reputed goods, has become distinctive to a very high degree.

Link or not?

42. I think it clear that even if the marks are not confused (the scenario I am considering here) then the similarities I have identified, together with the strong reputation, will mean that the applicant's marks would be brought to mind when the proprietor's mark is encountered. There will be a link.

The heads of damage

43. There are three potential heads of damage under section 5(3). They are often referred to as: i) free-riding, ii) dilution, and iii) tarnishing. The three kinds of damage were conveniently summarised by the CJEU in Case C-487/07, *L'Oréal v Bellure*, as follows:

"39. As regards detriment to the distinctive character of the mark, also referred to as 'dilution', 'whittling away' or 'blurring', such detriment is caused when that mark's ability to identify the goods or services for which it is registered is weakened, since use of an identical or similar sign by a third party leads to dispersion of the identity and hold upon the public mind of the earlier mark. That is particularly the case when the mark, which at one time aroused immediate association with the goods or services for which it is registered, is no longer capable of doing so (see, to that effect, *Intel Corporation*, paragraph 29).

40. As regards detriment to the repute of the mark, also referred to as 'tarnishment' or 'degradation', such detriment is caused when the goods or services for which the identical or similar sign is used by the third party may be perceived by the public in such a way that the trade mark's power of attraction is reduced. The likelihood of such detriment may arise in particular from the fact that the goods or services offered by the third party possess a

characteristic or a quality which is liable to have a negative impact on the image of the mark.

41. As regards the concept of ‘taking unfair advantage of the distinctive character or the repute of the trade mark’, also referred to as ‘parasitism’ or ‘free-riding’, that concept relates not to the detriment caused to the mark but to the advantage taken by the third party as a result of the use of the identical or similar sign. It covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation.”

44. In my view, I consider that the heads of damage will arise at least in the following ways:

- i) I consider that members of the relevant public, even if they are not confused, will at least pause to wonder whether the responsible undertakings are the same or are related. Such a pause to wonder will in my view have a negative impact on the distinctiveness of the applicant’s marks, which could result in dilution.
- ii) The use of a mark so similar to that of a market leader, for identical or very similar goods, will lead to the proprietor benefiting from the applicant’s reputation. Its job of marketing will become easier as the relevant public will assume that the proprietor’s goods have the same nature, impact and quality and will more readily try them, without the proprietor having to spend time building its own brand and reputation.

45. In relation to ii) above, I acknowledge that there is some debate as to whether the judgment of the CJEU in *L’Oreal v Bellure* means that an advantage gained by the user of a junior mark is only unfair if there is an intention to take advantage of the senior mark, or some other factor is present which makes the advantage unfair. The English Court of Appeal has considered this matter three times. Firstly, in *L’Oreal v Bellure* [2010] RPC 23 when that case returned to the national court for determination. Secondly, in *Whirlpool v Kenwood* [2010] RPC 2: see paragraph 136. Thirdly, in *Specsavers v Asda Stores Limited*¹ [2012] EWCA Civ 24: see paragraph 127. On each occasion the court appears to have interpreted *L’Oreal v Bellure* as meaning that unfair advantage requires something more than an advantage gained without due cause. However, the absence of due cause appears to be closely linked to the existence of unfair advantage. See paragraph 36 of the opinion of Advocate General Kokott in Case C-65/12 *Leidseplein Beheer and Vries v Red Bull*. In *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) Arnold J. considered the earlier case law and concluded that:

“80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant’s intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of

the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill.”

46. In circumstances such as these, where there is a clear advantage, the words of Arnold J hold good. In any event, the similarities between the marks suggest to me, as the applicant submits, that the applicant's mark must have at least been in the mind of the proprietor when it was coined. The proprietor refers (albeit in submission rather than evidence) to the use of GENIE (which are magical beings) in earlier company names, however, this does not persuade me otherwise. The overall structure of the marks is of such a nature that a completely co-incidental coining is improbable. The true motives are not clear, but I consider it probable that the mark was intended to have some form of similarity with the applicant's MIRACLE-GRO mark. **Therefore, even if the marks would not have led to confusion, the ground of invalidation under section 5(3) would have succeeded.** I should also add that even if evidence had been filed of the proprietor's use of JOHNNY MCGUIRE'S MAGICAL-GRO, this would not have provided the proprietor with a due cause defence for the mark at issue here.

Outcome

47. The invalidation has succeeded on all grounds. The subject registration is hereby declared invalid. Under the provisions of section 47(6) of the Act, it is deemed never to have been made.

Costs

48. The applicant has succeeded and is entitled to a contribution towards its costs. My assessment is set out below:

Official fee - £200

Preparing statements and considering the other side's statements - £300

Filing evidence - £600

Written submissions - £400

Total - £1500

49. I therefore order Green Stripe Lawn Care (Wiltshire) Ltd to pay OMS Investments, Inc the sum of £1500. This should 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.

50. I note in passing that the proprietor states that the applicant has not paid the £100 it was ordered to pay as a result of the opposition proceedings. That is not a matter for me. It is for the proprietor to take the necessary steps to enforce that order.

Dated this 15th day of January 2016

**Oliver Morris
For the Registrar,
The Comptroller-General**