

O-206-16

TRADE MARKS ACT 1994

**IN THE MATTER OF INTERNATIONAL TRADE MARK
REGISTRATION NO. 1225515
BY THE POLO/LAUREN COMPANY, L.P.**

TO REGISTER:

RLX RALPH LAUREN

**AS A TRADE MARK IN
CLASSES 9, 14, 18 & 25**

AND

**IN THE MATTER OF OPPOSITION
THERE TO UNDER NO. 403732
BY ROLEX SA**

Background and pleadings

1) On 25 July 2014, The Polo/Lauren Company, L.P. (“the applicant”) requested protection in the UK of the International Registration (“IR”) for the following trade mark:

RLX RALPH LAUREN

2) The UK Trade Marks Registry considered the request for IR (no. 1225515) to be accepted for protection and subsequently published the IR in the Trade Marks Journal 2014/051 on 12 December 2014 for the following goods:

Class 9: Binoculars, pince-nez cases, pince-nez, pince-nez cases, eyeglass chains, eyeglass cords, eyeglass frames, eyeglass chains, eyeglass cords, eyeglasses, spectacle cases, spectacle frames, spectacle lenses, spectacles (optics), cases for sunglasses, straps for sunglasses, frames for sunglasses, chains for sunglasses, sunglasses.

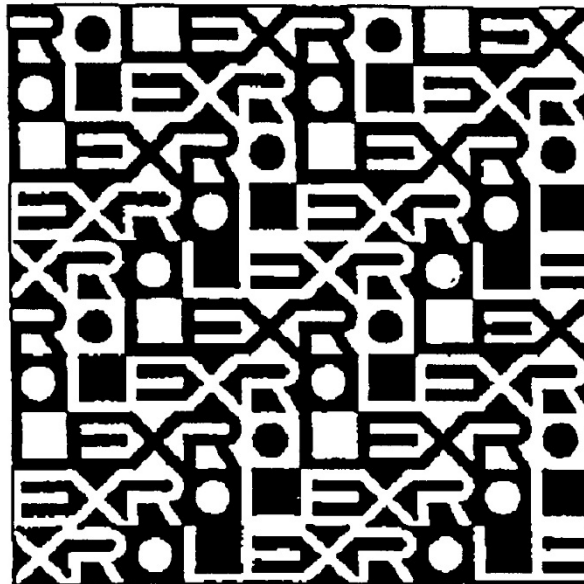
Class 14: Precious metals and their alloys and goods made of these materials or coated therewith not included in other classes, namely boxes of precious metal, jewelry boxes, cases for watches and clocks, badges of precious metal, ingots of precious metals, hat ornaments of precious metal, cuff links, tie pins, hat pins [jewelry], ornamental pins, badges [jewelry], tie pins, key rings of precious metal, clasps for jewelry, shoe ornaments [of precious metal], silver thread [jewelry]; articles of jewelry, precious stones; timepieces and chronometric instruments.

Class 18: Attaché cases, backpacks, beach bags, briefcases (leather goods), walking sticks, card cases (wallets), handbags, key cases, shoulder belts (straps) of leather, parasols, wallets, purses, clutch bags, school satchels, satchels, shopping bags, suitcases (carrying cases), covers for suits, shirts and dresses, travel bags, traveling trunks, suitcases, umbrellas, wallets.

Class 25: Clothing for men, women and children, footwear, headgear for wear.

3) On 6 February 2015, Rolex SA (“the opponent”) opposed the IR on the basis of Section 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”).

4) The section 5(2)(b) and 5(3) claims are on the basis of its earlier UK Trade Marks (“the earlier marks”). These are:



Mark (“motif”):

Number:

2191110

Filing date:

8 March 1999

Date of entry

in register:

6 August 1999

Goods:

Class 14: Precious metals and their alloys and goods in precious metals or coated therewith; horological and chronometric apparatus and instruments; watches; clocks; cases, movements, dials, springs and glasses, all for watches or clocks; chains, bands and bracelets for watches; jewellery; cufflinks; precious and semi-precious stones; presentation cases adapted for all the aforesaid goods; sundials; parts and fittings for all the aforesaid goods.

Mark:

ROLEX

Number:

2488795

Filing date:

28 May 2008

Date of entry**in register:** 21 November 2008**Goods/services:** Class 14: Jewellery, horological instruments, namely watches, wristwatches, parts of clocks and watches and accessories for clocks and watches not included in other classes, alarm clocks, clocks and other chronometric instruments, chronometers, chronographs (watches), apparatus for sports timekeeping, apparatus and instruments for measuring time and indicating time not included in other classes; dials (clock- and watch-making), clock cases, watch cases, cases for watches (presentation) and cases for jewellery (presentation).

Class 35: Retail services connected with horological products, clocks, watches and jewellery articles; advertising connected with the buying and selling of horological products, clocks, watches and of jewellery.

Class 37: Repair, overhaul, maintenance, and polishing of horological products, clocks, watches and of jewellery articles.

Section 5(2)(b)

5) In support of its section 5(2)(b) claim, the opponent only relies upon class 14 of each earlier mark. It claims that since its earlier ROLEX mark “enjoys a very high degree of inherent and acquired distinctiveness” and given the similarities between the respective marks, there is a likelihood of confusion. With regard to the motif it claims that the letters RLX retain an independent role within the applicant’s mark and therefore there is a likelihood of confusion.

6) The applicant filed a counterstatement denying there is a likelihood of confusion. It also states that even if some individuals see RLX as being used as an abbreviation for ROLEX then it argues that “in *Sabel BV v Puma AG*: “mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of section 5(2)”. ”.

7) In relation to the motif mark it states that the opponent's claim that RLX is independently distinctive is "utterly artificial".

Section 5(3)

8) The opponent relies upon on all of the goods and services covered by the ROLEX (word) registration, and the class 14 goods (except for "cufflinks; sundials") covered by the motif registration. It claims that the earlier marks enjoy a significant reputation and the relevant public are likely to believe that the respective marks originate from the same or associated undertakings. It also argues that "consumers are likely to be confused into thinking that there has been a collaboration between the Opponent and the Applicant". In view of this association the applicant would unfairly benefit from the power of attraction and unfairly exploit the reputation and prestige without paying any financial compensation to the opponent.

9) Both sides filed evidence in these proceedings. This will be summarised to the extent that it is considered appropriate/necessary.

10) Only the applicant filed written submissions which will not be summarised but will be referred to as and where appropriate during this decision. A hearing took place on 4 February 2016, with the opponent represented by Mr Jonathan Moss of Counsel, instructed by D Young & Co LLP, and the applicant by Mr Roman Cholij of Cam Trade Mark & IP Services.

Proof of use

11) Since the earlier marks have been registered for over five years prior to publication of the application, the applicant has requested that the opponent provide proof of use of the motif registration for all of its class 14 goods. This was subsequently conceded during the hearing. Therefore, I shall proceed on the basis that there has been use.

Evidence

Opponent's evidence

Witness statement of David John Cutler and exhibits DC1-DC17

12) Mr Cutler is the head of communications for the opponent. He has worked for the opponent for 29 years and states that he is very conversant with the retail watch trade in the UK. A large proportion of the witness statement makes submissions on the likelihood of confusion and comments in relation to the section 5(3) claim. These submissions shall be referred to where appropriate in this decision.

13) Mr Cutler sets out the history of the Rolex brand which "is an entirely made up word which was composed by Hans Wildorf, the founder of the Opponent, in 1908¹. Mr Cutler states that the opponent has 28 affiliates worldwide, all of which have been incorporated with a name which features the word ROLEX².

14) The Rolex Watch Company Limited received in excess of £12.5million of revenue in 2013, and over £15million in 2014; the vast majority of which was derived from the sale of ROLEX watches.

15) The opponent registered the domain name rolex.com in August 1998.

16) There are more than 100 Official Rolex Retailers in the UK and Ireland, operated by 49 companies.

17) The opponent spent £200,000 on its UK advertising in 2009 and 2010, and £250,000 in 2013.

18) The opponent sponsors major sporting events. For example, the opponent has sponsored The Arts, the Wimbledon tennis event since 1978 and also sponsors major

¹ An extract from the Swiss Companies Register has been filed under exhibit DC1.

² Full details of the various affiliates are enclosed under exhibit DC2

golfing, motorsport, yachting and equestrian events. The opponent also sponsors individual athletes and artists.

19) Mr Cutler states that the Rolex brand is frequently ranked as one of the most successful and prestigious brands in the world. He provides the following examples:

- “It was ranked number 1 on the list of Consumer Superbrands Official Top 500 in 2012 and 2013 by the Centre for Brand Analysis;
- It was ranked 2 on the Top 20 Consumer Superbrands list in 2014 and 2015, and a category winner for “watches” on Consumer Superbrands category winners list, in 2014 and 2105.
- It was ranked number 4 on the list of Top 20 CoolBrands in 2011 and number 3 on the same list in 2013 by The Centre for Brand Analysis; and
- It was ranked number 68 in the World’s Most Valuable Brands in 2013 by Forbes.”

20) Reports outlining the above have been submitted under exhibit DC11, together with “Rankings Per Brand”.

21) The Rolex Jubilee Motif has been used continuously for nearly 40 years. Examples of how the mark has been used have been filed under exhibit DC13. The examples have dates 2009 and 2012-2013 hand written in the top corner. The catalogues show pictures of watches whereby the dial has the motif.

22) Exhibit DC14: undated pictures of the motif being used on displays in Rolex retailers and premises, including the Rolex Service Centre at King’s Hill, Kent, St Helier, Canary Wharf, Leeds and London.

23) Exhibit DC15: photographs of promotional items bearing the motif mark. These items include trays, ashtrays, address books, telephone pads, conference pads, pens, diaries, jewellery cases, purses, pocket mirrors, opera glasses, pocket lenses, letter openers, Swiss knives and presentation cases.

24) Mr Cutler states that it is common practice in the prestigious goods industry for two different brand holders to collaborate and produce goods, including watches. In support of this argument, Mr Cutler filed under exhibit DC16 a number of internet screen prints from various websites which demonstrate the following collaborations:

- Patek Philippe and Tiffany
- Hublot and Ferrari
- Jaeger-LeCoultre and Batman
- G-Shock and New Era
- O clock watches and Disney
- Swatch and Uma Wang
- Bremont and Jaguar

25) Mr Cutler believes that consumers will assume that a watch bearing the IR is in collaboration between the respective parties. Further, Mr Cutler states that the applicant promotes its IR at the same events, including Wimbledon. Exhibit DC17 consists of examples of use at the same events.

Applicant's evidence

Witness statement of Dr Roman Cholij and exhibits RC1-RC10

26) Mr Cholij is a registered trade mark attorney for Cam Trade Marks & IP services, the applicant's professional representatives, a position he has held since 10 April 2007.

27) Exhibit RC1: an internet print out from the Company Profile page of Ralph Lauren's website. It is dated 13 August 2015 and lists RLX as one of its brands. Further, it states that the opponent's first quarter net revenues were \$1.6 billion.

28) Exhibit RC2: screen shots dated 13 August 2015 from the applicant's website. They show use of the mark RLX, including an advertisement design with Luke Donald (professional golf player).

29) Exhibit RC3: screen shots from the Gucci's website which Mr Cholij argues is evidence that fashion brands extend into the watch sector. The screen shots are dated 13 August 2015. Indeed, exhibit RC4 comprises of internet screen shots from its website ralphlaurenwatches.com which advertise watches.

30) Exhibit RC5: screen prints for Google searches for the terms RLX, RLX Ralph Lauren and RLX Ralph Lauren watches. All of the results are links towards the applicant's websites.

31) Exhibits RC6 to RC10: these exhibits are copies of various decisions from the respective of trade mark registries of the US, Peru, Columbia and Bolivia.

Opponent's evidence in reply

Witness statement of Ian Chrichton Starr and exhibits IS1 – IS19

32) Mr Starr is a solicitor and partner of D Young & Co LLP, the opponent's professional representatives.

33) Exhibit IS1: internet searches for the term "RLX WATCHES" dated 23 October 2015. Mr Starr states that all of the organic searches relate to "ROLEX" watches and Google has assumed that the search is for "ROLEX WATCHES".

34) Exhibit IS2: internet print outs from the websites rlx-sales.com and ebay which advertise ROLEX watches. The print outs are dated 23 October 2015.

35) Mr Starr refers to "ELX" as essentially being the word "ROLEX" but with the vowels removed. He claims that this is a common practice and the Collins English Dictionary defines as "disemvowel"³ as "to remove the vowels from (a word in a text message, email, etc.) in order to abbreviate it".

³ Exhibit IS3 is an extract from the Collins English dictionary and Macmillan dictionary

36) Exhibit IS4: an extract from Time Magazine which listed “disemvowelling” as #42 in its 2008 list of top 50 “Best Inventions of the Year”.

37) Exhibit IS5: an article dated 26 June 2012 headed Trendsporting: Minimalist branding and Disemvoweling (yes, that’s a word)”, from the website of the Canadian Marketing Company, Incite Marketing. The article discusses the use of “disemvowelment” and provides the following descriptive examples:

- “STK – a trendy and sophisticated steak house with locations from London to Las Vegas
- MRKT – a local restaurant offering an “urban picnic” atmosphere with fresh food and shared tables
- MKT – a local upscale beer bar
- BRND WGN – a European marketing firm”

38) Exhibit IS6: an article from Next Web who are a technology focused Media Company with one of the world’s largest online publications delivering an international perspective. Mr Starr states that the website has more than 7.2 million monthly visitors and 9.5 million monthly page views. He specifically refers to an article dated 19 October 2013 which reads:

“Companies want to portray themselves as creative, friendly and forward-thinking. Somehow, this evolved into a common trend that sees startups all with –ly, -me or –fy in their names. Dropping vowels are also a thing – and in some ways, that helps with differentiating the company from a regular word and shortens its URL.”

39) Mr Starr states that the article refers to two brands which have dropped its vowels, namely “nwplyng (Nowplaying) and Unbxed (Unboxed)”⁴.

40) Mr Starr provides a number of examples whereby brands have “disemvowelled” its brand name. These are:

⁴ Exhibit IS7

- Pluggd (Plugged), Gabbr (Gabber), Blufr (Bluffer), and Talkr (Talker)⁵
- BGR (Burger), STK (Steak), GRK (Greek) and (SKWR (Skewer)⁶
- RBK (Reebok)⁷
- MTN DEW (Mountain Dew)⁸. Further examples of the shortened use have been provided from the Mountain Dew website and its twitter feed.⁹
- SLVR (silver), ROKR (rocker), RIZR (rizer) and PEBL (pebble).¹⁰ Examples of how the marks have been used have been filed.¹¹

41) Mr Starr states that Yahoo Inc. own a EUTM (“European Union Trade Mark”) registration for FLICKR¹². Examples of how the mark is used have been filed as exhibit IS16.

42) Mr Starr claims that when Twitter was initially released in 2006 it was called Twtr. Examples of the use are filed under exhibit IS17.

43) Another example is WKD¹³ which has been registered as a trade mark in the UK. Exhibit IS19 comprises of examples of how WKD is used. The print outs from the WKD website are dated 27 October 2015.

44) Finally, Mr Starr refers to the general use of shortening words, particularly for use in text messages. The examples provided are: BRB (Be Right Back), BTW (By The Way), MSG (Message), SRSLY (Seriously) and TMRW (Tomorrow).

⁵ Exhibit IS8

⁶ Exhibit IS9: Washington Post (online) dated 22 January (the year is not specified)

⁷ Exhibit IS10: UK trade mark registration no. 2451722 filed on 4 April 2007

⁸ Exhibit IS11: UK trade mark registration no. 2499489 filed on 7 October 2008.

⁹ Exhibit IS12

¹⁰ Exhibit IS13: EUTM registration details for numbers 4550703, 4550737, 5238852 and 4219457 respectively.

¹¹ Exhibit IS14

¹² Exhibit IS15: EUTM registration details for number 4715397

¹³ Exhibit IS18: UK trade mark registration no. 2048587.

DECISION

SECTION 5(2)(b)

45) Sections 5(2)(b) of the Act is 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, or there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark”.

Case law, the principles

46) 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.

(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 might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods

47) The respective goods are as follows:

Earlier mark (no. 2191110)	IR
<p>Class 14: Precious metals and their alloys and goods in precious metals or coated therewith; horological and chronometric apparatus and instruments; watches; clocks; cases, movements, dials, springs and glasses, all for watches or clocks; chains, bands and bracelets for watches; jewellery; cufflinks; precious and semi-precious stones; presentation cases adapted for all the aforesaid goods; sundials; parts and fittings for all the aforesaid goods.</p>	<p>Class 14: Precious metals and their alloys and goods made of these materials or coated therewith not included in other classes, namely boxes of precious metal, jewelry boxes, cases for watches and clocks, badges of precious metal, ingots of precious metals, hat ornaments of precious metal, cuff links, tie pins, hat pins [jewelry], ornamental pins, badges [jewelry], tie pins, key rings of precious metal, clasps for jewelry, shoe ornaments [of precious metal], silver thread [jewelry]; articles of jewelry, precious stones; timepieces and chronometric instruments.</p>

Earlier mark (no. 2488795)	IR
<p>Class 14: Jewellery, horological instruments, namely watches, wristwatches, parts of clocks and watches and accessories for clocks and watches not included in other classes, alarm clocks, clocks and other chronometric instruments, chronometers, chronographs (watches), apparatus for sports timekeeping, apparatus and instruments for measuring time and indicating time not</p>	<p>Class 14: Precious metals and their alloys and goods made of these materials or coated therewith not included in other classes, namely boxes of precious metal, jewelry boxes, cases for watches and clocks, badges of precious metal, ingots of precious metals, hat ornaments of precious metal, cuff links, tie pins, hat pins [jewelry], ornamental pins, badges [jewelry], tie pins, key rings of precious metal, clasps</p>

included in other classes; dials (clock- and watch-making), clock cases, watch cases, cases for watches (presentation) and cases for jewellery (presentation).	for jewelry, shoe ornaments [of precious metal], silver thread [jewelry]; articles of jewelry, precious stones; timepieces and chronometric instruments.
--	--

48) During the hearing Mr Cholij helpfully conceded that the goods were either identical or similar. It is clear that some of the contested goods, i.e. jewellery and articles of jewellery, are identical to the goods (i.e. articles of jewellery) on which the opposition is based. For reasons of procedural economy, I will not undertake a full comparison of the goods to determine the degree of similarity. Instead the examination of the opposition will proceed on the basis that the contested goods are identical to those covered by the earlier marks. If the opposition fails, even where the goods are identical, it follows that the opposition will also fail where the goods are only similar.

Comparison of marks

49) 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 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.”

50) 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 respective marks are below:

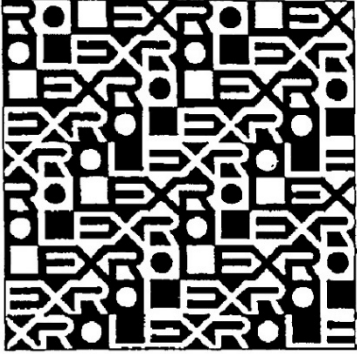
Earlier mark	IR
ROLEX	RLX RALPH LAUREN

51) As stated by the opponent, its earlier mark is an invented word, the whole of which comprises its overall impression. With regard to the IR this consists of RLX which would be seen as an acronym and separate to the name RALPH LAUREN. I do not consider RLX to be any more or less prominent than RALPH LAUREN.

52) Visually, the first three letters in the IR are the same as the earlier mark without the vowels. The opponent states that this is referred to as disemvowelment is common practice in the market. Notwithstanding this, the IR also contains the words RALPH LAUREN which does lessen any degree of similarity that the opponent argues there to be. Whilst consumers may be used to disemvowelment and there may then be a degree of visual similarity between the marks, this is reduced by virtue of the IR also containing RALPH LAUREN. It lessens it to the extent that I consider there to be only a very low (if any at all) degree of visual similarity.

53) Conceptually, ROLEX has no meaning, whereas the name RALPH LAUREN in the IR would be recognised and remembered. Therefore, I do not consider there to be any conceptual similarity.

54) Aurally, the earlier mark would be pronounced as two syllables: RO-LEX. The letters in the IR would be individually pronounced, i.e. together with the name RALPH LAUREN. On this basis, I do not consider there to be any aural similarity.

Earlier mark	IR
	<p data-bbox="799 416 1385 465">RLX RALPH LAUREN</p>

55) I have already discussed the overall impression of the IR above. With regard to the earlier mark, it is probably best described as busy. The applicant describes the mark as a lattice with a sequence of letters, being ROLEX, and likened it to a QR code. The letters are on a mixture of black and white backgrounds. They are not instantly recognisable and require a close inspection of the marks to see ROLEX. Therefore, I do not consider ROLEX, or indeed RLX, as being prominent. Instead I consider the dominant and distinctive element of the mark to be its overall “busy” impression.

56) Visually, for the reasons set out above, the earlier mark is complex. The opponent argues that the respective marks are similar since “The device mark can be read from the top left hand corner to the bottom right hand corner as a series of repeating combination of letters “RLX”. When viewed this way the combination of letters RLX are repeated 12 times with the mark” and “the letters RLX retain an independent distinctive role within the Applicant’s mark.” The applicant argues that:

“It is quite difficult to read the letters comprising the sign without enlarging it significantly. Although the word “ROLEX” is written in rows and in columns, the justification of the letters on the diagonal gives the appearance of a draughtboard. Certain letters can be read more easily, in particular the letters “E” and “R”. The other letters are more difficult to decipher as such and it is their figurative features that first appear, so the “O” resembles a circle within a square, the “L” that suggests a square with an alternatively black or white edge and the “X” delimits the diagonals. Applicant’s trade-mark is a word mark only comprising the letters “RLX” and a first name and surname “RALPH LAUREN”. The marks are visually quite different.”

57) I do not consider there to any degree of visual similarity between the respective marks. The letters within the mark are not instantly recognisable but on close inspection you can read ROLEX. You do not see RLX and these letters do not retain an independent distinctive role. They are not visually similar.

58) The opponent argues that the letters “RLX” would bring the opponent’s mark to mind. I disagree. Whether consumers would recognise the word ROLEX in the earlier mark or not, it would not “bring to mind” RLX. Moreover, there is no other element in the earlier which would create a conceptual hook, whereas the IR would be remembered by the name RALPH LAUREN. I do not consider there to be any conceptual similarity.

59) The way the earlier mark is presented it would not be verbalised. Should consumers identify the word ROLEX within the mark, as previously stated, it would be pronounced as two syllables: RO-LEX. The opponent argues that it is difficult to say RLX without it sounding like ROLEX. I disagree. Pronouncing the individual letters R-L-X bears no resemblance to RO-LEX. They are not aurally similar.

Average consumer and the purchasing act

60) 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*.

61) 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 at paragraph 60 in these terms:

“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.”

62) Generally, the goods in question are jewellery and watches. These are goods which would be purchased by the general public. Goods of this nature can vary greatly in cost, however I am mindful of the comments made in *Bang & Olufsen A/S v OHIM*, Case T-460/05, the General Court stated that:

“According to the case-law, the price of the product concerned is also immaterial as regards the definition of the relevant public, since price will also not be the subject of the registration (Joined Cases T-324/01 and T-110/02 *Axions and Belce v OHIM* (Brown cigar shape and gold ingot shape) [2003] ECR II-1897, paragraph 36).”

63) In view of the above, it is irrelevant whether the goods are expensive or not and all mark sectors must be considered when assessing the likelihood of confusion. Accordingly, there is a medium degree of care and attention paid when purchasing the goods.

64) With regard to how the goods would be purchased, they are likely to be sought following a visual perusal of websites, shop displays or brochures. Therefore, the purchasing process is likely to be visual, though I do not discount aural recommendations.

65) The opponent has filed evidence which demonstrates that internet searches for RLX often find, or assume, that the “searcher” is looking for ROLEX. However, this line of argument is dismissed since internet search engines are not the average consumers of the goods. The search engines have been programmed to help “searchers” find whatever it is they are looking for. Taking into consideration such search tools cannot be taken into account.

Distinctive character of the earlier trade mark

66) In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated at paragraphs 22 and 23 that:

“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).

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).”

67) From an inherent perspective, the mark ROLEX is an invented word which has a high degree of distinctive character for the goods upon which it is used. The evidence supports what I would have taken to be a notorious fact: Rolex is a famous watch manufacturer. Therefore, it is at the highest possible level of distinctive character by virtue of the use made of the mark.

GLOBAL ASSESSMENT – Conclusions on Likelihood of Confusion

68) 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 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, 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.

69) I have concluded that:

- Based upon the earlier ROLEX mark, I have found that there is a very low (if at all) degree of visual similarity. There are no conceptual or aural similarities between the respective marks. With regard to the motif mark, the findings are the same.
- Many of the respective goods are identical and I shall make the comparison of goods assessment based on the assumption that all are identical.
- The earlier ROLEX mark has an extremely high degree of distinctive character. I also find that the motif has an enhanced degree of distinctive character, albeit not as high as ROLEX.
- The average consumer of the subject goods is the general public who will pay a medium degree of care and attention when purchasing the goods. The purchase will follow a visual perusal, though I do not discount aural recommendations.

70) During the hearing Mr Moss stated that it is important not to lose sight of the distinctive character of the mark ROLEX. I fully accept that ROLEX is at the very top end of distinctive character by virtue of the use made of it. Further, I am mindful that the goods would generally be purchased following a visual inspection of the goods.

However, except for a very low degree of visual similarity, taking a global assessment of the marks, overall, they are simply not similar. A further argument is that consumers are used to disemvowelment and accordingly when they encounter RLX their minds eye would enter the missing vowels to make ROLEX. Much of the evidence to support this argument is not focussed on the UK market or it is after the relevant date. However, I do not accept this argument because in my view, consumers are more accustomed to encountering acronyms and this is how the mark would be perceived. The average consumer, when faced with the mark RLX would not automatically enter vowels to make up ROLEX. Therefore, I reject this line of argument.

71) Further arguments pursued in the evidence are that the goods are promoted at the same events and markets, plus in the prestigious goods industry two different brand holders collaborate with one another. Upon assessing whether there is a likelihood of confusion I must consider the earlier mark to have been used in relation to all the goods/services covered by the registered specification or, if a new specification has been arrived at as a result of a challenge to the use of the earlier mark, that specification.

72) Accordingly, I must assess the goods covered by the respective registrations rather than marketplace conditions. Moreover, if the marks are not similar then this line of argument is clearly unsustainable.

73) In view of the above, there is no likelihood of direct confusion (mistaking one mark for another) or indirect confusion (where the respective similarities lead the consumer to believe that the respective goods come from the same, or related, trade source).

74) The opposition under section 5(2)(b) of the Act fails in its entirety.

SECTION 5(3)

75) Section 5(3) of the Act states:

“(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 a European Union trade mark or international trade mark (EC), in the European Union) 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.”

Case law, general principles

76) The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark’s reputation and distinctiveness; *Intel*, paragraph 42

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there

is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This 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 (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure*).

Reputation

77) As discussed earlier, the opponent's ROLEX mark is a famous watch manufacturer and this is what the evidence shows. Therefore, I find that it has the requisite reputation.

78) With regard to the motif mark, the opponent has not demonstrated that it has the requisite reputation. Whilst the opponent claims that it has extensively used the mark for nearly 40 years, it has not demonstrated that it has proven reputation in its own right. It has provided examples of how the mark has been promoted and the mark is used as at the point of sale¹⁴.

79) Even if I had found that the opponent sufficiently demonstrated that it has the requisite reputation, since there is no degree of similarity between the respective marks, there cannot be a link. The section 5(3) claim based on the motif falls at the first hurdle and fails.

Link

80) Having established the existence and scope of reputation in the ROLEX mark, I now must consider the existence of the necessary link between it and the IR. In *Intel* the CJEU states that it is sufficient for the later trade mark to bring the earlier trade mark with a reputation to mind for the link, within the meaning of *Adidas-Salomon and Adidas Benelux*, to be established. The CJEU also set out the factors to take into account when considering if the necessary link exists, these are:

“41. The existence of such a link must be assessed globally, taking into account all factors relevant to the circumstances of the case (see, in respect of Article 5(2) of the Directive, *Adidas-Salomon and Adidas Benelux*, paragraph 30, and *adidas and adidas Benelux*, paragraph 42).

42. Those factors include:

¹⁴ Exhibit DC14 of Mr Cutler's witness statement

- 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.”

81) I shall consider each of the above in turn.

The degree of similarity between the conflicting marks

82) I have already found that there is a very low degree of visual similarity, though overall the marks are not similar. On this basis, the section 5(3) claim must fail since if there is no overall degree of similarity then the earlier mark would not be brought to mind once consumers encounter the IR. However, for the sake of completeness I shall take the remaining *Intel* considerations into account.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public

83) As with the section 5(2)(b) assessment, I shall proceed on the basis that the respective goods are identical.

The strength of the earlier mark’s reputation

84) It is a notorious fact that the mark ROLEX is a famous mark for watches.

The degree of the earlier mark’s distinctive character, whether inherent or acquired through use

85) As already discussed, the opponent's ROLEX mark has the highest degree of distinctive character by virtue of the use made of it. From an inherent perspective, the mark has a high degree of distinctive character.

The existence of a likelihood of confusion on the part of the public

86) For the reasons set out in the section 5(2)(b) assessment, I do not consider there to be a likelihood of confusion between the respective marks.

87) Whilst I have already found that there is no likelihood of confusion, which resulted in the section 5(2)(b) claim failing, I am mindful of the comments made in *Intra-Press SAS v OHIM*, Joined cases C-581/13P & C-582/13P, the Court of Justice of the European Union stated (at paragraph 72 of its judgment) that:

“The Court has consistently held that the degree of similarity required under Article 8(1)(b) of Regulation No 40/94, on the one hand, and Article 8(5) of that regulation, on the other, is different. Whereas the implementation of the protection provided for under Article 8(1)(b) of Regulation No 40/94 is conditional upon a finding of a degree of similarity between the marks at issue so that there exists a likelihood of confusion between them on the part of the relevant section of the public, the existence of such a likelihood is not necessary for the protection conferred by Article 8(5) of that regulation. Accordingly, the types of injury referred to in Article 8(5) of Regulation No 40/94 may be the consequence of a lesser degree of similarity between the earlier and the later marks, provided that it is sufficient for the relevant section of the public to make a connection between those marks, that is to say, to establish a link between them (see judgment in *Ferrero v OHMI*, C-552/09 P, EU:C:2011:177, paragraph 53 and the case-law cited).”

88) In essence, the level of similarity required for the public to make a link between the marks for the purposes of section 5(3) may be less than the level of similarity required to create a likelihood of confusion. In this instance, the earlier mark has a significant reputation and it has been assumed that the goods in question are identical.

However, I find that the marks are far from sufficiently similar for a link to exist. Therefore, the section 5(3) claim has failed.

Section 5(4)(a)

89) Section 5(4)(a) of the Act states:

“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.”

Case law, general principles

90) 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."

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.”

The relevant date

91) In *SWORDERS TM* O-212-06 Mr Allan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

“Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark

before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.’ ”

92) There has not been a claim that the position should be assessed prior to the date that protection in the UK has been sought. Therefore, the position shall be assessed at the date of the designation being filed, i.e. 25 July 2014.

Goodwill

Inland Revenue Commissioners v Muller & Co's Margarine Ltd [1901] AC 217 (HOL):

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

93) It is clear that the opponent has a protectable goodwill, at the relevant date, for the ROLEX and motif marks.

Misrepresentation

94) In *Neutrogena Corporation and Another v Golden Limited and Another*, 1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by *Lord Oliver of Aylmerton in Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the

public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]"

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148 . The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101."

And later in the same judgment:

"... for my part, I think that references, in this context, to "more than *de minimis* " and "above a trivial level" are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion."

95) I have already found that there is no likelihood of confusion and, therefore, the objection under section 5(2)(b) of the Act failed. However, I am mindful that there is one possible difference between the position under trade mark law and the position under passing off law. In *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, Lewinson L.J. cast doubt on whether the test for misrepresentation for passing off purposes came to the same thing as the test for a likelihood of confusion under trade mark law. He pointed out that it is sufficient for passing off purposes that "a *substantial number*" of the relevant public are deceived, which might not mean that the average consumer is confused. As both tests are intended to be normative measures intended to exclude those who are unusually careful or careless (per Jacob L.J. in *Reed Executive Plc v Reed Business Information Ltd* [2004] RPC 40), it is doubtful whether the difference between the legal tests will (all other factors being equal) produce different outcomes.

96) In this instance, “a substantial number” of the relevant public will not be deceived. The marks are not similar to the extent that there is any likelihood of there being deception. The claim under section 5(4)(a) fails.

OUTCOME

97) The opposition fails in its entirety. Subject to appeal, the application shall proceed to registration for all of the applied for goods.

COSTS

98) The applicant has been successful and is entitled to a contribution towards its costs. During the hearing Mr Moss stated that whether his client is successful or not it should be awarded off the scale costs for considering the evidence which he argues to be irrelevant. He argues that decisions of other territories are not relevant and evidence showing other brands moving into different sectors as causing unnecessary delay. I do not agree that this warrants off the scale costs. The time spent considering the evidence and arguments would not be particularly onerous. Further, Mr Moss sought costs since the applicant no longer required the opponent to prove use of its motif mark. In my view, the applicant decided not to challenge the evidence after it had been filed when the cost had been occurred. The applicant clearly believed that the motif mark was not in use, but then having seen the evidence it decided not to pursue this. If they had requested proof of use of the mark ROLEX, given the obvious reputation and use of the mark, a higher cost award may have been justified.

99) In the circumstances I award the applicant the sum of £1800 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Considering the notice of opposition and preparing the counterstatement	£300
---	------

Considering the opponent’s evidence and filing evidence	£900
---	------

Preparation for and attendance at the hearing £600

Total £1800

100) I therefore order Rolex SA to pay The Polo/Lauren Company, L.P. the sum of £1800. The above sum 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.

Dated this 22nd day of April 2016

MARK KING

For the Registrar,

The Comptroller-General