O-342-16

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION No. 3106127
BY GEORGE ZHAOHUA HE
TO REGISTER THE TRADE MARK

IN CLASS 3
AND

IN THE MATTER OF OPPOSITION
THERETO UNDER No. 404946 BY
CLARINS FRAGRANCE GROUP

BACKGROUND

1) On 28 April 2015, George Zhaohua He (hereinafter the applicant) applied to register the trade mark shown on the previous page in respect of the following goods in Class 3:

> “Herbal products for hair and skin; Anti-aging creams; Anti-wrinkle cream; Babies' creams [non-medicated]; Baby lotion; Baby shampoo; Balms (non-medicated-); Balms other than for medical purposes; Barrier creams; Barrier creams for the skin; Base cream; Bath creams (non-medicated-); Bath herbs; Beauty balm creams; Beauty creams; Beauty creams for body care; Beauty lotions; Beauty masks; Beauty milks; Beauty serums; Beauty soap; Body butter; Body cream; Body cream soap; Body creams [cosmetics];Body deodorants [perfumery];Body lotions; Body masks; Body moisturisers; Body oil; Body oil spray; Body paint (cosmetic); Body powder; Body shampoos; Body sprays; Boot cream; Cosmetic eye gels; Cosmetic eye pencils; Cosmetic hair regrowth inhibiting preparations; Cosmetic hand creams; Cosmetic kits; Cosmetic moisturisers; Cosmetic nourishing creams; Cosmetic oils; Cosmetic oils for the epidermis; Cosmetic powder; Cosmetic preparations; Cosmetic preparations for body care; Cosmetic preparations for nail drying; Cosmetic preparations for slimming purposes; Cosmetic preparations for the care of mouth and teeth; Cosmetic preparations for the hair and scalp; Cosmetic preparations for use as aids to slimming; Cosmetic products in the form of aerosols for skincare; Cosmetic soaps; Cosmetic white face powder; Cosmetics; Cosmetics and cosmetic preparations; Cosmetics for animals; Cream cleaners (non-medicated-);cream for whitening the skin; Cream soaps; Creams (Cosmetic -);Creams for cellulite reduction; Creams (non-medicated-) for the body; Creams (non-medicated-) for the eyes; Creams (Skin whitening -); Creams (soap-) for use in washing; Cuticle cream; Essential oils for cosmetic purposes; Extracts of flowers; Extracts of perfumes; Eye cream; Face cream (non-medicated-); Face creams; Face powder; Facial beauty masks; Facial cleansers; Facial cleansers [cosmetic]; Facial cream; Facial creams [cosmetic]; Facial lotions [cosmetic]; Facial moisturisers [cosmetic]; Facial scrubs [cosmetic]; Facial toners [cosmetic]; Facial washes [cosmetic]; Foot balms (non-medicated-); Hair balm; Hair balsam; Hair bleach; Hair colour; Hair colour removers; Hair colorants; Hair colouring preparations; Hair conditioners; Hair cosmetics; Hair cream; Hair decolourants; Hair dressings for men; Hair dyes; Hair emollients; Hair fixers; Hair fixing oil; Hair gel; Hair lacquer; Hair lotions; Hair mascara; Hair moisturisers; Hair moisturising conditioners; Hair nourishers; Hair oil; Hair protection creams; Hair protection gels; Hair

protection lotions; Hair protection mousse; Hair setting lotion; Hair spray; Hair straightening preparations; Hair strengthening treatment lotions; Hair thickeners; Hair tonic [non-medicated]; Hairspray; Hand cleaner; Hand cream; Hand lotion (non-medicated-);Hand oils (non-medicated-); Lip balm; Lip balm [non-medicated]; Lip coatings (non-medicated-);Lip cream; Lip gloss; Lip protectors [cosmetic]; Liquid soaps for hands and face; Lotions for cosmetic purposes; Lotions for face and body care; Masks (Beauty -); Massage creams, not medicated; Massage oil; Massage oils, not medicated; Medicated shampoo; Medicated shampoos; Moisturisers [cosmetics]; Moisturising body lotion [cosmetic]; Moisturising gels [cosmetic]; Moisturising skin creams [cosmetic]; Moisturising skin lotions [cosmetic]; Non medicated skin toners; Non-medicated bath oils; Non-medicated cosmetics; Non-medicated creams; Non-medicated foot cream; Non-medicated hair lotions; Non-medicated hair shampoos; Non-medicated lotions; Non-medicated skin care preparations; Non-medicated skin clarifying lotions; Non-medicated skin lotions; Non-medicated soaps; Non-medicated toilet soaps; Nutritional creams (non-medicated-); Oils for cosmetic purposes; Oils for toilet purposes; Pets (Shampoos for -); Seaweed for cosmetology; Shampoo for animals; Shampoos for pets; Shower and bath gel; Shower creams; Shower foams; Shower gel; Skin balms [cosmetic]; Skin balms (non-medicated-); Skin care (Cosmetic preparations for -); Skin care creams [cosmetic]; Skin care creams, other than for medical use; Skin care lotions [cosmetic]; Skin care oils [non-medicated]; Skin cleaners [non-medicated]; Skin cleansers [cosmetic]; Skin cleansers [non-medicated]; Skin cleansing cream; Skin cleansing cream [non-medicated]; Skin cleansing lotion; Skin conditioners; Skin conditioning creams for cosmetic purposes; Skin cream; Skin creams [cosmetic]; Skin creams [non-medicated]; Skin lighteners; Skin lightening compositions [cosmetic]; Skin lightening creams; Skin lotion; Skin make-up; Skin masks [cosmetics];Skin moisturizer masks; Skin moisturizers; Skin toners; Skin tonics [non-medicated]; Skin whitening creams; Skin whitening preparations; Skin whitening preparations [cosmetic]; Slimming aids [cosmetic], other than for medical use; Slimming purposes (Cosmetic preparations for -); Soap; Sun creams; Sun screen; Suntan lotion [cosmetics];Tonics [cosmetic];Toning lotion, for the face, body and hands; Wrinkle resistant cream."

2) On 8 July 2015 the above specification was amended twice. Initially to: "Chinese herbal products for hair and skin care" and then to "Chinese herbal products for hair and skin".

3) The application was examined and accepted, and subsequently published for opposition purposes on 10 July 2015 in Trade Marks Journal No.2015/028.

4) On 27 August 2015 Clarins Fragrance Group (hereinafter the opponent) filed a notice of opposition, subsequently amended. The opponent is the proprietor of the following trade mark:

Mark	Number	Dates of filing and registration	Class	Specification relied upon
AURA	M 966547	**International registration & Designation of the EU: 22.05.08** **Protection Granted in EU: 09.06.09** **Priority date: 27.11.07** **Priority country:** France	3	Perfumes, eau de toilette, eau de parfum

a) The opponent contends that it has used its mark in the UK on the goods for which it is registered as well as cosmetics, body creams, body lotions, shower gels and deodorants since 7 December 2010 when they were launched to the press. The goods have been on sale in the UK since 3 March 2011. The opponent states that its mark and the mark applied for are very similar and that both parties' goods in class 3 are similar as the terms "CHINESE" and "HERBAL" merely designate a particular type of hair-care and skin-care product. It contends that the application offends against Section 5(2)(b) of the Act.

b) The opponent also contends that as a result of its sales in the UK that its mark has acquired reputation and goodwill such that use of the mark in suit would take unfair advantage of the opponent's investment in creating and sustaining its reputation, whilst diminishing its exclusivity and appeal. It contends that consumers would assume a link between the products and as the opponent cannot control the quality of the applicant's goods it reputation could be undermined. There will be misrepresentation due to the closeness of the marks. As such the mark in suit will offend against section 5(3) and 5(4)(a) of the Act.

5) On 18 December 2015 the applicant filed a counterstatement, basically denying that the marks are similar. He states that he has sold food and tea products under the mark in the UK for a number of years. He contends that the opponent sells its products under the name "CLARINS" rather than "AURA", he also claims that none of the opponent's products contain Chinese herbs. He also

contends that the opponent's goods are aimed at the general consumer whereas his goods are aimed at skincare professionals and hair salon practitioners. The applicant requested proof of use.

6) Only the opponent filed evidence. Both parties seek an award of costs in their favour. The matter came to be heard on 11 July 2016 when Mr Reddington of Messrs Williams Powell represented the opponent; the applicant chose not to attend but did provide written submissions which I shall refer to as and when necessary.

OPPONENT'S EVIDENCE

7) The opponent filed a witness statement, dated 18 February 2016, by Peter William Taggart Cooke the Company Secretary of Clarins (UK) Ltd, a position he has held for eighteen years. He states that his company and the opponent company are in the same ownership and that he is authorised to provide evidence on behalf of the opponent. He confirms that he has access to the records of both companies and also has an extensive knowledge of the fragrance and cosmetics industry in the UK. He states that the AURA product was developed in conjunction with the well-known jewellery company Swarovski and launched in 2010. Because of the involvement of two well-known companies the launch achieved considerable media coverage. In his exhibits he includes a number of examples of publicity for the brand.

8) In his exhibits he provides various invoices. Although some are in French he provides sufficient details of what the invoices show that they can be readily understood. He also provides the following turnover figures for sales (in Euros) of AURA perfumery products as follows:

Country	2011	2012	2013	2014	2015
UK	3.6million	2.0 million	700,000	400,000	0
Germany	4.2 million	1.4 million	1 million	500,000	200,000
France	3.5 million	800,000	400,000	300,000	1.3 million
Spain	2.3 million	300,000	100,000	0	0
Italy	1.2 million	600,000	200,000	0	0
TOTAL	14,800,000	5,100,000	2,400,000	1,200,000	1,500,000

9) Mr Cooke provides the following exhibits:

- PWTC1: A selection of twenty invoices, dated between 10 April 2012 and 23 April 2013 to various French clients. Although in French Mr Cooke provides translations of many of the terms used and also sets out what the codes for the products actually mean. The invoices show sales of Aura eau de toilettes and eau de perfume of approximately €10,083.

- PWTC2: A selection of twenty invoices to clients in the UK, dated between 21 March 2011 and 27 November 2014. These show use of the mark AURA upon eau de perfume, shower gel, body lotion, body cream and deodorant.

- PWTC3: Screenshots from websites such as cosmeticsbusiness.com, moodiereport.com, basenotes.net and vimeo.com regarding both the launch of the Aura range and continuing sales dated December 2010 – December 2011.

- PWTC4: Copies of magazine stories of the AURA range of products from *Perfect Wedding, Hello, OK magazine, Bliss* and *Company* dated between August 2011 and December 2011. All mention Aura.

- PWTC5: A copy of a page from *Look* magazine dated 2 July 2012 which mention san Aura lipstick.

- PWTC6: Screenshots from the perfumeshop.com, amazon.co.uk, houseoffraser.co.uk and dailymail.co.uk. Although printed recently it is clear from comments and other information upon the pages that these were first produced between 2010 and 2013. They refer to Aura eau de perfume and perfumed hair mist.

- PWTC7: This consists of pages from instagram.com a popular social media site. These have comments regarding AURA eau de perfume dating between August 2012 and July 2015.

- PWTC8: This consists of pages from twitter.com a popular social media site. These have comments regarding AURA eau de perfume, perfume, cosmetics and candles dating between April 2014 and July 2015.

10) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

11) Prior to the hearing the applicant offered a further restriction to its specification “Chinese herbal products for hair and skin care (lotion, powder, oil and cream form only) and not in perfume”.

12) The only ground of opposition is under section 5(2)(b) which reads:

> “5.-(2) A trade mark shall not be registered if because -
>
> (a) .....
>
> (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.”

13) An “earlier trade mark” is defined in section 6, the relevant part of which states:

> “6.-(1) In this Act an "earlier trade mark" means -
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> (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

14) The opponent is relying upon its trade mark listed in paragraph 3 above which is clearly an earlier trade mark. The applicant requested that the opponent provide proof of use, and, given the interplay between the date that the opponent’s mark was granted protection in the EU (9 June 2009) and the date that the applicant’s mark was published (10 July 2015), the proof of use requirement bites. Section 6A states:

“Raising of relative grounds in opposition proceedings in case of non-use

6A. - (1) This section applies where -

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if -

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Union.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services."

15) Section 100 of the Act states that:

"100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it."

16) In *Awareness Limited v Plymouth City Council,* Case BL O/230/13, Mr Daniel Alexander Q.C. as the Appointed Person stated that:

"22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public."

and further at paragraph 28:

"28. ..... I can understand the rationale for the evidence being as it was but suggest that, for the future, if a broad class, such as "tuition services", is sought to be defended on the basis of narrow use within the category (such as for classes of a particular kind) the evidence should not state that the mark has been used in relation to "tuition services" even by compendious

reference to the trade mark specification. The evidence should make it clear, with precision, what specific use there has been and explain why, if the use has only been narrow, why a broader category is nonetheless appropriate for the specification. Broad statements purporting to verify use over a wide range by reference to the wording of a trade mark specification when supportable only in respect of a much narrower range should be critically considered in any draft evidence proposed to be submitted."

17) In *Dosenbach-Ochsner Ag Schuhe Und Sport v Continental Shelf 128 Ltd,* Case BL 0/404/13*,* Mr Geoffrey Hobbs Q.C. as the Appointed Person stated that:

"21. The assessment of a witness statement for probative value necessarily focuses upon its sufficiency for the purpose of satisfying the decision taker with regard to whatever it is that falls to be determined, on the balance of probabilities, in the particular context of the case at hand. As Mann J. observed in *Matsushita Electric Industrial Co. v. Comptroller- General of Patents* [2008] EWHC 2071 (Pat); [2008] R.P.C. 35:

> [24] As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in any particular case where satisfaction is required depends on the nature of the inquiry and the nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and what is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence has to be provided in order to satisfy a decision-making body about that of which that body has to be satisfied.

22. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not *'show'* (per Section 100 of the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use."

18) The opponent's mark is an EU trade mark and as such I take into account *Leno Merken BV v Hagelkruis Beheer BV,* Case C-149/11, where the Court of Justice of the European Union noted that:

> "36. It should, however, be observed that..... the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase 'in the Community' is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use."
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> And
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> "50. Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as 'genuine use', it cannot be ruled out that, in certain circumstances, the market for the goods or services for which a Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark."
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> And
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> "55. Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider* v *OHIM*, paragraphs 72 and 77)."

19) The court held that:

> "Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to 'genuine use in the Community' within the meaning of that provision.
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> A Community trade mark is put to 'genuine use' within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity."

20) In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited,* [2016] EWHC 52, Arnold J. reviewed the case law since the *Leno* case and concluded as follows:

> "228. Since the decision of the Court of Justice in *Leno* there have been a number of decisions of OHIM Boards of Appeal, the General Court and national courts with respect to the question of the geographical extent of the use required for genuine use in the Community. It does not seem to me that a clear picture has yet emerged as to how the broad principles laid down in *Leno* are to be applied. It is sufficient for present purposes to refer by way of illustration to two cases which I am aware have attracted comment.
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> 229. In Case T-278/13 *Now Wireless Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* the General Court upheld at [47] the finding of the Board of Appeal that there had been genuine use of the contested mark in relation to the services in issues in London and the Thames Valley. On that basis, the General Court dismissed the applicant's challenge to the Board of Appeal's conclusion that there had been genuine use of the mark in the Community. At first blush, this appears to be a decision to the effect that use in rather less than the whole of one Member State is sufficient to constitute genuine use in the Community.

On closer examination, however, it appears that the applicant's argument was not that use within London and the Thames Valley was not sufficient to constitute genuine use in the Community, but rather that the Board of Appeal was wrong to find that the mark had been used in those areas, and that it should have found that the mark had only been used in parts of London: see [42] and [54]-[58]. This stance may have been due to the fact that the applicant was based in Guildford, and thus a finding which still left open the possibility of conversion of the Community trade mark to a national trade mark may not have sufficed for its purposes.

230. In *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC), [2015] ETMR 37 at [25] His Honour Judge Hacon interpreted *Leno* as establishing that "genuine use in the Community will in general require use in more than one Member State" but "an exception to that general requirement arises where the market for the relevant goods or services is restricted to the territory of a single Member State". On this basis, he went on to hold at [33]-[40] that extensive use of the trade mark in the UK, and one sale in Denmark, was not sufficient to amount to genuine use in the Community. As I understand it, this decision is presently under appeal and it would therefore be inappropriate for me to comment on the merits of the decision. All I will say is that, while I find the thrust of Judge Hacon's analysis of *Leno* persuasive, I would not myself express the applicable principles in terms of a general rule and an exception to that general rule. Rather, I would prefer to say that the assessment is a multi-factorial one which includes the geographical extent of the use."

21) The General Court restated its interpretation of *Leno Merken* in Case T-398/13, *TVR Automotive Ltd v OHIM* (see paragraph 57 of the judgment). This case concerned national (rather than local) use of what was then known as a Community trade mark (now a European Union trade mark). Consequently, in trade mark opposition and cancellation proceedings continues to entertain the possibility that use of an EUTM in an area of the Union corresponding to the territory of one Member State may be sufficient to constitute genuine use of an EUTM. This applies even where there are no special factors, such as the market for the goods/services being limited to that area of the Union.

22) Whether the use shown is sufficient for this purpose will depend on whether there has been real commercial exploitation of the EUTM, in the course of trade, sufficient to create or maintain a market for the goods/services at issue in the Union during the relevant 5 year period. In making the required assessment I am required to consider all relevant factors, including:

i) The scale and frequency of the use shown

ii) The nature of the use shown

iii) The goods and services for which use has been shown

iv) The nature of those goods/services and the market(s) for them

iv) The geographical extent of the use shown

23) In *Reber Holding GmbH & Co. KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), Case T-355/09, the General Court found that the sale of 40-60Kg per annum of specialist chocolate under a mark was insufficient to constitute genuine use of the national trade mark, which was registered in Germany. On further appeal in Case C-141/13 P, the CJEU stated, at paragraph 32 of its judgment, that "*not every proven commercial use may automatically be deemed to constitute genuine use of the trade mark in question".* The CJEU found that *"the General Court conducted an overall assessment of that trade mark, taking into account the volume of sales of the goods protected by the trade mark, the nature and characteristics of those goods, the geographical coverage of the use of the trade mark, the advertising on the website of Paul Reber GmbH & Co. KG and the continuity of the trade mark's use. It thus established a certain degree of interdependence between the factors capable of proving genuine use. The General Court therefore correctly applied the concept of 'genuine use' and did not err in law in its assessment of that use"* (paragraphs 33 and 34 of the judgment of the CJEU).

24) Proven use of a mark which fails to establish that "*the commercial exploitation of the mark is real*" because the use would not be *"viewed as warranted in the economic sector concerned to maintain or create a share in the* [European Union] *market for the goods or services protected by the mark"* is therefore not genuine use.

25) I also note that in *Laboratoire de la Mer Trade Mark* [2006] FSR 5, the Court of Appeal held that sales under the mark to the trade may qualify as genuine use. The Mummery L.J. stated that:

> "31. After some hesitation I have reached a different conclusion from Blackburne J. on the application of the Directive, as interpreted in Ansul and La Mer , to the rather slender facts found by Dr Trott."
>
> 32. Blackburne J. interpreted and applied the rulings of the Court of Justice as placing considerably more importance on the market in which the mark comes to the attention of

consumers and end users of the goods than I think they in fact do. I agree with Mr Tritton that the effect of Blackburne J.'s judgment was to erect a quantative and qualitatitive test for market use and market share which was not set by the Court of Justice in its rulings. The Court of Justice did not rule that the retail or end user market is the only relevant market on which a mark is used for the purpose of determining whether use of the mark is genuine.

33. Trade marks are not only used on the market in which goods bearing the mark are sold to consumers and end users. A market exists in which goods bearing the mark are sold by foreign manufacturers to importers in the United Kingdom. The goods bearing the LA MER mark were sold by Goëmar and bought by Health Scope Direct on that market in arm's length transactions. The modest amount of the quantities involved and the more restricted nature of the import market did not prevent the use of the mark on the goods from being genuine use on the market. The Court of Justice made it clear that, provided the use was neither token nor internal, imports by a single importer could suffice for determining whether there was genuine use of the mark on the market.

34. There was some discussion at the hearing about the extent to which Goëmar was entitled to rely on its intention, purpose or motivation in the sales of the goods bearing the mark to Health Scope Direct. I do not find such factors of much assistance in deciding whether there has been genuine use. I do not understand the Court of Justice to hold that subjective factors of that kind are relevant to genuine use. What matters are the objective circumstances in which the goods bearing the mark came to be in the United Kingdom. The presence of the goods was explained, as Dr Trott found, by the UK importer buying and the French manufacturer selling quantities of the goods bearing the mark. The buying and selling of goods involving a foreign manufacturer and a UK importer is evidence of the existence of an economic market of some description for the goods delivered to the importer. The mark registered for the goods was used on *that* market. That was sufficient use for it to be genuine use on the market and in *that* market the mark was being used in accordance with its essential function. The use was real, though modest, and did not cease to be real and genuine because the extinction of the importer as the single customer in the United Kingdom prevented the onward sale of the goods into, and the use of the mark further down, the supply chain in the retail market, in which the mark would come to the attention of consumers and end users."

Neuberger L.J. (as he then was) stated that:

> “48. I turn to the suggestion, which appears to have found favour with the judge, that in order to be “genuine”, the use of the mark has to be such as to be communicated to the ultimate consumers of the goods to which it is used. Although it has some attraction, I can see no warrant for such a requirement, whether in the words of the directive, the jurisprudence of the European Court, or in principle. Of course, the more limited the use of the mark in terms of the person or persons to whom it is communicated, the more doubtful any tribunal may be as to whether the use is genuine as opposed to token. However, once the mark is communicated to a third party in such a way as can be said to be “consistent with the essential function of a trademark” as explained in [36] and [37] of the judgment in Ansul , it appears to me that genuine use for the purpose of the directive will be established.
>
> 49. A wholesale purchaser of goods bearing a particular trademark will, at least on the face of it, be relying upon the mark as a badge of origin just as much as a consumer who purchases such goods from a wholesaler. The fact that the wholesaler may be attracted by the mark because he believes that the consumer will be attracted by the mark does not call into question the fact that the mark is performing its essential function as between the producer and the wholesaler.”

26) I must first consider whether the opponent has fulfilled the requirement to show that genuine use of its mark has been made. In the instant case the publication date of the application was 10 July 2015, therefore the relevant period for the proof of use is 11 July 2010 – 10 July 2015.In the instant case the opponent has provided evidence of considerable sales in a number of EU countries including the UK during the period. This evidence is summarised at paragraphs 8 & 9 above. Whilst the sums involved are not huge given the size of the perfumery market they are still significant and the scope of sales across a range of countries must also be taken into account. The use shown is clearly genuine use and of sufficient quantity.

27) I must now consider the goods on which use has been shown. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited,* BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

> “In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the

particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned."

28) In *Roger Maier and Another v ASOS,* [2015] EWCA Civ 220, Kitchen L.J. (with whom Underhill L.J. agreed) set out the correct approach for devising a fair specification where the mark has not been used for all the goods/services for which it is registered. He said:

"63. The task of the court is to arrive, in the end, at a fair specification and this in turn involves ascertaining how the average consumer would describe the goods or services in relation to which the mark has been used, and considering the purpose and intended use of those goods or services. This I understand to be the approach adopted by this court in the earlier cases of *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2002] EWCA Civ 1828, [2003] RPC 32; and in *West v Fuller Smith & Turner plc* [2003] EWCA Civ 48, [2003] FSR 44. To my mind a very helpful exposition was provided by Jacob J (as he then was) in *ANIMAL Trade Mark* [2003] EWHC 1589 (Ch); [2004] FSR 19. He said at paragraph [20]:

> "… I do not think there is anything technical about this: the consumer is not expected to think in a pernickety way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. … Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods – are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made."

64. Importantly, Jacob J there explained and I would respectfully agree that the court must form a value judgment as to the appropriate specification having regard to the use which has been made. But I would add that, in doing so, regard must also be had to the guidance given by the

General Court in the later cases to which I have referred. Accordingly I believe the approach to be adopted is, in essence, a relatively simple one. The court must identify the goods or services in relation to which the mark has been used in the relevant period and consider how the average consumer would fairly describe them. In carrying out that exercise the court must have regard to the categories of goods or services for which the mark is registered and the extent to which those categories are described in general terms. If those categories are described in terms which are sufficiently broad so as to allow the identification within them of various sub-categories which are capable of being viewed independently then proof of use in relation to only one or more of those sub-categories will not constitute use of the mark in relation to all the other sub-categories.

65. It follows that protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider belong to the same group or category as those for which the mark has been used and which are not in substance different from them. But conversely, if the average consumer would consider that the goods or services for which the mark has been used form a series of coherent categories or sub-categories then the registration must be limited accordingly. In my judgment it also follows that a proprietor cannot derive any real assistance from the, at times, broad terminology of the Nice Classification or from the fact that he may have secured a registration for a wide range of goods or services which are described in general terms. To the contrary, the purpose of the provision is to ensure that protection is only afforded to marks which have actually been used or, put another way, that marks are actually used for the goods or services for which they are registered."

29) The opponent's mark is registered for "perfumes, eau de toilette, eau de parfum". It has clearly been used on all these products as "Eau de toilette" and "eau de parfum" are clearly subsets of "perfumes". The various invoices clearly show use on eau de toilette and eau de parfum. Therefore, in the ensuing comparison of goods the opponent can rely upon its full specification.

30) When considering the issue under section 5(2)(b) I take into account the following principles which 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 will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

The average consumer and the nature of the purchasing decision

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

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

32) The applicant's goods as currently registered are "Chinese herbal products for hair and skin" whereas the opponent's products are, broadly speaking, "perfumes". Both parties' products would be purchased by the general public including businesses. These types of products are freely available in a wide range of retail outlets, on-line and via catalogues. They will initially be chosen by eye and thus the visual aspect will be the most important element in selection although I must also consider aural issues as, in the case of very expensive perfumes or hair / skin care products, they may be stored behind the counter and require interaction with an assistant. They may also be the subject of a personal recommendation during a conversation. When seeking products that the consumer will use on their body I believe that the average consumer is likely to take some care to ensure that the

product is for their skin/hair type and will not have an adverse effect upon them. They may also be concerned about ethical issues such as how and from where the ingredients were sourced and the testing policy of the company selling the product. **In my opinion, the average consumer will take at least a medium degree of care.**

Comparison of goods

33) In the judgment of the CJEU in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

> "In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary".

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

a) The respective users of the respective goods or services;

b) The physical nature of the goods or acts of services;

c) The respective trade channels through which the goods or services reach the market;

d) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

e) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

35) The goods of the two parties are:

Applicant's goods	Opponent's goods
Class 3: Chinese herbal products for hair and skin.	Class 3: Perfumes, eau de toilette, eau do parfum.

36) Both parties' products are used by consumers upon their bodies and come under the overall description of cosmetics. They would be sold to the same consumer group, the physical nature can be the same as perfumes can come in a cream or powder form as well as a liquid. The trade channels are likely to be the same as they will be found in the same area of retail outlets. I note that it is common for producers to sell ranges of products which would include perfume and hair and skin care goods. Even if I take the opponent's suggested revised specification of: "Chinese herbal products for hair and skin care (lotion, powder, oil and cream form only) and not in perfume". I do not believe that this aids his case much as it is relatively common for companies in this market to offer "fragrance free" versions of their products under the same brand. **To my mind the goods of the two parties are similar to at least a medium if not high degree.**

Comparison of trade marks

37) 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 them, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, Bimbo SA v OHIM, that:

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

38) It would be wrong, therefore, artificially to dissect the trade marks, although, it is necessary to take into account their distinctive and dominant components and to give due weight to any other features

which are not negligible and therefore contribute to the overall impressions created by them. The trade marks to be compared are:

Opponent's trade mark	Applicant's trade mark
AURA	

39) The word AURA has a well-known meaning of "a distinctive air or characteristic; an emanation scent or odour". Clearly the word alludes to a characteristic of the goods in question. Visually both marks have the word "AURA" albeit in a somewhat stylised font in the applicant's mark. The applicant's mark also contains a large device element which would seem to be a flower device. Although it will undoubtedly be noticed the device element will be seen as a leaf/flower and therefore indicative of the contents whereas the word element, as it is not directly descriptive of the product will be viewed as the mark of origin. The marks differ only by the device element. Aurally the marks are identical as the device element will not be verbalised. Conceptually, both marks are identical in that both allude to a scent with the flower/leaf motif in the applicant's mark merely adding to the message that the contents are flowery/leaf scented. **Overall the marks have at least a medium degree of similarity.**

Distinctive character of the earlier trade mark

40) 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)."

41) The opponent's mark consists of the word "AURA". It alludes to the contents but is not directly descriptive of them and so the mark is inherently distinctive to a medium degree. Although the opponent has shown use of its mark it was not extensive enough for it to benefit from enhanced distinctiveness.

Likelihood of confusion

42) 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. Earlier in this decision, I concluded that:

- the average consumer is a member of the general public (including businesses), who will select the goods by predominantly visual means, although not discounting aural considerations and that they will pay at least a medium degree of attention to the selection of such items.

- the goods of the two parties are similar to at least a medium if not high degree.

- the marks of the two parties are similar to at least a medium degree.

- the opponent's mark has a medium degree of inherent distinctiveness but cannot benefit from an enhanced distinctiveness through use.

43) It is easy to envisage a situation whereby an average consumer is standing in the cosmetics section of a supermarket and sees a bottle of perfume with the opponent's mark upon it and shortly after views a skin care product with the applicant's mark. Although the device element will be noticed the consumer will, in my view, undoubtedly believe that the products are manufactured by the same company. In view of this and the above, and allowing for the concept of imperfect recollection, there is a likelihood of consumers being confused into believing that the goods applied for under the mark in suit and provided by the applicant are those of the opponent or provided by some undertaking linked to it. **The opposition under Section 5(2) (b) therefore succeeds in full.**

CONCLUSION

44) In view of the overwhelming case under section 5(2)(b) I decline to consider the other grounds of opposition under Sections 5(3) & 5(4)(a).

COSTS

45) As the opponent has been successful it is entitled to a contribution towards its costs.

Expenses	£200
Preparing a statement and considering the other side's statement	£300
Preparing evidence	£500
Attendance at hearing	£800
TOTAL	£1800

46) I order George Zhaohua He to pay Clarins Fragrance Group the sum of £1800. This sum to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 18th day of July 2016

George W Salthouse
For the Registrar,
the Comptroller-General