

O-090-17

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2631085
BY HAMILTON & INCHES LIMITED TO REGISTER THE FOLLOWING TRADE
MARK**

HAMILTON & INCHES

IN CLASSES 8, 11, 14, 21, 35, 36, 37, 40 and 42

**AND IN THE MATTER OF OPPOSITION THERETO UNDER NO 104223
BY HAMILTON INTERNATIONAL AG, HAMILTON INTERNATIONAL SA AND
HAMILTON INTERNATIONAL LTD**

Background and pleadings

1) Hamilton & Inches Limited (“the applicant”) applied to register the trade mark HAMILTON & INCHES in the UK on 8 August 2012 in respect of goods and services in classes 8, 11, 14, 21, 35, 36, 37, 40 and 42. It was accepted and published in the Trade Marks Journal on 14 September 2012.

2) Hamilton International AG (Hamilton International SA) (Hamilton International Ltd) (“the opponent”) opposed the trade mark on the basis of sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). Initially, the opposition was directed at all of the applicant’s goods and services, but by letter of 29 November 2016, the opponent restricted its opposition to section 5(2)(b) grounds and in respect of the following of the applicant’s goods and services:

Class 14: *Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery; precious stones; clocks; statues; cuff links; tie pins; badges of precious metal; boxes of precious metal; bracelets, brooches; cases for clocks; cases for watches (presentation); jewellery chains; charms; tie clips; diamonds; earrings; figurines and statues and statuettes of precious metal; hat and hair ornaments of precious metal; jewellery cases; key rings; medals and medallions; necklaces; ornamental pins; pearls and jewellery of pearl; precious stones; rings; silver (unwrought or beaten); trinkets (jewellery); kilt pins; medals.*

Class 35: *Retail services, including mail order, internet and electronic shopping services associated with the sale of ..., clocks, watches, parts and fittings of clocks and watches*

[NOTE: At the subsequent hearing, I pointed out that the applicant’s specification did not list *parts and fittings of clocks and watches*. On behalf of the opponent, it was clarified that this was a reference to *bracelets* and I proceed with my decision on the basis of this clarification]

Class 42: *Bespoke watch design.*

3) The section 5(2)(b) grounds are based upon its earlier European Union (formerly Community) Trade Mark no. 103200 HAMILTON. Initially, the opponent relied upon a number of Class 14 goods, but at the hearing, I was informed that the opponent was prepared to make its case based only on its reliance upon *watches* and *horological and chronometric instruments* insofar as the latter term is a fair description of *watches*.

4) The opponent claims that the respective goods and services are identical or similar and that the marks are similar.

5) The applicant filed a counterstatement denying the claims made and requesting that the opponent provides proof of use of its earlier trade mark in respect of all goods save for *watches*.

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

7) The Hearing took place on 1 December 2016, with the opponent represented by Mr Martin Krause for Haseltine Lake LLP and the applicant by Ms Katherine Moggridge of Counsel, instructed by Marks & Clerk LLP.

Evidence

8) The opponent relies only upon its earlier mark insofar as it covers *watches* and genuine use in respect of these goods is accepted by the applicant. There is no claim by the opponent that its mark benefits from enhanced distinctive character because of the use made of it in the UK, however, I record briefly below, the evidence insofar as it sheds light on use in the UK:

- HAMILTON branded watches are distributed in the UK through a number of suppliers including *Ernest Jones, Chisolm Hunter, Beaverbrooks* and *Goldsmiths*;

- They are also distributed through Swatch Groups' own multi-brand store Hour Passion as well as a variety of independent stores;
- Exhibit HO5 consists of contemporary extracts from a selection of these distributors' websites, namely www.creativewatch.co.uk, www.ernestjones.co.uk, www.jurawatches.co.uk, www.hourpassion.com and the website of *Beaverbrooks*;
- Exhibit HO6 consists of historical Internet extracts from four UK websites dated 26 November 2010, 1 November 2010, 6 November 2011 and 23 March 2010, all showing HAMILTON branded watches;
- Exhibit HO7 consists of an extract from www.hamiltonwatches.com providing details of its UK service centre for HAMILTON watches.

9) In addition, Ms Orr provides information regarding the promotion of HAMILTON branded watches. This includes the appointment of aerobatic pilot Nicolas Ivanoff as a brand ambassador, working closely with the film industry, specially designing watches for over 400 films over a period of six decades, including films well-known in the UK and being official sponsor and watch supplier of Harlequins rugby club in London.

10) Examples of promotion in UK magazines, newspapers and other publications are provided at Exhibit HO11, namely in *Local Choice* (November 2009), a mention in articles in the *Financial Times* dated 13 November 2009, *Wired* (10 May 2010), *Millers Antiques & Collectables* (8 October 2010), *The Watch Hut.co.uk* (4 June 2010), *Esquire* (partially obscured date in 2011) and a number of retailers from those mentioned earlier.

Applicant's Evidence

11) This takes the form of a witness statement by Ross Haston, Director and Company Secretary of the applicant. He explains that the company was founded by James Hamilton and his nephew Robert Kirk Inches and opened in Edinburgh in 1866. It currently has premises in Edinburgh and there is a mention of an outlet in London that is no longer trading. Over the years it has been granted various Royal

Warrants as a clock and watch maker including, in 2010, being appointed “Silversmiths and clock specialists to Her Majesty the Queen”, a warrant that the applicant still holds.

12) The applicant’s business is explained by Mr Haston as being:

- a retailer of fine jewellery, clocks, watches, silverware and luxury goods, and;
- the makers of jewellery, silverware and other luxury goods, all bearing the HAMILTON & INCHES trade mark;
- a wide variety of products including jewellery, silverware, gifts, clocks and watches and also services and repairs of, in particular, jewellery and watches.

13) Mr Haston states that the applicant is an authorised repairer and seller of the Opponent’s HAMILTON watches and has been for approximately 9 years. In this time, Mr Haston has not heard of any customer comments or any confusion on the basis that there is a connection between the respective marks and parties.

14) Mr Haston provides exhibits showing use of the applicant’s mark. These include:

- Exhibit RH1: a pocket watch made in 1885 sold at auction by Bonhams;
- Exhibit RH2 being a photograph of a HAMILTON & INCHES regulator clock in situ in the North British Hotel (now known as the Balmoral Hotel) in Edinburgh in 1902;
- Exhibit RH3 being a photograph of a clock bearing the mark HAMILTON & INCHES. Mr Haston states that it was from the Edinburgh Waverley train station, but is now situated in the Caledonian Waldorf Astoria Hotel;
- Exhibit RH4 being a photograph of a Hamilton & Inches Rolex watch circa 1950;
- Exhibit RH5 being a selection of photographs showing watches bearing the HAMILTON & INCHES mark over the past 100 years. None appear to be contemporary;

- Exhibit RH6 being a photograph of a HAMILTON & INCHEs wristwatch from 1983;
- Exhibit RH8 being photographs of HAMILTON & INCHEs watches from the 1950s.

15) Mr Haston provides the following sales figures for “watch products bearing [the] HAMILTON & INCHEs Trade Mark”:

Year	Watches	Clocks	Total
2014	£525	£39,750	£40,275
2013	£3,300	£7,860	£11,160
2012	£5,225	£11,855	£17,080
2011	£1,025	£29,565	£30,590
2010	£2,160	£0	£2,160
2009	£4,860	£8,175	£13,035
2008	£13,720	£18,120	£31,840
2007	£4,780	£7,595	£12,375
Total	£35,595	£122,920	£158,515

DECISION

Proof of Use

16) As I recorded in paragraphs 3 and 5, above, the opponent has limited its case so that it only relies upon its earlier mark insofar as it covers *watches*. The applicant accepts that genuine use has been made in respect of such goods. At the hearing, Mr Krause clarified that the opponent was content to rely on *watches* being goods that the applicant has accepted there is use. However, he also relied upon *horological and chronometric instruments* on the basis that this is a fair description for *watches*. Therefore, within the context of proof of use, the only issue I have to decide is whether the opponent is entitled to rely upon *horological and chronometric instruments* based on its use in respect of *watches*.

17) 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.”

18) 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 pernicky 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.”

19) The issue I must consider is, therefore, whether the term *horological and chronometric instruments* is the particular category of goods that *watches* are realistically taken to exemplify. In considering this, I must ascertain how the average consumer would fairly describe the goods. In this case, the category of goods described as *horological and chronometric instruments* includes, not only watches, but also all instruments that measure time such as clocks, stopwatches, timers and even sundials. It is, therefore, a general term that also includes sub-categories such as “clocks” and also “watches”. In line with the guidance referred to above, I find that *horological and chronometric instruments* includes a number of sub-categories, of which “watches” is but one. Consequently, I dismiss the opponent’s claim that it is entitled to rely upon the much wider term *horological and chronometric instruments*. It may rely only upon the term *watches*.

Section 5(2)(b)

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

Comparison of goods and services

21) In the judgment of the Court of Justice of the European Union (“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”.

22) 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.

23) I am mindful of the following guidance of the General Court (“the GC”) in *Gérard Meric v OHIM*, T-133/05 (*MERIC*):

“29 In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 *Oberhauser v OHIM – Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 *Vedial v OHIM – France Distribution (HUBERT)* [2002] ECR II-5275, paragraphs 43 and 44; and Case T- 10/03 *Koubi v OHIM – Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraphs 41 and 42).”

24) In respect of assessing complementarity, the CJEU stated in *Kurt Hesse v OHIM*, Case C-50/15 P that it is an autonomous criteria capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the GC stated that “complementary” means:

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

25) In *Sanco SA v OHIM*, Case T-249/11, the GC indicated that goods and services may be regarded as ‘complementary’ and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different, i.e. *chicken* against *transport services for chickens*. The purpose of examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected

undertakings. As Mr Daniel Alexander Q.C. noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL-0-255-13:

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

Whilst on the other hand:

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

26) The respective goods and services are as follows:

Opponent’s goods	Applicant’s goods and services
<p>Class 14: <i>Watches</i></p>	<p>Class 14: <i>Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery; precious stones; clocks; statues; cuff links; tie pins; badges of precious metal; boxes of precious metal; bracelets, brooches; cases for clocks; cases for watches (presentation); jewellery chains; charms; tie clips; diamonds; earrings; figurines and statues and statuettes of precious metal; hat and hair ornaments of precious metal; jewellery cases; key rings; medals and medallions; necklaces; ornamental pins; pearls and jewellery of pearl; precious stones; rings; silver (unwrought or beaten); trinkets (jewellery); kilt pins; medals.</i></p> <p>Class 35: <i>Retail services, including mail order, internet and electronic shopping services associated with the sale of ..., clocks, watches, bracelets</i></p> <p>Class 42: <i>Bespoke watch design.</i></p>

Class 14

27) At the hearing, Mr Krause's submissions were ordered in such a way as to relate to five different groups of goods within the applicant's specification. I find it convenient to deal with the same five groups:

(i) *goods in precious metals or coated therewith, not included in other classes:*

Watches may be made of precious metal or coated therewith. It follows that, insofar as they are so made, they are covered by the term and applying the guidance in *MERIC*, I conclude that the respective goods are identical.

(ii) *Clocks:* The nature and intended purpose of these is similar to that of *watches* in that they are intended to inform the user of the time and both *clocks* and *watches* display time in the same way. Their methods of use have some differences in that watches are for personal use and normally worn around the wrist, secured by a strap or chain, sometimes stored in a pocket or attached to the user's clothes. A clock, on the other hand is free standing or attached to a wall or other surface. That said they are both used in the same way to ascertain the time. Trade channels will overlap because the expertise in making and selling both is the same, or at least very similar. They are not generally in competition or complementary to each other. Taking all of this into account, I conclude that they share a medium degree of similarity.

(iii) *Bracelets:* The opponent submits that the term includes bracelets for watches and therefore, there is a good deal of similarity. I do not agree: I must take the ordinary and natural meaning of the term (see, for example, *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch) and *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another*, [2000] F.S.R. 267). The relevant consumer is likely to understand the word "bracelet" as being a reference to jewellery in the form of a band, hoop or chain worn on the wrist. Upon seeing the term, the average consumer will not normally perceive it as being a band that acts in place of a watch strap, i.e. a "watch bracelet". I make a comparison between the respective goods based on this finding. The intended purpose and method of use of a watch is to inform the user of the time with the user looking at

or listening to the watch to see or hear the time. The purpose of a bracelet is to be an attractive personal adornment and is not referred to for any reason, other than to admire its attractiveness. Therefore, their purpose is different. There is some similarity in nature because, in most cases, a watch will be attached to a band that attaches around the wrist, as does a bracelet. There may be some overlap of trade channels because it is common for both bracelets and watches to be sold by jewellery retailers, but they are not in competition nor are they complementary in the sense explained in *Boston Scientific*. I conclude there is a low level of similarity.

(iv) *cases for clocks; cases for watches (presentation)*: These are different in nature, intended purpose and method of use and they are not in competition with watches. There is complementarity between *cases for watches (presentation)* and watches because the purpose of the applicant's goods is to provide an attractive and/or secure place to display or store a watch. Watches will often be sold with such a case. I conclude that there is a medium degree of similarity. In respect of *cases for clocks*, there is no such complementary link with watches. There is a possible overlap of trade channels, but if there is any similarity it is only very low.

(v) *Precious metals and their alloys; jewellery; precious stones; statues; cuff links; tie pins; badges of precious metal; boxes of precious metal; brooches; jewellery chains; charms; tie clips; diamonds; earrings; figurines and statues and statuettes of precious metal; hat and hair ornaments of precious metal; jewellery cases; key rings; medals and medallions; necklaces; ornamental pins; pearls and jewellery of pearl; precious stones; rings; silver (unwrought or beaten); trinkets (jewellery); kilt pins; medals*: All of these goods can be collectively described as jewellery, ornaments and associated goods or the materials they are made from. Many of these goods are often sold through the same type of retail outlets as watches, but beyond this, there is little to suggest that there is any similarity between the respective goods; they differ in their nature, intended purpose and methods of use. I conclude that if there is any similarity, it is only very low.

Class 35

28) At the hearing, Mr Krause relied upon the guidance provided in *Oakley, Inc v OHIM*, Case T-116/06. At paragraphs 46-57, the GC held that although retail services are different in nature, purpose and method of use to goods, retail services for particular goods may be complementary to those goods distributed through the same trade channels and therefore similar to a degree.

29) In *Tony Van Gulck v Wasabi Frog Ltd*, Case BL O/391/14, Mr Geoffrey Hobbs Q.C. as the Appointed Person reviewed the law concerning retail services v goods. He said (at paragraph 9 of his judgment) that:

“9. The position with regard to the question of conflict between use of **BOO!** for handbags in Class 18 and shoes for women in Class 25 and use of **MissBoo** for the Listed Services is considerably more complex. There are four main reasons for that: (i) selling and offering to sell goods does not, in itself, amount to providing retail services in Class 35; (ii) an application for registration of a trade mark for retail services in Class 35 can validly describe the retail services for which protection is requested in general terms; (iii) for the purpose of determining whether such an application is objectionable under Section 5(2)(b), it is necessary to ascertain whether there is a likelihood of confusion with the opponent’s earlier trade mark in all the circumstances in which the trade mark applied for might be used if it were to be registered; (iv) the criteria for determining whether, when and to what degree services are ‘similar’ to goods are not clear cut.”

30) However, on the basis of the European courts’ judgments in *Sanco SA v OHIM*¹, and *Assembled Investments (Proprietary) Ltd v. OHIM*², upheld on appeal in *Waterford Wedgwood Plc v. Assembled Investments (Proprietary) Ltd*³, Mr Hobbs concluded that:

¹ Case C-411/13P

² Case T-105/05, at paragraphs [30] to [35] of the judgment

³ Case C-398/07P

- i) Goods and services are not similar on the basis that they are complementary if the complementarity between them is insufficiently pronounced that, from the consumer's point of view, they are unlikely to be offered by one and the same undertaking;
- ii) In making a comparison involving a mark registered for goods and a mark proposed to be registered for retail services (or vice versa), it is necessary to envisage the retail services normally associated with the opponent's goods and then to compare the opponent's goods with the retail services covered by the applicant's trade mark;
- iii) It is not permissible to treat a mark registered for 'retail services for goods X' as though the mark was registered for goods X;
- iv) The General Court's findings in *Oakley* did not mean that goods could only be regarded as similar to retail services where the retail services related to exactly the same goods as those for which the other party's trade mark was registered (or proposed to be registered).

31) Firstly, in respect of the applicant's *retail services, including mail order, internet and electronic shopping services associated with the sale of ..., watches*, taking account of the guidance of the courts detailed above, there is a medium level of similarity, because the average consumer is likely to be familiar with fashion retailers selling own-branded watches and also some brands of watches also operating their own retail outlets. In these situations, complementarity is pronounced.

32) In respect of the applicant's *retail services, including mail order, internet and electronic shopping services associated with the sale of ..., clocks*, the connection to watches is less pronounced. Nevertheless, as I noted earlier, the overlap in expertise in making and selling both watches and clocks will create a connection in the minds of the consumer and I find that this will result in the services sharing a medium level of similarity to *watches*.

33) Next, I consider the applicant's *retail services, including mail order, internet and electronic shopping services associated with the sale of ..., bracelets*. The case put forward by Mr Krause is based upon the supposition that bracelets are parts and fittings for watches and clocks. However, as set out in paragraph 26(iii), above, I have concluded that this is not the case. Extending the same rationale as discussed earlier in respect of *bracelets* as goods, I conclude that if there any similarity, it is only low.

Class 42

34) Finally, in respect of the applicant's *bespoke watch design*, such services will share the same trade channels as the opponent's watches and will be in direct competition because the consumer may choose between an off-the-shelf watch or obtaining one through a bespoke watch design service. Therefore, I conclude that these services share a medium to high level of similarity.

Comparison of marks

35) 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 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.”

36) 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.

37) The respective marks are shown below:

Opponent's mark	Applicant's mark
HAMILTON	HAMILTON & INCHES

38) The opponent's trade mark consists of a single word and this is where its overall impression and distinctiveness lies. The applicant's mark consists of the two words HAMILTON and INCHES separated by an ampersand. Both words retain independent distinctive character in equal measures.

39) Mr Krause submitted that the respective marks share a high level of both visual and aural similarity. I would not place similarity as that high and I keep in mind that the common element between the two marks is only the first of the three elements. I find that they are distinctively similar to at least a medium degree from both the visual and aural standpoints.

40) Conceptually, the opponent's mark consists of a word which will be understood by the average consumer as a common surname (or possibly a geographical location) as submitted by Mr Krause. The applicant's mark is presented as two surnames. Mr Krause submitted that because the marks will be perceived as one surname and two surnames respectively, the significance of HAMILTON is not altered and that, overall the marks are similar to a very high degree. Once again, I would not place similarity quite so high. Whilst the first surname of the applicant's mark is identical to the opponent's mark, the second is absent and creates the concept of a further person not referred to in the applicant's mark. The earlier mark brings to mind a single person whereas the applicant's mark brings to mind a partnership of two separate people or entities. I recognise that the word INCHES is also a unit of measurement, but when presented after the elements "HAMILTON &" it

is my view that it will take on the concept of a surname. I conclude that there is a medium degree of conceptual similarity.

Average consumer and the purchasing act

41) 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*.

42) 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.”

43) The average consumer of nearly all the goods and services listed in both parties' specifications is the general public. The exceptions are the applicant's *precious metals and their alloys, precious stones, pearls and silver and bespoke watch design*. The first group are all goods that are normally procured by individuals or businesses that make jewellery and other goods from such materials and the purchasing act will be more considered as a result. *Bespoke watch design* is likely to be a relatively expensive service leading to a higher than average level of care and attention. It is a service that where the average consumer may be both members of the public and other businesses. For the remaining goods the purchasing process will vary from the casual to the careful depending upon the importance and cost of the item. For example, it is likely that greater care will be employed in purchasing a

wedding ring than an item of inexpensive imitation jewellery. In nearly all cases the purchasing act will be visual in nature, however, I'll keep in mind that, particularly in respect of the business to business purchases, aural considerations may play a part.

Distinctive character of the earlier trade mark

44) 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).”

45) The opponent's mark consists of the surname (or geographical location) HAMILTON. Consequently, it is not endowed with a high level of distinctive character. The name is instantly recognisable as a surname. I conclude that it has a fairly low level of inherent distinctive character.

46) There is evidence that the opponent's watches are sold in the UK via a number of retailers and that international promotion has included the UK. Whilst it is not possible for me to assess the scale of use in the UK because there is an absence of information regarding the level of sales, I am prepared to accept that the evidence illustrates that the mark benefits from some enhanced distinctive character, but I am unable to conclude how much.

GLOBAL ASSESSMENT – Conclusions on Likelihood of Confusion.

47) The following principles are gleaned from the decisions of the CJEU 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 ("MEDION")*, 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.

48) 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 marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of the opponent's mark as the more distinctive this trade mark is, the

greater the likelihood of confusion. I must also keep in mind the average consumer for the goods and services, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has retained in his mind.

49) Earlier in this decision, I concluded that:

- The following of the applicant's goods are identical or similar to a medium degree:

Class 14: *goods in precious metals or coated therewith, not included in other classes; clocks; cases for watches (presentation).*

Class 35: *Retail services, including mail order, internet and electronic shopping services associated with the sale of ..., clocks, watches*

Class 42: *Bespoke watch design.*

- The remaining goods and services share only a low level of similarity;
- For all of the applicant's goods and services listed in the first bullet point and for the opponent's *watches*, the average consumer is the ordinary member of the public and there is a range of attentions paid during the purchasing process;
- The purchasing process for the majority of goods is predominantly visual in nature;
- The words HAMILTON and INCHES are the two independent distinctive elements of the applicant's mark, sharing equal dominance;
- The respective marks are distinctively similar to a medium degree;

- The opponent's earlier mark is endowed with a fairly low level of inherent distinctive character and that this has been enhanced through use, but I have been unable to conclude by how much.

50) In *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), Arnold J. considered the impact of the CJEU's judgment in *Bimbo*, Case C591/12P, on the court's earlier judgment in *Medion v Thomson*. He stated:

“18 The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).”

21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors.”

51) Putting aside my finding that the opponent’s mark has some unspecified enhanced distinctive character, the fairly low level of inherent distinctive character is a pointer towards a finding of no likelihood of confusion between the respective marks. However, as I referred to in paragraph 47(f), it is possible that 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 (see *MEDION*, paragraph 30). To my mind, this is exactly the case in the current proceedings. The opponent’s mark is wholly contained within and is the first element of the applicant’s mark and has distinctive significance independently of the other elements of the mark. The average consumer, upon encountering the applicant’s mark is likely to recognise that it consists essentially of two surnames where both have significance independently of each other. As a consequence, when factoring this into the overall assessment, the presence of the name HAMILTON at the beginning of the applicant’s mark is likely to counter its fairly low level of distinctive character and it will lead to a likelihood of confusion on the part of the average consumer because it will engender a belief that, when used in respect of identical or goods and services similar to a medium degree, it is a reference to the same HAMILTON of the opponent’s mark.

52) Although the average consumer is likely to notice the difference between the marks (and therefore there is no likelihood of direct confusion), there will be a likelihood that the average consumer will believe that identical or similar goods and services provided under the mark have originated from the same or linked undertaking as the opponent (so called indirect confusion).

53) The grounds based upon section 5(2)(b) are, *prima facie* successful in respect of the goods and services detailed in the first bullet point of paragraph 49. *Prima facie*, it fails in respect of the remaining goods and services subject to the opposition. I

should add that the opponent's level of success would not have been improved even if it had provided evidence such that I could have concluded that its mark enjoyed a high level of enhanced distinctive character through use in the UK.

Concurrent Use

54) Having found that a prima facie likelihood of confusion exists, the only factor that can save the application is the existence and effect of concurrent use. The applicant has provided evidence of claimed longstanding use of its mark and that over the years it has been granted various Royal Warrants as a clock and watch maker.

55) For a defence of concurrent use to be successful, it is necessary for me to be satisfied that the parties have traded in circumstances that suggest consumers have been exposed to both marks and have been able to differentiate between them without confusion as to trade origin. Mr Justice Carr provided a summary of the law relating to concurrent use in *Victoria Plum Limited (trading as "Victoria Plumb") v Victorian Plumbing Limited and others*, [2016] EWHC 2911 (Ch). I do not understand the parties to be in any disagreement regarding the underlying principles that Mr Justice Carr summarised as follows:

"73. The case law to which I have referred establishes the following principles:

- i) Where two separate entities have co-existed for a long period, honestly using the same or closely similar names, the inevitable confusion that arises may have to be tolerated.
- ii) This will be the case where the trade mark serves to indicate the goods or services of either of those entities, as opposed to one of them alone. In those circumstances, the guarantee of origin of the claimant's trade mark is not impaired by the defendant's use, because the trade mark does not denote the claimant alone.
- iii) However, the defendant must not take steps which exacerbate the level of confusion beyond that which is inevitable and so encroach upon the claimant's goodwill."

56) For a defence of concurrent use to be successful, it is necessary for me to be satisfied that the parties have traded in circumstances that suggest consumers have been exposed to both marks and have been able to differentiate between them without confusion as to trade origin (see to that effect the Court of Appeal in *The European Ltd v The Economist Newspaper Ltd* [1998] FSR 283 at page 291, Laddie J in *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 at 809 and the Court of Appeal in *Phones 4U Ltd v Phone 4u. co. uk Internet Ltd* [2007] RPC 5 at paragraphs 42 to 45 and Alan Steinfield QC, sitting as a deputy judge of the High Court, in *Fiorelli Trade Mark* [2007] RPC 18)

57) Therefore, for concurrent use to be of assistance to an applicant, I must be satisfied that the effect of concurrent trading has been that the relevant public has shown itself able in fact to distinguish between goods and services bearing the marks in question i.e. without confusing them as to trade origin. That implies that both parties are targeting an approximately similar, or at least overlapping, audience and that the use by the parties in nature, extent and duration of trade has been sufficient to satisfy me that any apparent capacity for confusion has been adequately tested and found not to exist. In the current case, I concluded earlier that there is an overlapping consumer by virtue of the identity or similarity between some of the respective goods and services.

58) Ms Moggridge submitted that the opponent claims extensive use of its mark over many years, yet there is no allegation of any adverse effect on its mark and that this is something to be taken into account (see *Budvar Narodni Podnik v Anheuser-Busch Inc*, [2012] EWCA Civ 880, paragraph 29). Mr Krause urged me to consider the issue of concurrent use very critically. He acknowledged that both parties' marks have existed for many years, but pointed out that the scope of the applicant's specifications are wider than its presence on the market. He also identified the small scale of use by the applicant and the restricted geographical scope of its use.

59) Considering Mr Krause's submissions, I make the following observations regarding the applicant's use of its mark:

- The applicant trades from a single outlet in Edinburgh. At some point, there has been an outlet in London, but Mr Haston states that the applicant “currently [has] a single retail outlet” suggesting that the applicant no longer has the London outlet and there is no evidence illustrating how long it was open or when it closed;
- The evidence illustrates historical use in respect of clocks and watches between 1885 and the early 1980s;
- Sales in respect of watches bearing the applicant’s mark have averaged less than £4,500 per year since 2007 with sales of clocks averaging just over £15,000 per year over the same period;

60) In addition, I also note that the applicant has held various Royal Warrants and is the holder of a Royal Warrant as silversmith and clock specialist since 2010. Further, the applicant has been the authorised repairer and seller of the opponent’s HAMILTON watches for approximately 9 years and claims it has traded without any customer confusion.

61) Whilst there is no corroboratory evidence to support Mr Haston’s statement that HAMILTON & INCHES is “the name above the door” it is not challenged by the opponent. Further, being the holder of a Royal Warrant as a silversmith suggests that the applicant’s goods extend to *goods in precious metals or coated therewith*, despite there being no other corroboratory evidence to support Mr Haston’s statement that the applicant makes “jewellery, silverware and other luxury goods, all bearing [the applicant’s] HAMILTON & INCHES Trade Mark.”

62) There is a tranche of case law to the effect that lack of confusion in the market place is indicative of very little. See, for example, *The European Limited v The Economist Newspaper Ltd* [1998] FSR 283, *Rousselon Freres et Cie v Horwood Homewares Limited* [2008] EWHC 881 (Ch), *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 and *Aceites del Sur-Coosur SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case*

C-498/07 P. However, in this case where the respective consumers are essentially the same and where there has been a long period of concurrent use, the absence of actual confusion in the market place may be a relevant factor.

63) Taking account of the factual matrix before me, I am prepared to accept that the applicant is using its mark in respect of all the goods and services in respect of which I have found a likelihood of confusion. However, whilst this use is clearly well regarded by some (as being a holder of a Royal Warrant illustrates), when considering the size of the UK market for the Class 14 goods and Class 35 services at issue, the scale and scope of the applicant's use is very small. The goods and services are provided from a single location (there is no evidence of the applicant being involved in retail activity via mail order, internet or electronic shopping). The implications of this limited use when compared to the size of the UK market for such goods and services is that there has been very little opportunity to test the proposition that the effect of concurrent trading has been that the relevant public has shown itself able in fact to distinguish between goods and services bearing the marks in question without confusing them as to trade origin.

64) The fact that the applicant is a longstanding reseller of the opponent's watches is a further factor to take into account because it provides a point where the relevant public has been exposed to both marks. Mr Haston has stated that during the nine years that the applicant has been a reseller of the opponent's HAMILTON watches it has "not had any customers comment or be confused that there is a connection between the [two]". I do not find this evidence persuasive for several reasons. Firstly, if a customer visiting the applicant's outlet purchased a watch bearing the opponent's mark in the belief that it originated from the applicant, it is not obvious how Mr Haston or anyone else working for the applicant would become aware of this. Therefore, it would not be surprising that Mr Haston says that there have been no customer comment regarding confusion. Secondly, there is nothing before me to illustrate how the opponent's goods are marketed in the applicant's store and whether it is made clear in the point of sale material or by the sales assistant that there is no connection between the maker of the watches and the applicant.

65) Taking all of the above into account, there is insufficient evidence to demonstrate that any apparent capacity for confusion between the marks has been adequately tested in respect of the applicant's Class 14 goods and Class 35 services. In making such a finding, I have kept in mind that the parties have been targeting an overlapping audience and that the use by both is long standing. However, these factors are outweighed by the absence of persuasive evidence that the average UK consumer is not likely to confuse the marks because of the use made of them by the parties.

66) In respect of the applicant's *bespoke watch design*, the average consumer will consist of a smaller proportion of the general public (than the applicant's other goods and services) and also other businesses. Nevertheless, I do not believe the issue of concurrent use is materially different than for the applicant's other goods and services because there is no evidence beyond that I have already considered that may point towards a different outcome. I find that there is no evidence to demonstrate that any apparent capacity for confusion between the marks has been adequately tested in respect of these services and the applicant's goods.

67) In summary, I find that the claim of concurrent use does not disrupt my *prima facie* findings regarding the likelihood of confusion. Consequently, the grounds based upon section 5(2)(b) succeed in respect of the following of the applicant's goods and services:

Class 14: *goods in precious metals or coated therewith, not included in other classes; clocks; cases for watches (presentation).*

Class 35: *Retail services, including mail order, internet and electronic shopping services associated with the sale of ..., clocks, watches*

Class 42: *Bespoke watch design.*

68) The section 5(2)(b) grounds are unsuccessful in respect of the other goods and services that the opposition was directed to, namely:

Class 14: *Precious metals and their alloys ..., not included in other classes; jewellery; precious stones; ...; statues; cuff links; tie pins; badges of precious metal; boxes of precious metal; bracelets, brooches; cases for clocks; ...; jewellery chains; charms; tie clips; diamonds; earrings; figurines and statues and statuettes of precious metal; hat and hair ornaments of precious metal; jewellery cases; key rings; medals and medallions; necklaces; ornamental pins; pearls and jewellery of pearl; precious stones; rings; silver (unwrought or beaten); trinkets (jewellery); kilt pins; medals.*

Class 35: *Retail services, including mail order, internet and electronic shopping services associated with the sale of ..., bracelets*

COSTS

69) The parties have both had a measure of success and I find it appropriate that each party bears its own costs. Consequently, I make no award of costs.

Dated this 28th day of February 2017



Mark Bryant

For the Registrar,

The Comptroller-General