

O-157-17

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION 3 116 266 BY XPLO
INVESTMENTS LIMITED TO REGISTER IN CLASSES 03, 18, 21 AND 44 THE

TRADE MARK The logo for Chelsea BEAUTIQUE features the word 'Chelsea' in a large, elegant, cursive script. Below it, the word 'BEAUTIQUE' is written in a smaller, all-caps, sans-serif font.

AND IN RESPECT OF THE OPPOSITION THERETO BY CHELSEA FOOTBALL
CLUB LIMITED

Background and pleadings

1. Xplor Investments Limited (the applicant) applied to register the trade mark



under Number 3 116 266 in the UK on 03/07/2015. It was accepted and published in the Trade Marks Journal on 31/07/2015 in respect of the following goods and services:

Class 03:

Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery; dentifrices; cosmetic products; cosmetic pads; cosmetic preparations; make-up; eyeshadows; lip liners; eyebrow cosmetics; nail paint; cosmetic powder; eyelashes, artificial eyelashes; cosmetic preparations for eyelashes; perfumery; essential oils; hair lotions.

Class 18:

Leather and imitations of leather, and goods made of these materials namely cosmetic bags and make-up bags; animal skins, hides; trunks and travelling bags; umbrellas and parasols; walking sticks; whips, harness and saddlery; cosmetic bags.

Class 21:

Household or kitchen utensils and containers; combs and sponges; brushes, including cosmetic brushes (except paint brushes); brush-making materials; articles for cleaning purposes; steelwool; unworked or semi-worked glass (except glass used in building); glassware, porcelain and earthenware not included in other classes; cosmetic utensils; cosmetic spatulas; cosmetic sponges; combs and sponges.

Class 44:

Medical services; hygienic and beauty care for human beings; beauty consultancy; beauty treatment; beauty salons; beauty therapy treatments; make-up services; cosmetic treatment.

2. Chelsea Football Club Limited (the opponent) opposes the trade mark on the basis of Section 5(2)(b), Section 5(3) and Section 5(4)(a) of the Trade Marks Act 1994 (the Act). The grounds based upon Section 5(2)(b) and Section 5(3) are on the basis of the following earlier trade marks:

a) European Union Trade Mark (EUTM) No 3 344 561 CHELSEA. This trade mark is subject to the proof of use provisions and relied upon in respect of:

Class 6:

Badges (for vehicles) and bars for use therewith; keys; key blanks; key rings and key chains; locks and ornaments, all included in class 6; all made of common metals and their alloys; common metal and their alloys; metal building materials; ironmongery; small items of metal hardware; safes; parts and fittings for the aforesaid goods.

Class 9:

Sound recording and sound reproducing apparatus and instruments, parts and fittings for the aforesaid goods; compact discs; gramophone records and magnetic tapes for recording or reproducing sound or vision; videos; cameras and camera film; photographic transparencies and photographic films prepared for exhibition purposes; calculating machines, computer programmes, tapes and discs; telephones,

telephone answering apparatus, telephone recorders, telefax apparatus; magnets; parts and fittings for all the aforesaid goods.

Class 14:

Watches and clocks; horological and chronometric apparatus and instruments; jewellery for personal wear and adornment; badges and bars for use therewith; earrings; keys and key rings; key blanks and key chains; trinkets and fobs; pins and pendants; jewellery charms; cases and boxes; buckles; busts and statues; candle sticks and candle extinguishers; cigar and cigarette holders; flasks and goblets; hat and shoe ornaments; matchboxes and match holders; works of art; napkin holders and napkin rings; tankards, urns and vases; nutcrackers; salt cellars and salt shakers, all the aforesaid goods being made wholly or principally of precious metal and their alloys or coated therewith; tie pins and clips; cuff links; coins and copper tokens; costume jewellery; silver ornaments; objects of imitation gold; medals; watch straps; parts and fittings for all the aforesaid goods.

Class 16

Printed matter; newspapers; magazines and periodical publications; books; photographs; programme binders and binding material; stationery; instructional teaching materials; manuals; writing or drawing books and pads; birthday cards and cards; greeting cards; postcards; tickets; timetables; note pads and note books; photo engravings, photograph albums and albums; address books; almanacs; holders, cases and boxes for pens; blotters and jotters; pens and pencils; pencil and pen holders; paper, cardboard and articles made from these materials; erasers and erasing products; pencil sharpeners; rulers; books and booklets; book markers and book ends; posters; letter trays; calendars; paper weights and paper clips; gift bags and bags for packaging; gift wrap and packaging paper; envelopes, folders, labels, seals, blackboards and scrap books; height charts and charts; carrier

bags and garbage bags; prints and pictures; ink and ink wells; paper knives; poster magazines; signs and advertisement boards, paper and cardboard; adhesive tapes and dispensers; office requisites and diaries; hat boxes; pads of paper; stickers and stencils; beer mats; catalogues; paper and cardboard coasters; transfers and diagrams; drawing instruments and materials; paint boxes and brushes; patterns and embroidery design; engravings and etchings; paper towels and hankies; paper flags; toilet paper; maps; paper and cardboard place mats; graphic prints, representations and reproductions; lithographs and lithographic works or art; portraits; paper table cloths and napkins; prints; poster magazines.

Class 18:

Articles included in class 18 made of leather or of imitation leather; suitcases, trunks and travelling bags; school bags and satchels; back packs and beach bags; umbrellas and umbrella covers; duffel bags, boot bags, holdalls, wallets and bags; belts; key cases and cases; purses; boxes; pouches; credit card holders; cheque book holders; walking canes and sticks; attache cases and brief cases; bands and straps of leather; leather shoe and boot linings; collars and covers for animals; leather trimmings; laces, leads and leashes; parts and fittings for all the aforesaid goods.

Class 24:

Textile articles included in class 24; curtains; towels; banners; flags; beach towels; valances; duvet covers; pillow cases and mini-kits of textiles materials (in the form of banners); pennants; car window blinds of textile materials.

Class 28:

Games; toys; playthings; playing cards; party novelty hats; shinguards; gloves for games; balloons; balls; sporting articles (other than clothing); playing balls; footballs; teddy bears; decorations for Christmas trees; Christmas crackers; synthetic Christmas trees and stands; cups for dice; darts; dice; dolls and dolls' clothes; dolls' beds; dolls' houses and rooms; tables for indoor football; golf bags and gloves; jokes and novelties; spinning tops; kites; knee guards and protective padding; marbles; marionettes and puppets; skis; slides; surfboards; skateboards; snowboards; skittles; sleighs; masks; mobiles; rattles; roller skates; in-line skates; bodybuilding apparatus; exercise apparatus; confetti; parts and fittings for all the aforesaid goods.

Class 41:

Football club services.

Class 43:

Café, canteen, restaurant, catering services; services for providing facilities for exhibition; room rental services.

- b) EUTM 6 462 601 CHELSEA. This trade mark is subject to the proof of use provisions and relied upon in respect of:

Class 21:

Domestic utensils and containers; chinaware; glassware; porcelain and earthenware; combs; sponges (not for surgical use); glasses; half pint glasses; pint glasses; tall glasses; mugs; whisky glasses; wine glasses; champagne flutes; tumblers; whisky tumblers; brushes; moneyboxes; toothbrushes.

Class 26:

Badges included in class 26; pin badges included in class 26; rosettes of textile materials; patches; mini football kits being decorative articles; non-metallic badges for wear; badges for wear made of common metal; souvenir badges (novelty) for wear, not of precious metal.

Class 32:

Non-alcoholic drinks; cola drinks; lemonade; fruit juices; aerated water and table water; beer and lager; porter and stout.

- c) EUTM No 9 099 706 CHELSEA. This trade mark is not subject to the proof of use provisions and is relied upon in respect of:

Class 3:

Dentifrices; toothpaste; toiletries; aromatic essential oils; bath salts; boot cream and boot polish; cosmetic kits; cosmetics; deodorants for personal use; eau de cologne; aftershaves; perfumes and perfumery; shampoos; hair conditioner; shaving preparations and shaving soaps; talcum powder; presentation and gift sets incorporating some or all of the aforesaid goods.

Class 11:

Lighting apparatus and installations; luminaries; lampshades and lampshade holders; light diffusers; electric Christmas tree lights; parts and fittings for all the aforesaid goods; apparatus and equipment for steam generating, cooking and refrigerating; apparatus for air and water purifications; parts and fittings for the aforesaid goods.

Class 20:

Key rings; locks; plaques; picture frames; mirrors; headboards being furniture; statuettes; figurines and model stadia made of plastics materials; furniture; boxes; storage boxes; pillows and cushions.

- d) EUTM No 1 261 9755 CHELSEA. This trade mark is not subject to the proof of use provisions and is relied upon in respect of:

Class 6:

Badges (for vehicles) and bars for use therewith; keys; key blanks; key rings and key chains; locks and ornaments, all included in class 6; all made of common metals and their alloys; common metal and their alloys; metal building materials; ironmongery; small items of metal hardware; safes; parts and fittings for the aforesaid goods.

Class 9:

Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; magnets; fridge magnets; mechanisms for coin-operated apparatus; data processing equipment; computers; fire-extinguishing apparatus; radios; televisions; plasma screens; electrical and electronic apparatus for use in the reception of satellite, terrestrial or cable broadcasts; video recorders; tape recorders; cassette players; record players; juke boxes; PDAs (personal digital assistants); MP3 players and MP3 readers; audio and/or video file recorders and/or players; magnetic data carriers; recording discs; magnetic tapes for recording and reproducing sound or vision; audio recordings; video recordings; audio and video recordings; motion picture films; animated cartoons; photographic transparencies and photographic and cinematographic films prepared for exhibition purposes; CDs, DVDs, CD

ROMs; cassettes; video cassettes; gramophone and phonographic records; downloadable audio and video recordings; downloadable ring tones, music, MP3s, graphics, games and video images for wireless mobile communication devices; screen savers; downloadable electronic publications; remote control apparatus; cameras, video cameras; cases for photographic apparatus and instruments; photographic apparatus and equipment; camera film; digital photo frames; anti-dazzle shades, glasses and visors; binoculars; prescription and non-prescription eye glasses, spectacles and sunglasses and cases, chains, cords and frames therefor; containers for contact lenses; optical goods; holograms; compasses and barometers; bells; calculating machines; portable computers; computer hardware and parts and fittings therefor; computer screens; computer monitors; computer peripherals; mouse mats; computer mice; keyboard and screen covers; customised computer disks and CD-ROMs; computer software; computer programs; gaming software; magnetic data carriers, recording discs; pre-recorded games on CD, software and any other recording media; downloadable computer software; electronic storage media; memory cards; customised storage boxes for electronic storage media, CDs, DVDs and disks; cash registers, calculating machines; telephones; mobile telephones; parts and accessories for mobile telephones; mobile telephone covers; mobile telephone cases; telephone answering apparatus, telephone recorders and telephones incorporating facsimile machines; smart cards; telephone cards; encrypted smart cards; encoded smart cards; encrypted telephone cards; encoded telephone cards; encrypted cards; encoded cards; magnetic identity cards; time recording apparatus; magnifying glasses; measures and measuring instruments; mechanical signs; neon signs; sockets; plugs and switches; ticket dispensers; vehicle breakdown warning apparatus; apparatus for recording, transmission or reproduction of sound or images; parts and fittings for all of the aforesaid goods.

Class 14:

Watches and clocks; horological and chronometric apparatus and instruments; jewellery for personal wear and adornment; badges and bars for use therewith; earrings; keys and key rings; key blanks and key chains; trinkets and fobs; pins and pendants; jewellery charms; cases and boxes; busts and statues; hat and shoe ornaments; works of art; all the aforesaid goods being made wholly or principally of precious metal and their alloys or coated therewith; tie pins and clips; cuff links; coins and copper tokens; costume jewellery; silver ornaments; objects of imitation gold; medals; watch straps; parts and fittings for all the aforesaid goods.

Class 16:

Printed matter; newspapers; magazines and periodical publications; books; photographs; programme binders and binding material; stationery; instructional teaching materials; manuals; writing or drawing books and pads; birthday cards and cards; greeting cards; postcards; tickets; timetables; note pads and note books; photo engravings, photograph albums and albums; address books; almanacs; holders, cases and boxes for pens; blotters and jotters; pens and pencils; pencil and pen holders; erasers and erasing products; pencil sharpeners; rulers; books and booklets; book markers and book ends; posters; letter trays; calendars; paper weights and paper clips; gift bags and bags for packaging; gift wrap and packaging paper; envelopes, folders, labels, seals, blackboards and scrap books; height charts and charts; carrier bags and garbage bags; prints and pictures; ink and ink wells; paper knives; poster magazines; signs and advertisement boards, paper and cardboard; adhesive tapes and dispensers; office requisites and diaries; hat boxes; pads of paper; stickers and stencils; beer mats; catalogues; paper and cardboard coasters; transfers and diagrams; drawing instruments and materials; paint boxes and brushes; patterns and embroidery design; engravings and etchings; paper towels and hankies;

paper flags; toilet paper; maps; paper and cardboard place mats; graphic prints, representations and reproductions; lithographs and lithographic works or art; portraits; paper table cloths and napkins; prints.

Class 18:

Suitcases, trunks and travelling bags; school bags and satchels; back packs and beach bags; umbrellas and umbrella covers; duffel bags, boot bags, holdalls, wallets and bags; belts; key cases and cases; purses; boxes made of leather; pouches; credit card holders; cheque book holders; walking canes and sticks; attache cases and brief cases; bands and straps of leather; leather shoe and boot linings; collars and covers for animals; leather trimmings; laces, leads and leashes; parts and fittings for all the aforesaid goods.

Class 24:

Textile articles included in class 24; curtains; towels; banners; flags; beach towels; valances; duvet covers; pillow cases and mini-kits of textiles materials (in the form of banners); pennants; car window blinds of textile materials.

Class 26:

Lanyards; badges included in Class 26; rosettes of textile materials; patches; buttons, ribbons and braid; belt clasps; sewing baskets; blouse, clothing and shoe fasteners; needle and pin cushions; shoe ornaments; sewing thimbles; hat ornaments; shoe laces; numerals or letters for marking linen; hairnets; brooches and buckles; edging for clothing; competitor numbers; cords for clothing; embroidery; expanding bands for holding sleeves; fancy goods; frills and fringes; reins for guiding children; tassels; all being decorative articles; hair accessories; hair ornaments (not of precious metal); ribbons; feathers (clothing

accessories); hair bands; hair bows; hair buckles; hair pins; hair ribbons; barrettes; broaches (clothing accessories and other than jewellery); pony tail holders; hair nets; ornamental novelty pins (clothing accessories and other than jewellery); hair grips; hair clips; hair rollers; pin badges; decorative pin badges; buckles; parts and fittings for the aforesaid goods.

Class 28:

Games; toys; playthings; playing cards; party novelty hats; shin guards; gloves for games; balloons; balls; sporting articles (other than clothing); playing balls; footballs; teddy bears; decorations for Christmas trees; Christmas crackers; synthetic Christmas trees and stands; cups for dice; darts; dice; dolls and dolls' clothes; dolls' beds; dolls' houses and rooms; tables for indoor football; golf bags and gloves; jokes and novelties; spinning tops; kites; knee guards and protective padding; marbles; marionettes and puppets; skis; slides; surfboards; skateboards; snowboards; skittles; sleighs; masks; mobiles [toys]; rattles; roller skates; in-line skates; bodybuilding apparatus; exercise apparatus; confetti; games for video game machines; home video game machines and amusement apparatus all for use with television receivers; wrist pads; parts and fittings for all the aforesaid goods.

Class 41:

Football club services; recreational information services; recreational information services provided on computer networks and by telephone; football coaching, football schools and schooling; education and training in relation to football; provision of football instructional courses; sporting management services for footballers; football entertainment services; fitness training services; provision of recreational services; organisation of competitions and events; rental of sporting equipment; health club services; entertainment services; arranging and conducting of sports exhibitions, fairs, seminars, symposia and events; sports information

services; organisation and provision of hospitality and corporate hospitality services and events; booking services; information, advisory and consultancy services relating to the aforesaid services; fan club services; membership scheme services; museum services.

Class 43:

Bar services; café, canteen, restaurant, catering services; services for providing facilities for exhibition; provision of facilities for seminars and symposia; room rental services; information, advisory and consultancy services relating to the aforesaid services.

- e) EUTM No 1 291 4974 CHELSEA. This trade mark is not subject to the proof of use provisions and is relied upon in respect of:

Class 21:

Domestic utensils and containers; chinaware; glassware; porcelain and earthenware; combs; sponges (not for surgical use); glasses; half pint glasses; pint glasses; tall glasses; mugs; whisky glasses; wine glasses; champagne flutes; tumblers; whisky tumblers; brushes; moneyboxes; toothbrushes.

Class 32:

Non-alcoholic drinks; cola drinks; lemonade; fruit juices; aerated water and table water; beer and lager; porter and stout.

Class 35:

Operation and supervision of loyalty and incentive schemes; advertising services provided via the Internet; production of television and radio advertisements; presentation of goods on communications media, for

retail purposes; retail, online retail, mail order retail and wholesale services connected with scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments, apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; retail, online retail, mail order retail and wholesale services connected with magnets, fridge magnets, mechanisms for coin-operated apparatus, data processing equipment, computers, radios, televisions, plasma screens, electrical and electronic apparatus for use in the reception of satellite, terrestrial or cable broadcasts; retail, online retail, mail order retail and wholesale services connected with video recorders, tape recorders, cassette players, record players, juke boxes, PDAs (personal digital assistants), MP3 players and MP3 readers, audio and/or video file recorders and/or players; retail, online retail, mail order retail and wholesale services connected with magnetic data carriers, recording discs, magnetic tapes for recording and reproducing sound or vision, audio recordings, video recordings, audio and video recordings, motion picture films, animated cartoons, photographic transparencies and photographic and cinematographic films prepared for exhibition purposes; retail, online retail, mail order retail and wholesale services connected with CDs, DVDs, CD ROMs, cassettes, video cassettes, gramophone and phonographic records, downloadable audio and video recordings, downloadable ring tones, music, MP3s, graphics, games and video images for wireless mobile communication devices, screen savers; retail, online retail, mail order retail and wholesale services connected with downloadable electronic publications, remote control apparatus, cameras, video cameras, cases for photographic apparatus and instruments, photographic apparatus and equipment, camera film, digital photo frames, anti-dazzle shades, glasses and visors; retail, online retail, mail order retail and wholesale services connected with binoculars, prescription and non-prescription eye glasses, spectacles and sunglasses and cases, chains, cords and frames therefor, containers for contact lenses, optical goods, holograms, compasses and

barometers, bells, calculating machines, computers, portable computers, computer hardware and parts and fittings therefor; retail, online retail, mail order retail and wholesale services connected with computer screens, computer monitors, computer peripherals, computer covers and cases, mouse mats, wrist pads, computer mice, keyboard and screen covers, customised computer disks and CD-ROMs, computer software, computer programs, gaming software, magnetic data carriers, recording discs, pre-recorded games on CD, software and any other recording media; retail, online retail, mail order retail and wholesale services connected with downloadable computer software, electronic storage media, memory cards, customised storage boxes for electronic storage media, CDs, DVDs and disks, cash registers, calculating machines, telephones, mobile telephones, parts and accessories for mobile telephones; retail, online retail, mail order retail and wholesale services connected with mobile telephone covers, mobile telephone cases, telephone answering apparatus, telephone recorders and telephones incorporating facsimile machines, smart cards, telephone cards, encrypted smart cards, encoded smart cards, encrypted telephone cards, encoded telephone cards, encrypted cards, encoded cards, magnetic identity cards; retail, online retail, mail order retail and wholesale services connected with time recording apparatus, magnifying glasses, measures and measuring instruments, mechanical signs, neon signs, sockets, plugs and switches, ticket dispensers; retail, online retail, mail order retail and wholesale services connected with vehicle breakdown warning apparatus, apparatus for recording, transmission or reproduction of sound or images, watches and clocks, jewellery for personal wear and adornment, badges, key chains, tie pins and clips, cufflinks, printed matter, stationery, publications, books, calendars, diaries, tickets, note pads and books, pens, pencils, pencil sharpeners, rulers, erasers; retail, online retail, mail order retail and wholesale services connected with bags, wallets and purses, luggage, collars and covers for animals, leads and leashes and laces made of leather or imitation leather, bags, wallets and purses, luggage, umbrellas, collars and covers for animals, laces, leads and leashes,

domestic utensils and containers, chinaware, glassware, moneyboxes, brushes, toothbrushes, textile articles, curtains, towels, duvet covers, pillow cases; retail, online retail, mail order retail and wholesale services connected with articles of clothing, underwear, nightwear, swimwear, footwear, headgear, scarves, waterproof clothing, ties, braces, belts, lanyards, rosettes of textile material, haberdashery, mini football kits, mini shorts, mini shirts, mini jerseys (being decorative articles), hair accessories, hair bands, hair clips, pin badges, games, toys, playthings, footballs, sporting articles, teddy bears, shin and knee guards; retail, online retail, mail order retail and wholesale services connected with games for video game machines, home video game machines and amusement apparatus all for use with television receivers, handheld computer games, computer game apparatus, electronic games, toiletries, cosmetics and perfumery, dentifrices, non-medicated toilet preparations, essential oils, hair care preparations, skin care preparations, after shaves, manicure sets, metallic badges, metallic key chains and key rings; retail, online retail, mail order retail and wholesale services connected with razors and razor blades, lighting apparatus and installations, lampshades, apparatus and equipment for steam generating, cooking and refrigerating, Christmas tree lights, picture frames, mirrors, furniture, beds, pillows, cushions, plaques, headboards being furniture, figurines and model stadia made of plastics materials, household textile articles, boxes, statuettes, wall hangings, floor coverings, wallpaper and borders; retail, online retail, mail order retail and wholesale services connected with confectionary, foodstuffs made from dough, foodstuffs made from oats, chocolate, tea and coffee, cocoa, sugar, sweet and sugar confectionery, jams and preserves, chutneys, sauces, dairy products, cheese, snack foods, foodstuffs made from cereals or maize, non-alcoholic drinks, smokers articles, alcoholic beverages; information, advisory and consultancy services relating to the aforesaid services.

3. Under Section 5(2)(b), the opponent argues that the respective goods and services are identical or similar and that the marks are similar. Further, it

claims that the earlier trade marks have, as a result of the use made of them, acquired a higher degree of distinctiveness and so are entitled to a greater penumbra of protection.

4. Under Section 5(3), the opponent argues that its earlier trade marks enjoy a reputation which is not limited to running a football club. As such, the use of the later trade mark will take unfair advantage of its earlier trade marks in that they will be believed to be economically or otherwise commercially linked. Further that the later mark will benefit from the opponent's investment in advertising and promotion of its earlier trade marks. As such, the later trade mark will enjoy a commercial advantage in the marketplace without having made the same investment as the opponent.
5. Under Section 5(4)(a), the opponent argues that it has acquired a widespread goodwill in CHELSEA in respect of all of the goods and services already detailed above in respect of the earlier EUTMs relied upon. As such, use of the trade mark applied for will cause a misrepresentation and damage.
6. The applicant filed a counterstatement denying the claims made (and requesting that the opponent provides proof of use of some of its earlier trade mark relied upon).
7. Both sides filed evidence in these proceedings. This will be summarised to the extent that it is considered necessary.
8. Both sides filed written submissions which will not be summarised but will be referred to as and where appropriate during this decision.
9. A Hearing took place on 16th November 2016, with the opponent represented by Andrew Lomas of Counsel, instructed by Mathys & Squire LLP. The applicant was not represented and did not attend the hearing.

Evidence

Opponent's evidence

Preliminary remarks

10. It is considered that Chelsea FC being a world famous football club is a fact so notorious, that I take judicial notice of it¹. In this regard, the opponent's extensive reputation in respect of running a football club is associated with, amongst other trade marks/signs, with CHELSEA alone. As such, the evidence summary below will not outline the clear and obvious fame of CHELSEA as a football club. Rather, it will focus upon any evidence which purports to prove that the opponent's use (and so supporting its claim to an enhanced degree of distinctive character) and/or reputation extends beyond this.

11. Further is noted that five earlier trade marks are relied upon in respect of Section 5(2)(b), two of which are subject to the proof of use provisions. It is noted that the remaining three trade marks: Nos 1 261 9455, 1,291,4974 and 9,099,706 cover (between them) the same goods and services as those subject to proof of use. As such, the decision under Section 5(2)(b) will focus upon these trade marks.

12. The opponent has filed a witness statement, dated 4th March 2016, from Mr Mark Bell, the Licensing Manager of Chelsea FC PLC. The following relevant information is contained therein²:

- Mr Bell accepts that the running of a football club is the opponent's core business and is its primary business activity;
- There is an article from Brand Finance in evidence regarding the strength of the opponent's "brand". Notably it is described as a football brand (exhibit

¹ See *Chorkee Ltd v Cherokee Inc.*, Case BL O/048/08.

² It should be noted that some of the information is subject to a confidentiality order. As such and where appropriate, the evidence will be described only in the most general of terms.

MB5); there are additional articles referring to the opponent as CHELSEA. The context in all is football.

- There are details provided of merchandising partners and related sales. The exact content is confidential but the figures provided are notable;
- The opponent has sold replica football kits from as early as the 1970s with other items of clothing also sold, such as jumpers and scarves. It is noted that the latter invariably display CHELSEA in various forms; sometimes with additional elements such as a graphical lion, sometimes with CFC plus lion. Irrespective of the precise presentation, it is observed that all indicate a connection with the football club rather than in the abstract.
- There are multiple licensing arrangements in place for numerous products and the opponent has been licensing use of its marks for, according to Mr Bell, in excess of 30 years. Mr Bell accepts that many customers buy the opponent's products (clothing, accessories and furnishings) to show support for Chelsea Football Club and its brand values. However, according to Mr Bell, the knowledge of the brand extends far beyond the football watching public;
- There are numerous items of merchandise bearing the opponent's earlier signs as shown in exhibits MB26-32 including key rings, mugs, badges, watches, printed matter, stationery items, bags, towels, bedding, clothing, games, toys, footballs etc. On perusal of these exhibits, it is noted that they are sold via season catalogues³ which state the products are "official Chelsea merchandise" (this is followed by information regarding the particular season in question) alongside the Chelsea badge; they are also described as "mementoes for true blues", a clear reference for fans of the football club; it is also noted that the products invariably display the Chelsea crest or other elements which make clear that these are Chelsea football club products. Distribution figures for the catalogues are also provided: there is fluctuation here, from 90,000 people in 2008 to 60,000 in 2013, though nothing turns on this point as it is unclear as to who receives this catalogue: football fans, club members and/or the general public?

³ Mr Bell also states that the products are sold via the opponent's website www.chelseamegastore.com

- Merchandising sales figures in the UK are provided and are noted (the exhibit is confidential, but these are impressive);
- Additional services provided by the opponent include hospitality, catering and exhibition services. Mr Bell explains that on match days, the executive boxes are hired out for a fee and branded hospitality services are offered to guests. Further, rooms can also be hired out for the hosting of external events and exhibitions, such as a Sports Merchandise and Licensing Show in 2009 (as shown via a screenshot in exhibit MB45);
- Mr Bell ends his statement by stating that the core brands are used in different ways depending on the circumstances and the particular goods in question. He explicitly says that all are used to designate Chelsea football club.

Conclusions on the evidence

a) Enhanced distinctiveness

13. At the hearing, the opponent argued that its earlier trade marks have acquired a higher degree of distinctiveness as a result of the use made of them and as such are entitled to a greater penumbra of protection. I have already accepted that the opponent is clearly well known in respect of football and running a football club.

14. The evidence filed demonstrates that the opponent's business portfolio goes beyond its core business. In respect of goods, though there are clearly a range of items available they are all clearly Chelsea Football Club merchandise. In respect of services it is noted that there are retail services offered (in respect of the merchandise already described). There are also additional services such as conference facilities, hospitality invariably provided on match days. However, all of these services are inextricably linked to the core football business and there is no evidence that they are independent of it. Though there is therefore use in respect of other areas of trade beyond football club services, it has not enabled the opponent to

demonstrate that the distinctiveness of CHELSEA is enhanced. It is difficult to see how this use therefore elevates the earlier trade marks into having acquired distinctive character in respect of the goods and services for which they are registered (beyond football club services).

b) Reputation

15. It is noted that the opponent claims it has a reputation in respect of goods in Classes 03, 18 and 21 and it is this that forms the basis of its opposition under Section 5(3). It is accepted that there has been use of CHELSEA on some of the goods in these classes. However, this falls far short of demonstrating that it has a reputation in this regard. There is no context provided as to the size of the relevant markets and no market share information. As such, it is difficult to see how the public would view this use over and above the typical merchandising activities one would expect from a successful football club. The evidence clearly demonstrates that the opponent's reputation is limited to running a football club only and has not transferred or extended to other activities. This point will be referred to further below.

Applicant' evidence

16. This is a witness statement, dated 8th September 2016, from Mr Eugene Peinaar, Director of Revomark, the applicant's representatives in this matter. The vast majority of this witness statement is comprised of submissions, which will not be summarised here but have been taken into account in reaching this decision. Some evidence has been provided as to the applicant's target market and the products provided. Exhibit EP1 are copies of pages from the applicant's website. The products sold are specialist products for eyebrows and eyelashes. Exhibit EP2 is a list of department stores through which the applicant sells its products, including Harvey Nichols and Fenwick.

Opponent's evidence in reply

17. This is a witness statement, dated 15th September 2016 from Mr Robert James Hawley, a trade mark attorney representing the opponent in these proceedings. The content of the witness statement is comprised entirely of submissions which will not be summarised here. However, they have been fully considered in reaching this decision and will be referred to where appropriate.

DECISION

Section 5(2)(b)

18. 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

19. In the judgment of the Court of Justice of the European Union 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”.

20. 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.

Comparison of goods in Class 03:

21. The earlier goods are:

Dentifrices; toothpaste; toiletries; aromatic essential oils; bath salts; boot cream and boot polish; cosmetic kits; cosmetics; deodorants for personal use; eau de cologne; aftershaves; perfumes and perfumery; shampoos; hair conditioner; shaving preparations and shaving soaps;

talcum powder; presentation and gift sets incorporating some or all of the aforesaid goods.

22. The later goods are:

Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery; dentifrices; cosmetic products; cosmetic pads; cosmetic preparations; make-up; eyeshadows; lip liners; eyebrow cosmetics; nail paint; cosmetic powder; eyelashes, artificial eyelashes; cosmetic preparations for eyelashes; perfumery; essential oils; hair lotions.

23. It is noted that the earlier trade mark includes the term cosmetics. This is a broad term encompassing a wide range of items used for beautification purposes. This will inevitably include the following contested terms: cosmetic products; cosmetic pads; cosmetic preparations; make-up; eyeshadows; lip liners; eyebrow cosmetics; nail paint; cosmetic powder; eyelashes, artificial eyelashes; cosmetic preparations for eyelashes. They are identical.

24. Dentifrices and perfumery appear in both specifications. They are identical.

25. The earlier shampoos and hair conditioner are used to clean, treat and otherwise improve the appearance of hair. The same applies to the later hair lotions. They are identical.

26. The earlier aromatic essential oils is clearly identical to the later essential oils.

27. The earlier term toilettries will include cleaning products for the body. This will include the later soaps. They are identical. Further, they will also include the later cleaning preparations which are not limited to household use and so can include those directed at the body. They are also identical.

28. The earlier boot polish will be included in the later term polishing preparations. In the absence of any fall back position from the applicant, they are also considered to be identical.

29. This leaves the following in the contested specification: “bleaching preparations and other substances for laundry use” and “scouring and abrasive preparations”. In respect of the former, they are limited to use in respect of laundry. They may be in liquid or solid bar form in common with the earlier toiletries, so will coincide in nature. However, they are different in purpose to toiletries as they are applied to the body. They may also coincide in respect of channels and trade. There is a low degree of similarity between them. In respect of the latter, the term refers to products which enable the removal of persistent stains or other debris. They are usually used to clean household furniture and household items and so are different in purpose to the earlier toiletries. However, the earlier term can also include products which have an exfoliating function so will include scouring and/or abrasive qualities. They may therefore be similar in nature. They are considered to have a low degree of similarity.

Comparison of services in class 44:

30. The later services are:

Medical services; hygienic and beauty care for human beings; beauty consultancy; beauty treatment; beauty salons; beauty therapy treatments; make-up services; cosmetic treatment.

31. With the exception of medical services, all of the later services aim to provide cleanliness to and beautification of the body. This is in common with the earlier cosmetics. They therefore coincide in respect of intended purpose. They can also coincide in respect of end consumers and trade channels as the earlier goods can be provided alongside the contested services and to a certain extent, vice versa. They are considered to be similar to a medium degree.

32. Medical services is a broad term and will include medical services across the spectrum, from general practitioner to more specialist provision. They have nothing in common with any of the earlier terms and so are not considered to be similar.

Comparison of goods in class 18:

33. The earlier goods are:

Suitcases, trunks and travelling bags; school bags and satchels; back packs and beach bags; umbrellas and umbrella covers; duffel bags, boot bags, holdalls, wallets and bags; belts; key cases and cases; purses; boxes made of leather; pouches; credit card holders; cheque book holders; walking canes and sticks; attache cases and brief cases; bands and straps of leather; leather shoe and boot linings; collars and covers for animals; leather trimmings; laces, leads and leashes; parts and fittings for all the aforesaid goods.

34. The later goods are:

Leather and imitations of leather, and goods made of these materials namely cosmetic bags and make-up bags; animal skins, hides; trunks and travelling bags; umbrellas and parasols; walking sticks; whips, harness and saddlery; cosmetic bags.

35. The later terms: trunks and travelling bags also appear in the earlier specification. They are identical. Umbrellas also appear in both and so are also identical. Parasols are sun umbrellas used as protection from the sun. They are similar to the earlier umbrellas. The earlier specification includes bags at large. The later terms are cosmetic bags and make up bags. They are identical. Walking sticks appears in both specification. They are identical.

36. The contested whips, harness and saddlery are items used for horses when horse riding. A harness can also describe an item used on other animals for the purposes of walking, such as dogs. The earlier goods include collars and covers for animals and as such they are likely to coincide in nature, purpose and method of use. The trade channels may also coincide. The goods are considered to be similar.

37. This leaves leather and imitations of leather and animal skins. These are materials used to make a number of items, rather than being the end products themselves. The earlier leather trimmings is a term that can include cut off pieces from larger leather materials. They are therefore either identical or highly similar. The same applies to the contested animal skins which would include leather. They are similar. Finally, imitations of leather may be chosen as an alternative to leather trimmings but used ultimately for the same purpose. They are similar.

Comparison of goods in class 21:

38. The earlier goods are:

Domestic utensils and containers; chinaware; glassware; porcelain and earthenware; combs; sponges (not for surgical use); glasses; half pint glasses; pint glasses; tall glasses; mugs; whisky glasses; wine glasses; champagne flutes; tumblers; whisky tumblers; brushes; moneyboxes; toothbrushes.

39. The later goods are:

Household or kitchen utensils and containers; combs and sponges; brushes, including cosmetic brushes (except paint brushes); brush-making materials; articles for cleaning purposes; steelwool; unworked or semi-worked glass

(except glass used in building); glassware, porcelain and earthenware not included in other classes; cosmetic utensils; cosmetic spatulas; cosmetic sponges; combs and sponges.

40. The earlier domestic utensils and containers is a broad term encompassing any number of items found in a domestic setting. The contested household or kitchen utensils and containers are clearly identical. The contested brushes can include those used in baking for example. These are also included within the earlier term and so are identical. The following terms appear in both specifications and so are also identical: combs, sponges, glassware, porcelain and earthenware.
41. The earlier term is cosmetics. The following later terms are all those which are used to apply cosmetics to the face and body: cosmetic utensils; cosmetic spatulas; cosmetic sponges; combs and sponges. They coincide in respect of end user, trade channels and are also complementary. They are considered to be similar.
42. The contested articles for cleaning purposes are utensils and other implements used to clean surfaces for example. They have nothing in common with any of the earlier terms and so are not similar. The same applies to the contested steel wool.
43. The remaining term is unworked or semi-worked glass (except glass used in building). This will include glass that requires further transformation to become an end product or is that which will be used as part of an end product. It has nothing in common with any of the earlier terms, including lighting in class 11 and so is considered to be not similar.
44. The sum of all this is that with the exception of the following, all of the goods and services of the application are considered either identical or similar to those of the earlier trade marks:

Articles for cleaning purposes; steelwool; unworked or semi-worked glass (except glass used in building); Medical services.


Comparison of marks

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

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

46. 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.

47. The respective trade marks are shown below:

CHELSEA	 The logo for Chelsea BEAUTIQUE. The word 'Chelsea' is written in a large, elegant, cursive script. Below it, the word 'BEAUTIQUE' is written in a smaller, all-caps, sans-serif font.
Earlier trade marks	Contested trade mark

48. Bearing in mind overall impressions, it is noted that the earlier trade mark is comprised of only one element, namely CHELSEA. The contested trade mark also contains CHELSEA together with an additional element, BEAUTIQUE. CHELSEA is visually dominant within the later mark due to its central position and relatively larger size. It is also perfectly distinctive. The element BEAUTIQUE is also clearly visible. At the hearing, the opponent argued that it is an element which lacks distinctiveness as it is clearly a play on the word BOUTIQUE. I am unpersuaded that BEAUTIQUE lacks distinctiveness. However, in any case, CHELSEA is both distinctive and dominant and though BEAUTIQUE is not ignored, it is considered that CHELSEA should be accorded greater relative weight.

49. Visually and aurally, the marks coincide in respect of the element CHELSEA and differ in respect of the additional BEAUTIQUE which appears in the later trade mark. There is clearly visual and aural similarity here. This is pitched as being medium to high.

50. Conceptually, the earlier trade mark will be understood as referring to the area in London and/or potentially as the female name. The opponent argues that the Chelsea area of London has become synonymous with the football club and so CHELSEA alone will be understood as such. It is accepted that the evidence filed by the opponent shows use of CHELSEA alone. However, this is invariably qualified by a particular context, which is football. As such, it is

considered unlikely that the concept of a football club will be gleaned from CHELSEA in the abstract without any relevant context.

51. In respect of the later trade mark, it is considered that BEAUTIQUE is likely to be understood as a play on “boutique” which is the French word for shop. Bearing in mind the play on words, the later mark is likely to be understood as referring to a beauty shop located in the Chelsea area of London. Each of the marks contain Chelsea and though, the addition of BEAUTIQUE in the later trade mark provides a differing qualifying context: a physical place, namely a shop, it is considered that this adds to the concept of CHELSEA (i.e. that it is a shop in Chelsea) rather than creating a conceptual gap. It is considered that there is a low degree of conceptual similarity.

Average consumer and the purchasing act

52. 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*.

53. 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.”

54. The goods and services in question range from those purchased frequently (in the case of, for example, cosmetics) to those purchased relatively infrequently (in the case of travelling bags and household utensils). These items can be self service from a shelf or online environment, but can also be orally requested. The level of attention displayed during the purchasing process will vary. It is likely to be low in respect of, for example, a face cream with which an individual is very familiar as it is regularly purchased. However in respect of, for example, a travelling bag, for which there will be additional considerations: size, materials used, features (such as wheels, secure locks), it is likely that a relatively higher degree of attention will be displayed. The same is likely to be true of household utensils and containers where a particular function may be required. For some of the services, such as cosmetic treatments, it is also likely that a higher degree of attention will be displayed as the use of such a service is likely to follow a period of consideration, dependent upon the nature of the cosmetic procedure and its price.

Distinctive character of the earlier trade mark

55. 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).”

56. Bearing in mind the assessment of the evidence filed by the opponent as described above, I am not persuaded that CHELSEA has acquired an enhanced degree of distinctive character as a result of the use made of it in respect of any goods and services for which the earlier trade marks are registered with the exception of football club services.

57. The earlier trade marks must therefore be assessed on a prima facie basis. Chelsea is of course a well known area of the city of London. However, it has no connection in respect of the goods for which the trade marks are registered. It is distinctive, to an average degree.

GLOBAL ASSESSMENT – Conclusions on Likelihood of Confusion.

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

The principles

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

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

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

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

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

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

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

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

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

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

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

59. The respective trade marks are similar visually and aurally to a medium to high degree. There is also no conceptual gap between them. Further it is noted that CHELSEA is the first element of the later trade mark⁴. The addition of BEAUTIQUE in the applied for trade mark is noted and is considered to be distinctive. However, the dominant (and distinctive) element in the later trade mark is clearly Chelsea. The later trade mark is considered likely to only be seen as a “Chelsea” mark. Even in respect of goods and services for which a high degree of attention will be displayed (and so lessening the impact of imperfect recollection), the addition of BEAUTIQUE will not enable prospective consumers to accurately distinguish between them. This is considered to be the case even in respect of goods found to be similar only to a low degree. As such, it is considered that there is a likelihood of direct confusion.

60. The ground of opposition based upon Section 5(2)(b) therefore succeeds in respect of all the goods and services found to be identical or similar.

Section 5(4)(a) – Passing Off

61. This ground will be considered only in respect of those goods found to be not similar above, namely:

⁴ *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02,

Articles for cleaning purposes; steelwool; unworked or semi-worked glass (except glass used in building); Medical services.

Legislation

62. Section 5(4)(a) states:

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

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

(b) [.....]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Meaning of Goodwill

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

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

66. It is considered that the opponent has acquired an overwhelming goodwill in respect of its core business, namely football club services. As already found, the evidence filed demonstrates that the opponent's business portfolio goes beyond its core business. In respect of goods, though there are clearly a range of items available they are all clearly Chelsea Football Club merchandise. In respect of services it is noted that there are retail services offered (in respect of the merchandise already described). There are also additional services such as conference facilities, hospitality invariably provided on match days. However, all of these services are inextricably linked to the core football business. Goodwill is, as described above, “the attractive force which brings in custom”. It is considered that this force, in respect of the opponent's business, is the core activity of running a football club and that, for example, the purchasers of merchandise, do so, on the basis of the football club and to show affiliation to it. Even if I am found to be incorrect on this, having carefully considered the position as regards goodwill (and any subsequent misrepresentation) in respect of the additional goods and services, I cannot see how this improves the opponent's position. This is because the respective fields of are no closer and any potential goodwill is far more modest in respect of the other goods and services than that which

applies to its football business. As such the ground of opposition based upon Section 5(4)(a) will be considered in respect of football club services only.

The test for misrepresentation

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

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

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

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

And later in the same judgment:

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

Requirements for passing off where there is no common field of activity

68. In *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA), Millet L.J. made the following findings about the lack of a requirement for the parties to operate in the a common field of activity, and about the additional burden of establishing misrepresentation and damage when they do not:

“There is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any natural extension of the plaintiff's business. The expression “common field of activity” was coined by *Wynn-Parry J. in McCulloch v. May* (1948) 65 R.P.C. 58, when he dismissed the plaintiff's claim for want of this factor. This was contrary to numerous previous authorities (see, for example, *Eastman Photographic Materials Co. Ltd. v. John Griffiths Cycle Corporation Ltd.* (1898) 15 R.P.C. 105 (cameras and bicycles); *Walter v. Ashton* [1902] 2 Ch. 282 (The Times newspaper and bicycles) and is now discredited. In the *Advocaat* case Lord Diplock expressly recognised that an action for passing off would lie although “the plaintiff and the defendant were not competing traders in the same line of business”. In the *Lego* case *Falconer J.* acted on evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into the manufacture of plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties”.

69. The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a misrepresentation, it is an important and highly relevant consideration:

‘...whether there is any kind of association, or could be in the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant’⁵:

70. In the *Lego* decision *Falconer J.* likewise held that the proximity of the defendant's field of activity to that of the plaintiff was a factor to be taken into account when deciding whether the defendant's conduct would cause the necessary confusion.

71. Where the plaintiff's business name is a household name the degree of overlap between the fields of activity of the parties' respective businesses may often be a less important consideration in assessing whether there is likely to be confusion, but in my opinion it is always a relevant factor to be taken into account.

72. Where there is no or only a tenuous degree of overlap between the parties' respective fields of activity the burden of proving the likelihood of confusion and resulting damage is a heavy one. In *Stringfellow v. McCain Foods (G.B.) Ltd.* [1984] R.P.C. 501 Slade L.J. said (at page 535) that the further removed from one another the respective fields of activities, the less likely was it that any member of the public could reasonably be confused into thinking that the one business was connected with the other; and he added (at page 545) that

‘even if it considers that there is a limited risk of confusion of this nature, the court should not, in my opinion, readily infer the likelihood of resulting damage to the plaintiffs as against an innocent defendant in a completely different line of business. In such a case the onus falling on plaintiffs to show that damage to their business reputation is in truth

⁵ *Annabel's (Berkeley Square) Ltd. v. G. Schock (trading as Annabel's Escort Agency)* [1972] R.P.C. 838 at page 844 per Russell L.J.

likely to ensue and to cause them more than minimal loss is in my opinion a heavy one.'

In the same case Stephenson L.J. said at page 547:

'...in a case such as the present the burden of satisfying Lord Diplock's requirements in the *Advocaat* case, in particular the fourth and fifth requirements, is a heavy burden; how heavy I am not sure the judge fully appreciated. If he had, he might not have granted the respondents relief. When the alleged "passer off" seeks and gets no benefit from using another trader's name and trades in a field far removed from competing with him, there must, in my judgment, be clear and cogent proof of actual or possible confusion or connection, and of actual damage or real likelihood of damage to the respondents' property in their goodwill, which must, as Lord Fraser said in the *Advocaat* case, be substantial.' "

73. The remaining goods and services of the applicant are not in the same field of activity of the opponent. However, the goodwill of the opponent in respect of football club services is significant and the marks in question are similar. Having said that, it is considered that it cannot close the gap between the goods and services which is vast. In conclusion, it is difficult to see how there can be a misrepresentation here. The opposition under Section 5(4)(a) fails.

Section 5(3) – Reputation

74. Section 5(3) states:

“(3) A trade mark which-
(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United

Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

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

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

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

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

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

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be

assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

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

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

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

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks*

and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure).

Reputation

76. It has already been found that CHELSEA is clearly well known in the United Kingdom in respect of running a football club. However, its reputation fails to extend further than this for the reasons already given. The basis for the opponent's claim under Section 5(3) is in respect of classes 03, 18 and 21 and is not in respect of football club services. This is therefore the end of the matter and the opposition based upon Section 5(3) fails.

Conclusion

77. The opposition succeeds, except in respect of the following goods and services which can proceed to registration:

Class 21:

Articles for cleaning purposes; steelwool; unworked or semi-worked glass (except glass used in building).

Class 44:

Medical services.

COSTS

78. The opponent has been successful for the most part and is entitled to a contribution towards its costs. In the circumstances I award the opponent the

sum of £2300 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Filing a notice of opposition and accompanying statement - £500

Considering statement of case in reply - £300

Preparing and filing evidence and considering evidence - £750

Preparation for and attendance at a Hearing - £750

TOTAL - £2300

79. I therefore order Xplor Investments Limited to pay Chelsea Football Club Limited the sum of £2300. The above sum should be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 30th day of March 2017

Louise White

For the Registrar,