

O-490-19

TRADE MARKS ACT 1994

**IN THE MATTER OF THE APPLICATION No. 3265592 BY LADUMA LIMITED
TO REGISTER AS A UK TRADE MARK:**

The CAVRN

FOR SERVICES IN CLASSES 35, 38 AND 42

AND

**IN THE MATTER OF THE OPPOSITION THERETO UNDER NO. 412164
CAVERN CITY TOURS LIMITED**

BACKGROUND AND PLEADINGS

1. Laduma Limited (“**the Applicant**”) filed an application on 23 October 2017 to register the figurative UK trade mark as presented on the front page of this decision, which bears the text “The CAVRN” in respect of the following services, in classes 35, 38 and 42:

The Opponent’s goods and services
<p>Class 35: <i>Collection and compilation of information into computer databases in the field of virtual reality media; On-line advertising and marketing services; Providing on-line web directory and asset tracking services; providing sales promotion services in the field of virtual reality technologies including mobile applications, social media, blogs, digital communications and the internet; Business management of virtual reality content namely images, video, audio and graphics; customer information and business services relating to sales of virtual reality content; provision of information online over the Internet in relation to the aforesaid; Information, advisory and consultancy services relating to any of the aforesaid services.</i></p>
<p>Class 38: <i>Telecommunications services, namely, electronic transmission of data, messages, graphics, animations, images, videos, multimedia content, and information in the field of entertainment; Peer-to-peer sharing services, namely, electronic transmission of digital photo, video, and multimedia files; Providing access to computer, electronic and online databases; providing multiple user access to interactive databases through web sites on a global computer network; Telecommunication services, namely, electronic transmission of data, photos, music and videos; Broadcasting and streaming of audio-visual media content; Transmission of downloadable audio-visual media content; Audio, text and video broadcasting services over computer or other communication network; Providing access to a searchable on-line, electronic, and computer databases in the field of virtual reality content.</i></p>
<p>Class 42: <i>Design and development of computer software for virtual reality content database management, storage and delivery; software as a service (SaaS) services for database management; software as a service (SaaS) services, namely, automated configuration and data mapping of data from a variety of data sources; software as a</i></p>

service (SaaS) services, namely, collection and importation of data into data configurations; software as a service (SaaS) services, namely, data integration with external systems; software as a service (SaaS) services for the delivery of images, audio, video and multimedia data via telecommunications and computer networks; software as a service (SaaS) services for data transfer from one hierarchy level to another; Maintenance of on-line databases for others; Design, development, and implementation of software for marketing and sales of multimedia content namely virtual reality content.

2. The application was published for opposition purposes in the Trade Marks Journal on 12 January 2018 and is opposed by Cavern City Tours Limited (“**the Opponent**”). The opposition is based on three grounds under the Trade Marks Act 1994 (“**the Act**”), namely, **sections 5(2)(b), 5(3) and 5(4)(a)**. The opposition under each ground is directed against all of the services under the application.
3. The Opponent relies variously in these proceedings on its ownership of a number of UK and EU trade mark registrations, as well as on two unregistered signs, all connected to The Cavern Club, which is a venue in Liverpool, well-known for its association The Beatles.

The section 5(2)(b) claims:

4. The Opponent relies for its section 5(2)(b) claim on its ownership of the two trade mark registrations below. It claims that those marks are similar to the applied-for mark, that all of the goods and services under those registrations are identical or similar to those under the contested application, and that there will be a likelihood of confusion on the part of the average consumer.
5. UK registration 2491242 (“**the 242 registration**”):

CAVERN RECORDS

Filing date: 26 June 2008;

Registered on 12 December 2008, for the following goods and services :

Class 9: *Apparatus, instruments and media for recording, reproducing, carrying, storing, processing, manipulating, transmitting, broadcasting, retrieving and reproducing music, sounds, images, text, and information; music, sounds, images, text and information provided by telecommunications networks, by online delivery and by way of the Internet and the world wide web; sound and/or video recording on corresponding recording carriers; gramophone records; compact discs; sound and/or video cassettes; magnetic tapes bearing sound recordings; cassettes for the storage of, or containing, tapes for or bearing sound or video recordings; magnetic tapes, discs, and magnetic wires, all for sound or video recording; DVDs, CD-ROMS, DVD-Roms, digital media, magnetic club membership cards; multimedia software including CD-Roms, DVD-Roms, DVDs; photographic and cinematographic apparatus and instruments; television and radio apparatus; microphones; coin-operated juke boxes; coin or counter-fed sales, sound or video reproduction apparatus; reproductions of sound and/or video in electronic and digital form, all supplied by means of multimedia, remote computers or on-line from databases or from facilities provided on the Internet (including websites); parts for all the aforesaid goods; unexposed photographic transparencies.*

Class 41: *Record production and music publishing, namely publication of sheet music, and music-related journals, publications and books; entertainment services; production and distribution in the field of entertainment; distribution of audio/visual products, music and sound recordings; distribution of audio/visual products, music and sound recordings, all by means of multimedia, remote computers or on-line from databases, or from facilities provided on the internet (including from websites); provision of entertainment club membership services; entertainment distribution services, entertainment information services; the production of musical recordings.*

6. EU registration 14463831 (“the 831 registration”):



Filing date: 12 August 2015;

Registered on 29 January 2016 for the following goods and services in **Classes 9, 15, 16, 18, 21, 25, 34, 35, 41 and 43.**

Class 9: *Magnets; decorative magnets; pre-recorded music, pre-recorded CDs, pre-recorded DVDs and pre-recorded films; records (sound recordings); spectacle cases.*

Class 15: *Harmonicas; plectrums; guitars; drum sticks.*

Class 16: *Printed matter; Printed publications; books; pamphlets; newsletters; booklets; tickets; trading cards other than games; certificates; labels, not of textile; posters; postcards; stationery; writing instruments; wrapping paper; calendars; note books; photographs (printed); greeting cards; signboards of paper or cardboard; paper; place mats of paper; teaching materials [except apparatus]; stickers.*

Class 18: *Pocket wallets; school bags; travelling bags; handbags; purses; umbrellas; leather, unworked or semi-worked.*

Class 21: *Mugs; glassware for everyday use, including beer glasses, shot glasses, drinking glasses; bottle openers, electric and non-electric; porcelain for everyday use, including basins, bowls, plates, kettles, tableware, jars, jugs, and pots; works of art of*

porcelain, ceramic, earthenware or glass; glass, unworked or semi-worked, except building glass.

Class 25: *Clothing; footwear; headgear; children's clothing.*

Class 26: *Badges for wear, not of precious metal; ornamental novelty badges [buttons], brooches [clothing accessories]; pins, other than jewellery.*

Class 34: *Lighters; pyrophoric lighters; piezoelectric lighters; gas containers for lighters.*

Class 35: *Retail and wholesale services including on-line store services relating to clothing; retail and wholesale services including on-line store services relating to footwear; retail and wholesale services including on-line store services relating to headgear; retail and wholesale services including on-line store services relating to children's clothing; retail and wholesale services including on-line store services relating to sunglasses; retail and wholesale services including on-line store services relating to jewellery; retail and wholesale services including on-line store services relating to cuff links; retail and wholesale services including on-line store services relating to medallions; retail and wholesale services including on-line store services relating to watches; retail and wholesale services including on-line store services relating to bags; retail and wholesale services including on-line store services relating to handbags; retail and wholesale services including on-line store services relating to tote bags; retail and wholesale services including on-line store services relating to travel bags; retail and wholesale services including on-line store services relating to cosmetic bags; retail and wholesale services including on-line store services relating to clutches; retail and wholesale services including on-line store services relating to purses; retail and wholesale services including on-line store services relating to wallets; retail and wholesale services including on-line store services relating to umbrellas; retail and wholesale services including on-line store services relating to books; retail and wholesale services including on-line store services relating to magazines; retail and wholesale services including on-line store services relating to postcards; retail and wholesale services including on-line store services relating to CD's; retail and wholesale services including on-line store services relating to DVD's;*

retail and wholesale services including on-line store services relating to key-rings; retail and wholesale services including on-line store services relating to badges; retail and wholesale services including on-line store services relating to pins; retail and wholesale services including on-line store services relating to transfers; retail and wholesale services including on-line store services relating to stickers; retail and wholesale services including on-line store services relating to decals; retail and wholesale services including on-line store services relating to car stickers; retail and wholesale services including on-line store services relating to clocks; retail and wholesale services including on-line store services relating to tin signs; retail and wholesale services including on-line store services relating to signs; retail and wholesale services including on-line store services relating to posters; retail and wholesale services including on-line store services relating to bottle openers; retail and wholesale services including on-line store services relating to coasters; retail and wholesale services including on-line store services relating to glassware; retail and wholesale services including on-line store services relating to mugs; retail and wholesale services including on-line store services relating to pottery; retail and wholesale services including on-line store services relating to porcelain; retail and wholesale services including on-line store services relating to fridge magnets; retail and wholesale services including on-line store services relating to kitchen towels; retail and wholesale services including on-line store services relating to pre-recorded films; retail and wholesale services including on-line store services relating to pre-recorded DVD's; retail and wholesale services including on-line store services relating to music; retail and wholesale services including on-line store services relating to CD's; retail and wholesale services including on-line store services relating to lighters; retail and wholesale services including on-line store services relating to harmonicas; retail and wholesale services including on-line store services relating to plectrums; retail and wholesale services including on-line store services relating to drum sticks; retail and wholesale services including on-line store services relating to guitars; advertising; business management; business administration; promotional services; promotional services relating to musical and cultural events and activities; promoting musical and cultural events; advertising and business management services relating to hotels including hotel accommodation booking, sightseeing tours and ticketing; organisation, operation and supervision of customer loyalty schemes including a membership/affinity scheme; information, advisory and consultancy services in relation to all of the aforesaid; business management of hotels; all the aforementioned including

wholesaling and retailing through stores by means of catalogues and direct mail, or on-line from a global computer network or the Internet.

Class 41: *Entertainment services; arranging and conducting of concerts; organisation of shows [impresario services]; music-halls; night clubs; performances (presentation of live -); club services [entertainment]; discotheque services; educational services; Entertainment services.*

Class 43: *Hotel services; hotel reservation services; food and drink catering; restaurants; bar services; cafés; self-service restaurants; snack-bars; rental of meeting rooms.*

The section 5(3) claims:

7. For its section 5(3) claims, the Opponent relies again on its ownership of the above two trade mark registrations (**242** and **831**).
8. It also relies on a further four UK and five EU registrations detailed below. The Opponent claims to have a reputation in respect of each the marks in respect of all of the goods and services under these registrations, such that use of the Applicant's mark for all or any of the services applied for would not only lead the relevant public to think that the marks are used by the same or economically connected undertakings (the reach of its section 5(2)(b) claim in respect of **242** and **831**), but would also take unfair advantage of, or be detrimental to the distinctive character or reputation of the earlier marks.
9. EU registration 10011138 ("**the 138 registration**"):

CAVERN CLUB

Filed: 31 May 2011; **Registered:** 26 December 2011 - for goods and services as follows:

Class 25: *Clothing, footwear and headgear; children's clothing*

Class 35: *Wholesaling and retailing of clothing, footwear and headgear, children's clothing, memorabilia and merchandise relating to musical performances, sunglasses, jewellery, cuff links, medallions, watches, bags, handbags, tote bags, travel bags, cosmetic bags, clutches, purses, wallets, umbrellas, books, magazines, postcards, CD's, DVD's, key-rings, badges, pins, transfers, stickers, decals, car stickers, clocks, tin signs, signs, posters, bottle openers, coasters, glassware, mugs, pottery and porcelain, fridge magnets, kitchen towels; all the aforementioned including wholesaling and retailing through stores by means of catalogues and direct mail, or on-line from a global computer network or the Internet; advertising; business management; business administration; promotional services; promotional services relating to musical and cultural events and activities; promoting musical and cultural events; advertising and business management services relating to hotels including hotel accommodation booking, sightseeing tours and ticketing; organisation, operation and supervision of customer loyalty schemes including a membership/affinity scheme; information, advisory and consultancy services in relation to all of the aforesaid*

Class 41: *Arrangement of musical performances, entertainment and shows; provision of entertainment; nightclub and bar services; cabaret services; entertainment services*

Class 43: *Preparation and provision of food and drink; restaurant, bar, café, public cafeteria and snack bar services; catering services*

10. EU registration 464669 (“**the 669 registration**”):

THE CAVERN

Filed: 6 February 1997; **Registered:** 26 January 1999 - for goods and services as follows:

Class 25: *Articles of outerclothing; T-shirts; sweatshirts, hats, jackets, shirts.*

Class 41: *Nightclub services; cabaret services all included in Class 41*

Class 42: *Preparation and provision of food and drink; restaurant, bar, cafe, public house, cafeteria and snack bar services; catering services; all included in Class 42.*

11. EU registration 14448385 (“**the 385 registration**”):

THE CAVERN

Filed: 5 August 2015; **Registered:** 24 November 2015 - for services as follows:

Class 43: *Hotel services; provision of general-purpose facilities for meetings, conferences, conventions and exhibitions; provision of banquet and social function facilities for special occasions; and reservation services for hotel accommodations.*

12. EU registration 10011104 (“**the 104 registration**”):



Filed: 31 May 2011; **Registered:** 13 December 2011 - for goods and services as follows:

Class 25: *Clothing, footwear and headgear; children's clothing.*

Class 35: *Wholesaling and retailing of clothing, footwear and headgear, children's clothing, memorabilia and merchandise relating to musical performances, sunglasses, jewellery, cuff links, medallions, watches, bags, handbags, tote bags, travel bags, cosmetic bags, clutches, purses, wallets, umbrellas, books, magazines, postcards, CD's, DVD's, key-rings, badges, pins, transfers, stickers, decals, car stickers, clocks, tin signs, signs, posters, bottle openers, coasters, glassware, mugs, pottery and porcelain, fridge magnets, kitchen towels; all the aforementioned including wholesaling and retailing*

through stores by means of catalogues and direct mail, or on-line from a global computer network or the Internet; advertising; business management; business administration; promotional services; promotional services relating to musical and cultural events and activities; promoting musical and cultural events; advertising and business management services relating to hotels including hotel accommodation booking, sightseeing tours and ticketing; organisation, operation and supervision of customer loyalty schemes including a membership/affinity scheme; information, advisory and consultancy services in relation to all of the aforesaid.

Class 41: *Arrangement of musical performances, entertainment and shows; provision of musical entertainment; nightclub and bar services; cabaret services; entertainment services.*

Class 43: *Preparation and provision of food and drink; restaurant, bar, café, public house, cafeteria and snack bar services; catering services*

13. EU registration 10011195 (“**the 195 registration**”):

THE CAVERN CLUB

Filed: 31 May 2011 **Registered:** 26 December 2011 - for goods and services as follows:

Class 25: *Clothing, footwear and headgear; children's clothing.*

Class 35: - *Wholesaling and retailing of clothing, footwear and headgear, children's clothing, memorabilia and merchandise relating to musical performances, sunglasses, jewellery, cuff links, medallions, watches, bags, handbags, tote bags, travel bags, cosmetic bags, clutches, purses, wallets, umbrellas, books, magazines, postcards, CD's, DVD's, key-rings, badges, pins, transfers, stickers, decals, car stickers, clocks, tin signs, signs, posters, bottle openers, coasters, glassware, mugs, pottery and porcelain, fridge magnets, kitchen towels; all the aforementioned including wholesaling and retailing through stores by means of catalogues and direct mail, or on-line from a global computer*

network or the Internet; advertising; business management; business administration; promotional services; promotional services relating to musical and cultural events and activities; promoting musical and cultural events; advertising and business management services relating to hotels including hotel accommodation booking, sightseeing tours and ticketing; organisation, operation and supervision of customer loyalty schemes including a membership/affinity scheme; information, advisory and consultancy services in relation to all of the aforesaid.

Class 41: *Arrangement of musical performances, entertainment and shows; provision of musical entertainment; nightclub and bar services; cabaret services; entertainment services.*

Class 43: *Preparation and provision of food and drink; restaurant, bar, café, public house, cafeteria and snack bar services; catering services.*

14. UK registration 2040810 (“**the 810 registration**”):

THE CAVERN CLUB

Filed: 11 October 1995; **Registered:** 26 July 1996 - for goods as follows:

Class 25: *Articles of outerclothing; T-shirts, sweatshirts, hats, jackets, shirts.*

15. UK registration 1575205 (“**the 205 registration**”): THE CAVERN CLUB

Filed: 1 June 1994; **Registered:** 12 January 1996 - for services as follows:

Class 43: *Preparation and provision of food and drink; restaurant, bar, cafe, public house, cafeteria and snack bar services; catering services.*

16. UK registration 2047347 (“**the 347 registration**”):

THE CAVERN CLUB
Filed: 5 December 1995; Registered: 2 August 1996 - for goods as follows:
Class 16 - <i>Pens and pencils; maps; printed matter; books; photographs; photograph albums; stationery; greeting cards; posters; pictures; postcards; diaries; calendars..</i>
Class 18 - <i>Key fobs of leather and of imitation leather; wallets; bags; purses; umbrellas.</i>
Class 20 - <i>Non-metallic key rings; picture frames.</i>
Class 21 - <i>Small domestic utensils and containers; mugs; glassware, porcelain and earthenware.</i>
Class 24 - <i>Cloth pennants.</i>
Class 26 - <i>Enamel badges</i>

17. UK registration 1573111 (“**the 111 registration**”) for the series:

THE CAVERN THE CAVERN CLUB
Filed: 25 May 1994; Registered: 26 May 1995 - for services as follows:
Class 41: <i>Nightclub services; cabaret services; all included in Class 41</i>

The section 5(4)(a) claims:

18. The Opponent claims to have used the unregistered signs **THE CAVERN** and **THE CAVERN CLUB** since 1957 such that it has acquired goodwill in relation to the goods and services listed below and that use of the applied-for mark in relation to the applied-for services would be a misrepresentation to the public that would cause damage to the Opponent. The claim is therefore that the application may not proceed to registration because use of the mark would be liable to have been prevented by the law of passing off.

Goods and services in respect of which the Opponent claims goodwill under the signs
THE CAVERN and THE CAVERN CLUB

CDs, DVDs; pre-recorded music; pre-recorded DVDs and CDs; pre-recorded films; apparatus and media for recording, reproducing, carrying, storing, processing, manipulating, transmitting, retrieving, reproducing, broadcasting of music, sounds, images by way of the internet; tapes for or bearing sound or Video recordings; digital media; multimedia software; photographic and cinematographic apparatus: television and radio apparatus; microphones; reproduction of sound and video in electronic and digital form, all supplied by means of multimedia; record and music publishing in the field of entertainment; sightseeing tours and ticketing services; bar and cafe services; bar preparation and provision of food and drink; public house, restaurant, and catering service; cafeteria and snack bar services; nightclub services; cabaret services; entertainment services including the organisation and provision of live music, bands and shows; educational services; discotheque services; retail and wholesale services including online store services relating to CDs, DVDs, pre-recorded music, pre-recorded DVDs and CDs that contain music, pre-recorded films that contain music, apparatus and media for recording, reproducing, broadcasting of music, sounds, images by way of the internet, tape~ for or bearing sound or video recordings, digital media, multimedia software, photographic and cinematographic apparatus, television and radio apparatus, microphones, reproduction of sound and video in electronic and digital form, all supplied by means of multimedia, record and music publishing in the field of entertainment, clothing, footwear, headgear. memorabilia, jewellery, bags, printed matter, kitchenware, tableware; harmonicas; plectrums; guitars; drum sticks; printed matter; printed publications; books; stationery; key lings; decorative magnets; spectacle cases; luggage

and carrying bags; goods made of leather; umbrellas; mugs; glassware; tableware: ceramic and porcelain earthenware; clothing, footwear, headgear; badges for wear; lighters.

The Applicant's defence

19. The Applicant submitted a notice of defence, including a counterstatement denying each and all of the grounds. The counterstatement ran to over five pages and later in this decision I shall refer to particular points raised by the Applicant. At this stage it is enough to note that the counterstatement:
- (i) variously emphasised the differences between the Applicant's mark and the marks/signs relied on by the Opponent; and
 - (ii) the differences between the applied-for services and the goods and services falling within the protection of the Opponent's earlier marks/rights;
 - (iii) put the Opponent to **proof of use** of the goods and services under the **242, 111, and 669** registrations (only), in the five years ending with the publication of the contested application i.e. 13 January 2013 – 12 January 2018 ("**the relevant period**");¹
 - (iv) expressly requested evidence of **reputation** in respect of all the goods and services for which that is claimed; and
 - (v) expressly requested evidence that the Opponent owns the requisite **goodwill** in The Cavern sign in relation to all the goods and services cited in the notice of opposition.

Papers filed, representation and hearing

20. The Applicant is represented by Acuity Legal Limited; the Opponent by Forresters IP LLP. In addition to the statement of grounds and the counterstatement, both parties filed evidence during the evidence rounds, and skeleton arguments ahead of the hearing. I summarise below the evidence filed and refer to particular aspects where appropriate in this decision. An oral hearing took place before me by video conference on **19 June 2019**. Denise McFarland of Counsel attended at the instruction of the Opponent's legal representatives. Mitchell Beebe of Counsel attended at the instruction of the Applicant's legal

¹ 6A Trade Marks Act 1994, section 6A(1A). Although the dates of earlier registrations 138, 104, 195, 810, 205 and 347 make them potentially subject to the proof of use provisions, the Applicant has not requested evidence of use, which means that the Opponent is able to rely on the specifications under those registrations without showing use.

representatives. I take into account the parties' various submissions and shall refer to them where I consider it warranted to do so.

THE EVIDENCE

The Opponent's evidence in chief

21. **Witness statement of Kathryn Louise Cruse**, 6 September 2018, with **Exhibits KC1 - KC5**. Ms Cruse is a Senior Associate at Forresters IP LLP and her evidence relates to real-world images of the parties' use of their signs (respectively at the Opponent's club and on a dome-based product of the Applicant at a business show in Liverpool – see evidence of Smith and Reynolds below).
22. **Witness statement of David Jones**, 6 September 2018 ("**Jones 1**"), with **Exhibits DJ1 - DJ26**. Mr Jones is a director of the Opponent company. His evidence gives the history of The Cavern Club, a cellar space opened in 1957 as a jazz club, and where The Beatles performed nearly 300 times in the early 1960s and where many famous musical acts have also performed. Mr Jones refers to a Paul McCartney show at The Cavern Club in December 1999, for which one million people applied for the 300 tickets, and which he states "*became the biggest on-line broadcast to date*".
23. **Exhibit DJ2** shows that a DVD of the concert "Live at the Cavern Club" was released in 2000. **Exhibit DJ6** shows The Cavern Club as rated in the top ten UK landmarks in 2016, 2017 and 2018 according to TRIPADVISOR Traveller's Choice Award. **Exhibit DJ12 - 13** shows contracts and invoices relating to artists performing at The Cavern Club between 2015-18, including *Kast Off Kinks*, *From The Jam*, *Cheap Trick* and *Martha Reeves and the Vandellas*. These documents show none of the claimed trade marks, but clearly identify the venue as The Cavern Club. **Exhibit DJ16** – shows invoices relating to food and drink delivered to the Cavern Club or Pub. Paragraph 21 of **Jones 1** states that "The Cavern Club alone sells £22,000 of products branded THE CAVERN, THE CAVERN CLUB, OR CAVERN per week, which is stated to have been consistent over the last 6 years and that the vast majority of the sales relate to T-shirts and outerclothing in general. No corroborating evidence of sales details are provided; **Exhibit DJ18** shows images of t-shirts and bags and related labels bearing the words The Cavern, for sale on The Cavern Club website, although related supplier invoice details are redacted of any costs or reference to brand.

24. **Exhibits DJ22 – 26** refer to use of **the 242 registration** (Cavern Records). Paragraph 24 of **Jones 1** lists 11 titles of “records” in relation to the 242 mark, which Mr Jones baldly states are “*available for purchase now*”. All but two of those 11 titles have publication dates outside the relevant period. **Exhibit DJ22** includes images of some of those titles as physical CDs. There is no evidence to show even a single sale of a CD. One of the titles within the relevant period - “*What’s it like in Liverpool?*” - is shown to have been published 2015 by Marc Kenny Music, although copyright is attributed to Cavern Records. The second CD identified as being published in the relevant period (in 2013) is “*It’s Liverpool vol 1 - celebrating the new sounds of Liverpool*” (in conjunction with Liverpool Vision). Page 11 of **Exhibit DJ22** shows the release by Cavern Records in May 2012 (outside the relevant period) of “Cavern Retro”, which Mr Jones states is to available to purchase (as a download) on Apple Music. This is purportedly supported by page 12 of **Exhibit DJ22**, but the exhibit was largely illegible revealing no dates showing use of the mark during the relevant period. I note the publication dates as being outside the relevant periods only in the context of the specified goods in Class 9, which include, for example, compact discs, and of the specified services in Class 41 that relate to the activities of actually recording and publishing music; I recognise that musical recordings published before the relevant period may have potential relevance where they are shown to be the subject of other services in Class 41, such as distribution of music and sound recordings.
25. **Exhibit DJ23** is said to be a royalties overview for the period 2012 – 18, which Mr Jones states “*shows clearly the use of the trade mark Cavern Records as regards the streamed product included in Class 9*”; however, **Exhibit DJ23** shows no dates or sales and shows no clear trade mark use, although it does identify two albums, one called “Cavern Records presents” and the other “Cavern retro”.
26. As evidence of audio-visual production under the 242 Cavern Records mark, **Exhibit DJ24** shows email correspondence in which a producer from a company called LA Factual seeks the interest of the BBC in an unreleased documentary about The Cavern Club to mark the club’s 60th anniversary. The emails include no mention of Cavern Records. The BBC declined the pitch and the documentary remains unpublished and incomplete. **Exhibit DJ25** shows invoices from LA Productions International arising from filming for a DVD and the invoices are directed to Cavern City Tours Limited (the Opponent) or else to The Cavern Club, at its location address.

27. **Second witness statement of David Jones** 12 September 2018 (“**Jones 2**”), with **Exhibits DJ27 - DJ29**. Here Mr Jones provides evidence relating to a computer game for gaming consoles XBox 360, Play Station and Nintendo Wii called “*The Beatles: Rockband*”, which was developed by Harmonix/Pi Studios, with involvement from Apple Corps, EA, EMI and Sony / ATV Music Publishing. It was published by MTV in September 2009. Players of the game, through the guise of one of the four members of The Beatles are able to simulate playing five seminal venues played by band, including The Cavern (along with The Ed Sullivan show and The Shea Stadium). **Exhibit DJ27** shows YouTube screenshots from the game. **Exhibit DJ28** shows page 12 of the Xbox 360 instruction booklet for the game, concerning story mode, which mentions The Cavern. Page 14 of the same exhibit includes, in print so small as to be nearly indecipherable, the text “*Features, assets and content providers – Cavern Club special thanks to David Jones and Bill Heckle*”. Mr Jones states that Bill Heckle is his fellow co-director. Mr Jones also states that the game was the fourth highest selling game across all platforms in its week of release in the UK in December 2010, and that Harmonix claimed sales of over 3 million worldwide.
28. **Third witness statement of David Jones (“Jones 3”)** 27 September 2018 with **Exhibit DJ30**. In support of Mr Jones’s claim that the Opponent, under the CAVERN RECORDS brand is involved in audio visual production, the witness exhibits a copy of a documentary called THE CAVERN CLUB ... THE BEAT GOES ON. As the documentary remained unreleased, the Opponent requested that the exhibit therefore be kept confidential as between the registry and the parties and their representatives. The Applicant had no objection to the confidentiality request and on 24 October 2018 the registrar issued a confidentiality order so that evidence is not be open to public inspection. As a preliminary matter at the hearing, it was confirmed that that order remained in place. Mr Jones states in **Jones 3** that the DVD will include “The Cavern Record” brand, but there is no evidence of trade mark use, only a notice at the end of the draft film, attributing copyright to Cavern Records.

The Applicant’s evidence and submissions

29. **Witness statement of Benjamin Smith**, 17 December 2018, CEO of the Applicant. Mr Smith contrasts the parties’ businesses as between the Opponent’s self-description as “a contemporary live music venue” and “the best known rock club on the planet” and the Applicant’s self-description as “a specialised immersive technology consultancy”. Mr Smith

states that the applied-for mark is limited to one type of immersive tech product, specifically a virtual reality (VR) dome that enables participants or viewers to experience an immersive VR experience, without the need for using VR headsets.

30. **Witness statement of Lauren Grace Reynolds**, 17 December 2018, with **Exhibits LGR1 - LGR3**. Ms Reynolds is the Applicant's Head of Marketing. Her evidence refers to her being present outside the VR dome at the International Business Festival (IBF) 12th – 28th June 2018 at the Exhibition Centre in Liverpool, where the product was showcased and was used by over 1500 participants, experiencing a VR documentary of Liverpool City Region, commissioned by Liverpool City Council. (The Opponent's evidence at **Exhibit KC3** shows an image from the 2018 IBF of what appears to be an inflatable dome, with a capacity of perhaps 20-30 people, bearing a sign similar to the applied-for mark. Ms Reynolds states that no-one expressed any confusion or misunderstood an association with The Cavern Club in Liverpool.
31. **Written submissions on behalf of the Applicant, 18 December 2018** commenting, *intra alia*, on the evidence of use goodwill and reputation.

The Opponent's evidence and/or submissions in reply

32. **Witness statement of George Guinness**, 26 February 2019, **Exhibits GWG1 - GWG11**. Mr Guinness is a director of the Opponent company. Responding to the Applicant's critique of the sufficiency of the evidence of use of the Cavern Records mark, Mr Guinness states that the Opponent's production label Cavern Records has produced "a number of records" and he then refers back to the list of 11 identified in paragraph 24 of **Jones 1** (that I described in paragraph 24 above), which are precisely those criticised by the Applicant in its submissions. His evidence offers no expansion on that list (of potentially two CD titles in the relevant period) nor does he provide any information at all on sales or promotion of the CDs. Mr Guinness states that "*distribution of those records to online media libraries/players such as iTunes is conducted by EmuBands, a company that specialises in music distribution.*" **Exhibit GWG4** is an excel spreadsheet printout from an iTunes Trend report offered as evidence of downloads from iTunes during the relevant period. The spreadsheet includes columns identifying the artist, the track title, the label (shown to be Cavern Records) and numbers of units downloaded. The list of downloads includes different tracks from those in

Jones 1, although many in common. The total number of downloads in the UK presented for the relevant five-year period totals around 300 and royalty amounts are fully redacted.

33. Responding to the Applicant's challenge to the Opponent's provision of "nightclub services" **Exhibits GWG7 – GEG9** show the club as listed on Tripadvisor under nightlife, clubs and bars, that its opening hours are to midnight or to 2 a.m. and that no children are admitted after 8pm. **Exhibit GWG11** is simply a picture of two vinyl record sleeves featuring what appears to be the mark under the 831 registration. No dates are provided and the exhibit has no evidential relevance.

General observations and my approach in this decision

34. Having set out the basic details of the opposition and indicated the evidence filed, I consider it useful to make a couple of observations to focus the matters at issue and navigate my approach in this decision.
35. Evidence and submissions filed, especially on the part of the Applicant, drew distinctions between the parties' and respective areas of business focus - the Applicant being characterised as a specialist immersive tech company, with a particular dome-based virtual reality product, and the Opponent essentially characterised as the owners of a live music venue. At the hearing, Ms McFarland submitted, quite rightly, that the parties' businesses are not centrally relevant in the matter at hand; a registered trade mark may be licensed or sold on to a third party and be used as permitted and prescribed by the scope of the registration. The task before me is to focus on the mark applied for and on the specification of the goods and services in the terms applied for, and to consider each of the claims made by the Opponent, based on a careful assessment of each of the registrations or earlier rights on which it is able to rely. I also discount the points made by Lauren Grace Reynolds as to the stated absence of actual confusion.
36. The Opponent claims a number of earlier rights and relies on a wide range of goods and services across Classes 9, 15, 16, 18, 20, 21, 24, 25, 26, 34, 35, 41, 42 and 43. Paragraph 12 of the Ms McFarland's skeleton argument submitted that "*the Opponent owns a wide ranging "family" of marks, the connective and dominant element of which is Cavern.*" Ms McFarland argued that the Opponent has "*reputational rights ... grown and developed over time, and the public have come to be educated as to the range of goods and services offered under such a family of names and marks.*"

37. Mr Beebe denied that Opponent has a broad monopoly right in the word CAVERN that would cover the Applicant's contested services. Mr Beebe argued that it was not consistently clear as to which mark Ms McFarland's written and oral submissions were directed; he urged consideration of each registration and right in isolation, rightly cautioning that it would be wrong to accept a position that because the Opponent's marks all use the word CAVERN, one may effectively ignore any distinction between the registered trade marks and transpose the goods and services granted in respect of one mark across to another.
38. Ms McFarland stated at paragraph 26 of her skeleton, that it was clear that the Opponent's "*best case*" is in relation to its earlier marks for word marks *THE CAVERN* and in relation to their earlier goodwill and reputation in and relating to *The Cavern* (howsoever depicted or pronounced)." Although I do not pre-judge where the Opponent's greatest prospect of success truly lies, I consider it sensible, in the circumstances, to address first the claims dealing with the stated **best case – those involving the word mark or sign THE CAVERN under sections 5(3) and 5(4)(a)**. Aspects relevant to the sections 5(3) and 5(4)(a) grounds (such as the establishment of a link or of a misrepresentation) will involve analysis of matters of similarity that will also be relevant in dealing with the section 5(2)(b) grounds.
39. The Applicant has requested **proof of use** only in respect of three of the earlier marks relied on by the Opponent. I shall consider such matters at relevant points in dealing with the various claims, factoring in such concessions or admissions made during the hearing on the part of the Applicant. The settled case law principles on genuine use are set out below.

Proof of use principles

40. In relation to the goods and services in the registrations where the Applicant has requested such proof (registrations 242, 111 and 669), the Opponent must show genuine use during the relevant period. Section 6A of the Act states that the use conditions are met if:

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

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

(4) For these purposes -

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

(b)”

41. Section 100 of the Act makes it clear that the burden of proof falls on the Opponent to show that it has used its mark.

42. The case law principles on genuine use were recently summarised by Arnold J in *Walton International*², as follows (my emphasis added for ease of reference):

“114. The CJEU [i.e. the Court of Justice of the European Union] has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 Ansul BV v Ajax Brandbeveiliging BV [2003] ECR I-2439, La Mer (cited above), Case C-416/04 P Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs) [2006] ECR I-4237, Case C-442/07 Verein Radetsky-Order v Bunderversvereinigung Kamaradschaft ‘Feldmarschall Radetsky’ [2008] ECR I-9223, Case C-495/07 Silberquelle GmbH v MaselliStrickmode GmbH [2009] ECR I-2759, Case C-149/11 Leno Merken BV v Hagelkruis Beheer BV [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG [EU:C:2013:592], [2014] ETMR, Case C-141/13 P Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs) [EU:C:2014:2089] and Case C-689/15 W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

(1) Genuine use means **actual** use of the trade mark by the proprietor or by a third party with authority to use the mark: Ansul at [35] and [37].

2 *Walton International Limited v Verweij Fashion BV* [2018] EWHC 1608 (Ch) - at paragraph 114.

- (2) The use must be **more than merely token**, that is to say, serving solely to preserve the rights conferred by the registration of the mark: Ansul at [36]; Sunrider at [70]; Verein at [13]; Leno at [29]; Centrotherm at [71]; Reber at [29].
- (3) The use must be **consistent with the essential function** of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: Ansul at [36]; Sunrider at [70]; Verein at [13]; Silberquelle at [17]; Leno at [29]; Centrotherm at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: Gözze at [43]-[51].
- (4) Use of the mark must relate to goods or services which are **already marketed** or which are **about to be marketed** and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: Ansul at [37]. Internal use by the proprietor does not suffice: Ansul at [37]; Verein at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: Silberquelle at [20]-[21]. But use by a non-profit making association can constitute genuine use: Verein at [16]-[23].
- (5) The use must be by way of **real commercial exploitation** of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial raison d'être of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: Ansul at [37]-[38]; Verein at [14]; Silberquelle at [18]; Centrotherm at [71]; Reber at [29].
- (6) **All the relevant facts and circumstances must be taken into account** in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as **warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question**; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the **scale and frequency of use of the mark**; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the

evidence that the proprietor is able to provide; and (g) the territorial extent of the use: Ansul at [38] and [39]; La Mer at [22]-[23]; Sunrider at [70]-[71], [76]; Leno at [29]-[30], [56]; Centrotherm at [72]-[76]; Reber at [29], [32]-[34].

(7) Use of the mark **need not always be quantitatively significant** for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is **no de minimis rule**: Ansul at [39]; La Mer at [21], [24] and [25]; Sunrider at [72] and [76]-[77]; Leno at [55].

(8) It is **not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use**: Reber at [32].”

43. In *Dosenbach-Ochsner*³, Geoffrey Hobbs Q.C., sitting as the Appointed Person stated that: “22. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not ‘show’ (per Section 100 of the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use.”

DECISION

The section 5(3) claims

44. The “best case” word mark “The Cavern” is the basis of three earlier registrations relied on for the section 5(3) grounds, namely **the 385, 669 and 111 registrations**. Before I consider each of those registrations, I set applicable law on section 5(3).

³ *Dosenbach-Ochsner Ag Schuhe Und Sport v Continental Shelf 128 Ltd*, Case BL O/404/13

The law and principles applicable to section 5(3) grounds

45. Section 5(3) of the Act states that a trade mark that is identical or similar to an earlier trade mark shall not be registered to the extent that the earlier trade mark has a reputation in the United Kingdom 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.
46. The relevant case law for section 5(3) can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel Corporation*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and C-487/07, *L’Oreal v Bellure*, Case C-487/07 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*).

47. The function and value of a trade mark are not confined to its being an indicator of origin of goods or services (which section 5(2)(b) safeguards); a trade mark can also convey messages, such as a promise or reassurance of quality or a certain image of, for example, lifestyle or exclusivity ('advertising function').⁴ Section 5(3) aims at protecting this advertising function and the investment made in creating a certain brand image by granting protection to reputed trade marks, irrespective of the similarity of the goods or services or of

⁴ (judgment of 18/06/2009, C-487/07, L'Oréal, EU:C:2009:378)

a likelihood of confusion, provided that it can be demonstrated that the use of the contested application without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier mark. Thus, for a claim under section 5(3) of the Act to succeed, requires (i) **identity or similarity** between the contested application and the earlier mark; (ii) evidence that the earlier **registered mark has a reputation** in the relevant territory (in this case, the UK); (iii) that use of the sign applied for must be capable of taking an unfair advantage of, or being detrimental to, the distinctiveness or the repute of the earlier mark; and (iv) that such use must be **without due cause**. These conditions are **cumulative** and failure to satisfy any one of them is sufficient to defeat the claim.

48. The marks clearly satisfy the requirement for a certain similarity. To show that an earlier mark has acquired a reputation there must be clear and convincing evidence to establish all the facts necessary for a tribunal to conclude safely that the mark is known by a significant part of the public. Reputation cannot be merely assumed and must be evaluated by making an overall assessment of all factors relevant to the case.
49. The CJEU in *General Motors* gives guidance on assessing the existence of a reputation. Paragraph 27 of that judgment requires that I “*take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.*”
50. In *Enterprise Holdings Inc. v Europcar Group UK Ltd*,⁵ Arnold J. stated that proving a reputation “*is not a particularly onerous requirement.*” However, the evidence before Arnold J. in that case showed that the claimant was in fact the market leading car hire company in the UK with a 30% share of the UK market. It was in that context that the judge said that proving a reputation “*is not a particularly onerous requirement.*” He had no reason to turn his mind to situations where the claimant had only a small and/or unquantified share of the relevant market.
51. Nonetheless, I take note of the comments of the General Court in *Farmeco AE Dermokallyntika v OHIM*,⁶ where it stated that a finding that an earlier mark had a reputation “*... is not called into question by the applicant’s argument that the turnover figures for sales*

5 [2015] EWHC 17 (Ch)

6 Case T-131/09 at paragraph 59

and the amount spent on promoting the goods covered by the earlier marks ... have not been proved. It should be pointed out that the absence of figures is not, in itself, capable of calling into question the finding as to reputation. First, the list of factors to be taken into consideration in order to ascertain the reputation of an earlier mark only serve as examples, as all the relevant evidence in the case must be taken into consideration and, second, the other detailed and verifiable evidence produced by the opposing party is already sufficient in itself to prove the reputation of its mark ...”.

The 385 registration

52. The **385 registration** (The Cavern) was registered in November 2015 and is therefore not subject to proof of use. The Opponent requested evidence of reputation in relation to its registered services, namely: **Class 43** - *Hotel services; provision of general-purpose facilities for meetings, conferences, conventions and exhibitions; provision of banquet and social function facilities for special occasions; and reservation services for hotel accommodations.*
53. The Opponent filed no evidence of reputation in relation to those services. Since no reputation whatsoever exists in the 385 registration, it can be discounted from any of the subsequent steps in respect of the analysis under section 5(3). **The claim in relation to the 385 registration fails.**

The 669 and 111 registrations

54. *Use and reputation* - The **669 registration** (The Cavern) was registered in January 1999. The Opponent requested evidence both of use and of reputation in relation to its registered goods and services: **Class 25:** *Articles of outerclothing; T-shirts; sweatshirts, hats, jackets, shirts;* **Class 41:** *Nightclub services; cabaret services;* **Class 42:** *Preparation and provision of food and drink; restaurant, bar, cafe, public house, cafeteria and snack bar services; catering services.*
55. Mr Beebe **accepted**⁷ that the Opponent has **used the 669 registration** in relation to its Class 25 goods and Class 42 services; he also **accepted** that the Opponent had a

⁷ At the hearing and see paragraph 66(3) of Mr Beebe’s skeleton argument (where a typographical error refers to Class 43 instead of 42).

reputation for Class 42 services (although his admission omitted the term “catering services”, which I attribute only to a minor oversight);⁸ Mr Beebe pursued no challenge to the claimed reputation for the Class 25 clothing goods. Although I do not find the evidence strongly supportive on the point, I will proceed on the basis that the reputation for “The Cavern” also extends to clothing.

56. In relation to the services in **Class 41**, Mr Beebe argued that the evidence from Mr Jones (at paragraphs 13 – 17 of **Jones 1** and for example **Exhibit DJ12**) falls short of showing use in relation to *Nightclub services; cabaret services*. Similarly, the submissions filed during the evidence rounds argued that the evidence as whole showed “*the provision of entertainment services by way of operating a live music venue, as opposed to “nightclub services” and “cabaret services”*”. I also note evidence in reply (**Exhibits GWG7 – GWG9**) regarding The Cavern Club’s hours of opening extending beyond midnight on Fridays and Saturdays. Although there was no evidence or submissions as to the precise scope of what is meant by the terms ‘nightclub’ and ‘cabaret’, I find that by their ordinary meanings they may include incarnations such as the live music acts apparent in the evidence filed. Mr Beebe argued that in any event it makes no difference with respect to determining the outcome of the claims, and that in the event of my finding use for nightclub and cabaret services, then he **accepted a reputation** for those **Class 41** under the **669 registration** and, inevitably, under the **111 registration** (the series of two marks The Cavern / The Cavern Club), which was registered in May 1995 for the same **Class 41** nightclub and cabaret services. For the sake of clarity, I do find that the evidence filed shows genuine use of The Cavern and The Cavern Club in relation to **Class 41** nightclub and cabaret services (and indeed has a reputation for such).
57. The above findings and the admissions on the part of the Applicant lead to position where it may be said that “The Cavern” benefits from a reputation in relation to all the goods and services under the **669** and **111 registrations**, namely: **Class 25:** *Articles of outer clothing; T-shirts; sweatshirts, hats, jackets, shirts;* **Class 41:** *Nightclub services; cabaret services;* **Class 42:** *Preparation and provision of food and drink; restaurant, bar, cafe, public house, cafeteria and snack bar services; catering services.*

⁸ Skeleton argument paragraph 66(3)

Link

58. I proceed to make a global assessment as to whether or not, a significant part of the relevant public (which will include the general public) would make a link between the earlier mark and the Applicant's later mark, taking account all relevant factors as required by *Intel*, paragraph 41 (c) and (d) above, especially 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 for the goods and services registered.
59. Similarity of the marks: It was accepted on the part of the Applicant that while there is a degree of similarity between the word mark THE CAVERN and the figurative mark applied for - **The CAVRN** - although the Applicant also pointed out that there are differences between the marks. For my own assessment, I note that from a visual perspective, the marks are spelled differently, with Applicant's mark being slightly shorter because of the absence of a letter E between its V and R, which two letters are made to stand out in the mark by their being presented in boldface and differentiated in colour. Aurally, Mr Beebe accepted at the hearing that the marks may be pronounced in an identical manner. Conceptually, both marks involve the concept of a cavern, which the general public would understand as referring to a grotto or cave. Some of the public may additionally understand that the accented letters VR are intended to signify virtual reality, others will not - they may recognise some sort of intended emphasis on those letters but fail to grasp any clear concept in particular arising from those emphasised letters. Nonetheless, the omission of the letter "E" disturbs the conceptual similarity, which I would assess as to a degree between medium and high. Overall these two marks may be considered highly similar.
60. Even though the marks may be considered highly similar and the earlier mark may be considered to have a strong reputation in relation to some of its services (such as live music), I find that when I consider the lack of similarity between the Opponent's reputed goods and services and the applied-for services in Classes 35, 38 and 42, no link will arise in the mind of the relevant public. Even allowing for a notional penumbra of protection afforded to marks with a reputation, I find that there is such dissimilarity between the respective goods and services that will prevent a link being made: the respective goods and services share no relevant point of similarity and are different in nature, intended purpose and method of use;

the likely distribution and market channels are different and they are neither in competition with each other nor complementary. While similarity of goods and services is not a prerequisite of section 5(3), it is necessarily a relevant factor to take into account.

61. Since I find that no link will arise, **the section 5(3) claims in respect of the 669 and 111 registrations fail**. In the circumstances it is not necessary for me to consider the claimed bases of damage, but for completeness I shall do so. Even if a link were to arise in the mind of the relevant public, it does not automatically follow that there will be consequent damage. To sustain a claim under section 5(3), there must be a serious risk that damage will arise.
62. As to the allegation that use of the Applicant's mark will lead to tarnishment or detriment to the repute of the Opponent's marks, Ms McFarland put forward a scenario in which the applied-for services may be used to show content that was highly politicised, racist or otherwise offensive to members of the public and the Opponent's mark thereby tarnished. I consider that speculative scenario to overstep the considerations I should have in mind - there is no good basis for considering detriment to repute will be likely – there is, for example, nothing in the nature of the applied-for services, nor is there any evidence of previous disreputable conduct on the part of the Applicant.
63. As to the allegations that use of the Applicant's mark will lead to dilution of the distinctive character or take unfair advantage of the Opponent's reputed mark, I find that comparable factors bear as did in my rejection of a link being made. Even allowing that the marks may be considered highly similar (although not the very highest degree of similarity) this is offset by the critical lack of proximity between the parties' respective goods and services. There will be no impact on the economic behaviour of the consumer. There will be no "riding on the coat-tails" of the Opponent or advantage, unfair or otherwise.
64. **The submitted "best cases" under section 5(3) based on the 385, 669 and 111 registrations have all failed.** The Opponent also seeks to prevent registration of the application on the basis of various other registrations in which it claims to have a reputation. Ms McFarland admitted at the hearing, that these involve additional elements that move those registrations further away from the Opponent's claimed dominant element "CAVERN"; I shall therefore deal with them only briefly as, even assuming satisfaction of the initial requisite first criterion of reputation, they give rise to no greater risk of a link or damage and offer the Opponent no greater prospect of success under section 5(3).

65. **The 242 registration:** CAVERN RECORDS – I will deal with matters of proof of use when I turn to the section 5(2)(b) claims, but the evidence filed fell far short of establishing a reputation for the registered goods and services in Classes 9 and 41. The word “RECORDS” reduces any prospect of a link. The section 5(3) claim based on **the 242 registration fails.**



66. **The 831 registration:** in Classes 9, 15, 16, 18, 21, 25, 34, 35, 41 and 43. No proof of use arises, but I find that the evidence filed fell far short of establishing a reputation under this mark for the registered goods and services in Classes 9, 15, 16, 18, 21, 25, 34, 35 and 43. As to Class 41, **the 831 registration** specifies as follows:

Class 41: *Entertainment services; arranging and conducting of concerts; organisation of shows [impresario services]; music-halls; night clubs; performances (presentation of live -); club services [entertainment]; discotheque services; educational services; Entertainment services.*

67. I note that paragraph 66(1) of the skeleton argument filed by Mr Beebe states (with my added emphasis) as follows:

“the Applicant accepts that the Opponent has shown that it has a reputation in relation to entertainment services and provision of food and drink in relation to the relevant marks. More specifically, use has been shown in relation to the following: (1) In relation to the **831 Mark**, the use of this mark in relation to the following Class 41 services – entertainment services; arranging and conducting of concerts;

68. I find the quoted statements tend to conflate in some way reputation and use. Clearly, the 831 registration is not subject to proof of use, so I take Mr Beebe’s submissions to be intended be understood in relation to reputation. In that case, from the text of skeleton argument, Mr Beebe appears to be making a voluntary concession to the effect that **the 831 registration** has a reputation in relation to entertainment services at large. However, I do not think that is the case; it would certainly not be my finding that the Opponent has established by the evidence filed that the mark has a reputation for entertainment at large. I construe Mr Beebe’s admissions in a more limited way, to the effect that the arranging of concerts is the essence of the extent of the reputation and that arranging of concerts may be considered to be entertainment services. Such a construction of the intended meaning

of Mr Beebe's comment on reputation is also in line with the way he expressed his position as to the existence of goodwill under the unregistered signs (The Cavern/The Cavern Club) where he phrased an admission in his skeleton argument (at paragraph 88(2)) as an admission that the Opponent has goodwill in "*entertainment services including the organisation and provision of live music, bands and shows.*" This again could appear an admission as to entertainment services at large, but at paragraph 87 of his skeleton argument Mr Beebe refers to the Opponent having "*only used the Unregistered Marks in relation to a small portion of overall goods and services which they have claimed to have been used*"; he also denied (at paragraph 92 of his skeleton argument) the existence of any common field of activity between what is protected under the unregistered signs and the applied-for services, including those parts of the Applicant's Class 38 services that involve an entertainment component. At the hearing, I directly asked Mr Beebe whether he stood by his acceptance of goodwill in entertainment services, including shows. The response from Mr Beebe included the following:

"MR. BEEBE: [...] Ultimately, in my submission, notwithstanding the fact that what the Opponent has goodwill in is, more specifically, the organisation and provision of live music, bands and shows. In my submission, even though there may be some parts of the class 38 services that do have an entertainment element to it, we are very much talking about a difference between the provision of live music, bands and shows and that which is set out and sought to be applied for in respect of class 38. I do not think that there is any basis, as can be seen in the evidence of Mr Jones, that, ultimately, The Cavern Club is a music venue that offers entertainment services in respect of live music, bands and shows.

THE HEARING OFFICER: So your intention is not that "entertainment services" should be read expansively, but as a term which includes specifically those things, and that is the extent to which you admit goodwill?

MR. BEEBE: Yes. That is ultimately the extent to what Mr Jones's evidence goes to. It is that this is the use in relation to live music, bands and shows. There is no evidence from the Opponent to suggest otherwise."

69. To the extent that the evidence may show a reputation under the 831 mark in relation to some of the services in Class 41, for example, "*performances (presentation of live -)*" the interplay between the distance between the respective goods and services, and between

the respective marks results in there being no link nor consequent damage. The section 5(3) claim based on **the 831 registration fails**.

70. **Similarly, in relation to each of the following claimed bases** the various interplay between the distance between the respective goods and services, and between the respective marks results in there being no link nor consequent damage:

(i) **The 138 registration:** CAVERN CLUB in Classes 25, 35, 41 and 43;



(ii) **The 104 registration:** THE CAVERN CLUB in Classes 25, 35, 41 and 43;

(iii) **The 195 registration:** THE CAVERN CLUB in Classes 25, 35, 41, and 43;

(iv) **The 810 registration:** THE CAVERN CLUB in Class 25;

(v) **The 205 registration:** THE CAVERN CLUB in Class 43;

(vi) **The 347 registration:** THE CAVERN CLUB for (utterly dissimilar) goods in 16, 18, 20, 21, 24 and 26.

71. **In summary, the opposition fails in relation to all of its claims based on grounds under section 5(3) of the Act.**

The section 5(4)(a) claim

72. Section 5(4)(a) of the Act provides that: "... a trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented 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."

73. Section 5(4) also states that "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'." The Opponent is claiming an earlier right in relation to the Applicant's mark arising from its claimed use of the unregistered signs **THE CAVERN** and **THE CAVERN CLUB** since 1957, such that it has protectable goodwill in relation to the following goods and services:

Goods and services for which goodwill is claimed

CDs, DVDs; pre-recorded music; pre-recorded DVDs and CDs; pre-recorded films; apparatus and media for recording, reproducing, carrying, storing, processing, manipulating, transmitting, retrieving, reproducing, broadcasting of music, sounds, images by way of the internet; tapes for or bearing sound or Video recordings; digital media; multimedia software; photographic and cinematographic apparatus: television and radio apparatus; microphones; reproduction of sound and video in electronic and digital form, all supplied by means of multimedia; record and music publishing in the field of entertainment; sightseeing tours and ticketing services; bar and cafe services; bar preparation and provision of food and drink; public house, restaurant, and catering service; cafeteria and snack bar services; nightclub services; cabaret services; entertainment services including the organisation and provision of live music, bands and shows; educational services; discotheque services; retail and wholesale services including online store services relating to CDs, DVDs, pre-recorded music, pre-recorded DVDs and CDs that contain music, pre-recorded films that contain music, apparatus and media for recording, reproducing, broadcasting of music, sounds, images by way of the internet, tape~ for or bearing sound or video recordings, digital media, multimedia software, photographic and cinematographic apparatus, television and radio apparatus, microphones, reproduction of sound and video in electronic and digital form, all supplied by means of multimedia, record and music publishing in the field of entertainment, clothing, footwear, headgear. memorabilia, jewellery, bags, printed matter, kitchenware, tableware; harmonicas; plectrums; guitars; drum sticks; printed matter; printed publications; books; stationery; key lings; decorative magnets; spectacle cases; luggage and carrying bags; goods made of leather; umbrellas; mugs; glassware; tableware: ceramic and porcelain earthenware; clothing, footwear, headgear; badges for wear; lighters.

74. The onus is on the Opponent to satisfy the Tribunal that its unregistered signs would have been protectable by virtue of the law of passing off at the date of filing the application, 23 October 2017 (“**the relevant date**”).⁹

⁹ See, for example, paragraph 43 of the decision in *Advanced Perimeter Systems Limited v Multisys Computers Limited* (BL O-410-11) where, sitting as the Appointed Person, Mr Daniel Alexander QC approved the summary of the relevant date in a passing off case as set out by Mr Allan James acting for the Registrar in SWORDERS TM 0-212-06

75. *Requirements for passing off*: The criteria for a passing off claim have been well established through UK case law. As set out in the decision by the House of Lords in *Reckitt & Colman Ltd v Borden Inc*¹⁰, the following three points must be established in order to claim passing off successfully:

- (a) First, the plaintiff must establish a **goodwill** or reputation attached to the goods or services which it supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which its particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services.
- (b) Second, the plaintiff must demonstrate a **misrepresentation** by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are the goods or services of the plaintiff.
- (c) Third, the plaintiff must demonstrate that it suffers or that it is likely to suffer **damage** by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.

Goodwill

76. The first element described in *Reckitt & Colman* refers to "goodwill or reputation", although case law has developed so as to distinguish between goodwill and "mere reputation" – the latter being insufficient alone to sustain a claim of passing off. To satisfy the first element of the tort, the Opponent is required to show that it has goodwill among UK consumers.

77. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd*¹¹, Lord Macnaghten observed as follows:

"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. The goodwill of a business must

¹⁰ [1990] 1 All E.R. 873

¹¹ [1901] AC 217

emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has the power of attraction sufficient to bring customers home to the source from which it emanates."

As to establishing the necessary goodwill, I note the words of Pumfrey J. in *South Cone Incorporated v Jack Bessant*¹², where he stated:

"There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark* [1969] R.P.C. 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur."

78. However, in *Minimax*¹³ Floyd J. (as he then was) stated that:

"[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case."

¹² *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC) at paragraphs 27 and 28 of that ruling.

¹³ *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat)

79. In *Hart v Relentless Records*¹⁴, Jacob J. (as he then was) stated that: “In my view the law of passing off does not protect a goodwill of trivial extent. one is looking for more than a minimal reputation.” However, case law such as *Stannard v Reay*¹⁵, and *Stacey v 2020 Communications Plc*¹⁶ shows that even a modest goodwill may support an action for passing off and just how modest such goodwill can be was tested in *Lumos Skincare Ltd v Sweet Squared Ltd*¹⁷. Lumos Skincare's share of the huge market for women's skincare products averaged about £2000 per quarter from the beginning of 2008 until September 2009, and then gradually rose to about £10,000 per quarter in September 2010. The claimant was selling about 100 bottles of its product a quarter, mainly to the trade, and the judge at first instance described it as "very modest use" and "very small in absolute terms" and “as a proportion of the skincare industry.” Even so, the Court of Appeal was prepared to protect the goodwill in that business under the law of passing off.
80. In considering the cogency of the evidence filed in this case by the Opponent in relation to its claimed goodwill, I find significant weaknesses, notably the absence of evidence of promotion of the goods and services claimed under the signs, and the absence of customers, in terms of actual sales by reference to the marks. Nonetheless, the Applicant admitted goodwill in relation to a small portion of overall goods and services claimed, namely: (i) bar preparation¹⁸ and provision of food and drink; public house, restaurant, and catering service; cafeteria and snack bar services; and (ii) entertainment services to the extent of organisation and provision of live music, bands and shows. As to clothing goods, I note that the stated figure in paragraph 21 of **Jones 1**, said to relate mainly to clothing, equates to over £1 million annually, although that it is unsubstantiated by supporting evidence to assist in determining which marks may be involved in a trade mark sense, or to what extent. However, since Mr Beebe also pursued no challenge to the claimed reputation for clothing goods in relation to the section 5(3) ground, I factor that too into the established scope of goodwill (although such a finding can have no material impact on the outcome of the proceedings given the distance between clothing and the Applicant's specification).

¹⁴ [2002] EWHC 1984 (Ch) at paragraph 62 of that judgment.

¹⁵ [1967] RPC 589

¹⁶ [1991] FSR 49

¹⁷ *Lumos Skincare Ltd v Sweet Squared Ltd, Famous Names LLC and Sweet Squared (UK) LLP* [2013] EWCA Civ 590

¹⁸ Sic. Presumably the Opponent intended to claim “bar services and preparation and provision of food and drink” and merely omitted the word services in error.

81. Aside from the extent of goodwill accepted above, the emphasis of Ms McFarland's argument in this context was that the evidence of Mr Jones was to the effect that the development of The Cavern/The Cavern Club and the penumbra of its business interests is something that is fluid, forward-moving and not stuck in the 1960s as an historical museum venue. Ms McFarland referenced the interactive Beatles Rockband game, which the Opponent characterised as a form of multimedia and an early form of virtual reality; and Ms McFarland referenced too the unreleased documentary and the CDs. I have also noted the evidence as the streaming of the Paul McCartney concert and its release on DVD. On the basis of such a claimed penumbra, the more significant aspects of the list of goods and services for which the Opponent claims goodwill would therefore include those encompassing audio, video and multimedia – terms such as CDs, DVDs; pre-recorded music; pre-recorded films; apparatus and media for recording, reproducing, carrying, storing, processing, manipulating, transmitting, retrieving, reproducing, broadcasting of music, sounds, images by way of the internet; digital media; multimedia software; and associated retail and wholesale services including online store services.
82. I find, however, that the evidence filed fails in various ways to show any subsisting goodwill for such emphasised goods and services in relation to the signs. For example, in relation to the Paul McCartney performance live at The Cavern Club, it is not clear that the Opponent offered such goods or services at all, as opposed to allowing others to record, stream and sell recordings. In any case that concert took place at the very end of the last century and, consequently, does not support the claim to goodwill as at the relevant date. In relation to the interactive game, the signs appeared only in relation to the venue depicted in the game. The Opponent had no other apparent involvement with the production or distribution of the 2009 game and has no goodwill arising from it – no more than does the Ed Sullivan Show. Although the documentary about The Cavern Club, appears to have been commissioned by the owners of the club to celebrate a significant anniversary, it is not clear that the sign has any goodwill for providing such media services or of having produced other film recordings or DVDs. Moreover, the film at the relevant time was unreleased so clearly entails no relevant customers in the UK (or elsewhere), and nor is there any evidence filed of it being advertised for release or sale. Centrally, there is no evidence of custom under the claimed signs for the goods and services emphasised by Ms McFarland. When I bear in mind that the law of passing off does not protect a goodwill of trivial extent, I find that the evidence has only established goodwill in relation to the claimed signs in relation to the live music services,

together with the conceded food and drink services and clothing. It is based on those goods and services that I therefore assess misrepresentation.

Misrepresentation

83. Mr Beebe submitted that no misrepresentation arises from the Applicant's mark because (i) the marks are different and (ii) there is **no common field of activity** between the applied-for services and the goods/services in respect of which the Opponent has goodwill under its signs.
84. I find that despite the aural identity (or high similarity) and visual similarity that exists arising from the shared reference to the English word CAVERN, there are visual differences – notably in spelling and in the emphasis on the VR part of the Applicant's mark, which also disrupts the conceptual similarity. I find too that the fields of activity are so distinct from one another that any risk of misrepresentation is avoided; the average consumer will not readily expect an undertaking that deals in live music, food/drink, and clothing, to also provide the Applicant's services in Classes 35, 38 and 42. They are different in purpose, nature, likely distribution and marketing channels and are not complementary in the case law sense of being essential or important to one another.¹⁹ Since there is no misrepresentation, there can be no damage to the Opponent's sign, nor can there be any passing off. **The claim under section 5(4)(a) fails.**

The section 5(2)(b) claims

85. Section 5(2)(b) of the Act, reads 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”.
86. Determination of a section 5(2)(b) claim must be made in light of the following principles, which are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-

¹⁹ *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06

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 are:

- (a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- (b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;
- (e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;
- (f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
- (g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

- (h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;
- (i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
- (j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;
- (k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

87. In the present case, the Opponent relies on two earlier marks - **the 242 registration** (CAVERN RECORDS) and the figurative mark under **the 831 registration**.

Proof of use of the 242 registration

88. **The 242 registration** is subject to the proof of use. In order to be in a position to assess the similarity between the Applicant’s services and the goods and services on which the Opponent is in fact able to rely for this opposition I must consider the extent to which the evidence filed shows the required genuine use of the Cavern Records mark in relation to the claimed goods and services specified in its registration. Based on that evaluation I will determine any fair specification for the goods and services shown to be used under the 242 Cavern Records registration. For ease of reference, I set out below the goods and services claimed under the 242 registration.

Goods and services claimed under “Cavern Records” (the 242 registration)
<p>Class 9: <i>Apparatus, instruments and media for recording, reproducing, carrying, storing, processing, manipulating, transmitting, broadcasting, retrieving and reproducing music, sounds, images, text, and information; music, sounds, images, text and information provided by telecommunications networks, by online delivery and by way of the Internet and the world wide web; sound and/or video recording on corresponding recording carriers; gramophone records; compact discs; sound and/or video cassettes; magnetic</i></p>

tapes bearing sound recordings; cassettes for the storage of, or containing, tapes for or bearing sound or video recordings; magnetic tapes, discs, and magnetic wires, all for sound or video recording; DVDs, CD-ROMS, DVD-Roms, digital media, magnetic club membership cards; multimedia software including CD-Roms, DVD-Roms, DVDs; photographic and cinematographic apparatus and instruments; television and radio apparatus; microphones; coin-operated juke boxes; coin or counter-fed sales, sound or video reproduction apparatus; reproductions of sound and/or video in electronic and digital form, all supplied by means of multimedia, remote computers or on-line from databases or from facilities provided on the Internet (including websites); parts for all the aforesaid goods; unexposed photographic transparencies.

Class 41: *Record production and music publishing, namely publication of sheet music, and music-related journals, publications and books; entertainment services; production and distribution in the field of entertainment; distribution of audio/visual products, music and sound recordings; distribution of audio/visual products, music and sound recordings, all by means of multimedia, remote computers or on-line from databases, or from facilities provided on the internet (including from websites); provision of entertainment club membership services; entertainment distribution services, entertainment information services; the production of musical recordings.*

89. The Applicant's primary position is that the Opponent has failed to reach the threshold of genuine use in relation to the goods and services for which it has been registered and the 242 Mark should be discounted. The Applicant's submissions filed during the evidence rounds recognise that **Exhibits DJ22 – DJ26** refer to the Cavern Records word mark having been "*used in relation to the release of some music records and CDs*" but that "*many of the CDs referred to and exhibited are not dated and/or were clearly released prior to the relevant period.*" There is some evidence of the 242 mark having been applied to CDs themselves, but, as identified in my evidence summary, only two appear to have been published in the relevant period. There is no evidence of the sale of even a single copy of any CD or recording of music in a physical medium. There is no evidence from Mr Jones as to how or to what extent the mark has been used in the distribution of the CDs to third party retailers.

90. There are passing references in paragraph 24 of **Jones 1** to the fact that some of recordings are “*currently available for purchase*”, but even in relation to the purported use of the 242 mark in online sales, there is a lack of any evidence as to how the records are marketed or advertised.
91. Although the evidence shows that certain musical tracks or compilations produced under the Cavern Records label have been downloaded in the UK, the quantity is by any measure extremely low. Although there is no *de minimis* rule, I find that such low figures would need to be explained by a party seeking to establish genuine use “*warranted in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services*” - this does not appear to be the early forays of a fledgling label, for example. No evidence is given on the size of the market, but clearly the market for downloadable music is vast. The achievement by a record label of a download total of around 300 tracks over a five-year period, in respect of which the evidence reveals no actual revenue, does not seem to me to be use by way of real commercial exploitation of the mark on the market for the goods and services in question.²⁰
92. There are other references to audio-visual matters in the evidence – the streaming of the Paul McCartney concert from The Cavern Club, the related DVD, The Beatles simulation game and the unpublished documentary. However, none of these involves Cavern Records as the applicable trade mark and I am doubtful that a variant use argument could succeed, had such an argument explicitly raised specifically in this context. At any rate, those audio-visual matters - if they show trade mark use at all - all fall outside the relevant period and cannot base a finding of genuine use of the 242 registration.
93. I leave aside the question of whether simply allowing musical tracks to be made available on-line, via the services of a paid intermediary distributor (EmuBands), who in turn interfaces with the actual operators of the musical download facility (such as iTunes or Spotify) would

²⁰ See ruling in *Galletas Gullón*, EU:T:2017:746 at paragraphs 43 – 44: “In interpreting the concept of genuine use, account must be taken of the fact that the rationale for the requirement that the earlier mark must have been put to genuine use is not to assess commercial success or to review the economic strategy of an undertaking, nor is it intended to restrict trade mark protection to the case where large-scale commercial use has been made of the marks (see judgment of 7 July 2016, *FRUIT*, T-431/15, not published, EU:T:2016:395, paragraph 27 and the case-law cited). However, the smaller the commercial volume of the use of the mark, the more necessary it is for the proprietor of the mark to produce additional evidence to dispel any doubts as to the genuineness of its use (see judgment of 7 July 2016, *FRUIT*, T-431/15, not published, EU:T:2016:395, paragraph 28 and the case-law cited).”

properly fall within the definition scope of the distribution-type services under Class 41 - or would more properly be considered provision of copyright content. It is enough in the circumstances, based on the extremely thin evidence of use of the Cavern Records mark in the relevant period, and bearing in mind the case law guidance that not every proven commercial use of the mark may automatically be deemed to constitute genuine use, to find that I agree with the Applicant's primary position that the Opponent has failed to reach the threshold of genuine use in relation to the goods and services for which it has been registered and **the 242 Mark should be discounted, and, consequently, the claim in respect of the 242 mark fails.**

The 831 registration

Comparison of the goods and services

94. The goods and services to be compared are:

The applied-for services
<p>Class 35: <i>Collection and compilation of information into computer databases in the field of virtual reality media; On-line advertising and marketing services; Providing on-line web directory and asset tracking services; providing sales promotion services in the field of virtual reality technologies including mobile applications, social media, blogs, digital communications and the internet; Business management of virtual reality content namely images, video, audio and graphics; customer information and business services relating to sales of virtual reality content; provision of information online over the Internet in relation to the aforesaid; Information, advisory and consultancy services relating to any of the aforesaid services.</i></p>
<p>Class 38: <i>Telecommunications services, namely, electronic transmission of data, messages, graphics, animations, images, videos, multimedia content, and information in the field of entertainment; Peer-to-peer sharing services, namely, electronic transmission of digital photo, video, and multimedia files; Providing access to computer, electronic and online databases; providing multiple user access to interactive databases through web sites on a global computer network; Telecommunication services, namely, electronic transmission of data, photos, music and videos; Broadcasting and streaming of audio-visual media content; Transmission of downloadable audio-visual media content; Audio, text and video broadcasting services over computer or other</i></p>

communication network; Providing access to a searchable on-line, electronic, and computer databases in the field of virtual reality content.

Class 42: *Design and development of computer software for virtual reality content database management, storage and delivery; software as a service (SaaS) services for database management; software as a service (SaaS) services, namely, automated configuration and data mapping of data from a variety of data sources; software as a service (SaaS) services, namely, collection and importation of data into data configurations; software as a service (SaaS) services, namely, data integration with external systems; software as a service (SaaS) services for the delivery of images, audio, video and multimedia data via telecommunications and computer networks; software as a service (SaaS) services for data transfer from one hierarchy level to another; Maintenance of on-line databases for others; Design, development, and implementation of software for marketing and sales of multimedia content namely virtual reality content.*

**Opponent's goods and services
under the 831 registration**

Class 9: *Magnets; decorative magnets; pre-recorded music, pre-recorded CDs, pre-recorded DVDs and pre-recorded films; records (sound recordings); spectacle cases.*

Class 15: *Harmonicas; plectrums; guitars; drum sticks.*

Class 16: *Printed matter; Printed publications; books; pamphlets; newsletters; booklets; tickets; trading cards other than games; certificates; labels, not of textile; posters; postcards; stationery; writing instruments; wrapping paper; calendars; note books; photographs (printed); greeting cards; signboards of paper or cardboard; paper; place mats of paper; teaching materials [except apparatus]; stickers.*

Class 18: *Pocket wallets; school bags; travelling bags; handbags; purses; umbrellas; leather, unworked or semi-worked.*

Class 21: *Mugs; glassware for everyday use, including beer glasses, shot glasses, drinking glasses; bottle openers, electric and non-electric; porcelain for everyday use, including basins, bowls, plates, kettles, tableware, jars, jugs, and pots; works of art of porcelain, ceramic, earthenware or glass; glass, unworked or semi-worked, except building glass.*

Class 25: *Clothing; footwear; headgear; children's clothing.*

Class 26: *Badges for wear, not of precious metal; ornamental novelty badges [buttons], brooches [clothing accessories]; pins, other than jewellery.*

Class 34: *Lighters; pyrophoric lighters; piezoelectric lighters; gas containers for lighters.*

Class 35: *Retail and wholesale services including on-line store services relating to clothing; retail and wholesale services including on-line store services relating to footwear; retail and wholesale services including on-line store services relating to headgear; retail and wholesale services including on-line store services relating to children's clothing; retail and wholesale services including on-line store services relating to sunglasses; retail and wholesale services including on-line store services relating to jewellery; retail and wholesale services including on-line store services relating to cuff links; retail and wholesale services including on-line store services relating to medallions; retail and wholesale services including on-line store services relating to watches; retail and wholesale services including on-line store services relating to bags; retail and wholesale services including on-line store services relating to handbags; retail and wholesale services including on-line store services relating to tote bags; retail and wholesale services including on-line store services relating to travel bags; retail and wholesale services including on-line store services relating to cosmetic bags; retail and wholesale services including on-line store services relating to clutches; retail and wholesale services including on-line store services relating to purses; retail and wholesale services including on-line store services relating to wallets; retail and wholesale services including on-line store services relating to umbrellas; retail and wholesale services including on-line store services relating to books; retail and wholesale services including on-line store services relating to magazines; retail and wholesale services including on-line store services relating to postcards; retail and wholesale services including on-line store services relating to CD's; retail and wholesale services including on-line store services relating to DVD's; retail and wholesale services including on-line store services relating to key-rings; retail and wholesale services including on-line store services relating to badges; retail and wholesale services including on-line store services relating to pins; retail and wholesale services including on-line store services relating to transfers; retail and wholesale services including on-line store services relating to stickers; retail and wholesale services including on-line store services relating to decals; retail and wholesale services including on-line store services relating to car stickers; retail and wholesale services including on-line store services relating to clocks; retail and wholesale services*

including on-line store services relating to tin signs; retail and wholesale services including on-line store services relating to signs; retail and wholesale services including on-line store services relating to posters; retail and wholesale services including on-line store services relating to bottle openers; retail and wholesale services including on-line store services relating to coasters; retail and wholesale services including on-line store services relating to glassware; retail and wholesale services including on-line store services relating to mugs; retail and wholesale services including on-line store services relating to pottery; retail and wholesale services including on-line store services relating to porcelain; retail and wholesale services including on-line store services relating to fridge magnets; retail and wholesale services including on-line store services relating to kitchen towels; retail and wholesale services including on-line store services relating to pre-recorded films; retail and wholesale services including on-line store services relating to pre-recorded DVD's; retail and wholesale services including on-line store services relating to music; retail and wholesale services including on-line store services relating to CD's; retail and wholesale services including on-line store services relating to lighters; retail and wholesale services including on-line store services relating to harmonicas; retail and wholesale services including on-line store services relating to plectrums; retail and wholesale services including on-line store services relating to drum sticks; retail and wholesale services including on-line store services relating to guitars; advertising; business management; business administration; promotional services; promotional services relating to musical and cultural events and activities; promoting musical and cultural events; advertising and business management services relating to hotels including hotel accommodation booking, sightseeing tours and ticketing; organisation, operation and supervision of customer loyalty schemes including a membership/affinity scheme; information, advisory and consultancy services in relation to all of the aforesaid; business management of hotels; all the aforementioned including wholesaling and retailing through stores by means of catalogues and direct mail, or on-line from a global computer network or the Internet.

Class 41: *Entertainment services; arranging and conducting of concerts; organisation of shows [impresario services]; music-halls; night clubs; performances (presentation of live -); club services [entertainment]; discotheque services; educational services; Entertainment services.*

Class 43: *Hotel services; hotel reservation services; food and drink catering; restaurants; bar services; cafés; self-service restaurants; snack-bars; rental of meeting rooms.*

95. Although all of the goods and services under the 831 registration are relied on in support of the section 5(2)(b) claim, I find that the vast majority are dissimilar from the Applicant's services – they differ in nature, intended purpose and method of use, distribution and market channels and they are neither in competition with each other nor complementary. Such an absence of similarity means that the section 5(2)(b) claim must fail to the extent of such goods and services;²¹ this encompasses all those in **classes 9, 15, 16, 18, 21, 25, 34 and 43**. It also includes **the great majority of the services in classes 35**, but within that class there are some important exceptions, as I set out below. I will also touch on whether any similarity arises from the Opponent's services in Class 41.
96. The Applicant accepted that there are points of similarity between the respective services. For example, Mr Beebe accepted at paragraph 35 of his skeleton argument that the Opponent's "*retail and wholesale services including on-line store services relating to music*" in Class 35 under the 831 registration are similar to a number of the telecommunication services applied for in Class 38, in particular, "*Broadcasting and streaming of audio-visual media content*" and "*Transmission of downloadable audio-visual media content; Audio, text and video broadcasting services over computer or other communication network*". Adding to the Applicant's illustrative list I also find points of similarity between the applied-for services in Class 38 of "*Telecommunications services, namely, electronic transmission of data, messages, graphics, animations, images, videos, multimedia content, and information in the field of entertainment;*" and the Opponent's protection under the 831 registration for "*entertainment services*" in Class 41. However, I find any similarity between the technical services of telecommunications, and entertainment and retailing is only low. In that assessment (low), I bear in mind the guidance given by Jacob J. (as he then was) in *Avnet Incorporated v Isoact Limited*,²² where he stated his view that "specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase."

²¹ See *Waterford Wedgwood plc v OHIM* – C-398/07 P (CJEU); see too *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA, where Lady Justice Arden stated at paragraph 49 that if there is no similarity at all, there is no likelihood of confusion to be considered.

²² [1998] F.S.R. 16

97. The Applicant also accepted that the 831 services of “*advertising; promotional services*” are similar to “*on-line advertising and marketing services*” applied for in Class 35. Likewise, the Applicant accepted some similarity between its “*business management of virtual reality content namely images, video, audio and graphics*” in Class 35 and the Opponent’s protection for “*business management*” (at large) in Class 35 under the 831 mark. In *Gérard Meric v Office for Harmonisation in the Internal Market (OHIM)* the European Court ruled that goods can be considered as identical when the goods designated by the trade mark application the earlier mark are included in a more general category designated by the earlier mark or vice versa.²³ This inclusion principle also applies in relation to services, and on that basis, I find that the following services in Class 35 under the Applicant’s specification may be considered identical with the Opponent’s services in Class 35 on the basis of (at least) the services indicated in the table below:

The applied-for services in Class 35	Opponent’s services under the 831 registration in Class 35
<p><i>On-line advertising and marketing services;</i></p> <p><i>providing sales promotion services in the field of virtual reality technologies including mobile applications, social media, blogs, digital communications and the internet;</i></p>	<p><i>advertising;</i></p> <p><i>promotional services;</i></p>
<p><i>Business management of virtual reality content namely images, video, audio and graphics;</i></p> <p><i>customer information and business services relating to sales of virtual reality content;</i></p>	<p><i>business management;</i></p> <p><i>business administration;</i></p>

²³ See paragraph 29 of the judgment of the General Court in *Gérard Meric v Office for Harmonisation in the Internal Market (OHIM)*, Case T- 133/05



The average consumer and the purchasing process

98. In *Hearst Holdings Inc*,²⁴ Birss J. explained that “... *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 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 word “average” denotes that the person is typical ...*”.
99. Insofar as there is similarity (to a low degree) between the respective services at issue as identified above, the average end consumer of those retail and wholesale services, broadcasting and transmission services and entertainment services will be drawn from the general public (including businesses), who will typically exercise a normal / medium, but not necessarily a high degree of care and consideration in its selection of those services. The services (insofar as they are similar) will typically be accessed via the internet, and the consumer will see the marks used as branding in advertising for those services. Therefore, I consider the purchase to be primarily a visual one, but aural considerations may also play a part, such as on the basis of word of mouth recommendations, so I also take into account the aural impact of the marks in the assessment.
100. The average consumer for advertising and promotional services and the business management and business administration services, will typically be a business user who will pay a higher than normal degree of attention for those more specialised and higher value services. The selection of such services is not an everyday or casual matter and the average consumer would invest a degree of diligence to ensure the provider was suitable to its business needs. The services may typically be accessed via the internet or by visiting the physical premises of the business offering the services, and the consumer will see the marks used as branding in advertising for those services. Therefore, I consider the purchase to be a visual one, but aural considerations may also play a part, such as on the basis of word of mouth recommendations, so I also take into account the aural impact of the marks in the assessment.

²⁴ *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), at paragraph 60.

Comparison of the marks

101. It is clear from *Sabel* 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 in *Bimbo* 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.”
102. It would therefore be wrong to dissect the trade marks artificially, but it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features that are not negligible and therefore contribute to the overall impressions created by the marks. The marks to be compared are shown below:

<p>Opponent’s earlier trade mark under the 831 registration:</p>	
<p>APPLICANT’s contested trade mark</p>	

103. The overall impression of the earlier mark comes from the collection of its main components, namely the words THE CAVERN CLUB LIVERPOOL, presented to fit within a black half circle background. The ordinary English word CAVERN is the dominant element, but as part of the phrase “THE CAVERN CLUB”, where the word “CLUB” is far from negligible.
104. The overall impression of the Applicant’s mark comes from the two words The CAVRN, where the latter word is dominant and distinctive; the latter word is all the more distinctive

because of its unusual spelling and the bold orange emphasis of the letters “VR”, which are dominant within that word.

105. Although there has been, elsewhere in this decision, reference to The Cavern Club in Liverpool being well-known as an early venue for The Beatles and as a live-music venue more generally, and although the club may enjoy a reputation in relation to some of the services under its 831 registration – limited more or less to “*arranging and conducting of concerts; organisation of shows [impresario services]; music-halls; night clubs; performances (presentation of live -); club services [entertainment];*” – case law is clear that whereas the reputation of an earlier mark or its particular distinctive character must be taken into consideration for the purposes of assessing the likelihood of confusion, it is not a matter to be taken into account in relation to the assessment of similarity which is an assessment made prior to that of the likelihood of confusion.²⁵

Visual similarity

106. The two figurative marks are similar to the extent that they share the word “The”, which of itself is simply the definite article and non-distinctive; in the 831 mark the word “THE” is very small and may be considered negligible. There is also a similarity between the shared single most dominant component in each mark, namely CAVERN and CAVRN respectively. However, even between those two components there are visual differences:

- the former word component (the correctly-spelled English word, “CAVERN”) in the 831 mark is presented in white on a black background and is curved in such a way that puts the letter E more or less at its pinnacle, with the V and R more or less in separate halves of the mark;
- the latter word being is shorter (five rather six letters) and a clear misspelling as a result of the absence of a letter E between its V and R, which two letters, directly neighbouring one another, are made to stand out in the mark by their being presented in boldface and differentiated by its orange colour.

The 831 mark also has several additional features absent from Applicant’s mark: notably, more or less central in the mark is the word “CLUB”, which although smaller than the

²⁵ See: paragraph 27 of the judgment of the General Court in *Ravensburger AG v OHIM*, Case T-243/08; Case T-434/05 *Gateway v OHIM – Fujitsu Siemens Computers (ACTIVY Media Gateway)*; see too the further appeal in *Gateway v OHIM* to the CJEU, Case C58/08 P, stating that it was not necessary for the General Court to make apparent the degree of renown of the earlier mark because it was not relevant in circumstances where the marks as a whole were not similar.

CAVERN text, still stands out as an important visual difference. Smaller still, and less central, is the word “Liverpool”, but its length and red colour retain its significance as a visual difference. There is also the text “Est. 1957”, but its small size and positioning at the bottom of the mark mean that it may well go unnoticed by the average consumer and may be considered negligible. The remaining visual difference is the solid black semi-circle that backgrounds the mark – although it is only a background, and to that extent banal, I still find it a moderately striking visual difference in the overall impression of the mark as it echoes the curved presentation of the word CAVERN. Even taking into account the dominance of the elements CAVERN and CAVRN, **I find the marks are visually similar only to a low degree.**

Aural similarity

107. Mr Beebe accepted that the Applicant’s mark will be said as “the cavern”. I find that the 831 mark will most likely be voiced as “CAVERN CLUB”, since those elements are the most prominent textual components and form a ready unit. Or it may be voiced to include “The”. On either basis, **I find the marks aurally similar to a medium degree.**

Conceptual similarity

108. There is some conceptual similarity between the marks as they both involve a concept deriving from the ordinary English word “cavern”, which will be understood to reference a cave or grotto. On encountering the Applicant’s mark, the relevant average consumer may additionally understand that the accented paired letters VR are intended to signify virtual reality – and recognition of that significance will be all the more likely in the context of the relevant applied-for services that relate explicitly to virtual reality.²⁶ It is possible that some among the relevant average consumer group will not perceive the reference to virtual reality; they will perceive some sort of intended emphasis on those letters (arising from their bold font and orange colour and from the attention they draw to the omission of the “E”) but fail to grasp any clear concept in particular. By contrast, the 831 mark has a different and distinct conceptual significance, clearly referring to a club which is named “the cavern club” (the dominant concept) and which is based in Liverpool (and established in 1957 if the

²⁶ i.e. the following of the Applicant’s services: *providing sales promotion services in the field of virtual reality technologies including mobile applications, social media, blogs, digital communications and the internet; Business management of virtual reality content namely images, video, audio and graphics; customer information and business services relating to sales of virtual reality content – which is all those other than “on-line advertising and marketing services”*

consumer perceives that component). **I find the marks are conceptually similar to a degree between low and medium.**

Distinctiveness of the earlier mark

109. The distinctive character of the earlier mark must be assessed, as, potentially, the more distinctive the earlier mark, either inherently or through use, the greater the likelihood of confusion.²⁷ However, as pointed out in relevant case law *“it is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it.”*²⁸

110. In *Lloyd Schuhfabrik*, 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-2779, 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)”.

²⁷ *Sabel* at [24]

²⁸ *Kurt Geiger v A-List Corporate Limited*, BL O-075-13,. Mr Iain Purvis Q.C. as the Appointed Person

111. I find that from an inherent perspective the 831 mark – involving, in particular, the text CAVERN CLUB - has an average degree of distinctiveness in relation the relevant services – i.e. those where there is identity or similarity with the services sought for registration by Applicant. Both are ordinary English words, but neither is descriptive of those relevant services (the promotional, advertising, business management or business administration services).
112. Although the evidence filed is not entirely clear on the extent of the use of this particular mark, I also allow for a finding that in relation to *arranging and conducting of concerts; organisation of shows [impresario services]; music-halls; night clubs; performances (presentation of live -)* in Class 41, the distinctiveness of the mark has been enhanced through use in the UK, such that the mark may be considered highly distinctive for those services. However, the enhancement of those live music-type services is of limited significance in the context of the relevant services (especially those that may be considered identical).

Conclusion as to likelihood of confusion

113. I make a global assessment of likelihood of confusion that takes account of my findings set out in the foregoing sections of this decision and of all of the various principles from case law outlined in paragraph 86 above. Whilst the vast majority of the goods and services are eliminated on the basis of their being dissimilar a minority of the services are identical (and some involve a low level of similarity). I will deal first with the services that may be considered as identical according to case law.
114. It is perhaps useful in this paragraph to take stock of my findings in relation to this claim. Under its 831 registration, the Opponent has exclusive protection for services in Class 35 that include “*advertising; promotional services; business management; business administration*”, and which broadly cast terms include, and are therefore identical to, the following of the Applicant’s services in the same class: *On-line advertising and marketing services; providing sales promotion services in the field of virtual reality technologies including mobile applications, social media, blogs, digital communications and the internet; Business management of virtual reality content namely images, video, audio and graphics; customer information and business services relating to sales of virtual reality content.*

- The average consumer for these identical services will typically be a business user who, because of the more specialised nature and higher value of such services, will pay a higher than normal degree of attention in choosing a preferred provider. There will be a commensurate degree of diligence to ensure the provider suits the consumer’s business needs.
- Both are figurative marks and the selection process for the services at issue will involve both visual and aural considerations and I have found the marks are visually similar to a low degree and aurally similar to a medium degree.
- Conceptually there is a degree of similarity (which I estimate at a level between low and medium) but I find that the 831 mark has a distinct conceptual significance, clearly referring to a club, that is different (and absent) from the concept present in the Applicant’s mark, which, moreover, has its own conceptual emphasis on “VR”, which is different and absent from the 831 registration. Although the average consumer will perceive the intended emphasis on those letters, only some will readily grasp the concept of virtual reality.
- The 831 registration has an average degree of distinctiveness in relation to the relevant services, but the distinctiveness of the mark is not enhanced in relation to those services. (I have allowed that the earlier mark may benefit from enhanced distinctiveness in relation to certain services in Class 41, but those services are not notably similar or relevant to the identical services at issue.)

115. Indirect confusion (and its distinction from direct confusion), was considered by Mr Iain Purvis QC, sitting as the Appointed Person²⁹, in *L.A. Sugar Limited v By Back Beat Inc*,³⁰ where he noted that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognised that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms,

²⁹ An Appointed Person is a senior lawyer, expert in intellectual property law, who hears appeals against decisions of the trade mark tribunal.

³⁰ Case BL-O/375/10

is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

- (a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case)*
- (b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).*
- (c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”*

116. Sitting as the Appointed Person in *Eden Chocolat*³¹, James Mellor QC stated as follows:

“81.4 ... I think it is important to stress that a finding of indirect confusion should not be made merely because the two marks share a common element. When Mr Purvis was explaining³² in more formal terms the sort of mental process involved at the end of his [16], he made it clear that the mental process did not depend on the common element alone: ‘Taking account of the common element in the context of the later mark as a whole.’ (my emphasis).”

117. In my global assessment of likelihood of confusion, I have also turned my mind to the possibility that in the context of the services of a club (of some sort) – whether those be nightclub or live music services, or membership services and so on – the word “club” may

³¹ Case BL O-547-17 *Eden Chocolat be more chocstanza (word & device) v Heirler Cenovis GmbH* (27 October 2017)

³² In *L.A. Sugar Limited v By Back Beat Inc* Case BL-O/375/10 –above.

be of low distinctiveness or even non-distinctive – and perhaps the more so if a club is very well known in its field. Under such conditions, the word “club” may realistically be dropped with little impact on the overall impression – for example, “The Beatles live at The Cavern”, may readily be understood as “live at The Cavern Club”. However, although the 831 registration is inherently distinctive for the services at issue (those identical or similar), there is insufficient evidence to warrant a finding that it benefits from enhanced distinctiveness from use in relation to the promotional, advertising or business management or administration services. I find that the “club” component of the mark is therefore distinctive in the overall impression, albeit that the word “cavern” is dominant in the pairing of the words “cavern club”.

118. To directly confuse the marks the average consumer would (on hearing the mark) need to mistake or overlook the significance of the absence of the word club in the Applicant’s mark. The same is true on seeing the mark, but the average consumer would also need to mistake or overlook the significance of the incorrectly-spelled word “CAVRN” and the clear emphasis on the letters VR (as well as all the other elements of presentation and content in the 831 mark insofar as they are not negligible).
119. It is clear from case law that conceptual differences may counteract visual and phonetic similarities where the meaning of at least one of the two signs at issue is clear and specific so that it can be grasped immediately by the relevant public.³³ My primary finding is that the average consumer will readily grasp that the 831 mark signifies a club named “CAVERN” (in Liverpool), whereas the Applicant’s mark does not, and the conceptual overlap that exists on the shared basis of the word “cavern” is disrupted by the Applicant’s mark conceptual emphasis on “VR”, which is different and absent from the 831 registration. Taken with the degrees of visual and aural similarity between the marks (low and medium respectively) I find that, when considered with all relevant factors, including the higher than normal attention brought to bear in the selection process, the differences between marks are sufficient to avoid a likelihood of confusion. Even allowing for the imperfection of the picture of the marks kept in mind by the average consumer, there will be no direct confusion.

³³ See ruling of the Court of Justice of the European Union in *The Picasso Estate v OHIM*, Case C-361/04 P, at paragraph 20

120. Case law has emphasised: the importance of the overall impression created by the respective marks;³⁴ it is not permissible to compare marks based only on a common component (dominant or otherwise) unless all the other elements of a complex mark are negligible;³⁵ that mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient for a likelihood of confusion; and that 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.

121. I have taken into account the interdependence of factors, such that a lesser degree of similarity between the marks may be offset by a great degree of similarity between the services. Even where the services are identical, I find no likelihood that a significant proportion³⁶ of members of the average consumer group will wrongly believe that those services are provided by the same or economically-linked undertaking. I reach this conclusion on the basis of the different overall impressions of the marks and the higher than normal attention paid by the average consumer in this case, who is deemed well informed and reasonably circumspect and observant. Notwithstanding that the Applicant's mark references the word "cavern", which word is dominant in the Opponent's mark, it is an ordinary English word, not an invented one; I find that its distinctiveness is not so striking that the average consumer would "assume that no-one else but the brand owner would be using it in a trade mark at all."³⁷ Nor do I accept that the Applicant's figurative mark would be perceived as a brand variant of the 831 figurative mark. The earlier mark comprises a number of elements, but this is not an instance where "a change of one element appears entirely logical and consistent with a brand extension" – the extent of the differences in stylisation and content are too great – especially the differences between the common element (CAVERN/CAVRN), the distinctive prominence given to the "VR", and the absence of the distinctive word "club". There is no likelihood of confusion on the basis of the identical services. Taking account of the various points of analysis in this section of my decision, I also find that in relation to the services where I have found only a low degree of similarity (as between the technical services of telecommunications, and entertainment and retailing), there will be no likelihood of confusion, bearing in mind that the purchasing process is there

³⁴ See, for example, the Court of Justice of the *Sabel BV v Puma AG*, Case C-251/95; reinforced in *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P

³⁵ See, for example, Case T-28/18, *MarriottWorldwide Corp. v. EUIPO* EU:T:2019:436, para. 29

³⁶ *Gap (ITM) Inc. v. GAP 360 Ltd* [2019] EWHC 1161 (Ch), Henry Carr J, paras. 53 – 57

³⁷ Per the examples given by the Appointed Person in *L.A. Sugar* (above).

a primarily visual one, and notwithstanding that the level of attention for the selection of those services may be no more than average/medium.

122. There is no likelihood of confusion – neither direct nor indirect - and the claim in respect of the 831 mark fails.

The claimed family of marks

123. For the sake of completeness, I find that Ms McFarland's suggestion that the Opponent has a family of CAVERN marks, assists none of the claims. Even assuming that the evidence filed had established that the average consumer had been exposed to all the relevant marks, the marks are essentially various forms of the same two marks – The Cavern or The Cavern Club (with or without device) and Cavern Records. There is no pattern of variation of the mark in such a way that the applied-for mark would be considered to be part of a family or related to the Opponent's marks. This is all the more so given the gap between the Applicant's services as compared with those in respect of which the Opponent has shown any use of its marks.

OUTCOME

124. The opposition has failed across each and all of its claimed grounds under sections 5(2)(b), section 5(3) and 5(4)(a) and the application can proceed in relation to all of its services.

COSTS

125. The Applicant is entitled to a contribution towards its costs in defending its application, which is ordinarily based on the scale published in Tribunal Practice Notice 2/2016.

126. Both in their skeleton arguments and at the hearing, the parties made various submissions on costs. The Applicant put as its primary position that the question of costs should be reserved, because depending on the outcome of the registrar's decision on the merits, the Applicant may wish to make specific submissions on costs. However, the Applicant submitted in the alternative that if its defence of the opposition were successful, then this is a case where it would be appropriate to make an award at the top end of the scale costs. It referred to the Opponent's assertion of 11 registered rights and 2 unregistered rights across

three grounds and the Opponent's filing of 5 witness statements in support, which has resulted in significant costs being incurred by the Applicant to contest the opposition. On behalf of the Opponent, Ms McFarland's position was that costs should remain on the scale and that no further submissions or hearing on costs ought to be necessary.

127. I take into account that the opposition involved dealing with several grounds, entailing numerous claimed rights, and that a considerable amount of material was filed during the evidence rounds, involving numerous witness statements and exhibits. I note that the counterstatement was given in reasonably full terms, supplemented by written submissions on the part of the Applicant during the evidence rounds. I also take account of the lengthy skeleton arguments ahead of the half-day hearing. I do not invite further submissions on costs, and make the following award of costs, in line the upper end of the relevant published scale, broken down as follows:

Preparing a counterstatement and considering the other side's statement	£500
Commenting on the other side's evidence and preparation of own evidence and submissions	£1800
Preparing for and attending a hearing	£1500
Total	£3800

128. I order Cavern City Tours Limited. to pay Laduma Limited the sum of £3800 (three thousand eight hundred pounds) which, in the absence of an appeal, should be paid within fourteen days of the expiry of the appeal period.

Dated this 21st day of August 2019

Matthew Williams
For the Registrar
