

O-060-21

**TRADE MARKS ACT 1994
IN THE MATTER OF REGISTRATION No. 3114196
STANDING IN THE NAME OF
BAREFACE COSMETICS LIMITED
AND
IN THE MATTER OF A REQUEST FOR A DECLARATION
OF INVALIDITY THERETO UNDER No.503052
BY SHISEIDO AMERICAS CORPORATION**

BACKGROUND

1) The following trade mark is registered in the name of Bareface Cosmetics Limited (hereinafter BCL):

Mark	Number	Filing & registration date	Class	Specification
BareFace minerals	3114196	20.06.15 04.12.15	3	Cosmetics for personal use; Facial makeup.

2) By an application dated 5 March 2020 Shiseido Americas Corporation (hereinafter SAC) applied for a declaration of invalidity in respect of this registration. SAC is the proprietor of the following trade marks:

Mark	Number	Filing & registration date	Class	Specification RELIED UPON
BAREMINERALS bareMinerals A series of two marks	UK 2371897	31.08.04 06.05.05	3	Cosmetic skin creams, lotions and gels, perfumes, essential oils used as cosmetics, body lotions, creams and gels, bath lotions, hair shampoos and hair conditioners, colognes and toilet waters, and cosmetic powders for the skin and eyes.
BAREMINERALS	EU 4001558	31.08.04 07.12.05		Cosmetic skin creams, lotions and gels, perfumes, essential oils used as cosmetics, body lotions, creams and gels, bath lotions, hair shampoos and hair conditioners, colognes and toilet waters, and cosmetic powders for the skin and eyes.

bareMinerals	EU 4001566	31.08.04 07.12.05		Cosmetic skin creams, lotions and gels, perfumes, essential oils used as cosmetics, body lotions, creams and gels, bath lotions, hair shampoos and hair conditioners, colognes and toilet waters, and cosmetic powders for the skin and eyes.
BAREMINERALS	EU 11286812	23.10.12 06.03.13		Cosmetics and non-medicated skin care preparations.

3) The grounds of invalidity are, in summary:

- a) That the marks and goods are highly similar and/or identical and there is a high degree of visual, phonetic and conceptual similarity between the instant mark and the earlier marks of SAC, and there is a likelihood of confusion. The mark in suit therefore offend against section 5(2)(b) of the Trade Marks Act 1994.
- b) SAC has used its marks since 2004 and has reputation in them in respect of the goods for which they are registered in the UK. The mark in suit and the goods in its specification are similar to the marks relied upon by SAC. Use of the instant mark will cause an association in the public's mind with the marks of SAC, which will erode their distinctiveness and the mark in suit offends against section 5(3) of the Act.

4) On 30 April 2020 BCL provided a counterstatement to the invalidity action, which basically denied that there is any similarity in the marks of the two parties and questioning why it took almost five years after they started using their mark for SAC to object. They also provided dictionary meanings of the words within the marks of the two parties which I shall reference as and when necessary in my decision. BCL did not put SAC to strict proof of use.

5) Only the opponent filed evidence. Both sides ask for an award of costs. Neither side wished to be heard. Both sides provided written submissions which I shall take into account as and when necessary.

SAC's Evidence

6) SAC filed a witness statement, dated 26 August 2020, by Isabella Rogers the Marketing Director of Shiseido Group in the UK. She states that her company's marks have been used on a wide range of "skincare and beauty" products and have been sold throughout the UK through its own website as well as retail outlets such as, inter alia, *Boots*, *Debenhams*, *John Lewis* and *ASOS*. The marks are also used in, inter alia, Poland, Germany, France, Italy and Spain. She provides the following figures:

Year	Gross sales £million	Advertising £million
2014	45.6	1.5
2015	51.1	2.2
2016	47.4	2.5
2017	46.4	1.9
2018	40.0	1.1
2019	38.3	0.9

7) Although the figures are provided in UK £ it is not clear from the witness statement whether these sales relate to the UK only or whether they include the EU sales mentioned. She provides the following exhibits:

- IR1 & 2: Examples of advertising used in the UK during 2015-2019. All show use of the marks in lower case except for the letter "M" which is in uppercase.
- IR3: Examples of use on the UK Instagram account between 2013-2020, which has 171,000 followers. All show use of the marks in lower case except for the letter "M" which is in uppercase.

- IR4: Examples of use on digital advertising during the period 2015-2019. All show use of the marks in lower case except for the letter “M” which is in uppercase.
- IR5: Examples of use on SAC’s website and also the websites of other retailers, dated 2017-2020. All show use of the marks in lower case except for the letter “M” which is in uppercase.
- IR6: Examples of use of the marks on press releases in 2019. These describe the mineral based range of products which “unites efficacious natural ingredients with consciously chosen clean synthetics”. They describe this approach as being “Clean beauty”. All show use of the marks in lower case except for the letter “M” which is in uppercase.
- IR7: Examples of awards won by SAC during the period 2013-2020.

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

DECISION

9) The invalidity is brought under Section 47 of the Trade Marks Act 1994 (“The Act”) which reads:

“47. (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2ZA) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 5(6).

(2A) The registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2F) Subsection (2A) does not apply where the earlier trade mark is a trade mark within section 6(1)(c)

(2G) An application for a declaration of invalidity on the basis of an earlier trade mark must be refused if it would have been refused, for any of the reasons set out in subsection (2H), had the application for the declaration been made on the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application.

(2H) The reasons referred to in subsection (2G) are-

(a) that on the date in question the earlier trade mark was liable to be declared invalid by virtue of section 3(1)(b), (c) or (d), (and had not yet acquired a distinctive character as mentioned in the words after paragraph (d) in section 3(1));

(b) that the application for a declaration of invalidity is based on section 5(2) and the earlier trade mark had not yet become sufficiently distinctive to support a finding of likelihood of confusion within the meaning of section 5(2);

(c) that the application for a declaration of invalidity is based on section 5(3)(a) and the earlier trade mark had not yet acquired a reputation within the meaning of section 5(3).

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(5A) An application for a declaration of invalidity may be filed on the basis of one or more earlier trade marks or other earlier rights provided they all belong to the same proprietor.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made: Provided that this shall not affect transactions past and closed.”

10) I shall first consider the ground of invalidity is under section 5(2)(b) which reads:

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

(a)

- (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

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

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

“6.-(1) In this Act an "earlier trade mark" means -

- (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

12) SAC is relying upon its trade marks shown in paragraph 2 above which are clearly earlier trade marks. The mark in suit was applied for in June 2015 at which point three of SAC’s marks (UK2371897, EU 4001558 & EU 4001566) had been registered for over five years, but BCL did not put SAC to strict proof of use in its counterstatement and so therefore the conditions do not apply and SAC can rely upon its registrations in full in the comparison test under section 5(2)(b).

13) When considering the issue under section 5(2)(b) I take into account the following principles which are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

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

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

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

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

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

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

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

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

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

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

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

The average consumer and the nature of the purchasing decision

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

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

15) The goods at issue in these proceedings relate to, broadly speaking, cosmetics. The average consumer for such goods will be the public at large. Cosmetics are sold through a range of channels, including retail premises such as supermarkets, chemists and department stores (where the goods are normally displayed on shelves and are obtained by self-selection) and on the internet or through catalogues. It is therefore also possible that a sales assistant may be consulted. Considered overall, the selection process is likely to be **predominantly a visual one, although I accept that aural considerations will also play their part**. Turning now to the level of attention the average consumer will display when selecting the goods, given that for the most part the cost of the goods is likely to be relatively low, but bearing in mind that the average consumer will wish to ensure they are

selecting the correct type, colour and also suitable for their skin type they are, in my view, **likely to pay an average level of attention to the selection of the goods in class 3 at issue.**

Comparison of goods

16) In the judgment of the Court of Justice of the European Union (CJEU) in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

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

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

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether

market research companies, who of course act for industry, put the goods or services in the same or different sectors.

18) In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the General Court (GC) stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM-Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

19) The mark in suit is registered for “Cosmetics for personal use; Facial makeup”. The first three of SAC’s marks contain the words “cosmetic powders for the skin and eyes” as part of their specification. Whilst this would encompass certain parts of the registered specification there are cosmetics which are not powders such as lipsticks. However, these would be considered highly similar to the cosmetic powders of SAC’s marks. The last of SAC’s marks (EU 11286812) contains the word “Cosmetics”, and so encompasses BCL’s specification. All of SAC’s marks have goods which are identical to the specification of BCL’s mark, and the first three of SAC’s mark also have items which are highly similar to BCL’s specification.

Distinctive character of the earlier trade mark

20) In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in *Joined Cases C-108/97 and C-109/97 Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

21) All four of SAC’s marks consist of the words “BAREMINERALS” also written “bareMinerals”. The products are advertised and widely known as being made from minerals, and the positioning of the word “bare” in front of the word “minerals” will, I believe, be viewed as describing minerals which are “pure” or “basic”. To my mind, the marks are **inherently distinctive to a low degree**. Turning to the issue of enhanced distinctiveness through use, SAC contends that it has shown substantial use of its mark. SAC provided turnover figures, but it is not clear if they relate solely to the UK, or whether they include sales in a number of EU countries mentioned by the witness. Nor are the figures broken down into groups such as skincare, cosmetics, shampoo and perfumes; all of which feature in the registrations, and the evidence is said to relate to the whole of the specification. SAC has not provided any indication of market share or even commented upon the size of the market in the UK or EU. As such it **cannot benefit from enhanced distinctiveness through use**.

Comparison of trade marks

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

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

23) It would be wrong, therefore, to artificially dissect the trade marks, although it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by them. All four of SAC’s marks are either BAREMINERALS or bareMinerals. There is no material difference between marks in upper or lower case and to my mind the average consumer will view both versions of the marks as being two distinct and separate words “bare” and “minerals” which have simply been jammed together. The capital letter “M” in the lower case version merely serves to emphasise this divide. I shall therefore only carry out a single comparison with the mark in suit, “BareFace minerals”.

24) As I have stated earlier, in my opinion, SAC’s mark will be viewed as two separate words “bare” and “minerals”. I take comfort from the fact that SAC states in its advertisements that its products are made from natural ingredients which offer “clean beauty”. The word “bare” will be seen to imply that the minerals used are “pure”, “plain” or “basic”, or without other additives; whereas the word “bare” in BCL’s mark will not be viewed as a separate independent word as the two words “bare” and “face” when put together form a recognisable term for an uncovered or unconcealed face. Clearly, there are visual and aural similarities as well as differences, they both have the word “bare” as the first word, whilst they differ in their second words, “minerals” and “face”, although I accept that the word “minerals” is present as the third word in BCL’s mark. Conceptually, SAC’s mark is a commentary on the purity of its ingredients, whereas BCL’s mark implies that the look of its mineral cosmetics provides a “natural” or literally bare face appearance. I also believe that most consumers will see BCL’s mark as a play on “barefaced” which is a well-known dictionary word meaning shameless or undisguised, such as in “barefaced lie”. In my opinion, overall the marks are similar to a low degree.

Likelihood of confusion

25) In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of SAC's trade marks as the more distinctive the trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind. Earlier in this decision, I concluded that:

- the average consumer for the goods is a member of the general public. They will select the goods by predominantly visual means, although I do not discount aural considerations and they are likely to pay an average level of attention to the selection of goods in class 3;-
- the marks of the two parties have a low degree of similarity;-
- SAC's mark has a low degree of inherent distinctiveness and cannot benefit from an enhanced distinctiveness through use;-
- the goods of the two parties in class 3 are identical, or highly similar;-

26) I also take into account the case of *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, where Mr Iain Purvis Q.C., as the Appointed Person, explained 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 recognized 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, 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.”

27) In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor Q.C., as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

28) In *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), Arnold J. considered the impact of the CJEU’s judgment in *Bimbo*, Case C-591/12P, on the court’s earlier judgment in *Medion v Thomson*. The judge said:

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

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

20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have

distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

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

29) To my mind, whilst it is technically correct to state that SAC’s mark appears in full in the mark of BCL the presence of the word “face” changes the meaning of the other words such that, in my opinion, taking into account all of the above, despite the goods being identical the marks are so different in their conceptual meanings that there is no likelihood of consumers being directly or indirectly confused into believing that the goods in class 3 applied for and provided by BCL are those of SAC or provided by an undertaking linked to it. In both marks the words “bare” and minerals” are inherently weak, both being used in a descriptive manner. **The invalidity under Section 5(2) (b) therefore fails in respect of all the goods for which the mark is registered.**

30) I now move onto consider the second ground of invalidity which is based upon section 5(3) which reads:

“(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

31) BCL did not put SAC to proof of use. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Addidas-Salomon*, Case C-487/07, *L'Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora* and Case C383/12P, *Environmental Manufacturing LLP v OHIM*. 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 and *Environmental Manufacturing*, paragraph 34.

(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*).

32) When considering the issue of reputation, I take into account the comments in *General Motors*, Case C-375/97, where the CJEU held that:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must 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.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it."

33) I note that in *Spirit Energy Limited v Spirit Solar Limited* - BL O/034/20 – Mr Phillip Johnson, as the Appointed Person, held that the opponent had not established a qualifying reputation for s.5(3) purposes. The opponent traded in solar energy equipment and installations and had used its mark in relation to such goods/services for 7 years prior to the relevant date in the proceedings. During the 5 years prior to the relevant date, it had installed solar energy generation equipment in over 1000 domestic homes and made over 700 installations for commercial customers. These sales had generated nearly £13m in income. However, there was limited evidence of advertising and promotion, and the amount spent promoting the mark had fallen in the years leading up to the relevant date. Additionally, the mark had only been used in South East England and the Midlands. Taking all the relevant factors into account, the Appointed Person therefore decided that such use of the mark was not sufficient to establish a reputation for the purposes of s.5(3).

34) In the instant case, SAC has provided sales figures but failed to state which country / countries these relate to and no breakdown for cosmetics as opposed to skincare, shampoo and perfumery for which their marks are also registered. SAC has not provided any information regarding market share in any of the countries in which its products are sold. To my mind, SAC does not clear the first hurdle of reputation.

35) In case I am wrong on this I will go on to consider whether a link will be made between the marks if the two parties. It is accepted that similarity of signs must be assessed in the same way for 5(2) and 5(3). There is no threshold level of similarity, but there must be similarity when the marks are compared overall. In Case C-408/01, *Adidas-Salomon*, the CJEU held that:

“28. The condition of similarity between the mark and the sign, referred to in Article 5(2) of the Directive, requires the existence, in particular, of elements of visual, aural or conceptual similarity (see, in respect of Article 5(1)(b) of the Directive, Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23 in fine, and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraphs 25 and 27 in fine).

29. The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23).”

36) The level of similarity required for the public to make a link between the marks for the purposes of 5(3) may be less than the level of similarity required to create a likelihood of confusion. In *Intra-Press SAS v OHIM*, Joined cases C-581/13P & C-582/13P, the Court of Justice of the European Union stated (at paragraph 72 of its judgment) that:

“The Court has consistently held that the degree of similarity required under Article 8(1)(b) of Regulation No 40/94, on the one hand, and Article 8(5) of that regulation, on the other, is different. Whereas the implementation of the protection provided for under Article 8(1)(b) of Regulation No 40/94 is conditional upon a finding of a degree of similarity between the marks at issue so that there exists a likelihood of confusion between them on the part of the relevant section of the public, the existence of such a likelihood is not necessary for the protection conferred by Article 8(5) of that regulation. Accordingly, the types of injury referred to in Article 8(5) of Regulation No 40/94 may be the consequence of a lesser degree of similarity between the earlier and the later marks, provided that it is sufficient for the relevant section of the public

to make a connection between those marks, that is to say, to establish a link between them (see judgment in *Ferrero v OHMI*, C-552/09 P, EU:C:2011:177, paragraph 53 and the case-law cited).”

37) Earlier in this decision I gave a detailed analysis of the marks and compared their similarities and differences. I adopt that here. To my mind, considering the issue overall for the purposes of this ground of invalidity, despite the identity of the goods the public when confronted with BCL’s mark will not make a link with SAC’s earlier marks, as the difference in their conceptual meaning will mean that the instant mark will not cause the public to call the earlier mark to mind. The ground of invalidity under Section 5(3) therefore fails in full.

CONCLUSION

38) The invalidity action under sections 5(2)(b) and 5(3) failed and trade mark 3114196 will remain on the register.

COSTS

39) As BCL has been successful it would normally be entitled to a contribution towards its costs. BCL has not been professionally represented and failed to provide a proforma of costs. I therefore do not award any costs payable to BCL from SAC.

Dated this 25th day of January 2021

G W Salthouse
For the Registrar
the Comptroller-General