0/892/21

TRADE MARKS ACT 1994

IN THE MATTER OF THE APPLICATION FOR TRADE MARK NO. 3539510 BY JERMAINE CONTEH FOR THE MARK

Cloud 9 Movement

IN CLASS 25

AND

THE OPPOSITION THERETO UNDER NUMBER 423355 BY ON CLOUDS GMBH

Background and pleadings

1. On 1 October 2020, Jermaine Conteh applied for the mark Cloud 9 Movement (number 3539510) for goods in class 25. The application was published for opposition purposes in the *Trade Marks Journal* on 27 November 2020. On 26 February 2021, On Clouds GmbH ("the opponent") filed an opposition to the application under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 ("the Act"). The section 5(2)(b) ground is based upon the opponent's seven earlier registered marks, as follows:

(i) International Registration designating the EU ("IR") 1361124¹
CLOUD
Goods in classes 25 and 28
Registration date 4 May 2017; priority date: 8 November 2016 (Swiss); protection date: 15 January 2020

(ii) IR 1047435CLOUDTECGoods in classes 25 and 28Registration date 23 June 2010; protection date: 12 July 2011

(iii) IR 1451357
CloudMarathon
Goods and services in classes 25, 28 and 42
Registration date 7 December 2018; priority date 9 July 2018 (Swiss); protection date:
26 July 2019

(iv) IR 1496450CloudnovaGoods and services in classes 25, 28 and 42

¹ Although the UK has left the EU and the transition period has now expired, EUTMs, and International Marks which have designated the EU for protection, are still relevant in these proceedings given the impact of the transitional provisions of The Trade Marks (Amendment etc.) (EU Exit) Regulations 2019. Tribunal Practice Notice 2/2020 refers.

Filing date 3 September 2019; priority date 22 March 2019 (Swiss); registration date: 9 April 2020

(v) IR 1455068
Cloud Edge Moon
Goods and services in Classes 25, 28 and 42
Filing date 23 January 2019; priority date 26 July 2018 (Swiss); registration date: 20
August 2019

(vi) European Trade Mark ("EUTM") 772913
CLOUD NINE
Class 25: Articles of clothing excluding socks; leisurewear and casual wear, articles of sport clothing; headgear; articles of underclothing; lingerie.
Filing date: 17 March 1998; registration date: 6 September 1999

(vii) UK 2030006A
CLOUD NINE
Class 25: Articles of clothing, headgear; bridal gowns; but not including babies' napkins, hosiery and socks.
Filing date: 9 August 1995; registration date: 4 April 1997

2. The opponent claims that the parties' marks are visually, aurally and conceptually similar, for identical or highly similar goods, leading to a likelihood of confusion under section 5(2)(b) of the Act. The opponent states that the likelihood of confusion is increased as a result of the reputation and enhanced distinctiveness of the earlier trade marks and because its marks constitute a family of 'cloud' marks. Under section 5(3), the opponent claims a reputation in marks (i) and (ii) (CLOUD and CLOUDTEC) such that the relevant public will believe the parties' marks are used by the same undertaking or an economically linked undertaking. The opponent also claims that use of the application will erode the distinctiveness of the earlier marks, damage their repute, and give an unfair advantage to Mr Conteh's mark by virtue of the reputation of the earlier marks.

3. The above earlier marks were set out in the notice of opposition, Form TM7, with appropriate indications as to what goods are relied upon, what goods are contested, and statements of use made in relation to marks (ii), (vi) and (vii). I note that in the statement of grounds which accompanies the Form TM7, and in written submissions, the opponent refers to a further twenty earlier marks, giving only numbers and the marks themselves, to support its 'family of marks' argument. These marks have not been pleaded in Form TM7, as is required, and will form no part of my assessment of the grounds; nor will they be otherwise included in this decision.

4. The opponent's section 5(4)(a) ground is based on use of an unregistered right: CLOUD. The opponent claims that it has used CLOUD since September 2013, throughout the UK, in relation to footwear. The opponent claims that its goodwill entitles it to prevent the use of the contested mark under the law of passing off because use of the application would cause misrepresentation and damage the opponent's goodwill.

5. Mr Conteh filed a defence and counterstatement on 29 March 2021:

8. Counterstatement by defendant:

Your counterstatement is the reason(s) for your defence of your trade mark against the grounds presented by the opponent / applicant for cancellation.

The purpose of the counterstatement is to admit (agree), deny (disagree) or request proof of any of the grounds set out by the other party in their statement of grounds.

Please use a continuation sheet if not enough space.

I deny all grounds of opposition due to the following reasons:

1. CLOUD 9 MOVEMENT is in no way conceptually, aurally or visually identical, neither is it similar enough to cause any confusion between it and the opponents registered marks

2. The CLOUD 9 MOVEMENT mark would not take unfair advantage of, or be detrimental to the opponents registered marks

3. CLOUD 9 MOVEMENT will cause no damage to the opponents reputation

4. The opponents website www.on-running.com gives the clear indication that it is the word 'ON' and not 'CLOUD' that the consumer would be most familiar with therefore causing no confusion with the mark CLOUD 9 MOVEMENT

6. Upon receipt of this counterstatement, the Trade Marks Registry ("the Registry") wrote to Mr Conteh on 31 March 2021 requiring more information:

In the Form TM7, the opponent has stated that they consider that all goods in your trade mark application are to be identical or similar to those contained in their earlier rights. At the end of the proceedings the hearing officer will consider this point as part of the section 5(2)(b) claim, therefore, it is important that this point is addressed. Please will you review this and file an amended Form TM8 and counterstatement.

7. Mr Conteh filed an amended defence form and counterstatement on 9 April 2021, which stated:

 I deny all grounds of opposition due to the following reasons:
 1. CLOUD 9 MOVEMENT is in no way conceptually, aurally or visually identical, neither is it similar enough to cause any confusion between it and the opponents registered marks
 2. The CLOUD 9 MOVEMENT mark would not take unfair advantage of, or be detrimental to the opponents registered marks
 3. CLOUD 9 MOVEMENT will cause no damage to the opponents reputation
 4. The opponents website www.on-running.com gives the clear indication that it is the word 'ON' and not 'CLOUD' that the consumer would be most familiar with therefore causing no confusion with the mark CLOUD 9 MOVEMENT
 5. No goods in trademark application UK00003539510 are identical or similar to the opponents registered trademarks
 In addition to the above points I have applied for a trademark to protect the unique symbol that features on all brand products (UK00003621594). This symbol attached to the CLOUD 9 MOVEMENT brand makes all products clearly identifiable to any consumer.

8. This defence and counterstatement was served upon the opponent on 13 April 2021 and the evidence rounds commenced.

9. Following a later amendment to the Form TM7 made by the opponent, adding the CLOUD NINE marks as earlier marks under section 5(2)(b)) on 23 June 2021, Mr Conteh was invited, by letter on 24 June 2021, to file an amended defence and counterstatement, as is Registry practice when pleadings have been added to a notice of opposition after the filing of the original defence and counterstatement. Mr Conteh's amended defence and counterstatement was received on 8 July 2021, which stated:

I deny all grounds of opposition due to the following reasons:

1. CLOUD 9 MOVEMENT is in no way conceptually, aurally or visually identical, neither is it similar enough to cause any confusion between it and the opponents registered marks. The word Cloud is in no way unique to the opponents products. Secondly I have found from research that common words and phrases can be trademarked if the person or company seeking the trademark can demonstrate that the phrase has acquired a distinctive secondary meaning apart from its original meaning. That secondary meaning must be one that identifies the phrase with a particular good or service. 'Cloud Nine' is a term that was popularised in the 1950s and associated with feelings of elation and happiness. Cloud 9 Movement is a brand that celebrates creatives giving the phrase a distinct secondary meaning which relates to success of the creatives supported by the brand.

2. The CLOUD 9 MOVEMENT mark would not take unfair advantage of, or be detrimental to the opponents registered marks

 CLOUD 9 MOVEMENT will cause no damage to the opponents reputation
 CLOUD 9 MOVEMENT is a lifestyle brand aimed at creatives. The consumers are not consumers of running or sports related apparel as the opponent has stated in section 4.9 of their amended statement of grounds.

10. The Registry wrote to Mr Conteh on 28 July 2021, saying:

Amended Form TM8.

I acknowledge receipt of the amended TM8 filed by the applicant. A copy is attached for your records. In relation to the claim under s.5(2)(b) it is noted that the applicant has not admitted or denied the claims regarding the similarity/identicality of the goods.

The applicant is requested to submit an amended counterstatement, that in addition to the counterstatement already provided, specifically admits or denies claims under 5(2)(b) that the application is similar to the earlier marks **and for similar goods/services.**

The applicant is requested to submit an amended counterstatement on or before 04 August 2021.

If the applicant does not file an amended counterstatement, the Registry will proceed on the basis that the applicant accepts the opponent's claims regarding the level of similarity of the respective goods.

11. Mr Conteh filed an amended defence and counterstatement on 4 August 2021, which stated:

I deny all grounds of opposition, specifically all claims under 5(2)(b) that the application is similar to the earlier registered marks of the opposition due to the following reasons:

1. CLOUD 9 MOVEMENT is in no way conceptually, aurally or visually identical, neither is it similar enough to cause any confusion between it and the opponents registered marks. The word Cloud is in no way unique to the opponents products. Secondly I have found from research that common words and phrases can be trademarked if the person or company seeking the trademark can demonstrate that the phrase has acquired a distinctive secondary meaning apart from its original meaning. That secondary meaning must be one that identifies the phrase with a particular good or service. 'Cloud Nine' is a term that was popularised in the 1950s and associated with feelings of elation and happiness. Cloud 9 Movement is a brand that celebrates creatives giving the phrase a distinct secondary meaning which relates to success of the creatives supported by the brand.

2. The CLOUD 9 MOVEMENT mark would not take unfair advantage of, or be detrimental to the opponents registered marks

3. CLOUD 9 MOVEMENT will cause no damage to the opponents reputation

4. CLOUD 9 MOVEMENT is a lifestyle brand aimed at creatives. The consumers are not consumers of running or sports related apparel as the opponent has stated in section 4.9 of their amended statement of grounds. In addition, I have applied for a trademark to protect the unique symbol that features on ALL brand products (UK00003621594). This symbol attached to the CLOUD 9 MOVEMENT brand makes all products clearly identifiable

12. Following receipt of this fourth version of the defence and counterstatement, the Registry wrote to Mr Conteh on 22 September 2021, saying:

As the applicant has not commented on the similarity/identicality of goods, as requested in the official letter dated 28 July 2021, the Registry will proceed on the basis that the applicant accepts the opponent's claims regarding the level of similarity of the respective goods.

13. However, Mr Conteh <u>had</u> commented in his 9 April 2021 defence and counterstatement upon the similarity/identicality of his goods: he expressly denied any similarity by stating "5. No goods in trademark application UK00003539510 are identical or similar to the opponent's registered trademarks."² This defence and counterstatement was served upon the opponent and would have stood if the opponent had originally pleaded reliance upon the CLOUD NINE marks which it belatedly added to the opposition. Without that amendment by the opponent to its notice of opposition, there would have been no need to invite Mr Conteh to amend his defence and counterstatement.

14. Mr Conteh is unrepresented. It may not have been clear to him that each previous version of his defence and counterstatement was superceded by the most recent version. In any event, it seems unfair to regard Mr Conteh as admitting his goods were identical or similar, because of the consequences of an omission by the opponent

²I am satisfied that what was meant was that the goods of the application are not similar to the goods and services covered by the opponent's earlier marks; not that they are not similar to the opponent's trade marks.

of two earlier marks from its notice of opposition, when he had already expressly denied such a thing. I intend to proceed on the basis that Mr Conteh denies that the parties' goods and services are identical or similar. In practical effect, it makes no difference to the outcome of these proceedings, as will become clear.

15. Although three of the opponent's earlier marks had been registered or protected for five years or more prior to the filing date of the application, Mr Conteh ticked 'no' to the question at box 7 of all his versions of the defence form (Form TM8) which asked if he required the opponent to prove that it had made genuine use of its marks.³ Consequently, the opponent is not required to prove that it has made genuine use of earlier marks (ii) CLOUDTEC, (vi) CLOUD NINE (EUTM) or (vii) CLOUD NINE (UK) and may rely upon all the goods identified in the statement of use made in the notice of opposition.⁴

16. Throughout the proceedings, the opponent has been professionally represented by TLT LLP. As mentioned above, Mr Conteh represents himself. The opponent filed evidence. Neither party requested a hearing, but the opponent filed submissions in lieu of a hearing. I make this decision after a careful reading of all the papers, referring to the evidence and submissions as necessary.

Evidence

17. The opponent's evidence comes from Mr David Wagget, the opponent's legal representative. Mr Wagget's witness statement is dated 14 July 2021. He gives brief evidence about the opponent's use of its marks. The witness statement also contains submissions, which I will bear in mind, but which are, of course, not facts. Written submissions should form a separately filed document, not be included in a witness statement, affidavit or statutory declaration.

³ See section 6A of the Act.

⁴ These three marks are registered for goods, not services.

Decision

Section 5(2)(b)

18. Section 5(2)(b) of the Act states:

"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."

19. Section 5A states:

"Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only."

20. The following principles for determining whether there is a likelihood of confusion under section 5(2)(b) of the Act are gleaned from the decisions of the Court of Justice of the European Union ("CJEU") in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer* & Co GmbH v Klijsen Handel B.V. Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, 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.⁵

The principles

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

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

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

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

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

⁵ Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

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

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

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

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

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

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

Comparison of goods

21. I will begin by comparing the goods of the application against the opponent's goods covered by its EUTM (mark vi): CLOUD NINE, since this mark is the closest to the application. The specification of the EUTM is also slightly wider in coverage than the UK CLOUD NINE registration (mark vii). I will return to the other earlier marks if necessary. The final version of the counterstatement includes a statement that the application is a lifestyle brand aimed at creatives. Mr Conteh states that his consumers are not consumers of running or sports apparel. As a matter of law, it is not relevant what goods are actually being provided by either party. Once a trade mark has been registered for five years, an opponent can be required to provide evidence of use of its mark. The consequence of the opponent in these proceedings not being required

to prove use, because Mr Conteh did not request it, is that it is entitled to rely upon all its goods on the basis of normal and fair use.⁶ I must also assess the terms in the specifications of both parties on the basis of normal and fair use of what those terms cover, not what the Mr Conteh currently provides, or intends to provide.⁷

Opponent's EUTM	Application
Class 25: Articles of clothing excluding	Articles of clothing; Articles of outer
socks; leisurewear and casual wear,	clothing; Articles of sports clothing;
articles of sport clothing; headgear;	Articles of underclothing; Athletic
articles of underclothing; lingerie.	clothing; Athletic footwear; Athletics
	footwear; Athletics shoes; Hats; Head
	wear; Hooded pullovers; Hooded sweat
	shirts; Hooded sweatshirts; Hooded
	tops; Hoodies; Leggings [trousers];
	Leisure clothing; Capri pants; Crop tops;
	Sweat bottoms; Sweat pants; Swim
	shorts; Swim suits; Swim trunks;
	Swimming costumes; Swimming suits;
	Swimming trunks; Swimsuits;
	Swimwear; Babies' clothing; Balaclavas;
	Bandannas; Baseball caps; Baseball
	hats; Bikinis; Tank tops; Tee-shirts;
	Track suits; Tracksuit bottoms;
	Tracksuit tops; Tracksuits; Trainers;
	Trainers [footwear];T-shirts; Socks;
	none of the aforesaid goods being
	knitwear (clothing).

22. The parties' competing goods are shown in the table below:

⁶ See Compass Publishing BV v Compass Logistics Ltd [2004] RPC 41, at paragraph 22

⁷ O2 Holdings Limited, O2 (UK) Limited v Hutchison 3G UK Limited, Case C-533/06, CJEU

23. The law requires that goods/services be considered identical where one party's description of its goods/services encompasses the specific goods/services covered by the other party's description: see *Gérard Meric v OHIM*, Case T-33/05, General Court ("GC"). The application includes 'articles of clothing' which covers all of the opponent's goods. The application includes Hats; Headwear; Baseball caps; and Baseball hats, which are all covered by and are therefore identical to the opponent's term 'headgear'.

24. The opponent's term 'articles of clothing excluding socks' is a wide term covering all types of clothing, except for socks. Accordingly, this term is identical to the following goods of the application:

Articles of outer clothing; Articles of sports clothing; Articles of underclothing; Athletic clothing; Hooded pullovers; Hooded sweat shirts; Hooded sweatshirts; Hooded tops; Hoodies; Leggings [trousers]; Leisure clothing; Capri pants; Crop tops; Sweat bottoms; Sweat pants; Swim shorts; Swim suits; Swim trunks; Swimming costumes; Swimming suits; Swimming trunks; Swimsuits; Swimwear; Babies' clothing; Balaclavas; Bandannas; Bikinis; Tank tops; Tee-shirts; Track suits; Tracksuit bottoms; Tracksuit tops; Tracksuits; T-shirts.

25. The applicant's exclusion "none of the aforesaid goods being knitwear" has no effect on my finding that the above goods are identical because the opponent's term "articles of clothing" (except socks) covers clothing that is not knitwear. In any event, if the opponent's goods were knitwear, this would still make them highly similar; e.g. a knitted skirt compared to a non-knitted skirt.

26. This leaves the following goods for consideration: Athletics footwear; Athletics shoes; Trainers; Trainers [footwear]; Socks. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* where the CJEU stated at paragraph 23 of its judgment:

"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."

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

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

28. Additionally, the criteria identified in *British Sugar Plc v James Robertson & Sons Limited ("Treat")* [1996] R.P.C. 281 for assessing similarity between goods and services also include an assessment of the channels of trade of the respective goods or services.

29. In YouView TV Ltd v Total Ltd [2012] EWHC 3158 (Ch) at [12] Floyd J said:

"... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

30. I will compare *Athletics footwear; Athletics shoes; Trainers; Trainers [footwear]* together as this is a homogenous group of goods (i.e. shoes, or types of shoes) susceptible to the same reasoning. It is difficult to see how the exclusion at the end of the specification in the application of "none of the aforesaid goods being knitwear (clothing)" could apply to these goods, so it appears to be without relevance in the comparison.

31. I will make the comparison with the opponent's goods articles of sport clothing and *leisurewear* as these goods appear to be the closest to the goods in the application. Articles of sport clothing and leisurewear do not share the same physical nature as Athletics footwear; Athletics shoes; Trainers; and Trainers [footwear]. There is a shared purpose between the goods in the application and the opponent's articles of sport clothing because they all are used in the participation of and to aid effective performance in sport; e.g. in running. They are all, clearly, for covering various parts of the body. At a high level of generality, the method of use is the same as all the goods are worn on the body. However, they are worn on different parts of the body. The goods are not in competition (they are not substitutes for one another) and although there may be some wish by users to co-ordinate a look, they are not truly complementary in the sense of the caselaw cited above.⁸ The parties' goods will be found in the same trade channels. Sports clothing, leisurewear and sports footwear shops often sell e.g. tracksuits, running shorts, running tops, athletic shoes and trainers. There is a blurred line between sports footwear for use in sporting activity, and its use as leisurewear or fashion items. Overall, I find that there is a medium degree of similarity between the Athletics footwear; Athletics shoes; Trainers and Trainers [footwear] of the application and the opponent's articles of sport clothing and leisurewear.

32. This leaves *socks* in the application. As for the footwear goods in the application, the exclusion at the end of the specification - none of the aforesaid goods being knitwear (clothing) – does not seem to make sense in relation to socks. Consumers would not regard the natural meaning of the term knitwear to cover socks. The

⁸ *Hasu No Hana Limited v Richard Balding*, BL O/039/21, Mr James Mellor QC, sitting as the Appointed Person, at paragraph 30.

opponent's specification also contains an exclusion, specifically excluding socks from 'articles of clothing':

Articles of clothing excluding socks; leisurewear and casual wear, articles of sport clothing; headgear; articles of underclothing; lingerie.

33. Strictly speaking, because the exclusion of socks precedes a semi-colon, following which other goods are listed, the exclusion only applies to the term prior to the semi colon: articles of clothing. This means that socks could still be covered by other terms such as articles of sport clothing (e.g. football socks). However, to be fair to Mr Conteh and because it seems nonsensical to exclude socks from a wide term but leave them covered by other terms, I will proceed on the basis that socks are excluded from all the opponent's terms.

34. Although socks are not covered by the opponent's specification (as they are excluded), this does not necessarily mean that socks in the application are not still similar to other goods in the opponent's specification. I will compare socks (in the application) to the opponent's *articles of underclothing*, as this seems to be the closest term. The Oxford English Dictionary defines underclothing as "Clothing worn below the upper or outer garments, esp. next to the skin". That accords with how I understand the term and how, I believe, average consumers would view it. Underclothing includes goods such as vests, pants and bras. These are all worn next to the skin, under other clothing, as are socks. One of the main purposes of underclothing is to provide a base layer for warmth and comfort. This is also the case with socks. Channels of trade will coincide as socks and underwear are usually found in adjacent areas in shops. There is a medium level of similarity between the opponent's *articles of underclothing* (excluding socks) and *socks* in the application.

The average consumer and the purchasing process

35. As the caselaw cited above indicates, it is necessary to decide who the average consumer is for the goods at issue and how they purchase them. "Average consumer"

in the context of trade mark law means the "typical consumer."⁹ The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97.

36. The average consumer for the parties' goods is a member of the general public. As it is important what clothes and shoes look like, the selection, or purchasing process, will be predominantly visual. The purchase could be from physical shelves, from a website or from a catalogue, all of which entail visual perception. However, I bear in mind that there may be oral requests made to sales assistants, such as asking for a particular shoe to be brought for trying on, in which case there may be an aural dimension to the purchasing process. The average consumer will be considering, for example, cost, size, colour, fabric and suitability for an occasion or use. The goods are not infrequent purchases or those which require particular consideration. This all means that the average consumer will pay a normal, or medium, degree of attention to the purchase of the goods.

Distinctive character of the earlier mark

37. 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.¹⁰ Distinctive character is a measure of how strongly the mark identifies the goods of the opponent; determined, according to *Lloyd Schuhfabrik Meyer & Co.*, by assessing the proportion of the relevant public which, because of the mark, identifies the goods as originating from a particular undertaking. I will begin by considering the inherent distinctive character of the earlier mark, CLOUD NINE.

38. As Mr Conteh points out in the final version of his counterstatement, 'Cloud Nine' is associated with feelings of elation or happiness. Although it could be said that the

⁹ 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)

¹⁰ Sabel BV v Puma AG, Case C-251/95

goods enable the wearer to feel elation, this seems far-fetched. The mark does not describe the goods or a characteristic of the goods. That said, it is a known phrase, rather than an invented word or words (which would be likely to have a high degree of distinctive character). As a known phrase, albeit not one which is descriptive of the goods, I find that the earlier mark has an average degree of inherent distinctive character.

39. I will now look at the opponent's claim that its mark has an enhanced level of distinctive character as a result of its use.¹¹ Mr Wagget's evidence about the opponent's use of the seven pleaded marks is brief. The facts (as opposed to submissions) in the evidence are:

- The opponent's business, On Clouds, was founded in 2010 by a former world champion athlete, designing and manufacturing running shoes, clothing and accessories with a focus on design and technological innovation;
- At the date of Mr Wagget's statement, "On Clouds" goods were available in approximately 3,000 EU retail stores and approximately 230 UK retail stores;
- Promotional activity includes POS materials, advertising, sponsorship, event attendance, social media and paid-for search terms; the following amounts having been spent by the opponent (in Swiss Francs):

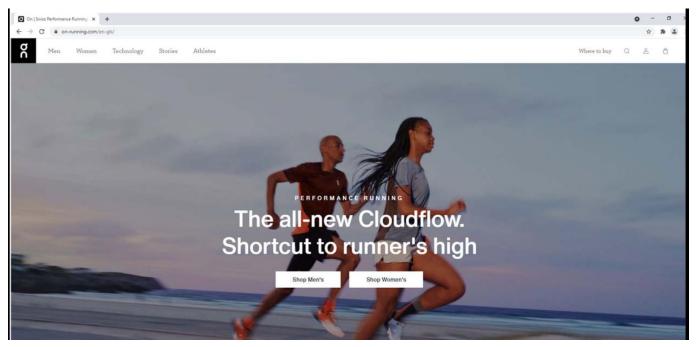
Year	UK	EU
2015	70,040	365,418
2016	142,507	1,019,947
2017	368,165	2,654,909
2018	679,174	4,038,002
2019	1,001,351	4,683,800

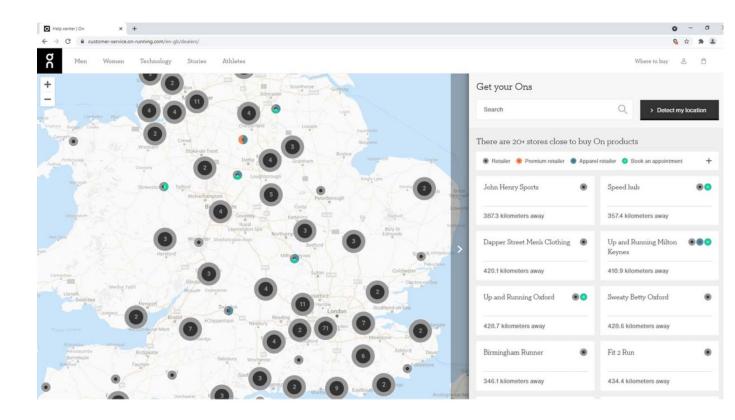
- The digital marketing spend figures have not been provided as the opponent considers them confidential, but Mr Wagget confirms that they are consistently significantly higher than the figures in the table above.
- UK sales figures are as follows, converted from Swiss Francs to £ Sterling:

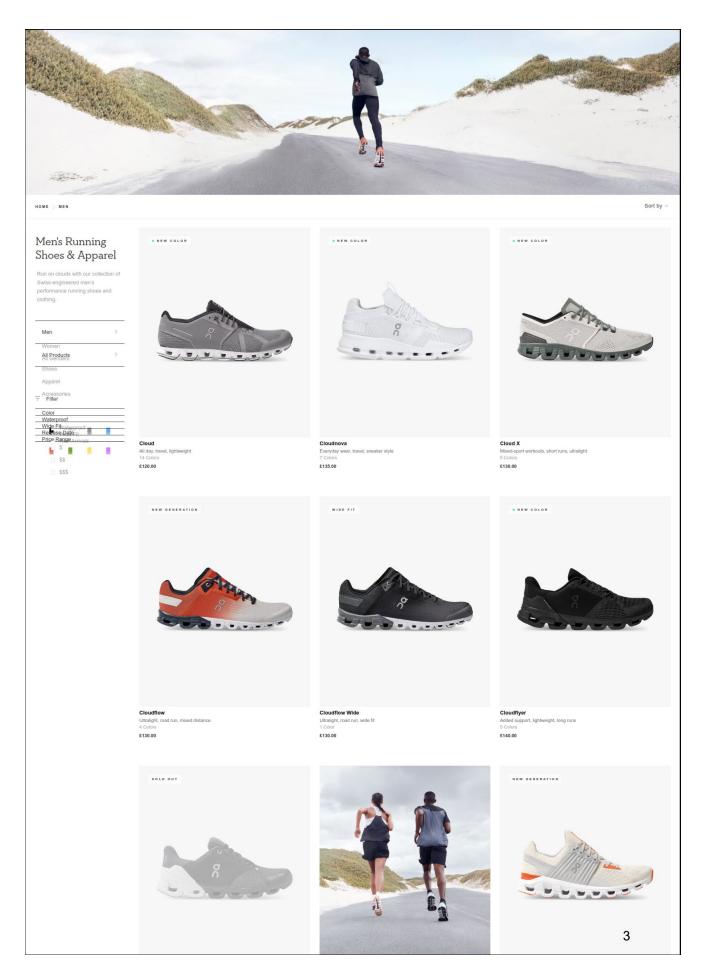
¹¹ Case C-342/97

2015	£641,955
2016	£796,469
2017	£1,869,268
2018	£3,331,842
2019	£5,842,062
2020	£14,200,900

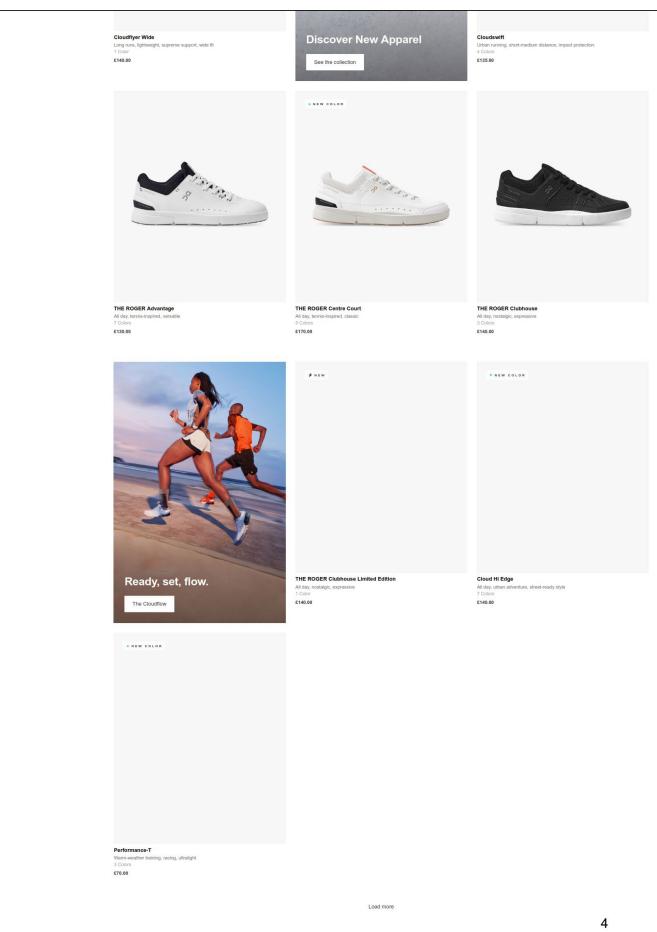
 Four pages from the opponent's website, on-running.com, which Mr Wagget describes as "current" are shown in Exhibit DW1. Mr Wagget states that the opponent's goods are sold via the website directly to customers in the UK and that page 2 shows the "very large number of UK retailers stocking On Clouds' products". The four pages are shown below:







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40. Whilst the sales figures for 2018 to 2020 show a healthy level of growth and are sizeable, there is no breakdown as to what the sales figures are for each of the earlier marks. Of the prints from the website, which were downloaded nine months after the relevant date (the application date), only the earlier marks CLOUD and Cloudnova are shown. Mr Wagget refers to the stockists selling the opponent's products, but page 4 of Exhibit DW1 shows that there are other marks in use, such as a trainer called The Roger. He refers to stockists selling On Clouds products, which appears to be a reference to the opponent's company, rather than to goods bearing CLOUD- marks, since Mr Wagget begins the evidence by referring to the founding of "On Clouds" in 2010.

41. Mr Wagget does not say whether the sales figures are only in respect of Cloudgoods or whether they represent the opponent's sales of all its goods, including those bearing different marks. I note that the first page of the website refers to the all-new Cloudflow (not one of the seven earlier marks relied upon). It is impossible to know or even to guess how long the various earlier marks have been used, if at all, and what the sales for each were. No invoices have been provided. Page 2 of Exhibit DW1 says "Get your Ons", rather than referring to any Cloud- marks. The evidence does not show that, prior to the relevant date of 1 October 2020, any of the earlier marks had been used (including CLOUD NINE) to a level sufficient to conclude that any of them were entitled to claim an enhanced level of distinctive character.

Comparison of marks

42. 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 analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

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

43. It is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

44. The marks to be compared are:

Opponent's mark	Applicant's mark
CLOUD NINE	Cloud 9 Movement

45. In the counterstatement which was originally served upon the opponent, Mr Conteh states that the opponent's website, on-running.com, gives the clear indication that it is the word 'ON' and not 'CLOUD' that the consumer would be most familiar with and that therefore there is no confusion with the application. This is a misunderstanding of the legal position. The assessment must be made between the marks as they appear on the trade mark register.¹² There was no request for the opponent to prove use of its trade marks, showing how they have actually been used and, consequently, if they could be relied upon.¹³ Earlier trade marks are entitled to legal protection against the use or registration of the same or similar later trade marks for the same or similar goods/services if there is a likelihood of confusion.

¹² It is also irrelevant that Mr Conteh has made another trade mark application, as mentioned in his final counterstatement.

¹³ If proof of use had been requested, in order to rely upon its earlier marks CLOUDTEC and CLOUD NINE, (marks (ii), (vi) and (vii)), the opponent would have been required to show in evidence that the earlier marks had been used as registered or as an acceptable variation of their registered form, as per section 6A(4)(a) of the Act.

46. As already mentioned, Mr Conteh stated in his counterstatement that Cloud Nine is a term which is associated with feelings of elation and happiness; one is said to be 'on cloud nine' when elated or extremely happy. I agree with Mr Conteh's explanation of the phrase. Since it is a phrase, the overall impression of the opponent's mark, CLOUD NINE, resides in the combination of the two words, forming the phrase. The same is true of Cloud 9 in the application. This is the part of the mark which will be read first. It could be said to qualify the third element, Movement (a movement called Cloud 9), in which case Movement carries less weight in the overall impression, compared to Cloud 9.

47. Visually, the parties' marks coincide only in relation to the first element, CLOUD/Cloud. It makes no difference legally that they are in upper or lower case because a word-only trade mark registration protects the word(s) itself, written in any normal font and irrespective of capitalisation.¹⁴ Bearing in mind that the identical element (CLOUD/Cloud) is at the beginning of the mark and will be read first, and factoring in the visually different elements NINE, 9 and Movement, there is no more than a medium degree of visual similarity between the marks.

48. Aurally, the marks are closer. This is because NINE and 9 will sound the same when spoken. Taking into account that the opponent's mark is two syllables long, that the later mark is four syllables long but that the differing syllables will be heard at the end of the mark, there is a medium to high degree of aural similarity between the marks.

49. Both marks include the same concept, already discussed; one of elation or a high state of happiness. The application also includes another element: Movement. This could have more than one meaning. One meaning perceived by average consumers could be of a group of people allied by a shared goal or belief; e.g. an artistic or political movement. Another meaning, in the context of sports goods, could be that of exercise; literally, moving. If the first meaning is perceived, the concept of the application would be of a movement called Cloud 9. CLOUD NINE/Cloud 9 have an identical meaning

¹⁴ *Bentley Motors Limited v Bentley 1962 Limited*, BL O/158/17, Professor Ruth Annand, sitting as the Appointed Person

in both parties' marks. The marks are not conceptually identical because of the addition of movement, but they have a medium to high degree of conceptual similarity.

Likelihood of confusion

50. Deciding whether there is a likelihood of confusion is not scientific; it is a matter of considering all the factors, weighing them and looking at their combined effect, in accordance with the authorities set out earlier in this decision. One of those principles states that a lesser degree of similarity between goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa. This means that there can still be a likelihood of confusion if the goods are similar but the marks are less so; or, if the marks are similar but the goods are less similar. In this case, the parties' goods are either identical or similar to a medium degree. The marks are visually similar to a medium degree, and aurally and conceptually to a medium to high degree. They also share the same dominant and distinctive element: Cloud 9/CLOUD NINE. The degrees of similarities between the goods and between the marks are points in the opponent's favour.

51. There are two types of confusion: direct and indirect. Direct confusion occurs where marks are mistaken for one another, flowing from the principle 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 which has been retained in the mind.¹⁵ I do not think it likely that the marks as wholes will be directly confused because of the presence of the word Movement in the application.

52. Nevertheless, I find that there is indirect confusion. This type of confusion arises where the average consumer recognises that the marks are different but, because of a common element(s), concludes that the marks emanate from the same or economically linked undertakings.¹⁶ In the present case, I see such confusion arising because CLOUD 9/CLOUD NINE have identical meanings (and sound the same, although that is not generally the way in which clothing is bought); and, the additional

 ¹⁵ Lloyd Schuhfabrik Meyer, at [26].
 ¹⁶ See Back Beat Inc v L.A. Sugar (UK) Limited, BL O/375/10

word Movement will cause average consumers to consider that the application is a sub-brand or brand extension by the undertaking responsible for CLOUD NINE. The use of sub-brands and brand extensions is common in the clothing trade. The GC stated, in *Zero Industry Srl v OHIM*, at paragraph 81:¹⁷

"...it is common in the clothing sector for the same mark to be configured in various ways according to the type of product which it designates, and second, it is also common for a single clothing manufacturer to use sub-brands (signs that derive from a principal mark and which share with it a common dominant element) in order to distinguish its various lines from one another."

53. It is probable that the Cloud 9 and CLOUD NINE components will be imperfectly recalled as a result of the transposing in the consumer's mind of 9 for NINE. However, even if the different 9 and NINE are noticed, the dominant components Cloud 9 and CLOUD NINE are conceptually (and aurally) identical. The conclusion will be that this is a brand variation of the dominant component by the same or an economically linked undertaking, in addition to adding Movement to create a brand extension, brand evolution or sub-brand. Further, if the application were to be used in relation to sportwear (which is covered by the specification), 'Movement' could indicate that the goods are a range by the same or an economically linked undertaking which are specifically designed for exercise, or ease of movement. Considering the average consumer will pay an average or medium degree of attention when selecting the goods, rather than close attention, I consider that indirect confusion is likely to occur. I would find this to be so even if I were to assume in Mr Conteh's favour that the average consumer paid a high degree of attention to the purchasing process.

54. I find that there is a likelihood of indirect confusion between the application and the opponent's EUTM, CLOUD NINE (mark (vi)). As can be seen, it makes no difference to the outcome whether I am right or wrong to treat Mr Conteh as having denied similarity between the parties' goods.

¹⁷ Case T-400/06

55. Since I have found a likelihood of confusion in relation to the earlier mark CLOUD NINE, there is nothing to be gained by considering the opponent's other marks. However, I will comment briefly upon them. Firstly, the family of marks claim fails as there are only two of the seven marks mentioned in the evidence (CLOUD and CLOUDNOVA). Two marks do not make a family. Secondly, the family of marks claim fails because the evidence, for the reasons given earlier, does not show what marks have contributed to the sales figures or what marks were present on the market prior to the relevant date which would have been known to the UK average consumer (it is the perception of the UK average consumer which is relevant as to whether there is a likelihood of confusion).¹⁸

56. Family of marks claim aside, I also find no likelihood of confusion with the opponent's other earlier marks, CLOUD, CLOUDMARATHON, CLOUDNOVA, CLOUD EDGE MOON or CLOUDTEC. Considered individually (not as a family for the reasons in the preceding paragraph), they are too different to the application visually, aurally and conceptually. In particular, the application, in so far as the 'CLOUD' element Cloud 9 is concerned, has a very definite, specific unitary meaning (i.e. elation) which is immediately apparent, whereas all the opponent's marks have an entirely different meaning. Even the closest, CLOUD, has a different meaning to Cloud 9; but, assuming there is some similarity, visually, aurally and conceptually, there would still not be a likelihood of direct or indirect confusion. CLOUD does not play an independently distinctive role in Mr Conteh's mark. The marks are too different to cause direct confusion and there is no natural brand extension or evolution from CLOUD to Cloud 9 Movement, even for identical goods, which would be likely to cause average consumers instinctively to conclude they are marks of the same or an economically linked undertaking. As pointed out by Mr James Mellor QC (as he then was), sitting as the Appointed Person in Cheeky Italian Limited v Ashish Sutaria, the differences between marks which are the reason why there is no likelihood of direct confusion might also be the reason why there is no indirect confusion.¹⁹ That is the case here.

¹⁸ II Ponte Finanziaria SpA v OHIM, Case C-23/06, CJEU

¹⁹ BL O/219/16

57. In his final counterstatement, Mr Conteh states:

"... I have found from research that common words and phrases can be trademarked if the person or company seeking the trademark can demonstrate that the phrase has acquired a distinctive secondary meaning apart from its original meaning. That secondary meaning must be one that identifies the phrase with a particular good or service. 'Cloud Nine' is a term that was popularised in the 1950s and associated with feelings of elation and happiness. Cloud 9 Movement is a brand that celebrates creatives giving the phrase a distinct secondary meaning which relates to success of the creatives supported by the brand."

58. Common words or phrases which are the subject of applications to register trade marks may be objected to by the Intellectual Property Office ("IPO") as being devoid of any distinctive character (objection under section 3(1)(b) of the Act); descriptive of the goods/services or a characteristic of them (objection under section 3(1)(c) of the Act); or, have become customary in the current language or bona fide and established practices of the trade. If the applicant can satisfy the IPO by filing evidence that the hitherto objectionable word or phrase has acquired distinctive character through use as a trade mark, the IPO may accept the application for registration. The applicant would need to show that through its use in relation to the goods or services of the application, average consumers perceive the words or phrase as an indication of trade origin, rather than merely the words or phrase. A secondary meaning means that the word or words, aside from their inherent meaning, have become distinctive through their use in relation to the goods or services and now serve the essential function of a trade mark, which is to distinguish the goods or services of one undertaking from another. An example of a phrase which has acquired such a secondary meaning is COMPARE THE MARKET for price comparison services (see the Hearing Officer's decision, BL O/150/14).

59. This is not the issue in these proceedings. Mr Conteh's application was accepted for registration and published, as all accepted trade marks are, for opposition purposes. There has been no opposition on the basis that his application is objectionable *per se* (under the absolute grounds of sections 3(1)(b), (c) or (d)), or that

it has not acquired a secondary meaning. The opponent objected under 'relative grounds'; i.e. because it considers that it has earlier rights with which the application will be confused. I have found that there will be a likelihood that average consumers will be confused between Mr Conteh's mark and the opponent's CLOUD NINE mark. Mr Conteh's research relates to objections to marks because they cannot perform the essential function of a trade mark, which is a subject not to be confused with the conceptual comparison, or the intended use, of parties' trade marks.

Section 5(2)(b) outcome

60. The section 5(2)(b) ground of opposition succeeds in full.

Other grounds of opposition

- 61. Section 5(3) of the Act states:
 - "(3) A trade mark which-

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

(3A) Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected."

62. Section 5(4)(a) of the Act states:

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

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

(b)...

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

63. The relevant case law in relation to 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*, [2009] ETMR 13, Case C-408/01, *Adidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L'Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. It is a fundamental requirement of this ground that the opponent must prove it has a qualifying reputation, as per *General Motors*:

"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."

64. The marks relied upon for this ground are CLOUD and CLOUDTEC (marks (i) and (ii)). The failings identified earlier in this decision also apply with respect to the reputation requirement for this ground of opposition. There is no breakdown of the sales figures and no other evidence which shows what the level of sales were for goods in relation to the two marks relied upon. Only CLOUD is shown in the website prints on two separate trainers, and these prints were downloaded nine months after the relevant date. The section 5(3) ground fails. The evidence also falls far short of what is required to mount a passing off claim under section 5(4)(a) of the Act. The opponent is required to show that, at the relevant date, it had goodwill in its business distinguished by the sign CLOUD.²⁰ Goodwill is the attractive force which brings in custom; the benefit and advantage of the good name, reputation and connection of a business.²¹ The opponent's evidence fails to show goodwill in relation to CLOUD at the relevant date. The section 5(4)(a) ground also fails.

Overall outcome

65. The opposition succeeds under section 5(2)(b) of the Act. The application is refused.

Costs

66. The opponent has been successful and is entitled to a contribution towards its costs, from the published scale.²² I make no award in respect of the opponent's evidence as it did not contribute to its success. I will allow a single amount for the written submissions in the witness statement and in lieu of a hearing. I reduce the statutory fee award to £100, which is the fee for an opposition based upon section 5(2)(b), the other grounds having failed. The breakdown of the cost award is as follows:

²⁰ The three elements which the opponent must show are well known: goodwill, misrepresentation and damage; see *Discount Outlet v Feel Good UK* [2017] EWHC 1400 (IPEC).

²¹ Inland Revenue Commissioners v Muller & Co's Margerine Ltd [1901] AC 217 at 223 (House of Lords).

²² Tribunal Practice Notice 2/2016

Statutory fee for the opposition	£100
Preparing a statement and	
considering the counterstatement	£300
Written submissions	£300
Total	£700

67. I order Jermaine Conteh to pay to On Clouds GmbH the sum of **£700**. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 10th day of December 2021

Judi Pike For the Registrar, the Comptroller-General