

O-976-22

TRADE MARKS ACT 1994
IN THE MATTER OF
TRADE MARK APPLICATION NO. 3702050
BY SHENZHEN LAIXIJIE TECH. CO., LTD.
TO REGISTER

MOUSPORT

AS A TRADE MARK IN CLASS 28

AND

OPPOSITION THERETO
UNDER NO. 428846
BY MOU LIMITED

Background and pleadings

1. On 28 September 2021, Shenzhen Laixijie Tech. Co., Ltd. (“the applicant”) applied to register the trade mark shown on the cover page of this decision.
2. The application was published for opposition purposes on 15 October 2021 for the following goods:

Class 28 Basketball backboards; basketball goals; Surfboards; Basketball hoops; boxing gloves; Exercise benches; Exercise trampolines; Swings; Table tennis tables; Trampolines; Inflatable pools for recreational use; Nets for badminton; baseball bats; fishing rod supports.

3. Mou Limited (“the opponent”) filed a notice of opposition on 6 December 2021. The opposition is based upon sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”) and directed against all the goods in the application. For its claims under sections 5(2)(b) and 5(3), the opponent relies upon all the goods covered by the following United Kingdom (“UK”) trade mark:

Mark: MOU

UK registration no. 00915216138

Filing date: 15 March 2016

Registration date: 6 December 2016

Goods:

Class 18 Leather and imitations of leather; luggage tags, pouches, card holders, key cases, bags, handbags, luggage, briefcases and straps, all made from leather or imitations of leather; umbrellas and parasols; trunks and travelling bags; wallets and purses; bags; handbags; luggage and suitcases; luggage tags; straps for bags; wheeled bags.

Class 25 Footwear, footwear for adults; footwear for children and infants; slippers; shoes; boots.

4. Given the filing date, the above mark is an earlier trade mark in accordance with section 6 of the Act. As the opponent's mark has not completed its registration process more than 5 years before the application date of the contested mark, it is not subject to proof of use provisions contained in section 6A of the Act. The opponent can, therefore, rely on all the goods covered by its registration.
5. The opponent claims that the goods in the application are similar to the goods covered by the earlier mark and that the marks are highly similar. As a consequence, the opponent claims that there is a likelihood of confusion, including a likelihood of association, under section 5(2)(b).
6. Under section 5(3), the claim is that the use of the contested mark would, without due cause, take unfair advantage of the reputation of the earlier mark by benefitting from increased sales without the need to invest in the promotion of its trade mark. The opponent further claims that the use of the contested mark would be detrimental to its reputation if there is a variation in the quality of goods sold under the applicant's mark. The opponent also claims that use of the contested mark would be detrimental to the distinctive character of the opponent's mark.
7. Under section 5(4)(a), the opponent claims goodwill in the sign MOU. The opponent further claims that it first used the sign as early as 2002 in relation to footwear, footwear for adults, footwear for children and infants, slippers, shoes and boots. Consequently, the opponent submits that it is entitled to prevent the use of the contested mark under the law of passing off.
8. The applicant filed a counterstatement denying the grounds of opposition.
9. The opponent is represented by Novagraaf UK and the applicant is represented by Akos Suele, LL.M. Only the opponent filed evidence and written submissions. Neither party requested a hearing. I make this decision after a careful reading of all the papers filed by the parties.

10. 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 Act relied upon in these proceedings are derived from an EU Directive. That is why this decision continues to refer to EU trade mark law.

Evidence

11. The opponent's evidence comes in the form of two witness statements. The first witness statement is by Ms Shelley Tichborne dated 27 April 2022, together with 13 exhibits. Ms Tichborne is the founder and director of the opponent company, a position she has held since 2002.

12. The second witness statement is by Ms Laura Morrish, a Chartered Trade Mark Attorney at Novagraaf UK, the opponent's representative in these proceedings.

13. I will not summarise the evidence but will return to it later in the decision.

Section 5(2)(b)

14. Section 5(2)(b) of the Act is as follows:

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

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark”.

15. Section 5A of the Act states as follows:

“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.”

Case law

16. The following principles are gleaned from the judgments 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 C3/03, *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L.Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles:

- (a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- (b) The matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;
- (c) The average consumer normally perceives the 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 greater 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 to mind the earlier mark, 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.

Comparison of goods

17. When making the comparison, all relevant factors relating to the goods in the specifications should be taken into account. In *Canon*, the Court of Justice of the European Union (“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”.

18. Guidance on this issue has also come from Jacob J. (as he then was) in *British Sugar Plc v James Robertson & Sons Ltd* (the Treat case), [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

(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.

19. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonization in*

the Internal Market (Trade Marks and Designs) (OHIM), Case T-325/06, the General Court (“GC”) stated that ‘complementary’ means:

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

20. In *Gérard Meric v OHIM*, the General Court held that goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application - and vice versa.¹

Applicant’s goods	Opponent’s goods
<p>Class 28: Basketball backboards; basketball goals; Surfboards; Basketball hoops; boxing gloves; Exercise benches; Exercise trampolines; Swings; Table tennis tables; Trampolines; Inflatable pools for recreational use; Nets for badminton; baseball bats; fishing rod supports.</p>	<p>Class 18: Leather and imitations of leather; luggage tags, pouches, card holders, key cases, bags, handbags, luggage, briefcases and straps, all made from leather or imitations of leather; umbrellas and parasols; trunks and travelling bags; wallets and purses; bags; handbags; luggage and suitcases; luggage tags; straps for bags; wheeled bags.</p> <p>Class 25: Footwear, footwear for adults; footwear for children and infants; slippers; shoes; boots.</p>

¹ case T-133/05

21. The applicant submits that the channels of trade of the respective goods are different. The applicant further submits that unlike the opponent's goods which are sold through any retail stores or online equivalents, the applicant's sporting articles/equipment would be sold through dedicated shops only.²

22. Referring to Exhibits LM1 and LM2, which consists of a number of screenshots from Sports Direct and Decathlon websites, the opponent submits that it is common for sporting articles and equipment to be sold through the same retail outlets as footwear.³

23. The term footwear in the opponent's specification is broad enough to include footwear used for sporting purposes, such as basketball, surfing and boxing shoes, for example. I am of the view that in retail outlets and on their online equivalents, these goods are likely to be identified as sports items. Therefore, the opponent's *footwear*, *footwear for adults*; *footwear for children* includes footwear for sport or exercise. I will now proceed to compare the applicant's goods with the opponent's various footwear terms.

Basketball backboards; basketball goals; Basketball hoops

24. The applicant's goods mentioned above are different types of basketball equipment. The nature, purpose and method of use of those goods differ from footwear covered by the opponent's specification. However, the respective parties' goods are likely to share channels of trade. and users. The manufacturers are also likely to be the same. Considering these factors, I find that the applicant's goods are similar to a low degree to the opponent's goods.

Exercise benches; Exercise trampolines; trampolines

25. The above-mentioned goods are equipment used for fitness and well-being. These goods are likely to share channels of trade and users with the opponent's

² The applicant's counterstatement.

³ The opponent's written submissions dated 29 April 2022, para 20.

footwear. The nature, purpose and method of use of respective parties' goods differ. The goods are neither complementary nor do they compete. Considering these factors, I find that the goods are similar to a low degree.

Surfboards

26. Surfboards in the applicant's specification are equipment used by surfers to ride waves. These goods share channels of trade and users with footwear in the opponent's specification. Accordingly, I find that the conflicting goods are similar to a low degree.

Boxing gloves

27. Boxing gloves in the application are likely to share channels of trade with footwear covered by the opponent's specification. The users are also likely to coincide. On that basis, I find that the conflicting goods are similar to a low degree.

Nets for badminton; Baseball bats; Table tennis tables

28. The above-mentioned goods are sports equipment and are similar to a low degree to the opponent's footwear on the basis of shared channels of trade and users.

Inflatable pools for recreational use

29. The opponent filed screenshots from the Decathlon website to demonstrate that inflatable pools, like swimming pools, share channels of trade with footwear.⁴ While it may be the case that both goods may be sold through the same retail outlets or their online equivalents, the above-mentioned goods are not sports articles but are used for recreational purposes. As far as I am aware, specialist footwear is not sold for use with inflatable pools. These goods are, therefore,

⁴ Exhibit LM2.

likely to be placed in different areas in retail outlets. When offered for sale online, the goods are likely to be listed under a distinct tab clearly separated from sports equipment and shoes. Their nature, purpose and method of use are also different. The users are the same, though it is at a very high level of generality. The applicant's goods do not share nature, purpose or method of use with the opponent's footwear or any other goods covered by Class 18. Considering these factors, I find that the applicant's inflatable pools for recreational purpose are dissimilar to the opponent's goods in Classes 18 and 25.

Swings

30. Swings differ in their nature, method of use and purpose from the opponent's goods in Classes 18 and 25. They are usually manufactured by completely different producers and their distribution channels are usually quite distinct. These goods are neither in competition nor complementary. Consequently, they are considered dissimilar.

Fishing rod supports

31. The goods mentioned above are used to catch fish. I cannot find any meaningful similarity between these goods and the opponent's footwear or any goods in Class 18. The nature, purpose and method of these goods differ from the opponent's goods. Even if the goods are sold through the same retail outlets,⁵ when offered for sale, the goods will be clearly separated or placed in shelves in no proximity. The users are likely to coincide, but that factor alone cannot lead to a finding on similarity. Considering these factors, I find that the applicant's fishing rods are dissimilar to the opponent's goods.

32. In *Waterford Wedgwood plc v OHIM* – C-398/07 P (CJEU), it was held that some similarity of goods is essential to establish a likelihood of confusion.

⁵ Exhibit LM2.

33. Having concluded that there is no similarity between inflatable pools for recreational use, fishing rod supports and swings, there can be no likelihood of confusion. Accordingly, the opposition against these goods fails.

The average consumer and the nature of the purchasing act

34. It is necessary for me to determine who the average consumer is for the respective parties' goods.

35. 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”.

36. In *New Look Ltd v Office for the Harmonization in the Internal Market (Trade Marks and Designs)* Joined cases T-117/03 to T-119/03 and T-171/03, the General Court (“GC”) commented upon the manner in which articles of clothing are selected. It stated:

“50. The applicant has not mentioned any particular conditions under which the goods are marketed. Generally, in clothes shops customers can themselves either choose the clothes they wish to buy or be assisted by the sales staff. Whilst oral communication in respect of the product and the trade mark is not excluded, the choice of the item of clothing is generally made visually. Therefore, the visual perception of the marks in

question will generally take place prior to purchase. Accordingly, the visual aspect plays a greater role in the global assessment of the likelihood of confusion.”

37. Although the above-mentioned case law refers to articles of clothing, I see no reason why the same guidelines would not apply to the opponent’s footwear in Class 25. The average consumer of the opponent’s goods includes the general public. The goods will be selected primarily by visual means, after research conducted on websites, from brochures or catalogues. There may also be an aural aspect to the purchase if advice is sought from sales representatives. The goods in Class 25 are neither an infrequent nor a daily purchase. The price range of the goods vary. When making a purchase, the average consumer will factor into account the material, colour, and suitability for example. These factors suggest that the average consumer will pay a medium level of attention when making their selection.

38. The average consumer of the applicant’s goods includes both the general public and professional users such as sports associations or gyms. The price of the goods varies; for example, table tennis tables are likely to be more expensive than surfboards. The consumer is likely to pay attention to the size, weight, style, cost and durability of the goods, for example. These factors suggest that the general public is likely to pay a medium degree of attention. While choosing goods, professional users are likely to consider the training objectives and safety of players, for example. The level of attention paid will, therefore, be fairly high by professional users. The purchasing process is primarily visual, but I do not discount the aural considerations that may be involved.

Distinctiveness of the earlier mark

39. The distinctive character of the earlier mark must be considered. The more distinctive it is, either inherently or through use, the greater the likelihood of confusion (*Sabel BV v Puma AG*). 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).”

40. The opponent’s mark consists of three letters MOU. Neither party has made submissions on any possible meaning attributable to the mark. I also do not consider that the mark possesses any suggestive or evocative qualities in relation to the opponent’s goods. I conclude that, as a whole, the earlier mark possesses a medium degree of distinctive character.

41. The opponent has provided evidence of use of the mark and claims an enhanced distinctive character of its mark. The relevant date for the purpose of my assessment throughout this decision is the date of application of the contested mark, i.e. 28 September 2021.

42. Ms Tichborne's states that the mark has been in use since 2002. The evidence includes a number of screengrabs from the opponent's website showing various footwear.⁶ The pages have a copyright date of 2022, and the mark appears to be stylised on the website as well as on the products as given below:



In the mark as used, the letter 'o' appears to be altered. It is plausible that the average consumers may not even recognise the middle character as a letter 'o'. They may perhaps see it as a device with a circular background. I do not consider that this is the use of the mark as registered. Ms Tichborne further states that the products bearing the mark are sold online and through retail outlets such as Selfridges and Zolando and provides a number of screenshots from those websites displaying footwear under the mark MOU.⁷ The webpages are either undated or contain a copyright date of 2022. However, unlike the opponent's website, there is use of the mark as registered. Some examples are given below:

⁶ Exhibit ST1 and ST2

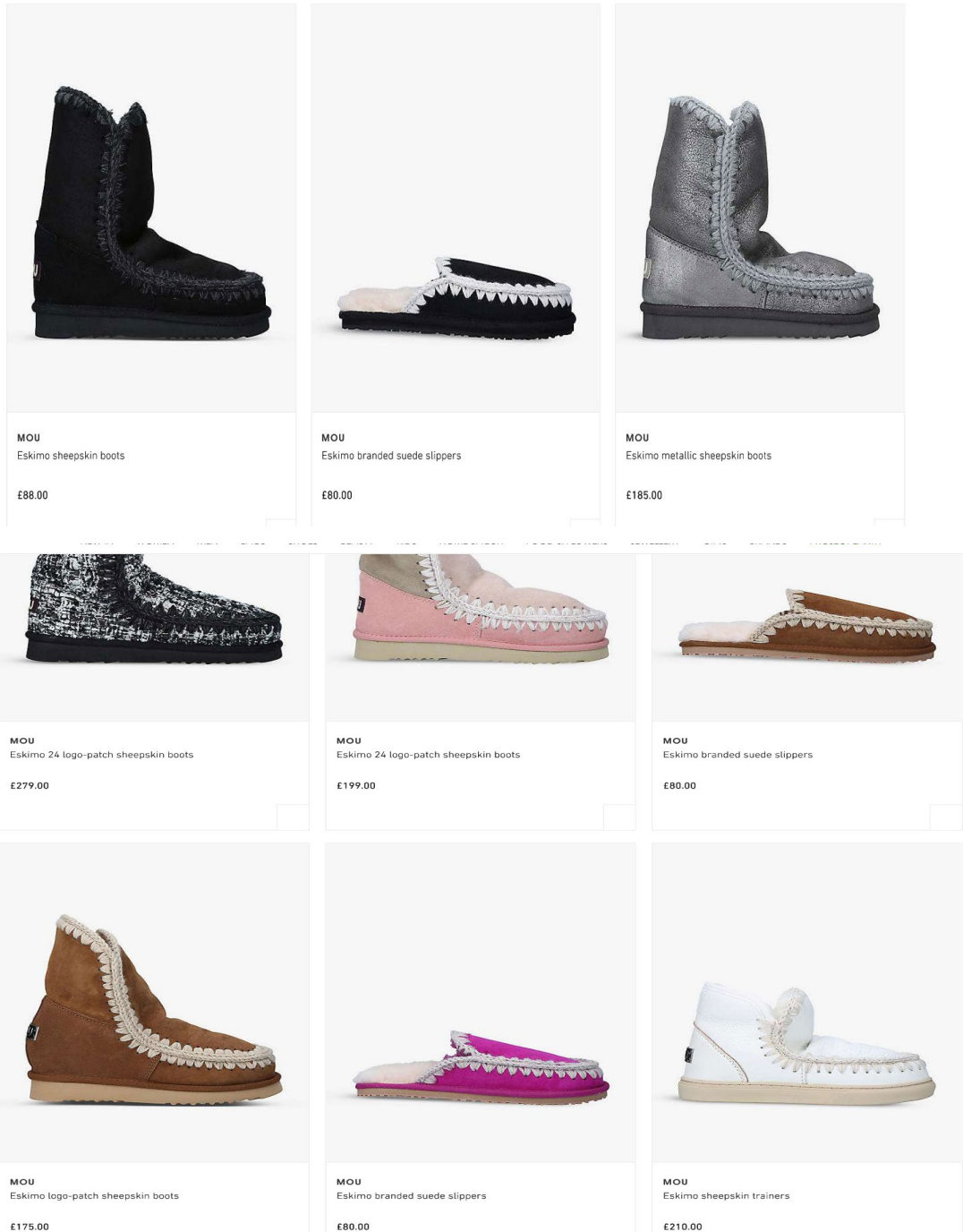
⁷ Exhibit ST5

SHOES

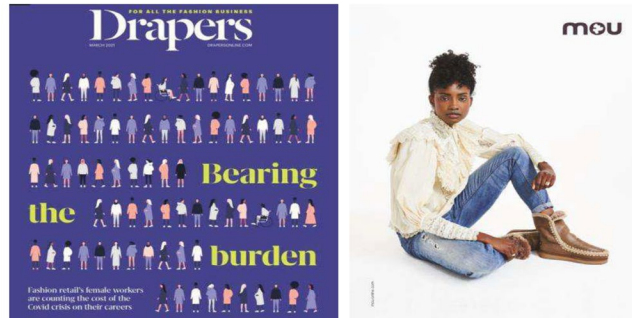
Shoes Womens

Refine

20/20 Results



43. There is also evidence of promotion of the mark in the form it is registered in respect of footwear in magazines such as Vogue (2004) and Telegraph.co.uk (2015). In the most recent advertising campaigns (2020/2021), the mark, however, appears to be stylised as given below:



The mark as registered is also promoted on social media such as Instagram and Facebook. Pages from social media account shows the use of the mark alongside the stylised logo:



The opponent's evidence is not without flaws as most of the evidence of the use of the mark in the registered form were either from 2022 or undated. However, considered overall, I take the view that the length of use shown and the fact that the mark as registered is used particularly in promotion is sufficient to demonstrate the use of the registered mark.

44. The evidence indicates that the opponent has generated substantial revenue in the UK from sale of goods; the approximate net sales figures recorded in 2011 was over 3,975,914 euros which rose to over 20,658,274 euros in 2021. The opponent also claims to have spent significantly in marketing and advertising its mark. According to Ms Tichborne, the opponent's marketing spent increased from around £96,000 in 2011 to £339,000 in 2021. I note Ms Tichbrone's

statement that the mark was also used in relation to trainers and joggers in 2018 and 2020, respectively.⁸ Therefore, it is likely that at least some proportion of the revenue and marketing figures given above from 2018 and 2020 include those generated from the sale or spent on marketing of clothing.

45. The use has been shown in respect of mostly boots but there is some use shown in respect of trainers, sneakers, sandals and mules. In this regard, I also bear in mind Ms Tichborne's unchallenged evidence that the MOU brand mainly focuses on trainers, sneakers, comfort boots, wedge boots, sandals and mules.⁹ Evidence indicate that these goods are mostly winter (identified as 'eskimo' on retailers' websites) or summer shoes. There is insufficient evidence for me to conclude that use has been demonstrated in relation to sports shoes. No use has been shown in respect of any of the goods in Class 18 either. Considering all these factors, I am of the view that the distinctive character of the opponent's mark in relation to trainers, sneakers, sandals and mules but not including sports shoes in Class 25 has been enhanced through use to a high degree.

Comparison of marks

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

".....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and

⁸ Witness statement, para 14.

⁹ Ms Tichborne's witness statement, para 3.

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.”

47. It would be wrong, therefore, artificially to dissect the trade marks, although it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

48. The trade marks to be compared are as follows:

Applicant's trade mark	Opponent's trade mark
MOUSPORT	MOU

49. The overall impression and the distinctiveness of the respective marks lie in the whole.

50. The respective marks consist of eight and three letters. The coinciding three letters constitute the entirety of the opponent's mark and are present at the beginning of the applicant's mark. In terms of differences, the applicant's mark ends with the letters 'SPORT'. Considering these factors, I find that the marks are visually similar to a medium degree.

51. I now turn to the aural comparison. The applicant submits that respective marks can be pronounced in a number of ways. Some of the possible pronunciations suggested by the applicant of the applicant's mark are MOUSE-PORT, MU-SPORT and MAU-SPORT. The applicant further submits that the opponent's mark will be pronounced as MOU, MU, or MAU. I have already concluded that the opponent's mark is an invented word and I acknowledge that it is possible for the mark to be pronounced in more than one way. The mark is likely to be pronounced as a single syllable as MOW (as in WOW) or MOO (as in the word MOULE). I also do not discount the possibility for the mark to be pronounced

as three separate letters – M-O-U – which I think is less likely. In the applicant's mark, the only word that is readily identifiable is 'SPORT' and so I am of the view that a significant proportion of the average consumers would pronounce that word in the mark. The first three letters of the mark being identical to the opponent's mark, my findings on plausible pronunciations of those letters discussed above apply equally to the applicant's mark. Whatever the pronunciation given to MOU, it is likely to be the same in both marks. The aural difference between the marks is introduced by the word 'SPORT' in the applicant's mark. Considering all these factors, I find that the marks are aurally similar to a medium degree.

52. I now turn to the conceptual comparison. The applicant submits that the letters MOU has no specific meaning; however, MOUSPORT is an old North-American family name with partly Hungarian and partly French origin. I agree with the applicant that MOU which constitutes the entirety of the opponent's mark conveys no meaning to the UK average consumer. However, I do not consider that the average UK consumer would be aware that MOUSPORT denotes a North-American family name, nor is there any evidence to support such a contention. When faced with the applicant's mark, the consumer is likely to identify the word 'sport' and ascribe a meaning to it, particularly in respect of the applicant's sports equipment. MOU is likely to be seen only as a meaningless addition to the applicant's mark. Considering these factors, I find that the marks are neutral.

Likelihood of confusion

53. In the notional assessment I undertake to determine whether there is a likelihood of confusion, I need to bear in mind several factors. The first is the interdependency principle, i.e. a lesser degree of similarity between the respective goods may be offset by a greater degree of similarity between the trade marks, and vice versa (*Canon* at [17]). It is also necessary for me to bear in mind the distinctive character of the opponent's trade mark, as the more distinctive the trade mark is, the greater the likelihood of confusion (*Sabel* at [24]). 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, relying instead upon the imperfect picture of them they have retained in mind (*Lloyd Schuhfabrik* at [26]).

54. Confusion can be direct (which occurs when the average consumer mistakes one mark for the other) or indirect (where the average consumer realises the marks are not the same but puts the similarity that exists between the marks/goods down to the responsible undertaking being the same or related).
55. The difference between direct and indirect confusion was explained in *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, by Iain Purvis Q.C., sitting as the Appointed Person, where he 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”.

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

- (a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade

mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right ('26 RED TESCO' would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as 'LITE', 'EXPRESS', 'WORLDWIDE', 'MINI' etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension ('FAT FACE' to 'BRAT FACE' for example)".

56. In *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors*,¹⁰ Arnold L.J. referred to the comments of James Mellor QC (as he then was), sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria*¹¹ where he said at [16] that "a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion". Arnold L.J. agreed pointing out that there must be a "proper basis" for concluding that there is a likelihood of indirect confusion where there is no likelihood of direct confusion.

57. Earlier in this decision, I concluded:

- That the contested goods are similar to a low degree;
- That the goods will be selected primarily by visual means, with a medium degree of attention paid by the general public and a fairly high degree of attention by professional users;
- That the marks are visually and aurally similar to a medium degree and conceptually neutral;
- That the opponent's mark is inherently distinctive to a medium degree and the distinctiveness has been enhanced through use to a high degree in respect of trainers, sneakers, boots, sandals and mules but not including sports shoes in Class 25.

¹⁰ [2021] EWCA Civ 1207

¹¹ BL O/219/16

58. I am of the view that the word 'SPORT' in the applicant's mark is prominent enough to dispel a likelihood of direct confusion.

59. I now move on to the assessment of a likelihood of indirect confusion. In this regard, I bear in mind that the distinctive character of the common part between the respective marks is key in determining a likelihood of confusion.¹² I have already concluded that the similarity between the marks arises from the letters MOU. This verbal element constitutes the entirety of the opponent's mark and forms the first three letters of the applicant's mark. Even though the conflicting goods are similar to a low degree, considering the extent of visual and aural similarity and bearing in mind the fact that the word 'SPORT' is descriptive of the applicant's sports equipment, the average consumer is likely to consider the applicant's mark as a variant of the opponent's mark. The applicant's mark falls squarely in the 2nd category of marks, identified at [17] in *LA Sugar*, where indirect confusion is likely. Even if the consumer pays a fairly high degree of attention during the purchase process, the similarity between the marks arising from the distinctive letters MOU at the beginning is such that indirect confusion is inevitable.

60. The opposition, therefore, partially succeeds under section 5(2)(b).

Section 5(3)

61. Section 5(3) states:

“(3) A trade mark which-

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

¹² *Kurt Geiger v A-List Corporate Limited*, BL O-075-13

would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

62. Section 5(3A) states:

“(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.”

63. 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, Adidas Saloman, Case C-487/07, L’Oreal v Bellure, 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.
- 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*).

64. In order to succeed under section 5(3) ground, the opponent must demonstrate by way of evidence that the earlier mark is known by a significant part of the relevant public for the goods relied upon. For the reasons given at paragraphs 41-45, I am prepared to accept that the opponent's mark had a strong reputation in the UK at the relevant date in relation to trainers, sneakers, boots, sandals and mules in Class 25.

65. The next step is to assess whether the public will make a link between the conflicting marks. I have found that the marks are visually and aurally similar to a medium degree and conceptually neutral. I have found that the degree of similarity arises from the presence of the letters "MOU" which is inherently distinctive to a medium degree and has an enhanced distinctive character in relation to certain goods.

66. I have found that there is a likelihood of confusion in relation to basketball backboards; basketball goals; surfboards; basketball hoops; boxing gloves; exercise benches; exercise trampolines; table tennis tables; trampolines; nets for badminton and baseball bats covered by the application. However, in my assessment under section 5(2)(b), I took account of the notional use of the opponent's mark in respect of various sports shoes and found that those goods are similar to a low degree to the applicant's goods listed above. I have concluded earlier in the decision that the opponent has shown reputation in respect of trainers, sneakers, boots, sandals and mules but not including sports shoes. I do not consider that the types of shoes for which the use has been demonstrated share channels of trade and users to result in a meaningful similarity with the applicant's goods which are sports/fitness equipment. In those circumstances, I do not consider that the average consumer who

encounters with the applicant's goods would make a link between the respective trade marks.

67. In the absence of requisite link between the marks, the section 5(3) ground of the opposition fails. This is because in the absence of such a link, the use of the contested mark would not take unfair advantage of, or be detrimental to, the reputation or distinctive character of the earlier mark.

68. In respect of inflatable pools for recreational use, fishing rod supports and swings, I have already found that these goods are dissimilar to the opponent's goods. Although section 5(3) applies irrespective of whether the goods are similar, I am of the view that the distance between the goods covered by the respective specifications is such that when encountered with the opponent's mark, the consumers would not make a link between the respective marks.

69. The opposition based on section 5(3) fails in its entirety.

Section 5(4)(a)

70. Section 5(4)(a) of the Act reads as follows:

“5(4) 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”.

71. Subsection (4A) of Section 5 states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date

of application for registration of the trade mark or date of the priority claimed for that application.”

72. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

73. Following my findings noted at paragraph 64, I am prepared to accept that the opponent had sufficient goodwill at the relevant date in the sign MOU in the UK in relation to trainers, sneakers, boots, sandals and mules but not including sports shoes.

74. The assessment of misrepresentation, which is the second limb of the passing off claim, depends upon confusion and deception among the consumers by the use or proposed use of a similar sign adopted by the applicant. I have already found that the goods for which the use has been demonstrated are dissimilar to the applicant’s basketball backboards; basketball goals; surfboards; basketball hoops; boxing gloves; exercise benches; exercise trampolines; table tennis tables; trampolines; nets for badminton and baseball bats. I have also concluded that the applicant’s inflatable pools for recreational use, fishing rod supports and swings are also dissimilar to the opponent’s goods. While no common field of activity is required under section 5(4)(a), considering the gap as regards the respective fields of activity, it is difficult to see how a misrepresentation would occur. In the absence of misrepresentation, there is no damage.

75. Opposition under section 5(4)(a) fails.

Conclusion

76. The opponent is partially successful under the claim based on section 5(2)(b).
The application may be refused in respect of the following goods:

Class 28 Basketball backboards; basketball goals; Surfboards; Basketball hoops; boxing gloves; Exercise benches; Exercise trampolines; Table tennis tables; Trampolines; Nets for badminton; baseball bats.

The application may proceed to registration in respect of the following goods:

Class 28 Swings; Inflatable pools for recreational use; fishing rod supports.

Costs

77. The opponent has been partially successful and is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. I award costs to the opponent on the following basis:

Filing notice of opposition and considering the applicant's counterstatement	£400
Filing evidence	£700
Filing submissions	£300
Official fee	£200
Total	£1,600

I consider it appropriate to reduce the costs awarded to MOU Limited by 30% to reflect its partial success.

78.I, therefore, order Shenzhen Laixijie Tech. Co., Ltd. to pay MOU Limited the sum of **£1,120**. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 8th day of November 2022

**Karol Thomas
For the Registrar
The Comptroller-General**