

O-203-07

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 2372051, IN THE NAME OF
CONTINENTAL EYEWEAR LIMITED TO REGISTER THE TRADE
MARK ZENITH IN CLASS 9**

AND

**OPPOSITION THERETO UNDER NO. 93142 IN THE NAME OF
ZENITH INTERNATIONAL S.A**

Trade Marks Act 1994

**IN THE MATTER OF application No. 2372051
in the name of Continental Eyewear Limited
to register the trade mark ZENITH in Class 9**

And

**Opposition thereto under No. 93142
in the name of Zenith International S.A**

BACKGROUND

1. On 2 September 2004, Continental Eyewear Limited made an application to register the trade mark ZENITH in Class 9 in relation to the following specification of goods:

Optical apparatus and instruments; ophthalmic apparatus and instruments; parts and fittings for the aforesaid goods; spectacles; lenses; spectacle cases; pince-nez; sunglasses; glasses; spectacle frames; spectacle chains; spectacle holders; spectacle mountings; eye glasses; monocles; eye shades and eye wear; eye wear for protection during the playing of sports; magnifying glasses; contact lenses; contact lens cases, containers and holders; parts and fittings for all the aforesaid goods; but none of the aforesaid goods being photographic apparatus or instruments.

2. On 27 January 2005, Zenith International S.A filed notice of opposition to the application, the grounds of opposition in summary being as follows:

1. Under Section 5(2)(a) because the mark applied for is identical with their earlier mark, No 235075, for the trade mark ZENITH, which is registered in respect of goods that are identical and/or similar to those for which the applicants seek registration.

2. Under Section 5(3) because there is a close association between the goods covered by the opponents' earlier trade mark and those covered by the later application and the distinctive character of the earlier trade mark is likely to be eroded by the use of the opposed mark.

3. The applicants filed a counterstatement in which they concede that the respective marks are identical, but deny that the respective goods are either the same or similar to those for which the opponents' earlier mark is registered.

4. Both sides filed evidence in these proceedings, which, insofar as it may be relevant I have summarised below. Neither side took up the offer of an oral hearing, the opponents instead electing to file written submissions in lieu of a hearing. After a careful study of the evidence and submissions, I now go on to give my decision.

Opponents' evidence in chief

5. This consists of two Witness Statements. The first is dated 19 September 2005, and comes from Tania Clark, a trade mark attorney with Haseltine Lake, the opponents' representatives in these proceedings. Ms Clark states that she is providing the evidence at the request of Martin Krause, also of Haseltine Lake, the attorney responsible for the conduct of the case on behalf of the opponents.

6. Ms Clark recounts that on 14 September 2005 she visited fourteen retail outlets in Central London to substantiate her client's claim that spectacles and sunglasses are similar goods to watches. Ms Clark visited Sunglass Hut, Carre Blanc, NikeTown, Burberry, Prada, Mont Blanc, DKNY, Chanel, Armani, Folli Follie, Porsche Design, Next, Adidas, and Selfridges. She gives a short description of each retailer, indicating the extent to which they stock and/or display spectacles, sunglasses and watches. Of these retailers, only Carre Blanc is specifically described as displaying/selling watches, sunglasses and prescription glasses and frames. With one further exception, all of the remaining retailers appear to sell watches and sunglasses, but not prescription spectacles or frames. The one exception is the "Adidas" outlet, which although only physically selling watches and sunglasses, is stated to offer prescription glasses under its brand.

7. In connection with her visit to Burberry, Ms Clark provides prints from the Burberry web-page, taken from burberry.com on 15 September 2005. The print, shown as Exhibit TC1 contains a photograph of a charm bracelet incorporating a timepiece that was categorised in a section "Burberry Timepieces".

8. Exhibit TC2 is mentioned in relation to Ms Clark's visit to the DKNY store in Central London. The Exhibit consists of two DKNY promotional leaflets in the form of colour broadsheet newspapers. Both are dated 'Fall 2005', and show watches and sunglasses being worn by the models, in addition to other DKNY goods, such as hats, scarves, gloves, coats, jeans etc. Both contain features referring to spectacle frames and watches being available from DKNY

9. Exhibit TC3 consists of advertisements taken from the October 2005 UK edition of Marie Claire magazine, relating to Emporio Armani products, one of which shows two models wearing, *inter alia*, sunglasses and watches. Apart from references to the brand and the Armani website address, there is nothing to show what goods are actually being promoted.

10. Referring to her visit to the Porsche Design outlet, Ms Clark introduces a brochure promoting that company's products as Exhibit TC4. The brochure, bears a copyright mark of "03/2005", and depicts a range of shoes, luggage articles, wallets/purses, pens, smokers' articles, tools, pocket knives, watches and sunglasses.

11. In relation to her visit to the Adidas store, Ms Clark refers to three advertisements taken from the UK edition of "Elle" magazine dated October 2005, copies of which she shows as Exhibit TC5. One of these advertisements shows a model wearing, *inter alia*, sunglasses and a watch, but there is nothing to say that these goods are being promoted as originating from Adidas.

12. Ms Clark goes on to give details of an Internet search of retailers' websites, referring, in particular, to four websites which are said to demonstrate a commercial link between sunglasses and watches. These websites belong to Next, Cartier, Hugo Boss, and Emporio Armani. In respect of the Next website, Ms Clark asserts that both sunglasses and watches are collectively sub-categorised under the term "jewellery" on this website at next.co.uk.

13. As Exhibit TC6, Ms Clark shows eight undated screen prints taken from the Cartier website at cartier.com. Three promote Cartier's watches, sunglasses and spectacle frames. These appear to have been collated from different sections of Cartier's website. There is nothing to suggest that the brand presents sunglasses & frames and watches as complementary products.

14. Exhibit TC7 consists of six undated screen prints taken from the Hugo Boss website. Of these, four display sunglasses and spectacles, the remaining two showing men's and ladies watches, respectively. There is nothing that indicates these products are presented under the same category on the website.

15. Ms Clark refers to seven undated screen prints taken from the Emporio Armani website at armani.com, copies of which she shows as Exhibit TC8. Five of the prints show sunglasses and spectacles, the remaining two giving details of a range of watches.

16. Ms Clark concludes that from her visits and internet searches, she considers watches and sunglasses are often sold as fashion accessories either together with, or in close proximity to one another in shops and on Internet websites. She further says that from her research it would appear optical eyewear, sunglasses and watches often emanate from the same companies, and are sold under the same trade marks.

17. The second Witness Statement is dated 3 October 2005, and comes from Matthieu Decriox, a business analyst for LVMH Watch and Jewellery (UK) Limited, who since 1990 has been the exclusive UK distributor for the opponent's products. Mr Decriox says that he has been in his current post since January 2004.

18. Mr Decroix says that the mark has been in use in respect of watches since 1950. He provides turnover and advertising spend figures from the years 2001-2004, which are as follows:

	Turnover	Promotional spend
2001:	£1,294,000	£308,000
2002:	£1,204,000	£288,000
2003:	£1,205,000	£342,000
2004:	£808,000	£340,000

19. Exhibit MD1 consists of a hardback catalogue promoting the opponents' 2003 range of watches, and an accompanying price list. The brochure shows ZENITH being used on its own, and in combination with sub-brands for specific models. There is no doubt that ZENITH is the house mark. The range starts at just over £2,000, rising to £50,000. In its introduction, this brochure states that the company's founder first coined the mark "ZENITH" in 1865.

20. As Exhibit MD2, Mr Decroix shows prints taken on 3 October 2005 from the opponents' web-page at zenith-watches.com. This lists twenty-one outlets throughout the UK which stock Zenith watches, these being located in London, Birmingham, Harrogate, Bluewater (Kent), Brighton, Aberdeen, York, Leicester, Cheltenham, Newcastle, Leeds and Cardiff.

Applicants' evidence

21. This consists of a Witness Statement dated 28 December 2005, from Robert Sutton, a Director of Continental Eyewear Limited.

22. Mr Sutton states that the mark has been in use since April 1999, and that it has been actively promoted in the applicants' promotional literature, and prominently featured in MIDO 2000 and The International Optics and Eyewear Exhibition (Silmo), held in Paris in October 2000. Mr Sutton states that these are Europe's premier optics, optometry and eyewear exhibitions. Exhibit RS1 consists of the front covers of the two event programmes. The "Mido 2000" event is an international optics, optometry and ophthalmology exhibition that was held in Milan. The "Silmo" event is, another international trade exhibition held in Paris. The Exhibit includes pages showing the applicants to have been present as an exhibitor. Mr Sutton goes on to refer to the following Exhibits:

RS2. consists of two brochures that are marked as having been prepared for distribution at the Mido and Silmo exhibitions. Both clearly show the mark being used in respect of a range of spectacle frames, each style being designated by use of a numeral, eg, ZENITH 1. The trade price listed for each set of frames is £4.50.

RS3 copy of the applicant's "ZENITH" product catalogue, dated as being 10/03 in small print on the back cover. Mr Sutton says that this relates to the applicants' 2004 range. The catalogue lists a range of spectacle frames using the mark ZENITH in combination with a numeral to denote the model. These range in price from £3.50 to £7.95 per set.

RS4. price list dated December 2004 detailing a range of spectacle frames marketed under the Zenith brand, each model designated by the use of a numeral. These frames retail at £7.95 per set.

RS5 2005 desk calendar, *inter alia* showing the mark "Zenith" listed as part of an advertising "strip" running along its lower surface. It would be reasonable to infer that this calendar was distributed in 2004.

RS6 Eight invoices originating from the applicant, all of which document sales of its "ZENITH" eyewear products, which date from between 2001 and 2004, and record sales orders from £27 up to £110. All were issued to the same customer, Humberside Optical of Barton-on-Humber, Humberside.

23. Each exhibit also shows a logo composed of the words CONTINENTAL EYEWEAR – CHANGE YOUR VIEW, in combination with what seems to be a stylised depiction of an eye.

24. Mr Sutton gives figures for sales in the years 1999 to 2005, stating that in retail terms these would amount to some £21,000,000. The figures he provides are as follows:

1999: £223,000
2000: £632,000
2001: £542,000
2002: £477,000
2003: £382,000
2004: £332,000
2005: £334,000 (to end of November)

25. In terms of promotional spend, Mr Sutton refers to "considerable time effort and money", and lists a total figure of £65,000 having been spent through the six year period listed previously.

26. Mr Sutton gives his views on his company's goodwill and reputation in the ZENITH brand, particularly in relation to spectacle frames. He points to the lack of any brand diversification by the opponent beyond "watches", and emphasises the co-existence that has taken place between the opponent's and applicant's marks since 1999.

27. That completes my summary of the evidence insofar as it may be relevant to these proceedings.

Decision

28. Turning first to the ground under Section 5(2)(a) of the Act. That section reads as follows:

“5. - (1)

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

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

(b)...

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

29. Section 6(1) of the Act states an “earlier mark” to be as follows:

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

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

30. The opponents rely on one earlier trade mark, a registration under number 235075 for the word ZENITH, which is registered in respect of “Watches and parts of watches, but not including cases sold separate.” This achieved registration more than five years prior to 5 November 2004, the date on which the application in suit was published, and this being the case, the provisions of Section 47(2)(A) introduced under The Trade Marks (Proof of Use, etc.) Regulations 2004 apply, and must be considered before going on to determine the substantive issues. The Proof of Use Regulations place an onus upon the opponents to show that there has been genuine use of their earlier mark, in the UK, within the five years ending with the date on which the application was published. The use can either be by the opponents, or by another party with their consent. If the proprietors have not used the mark, they may nonetheless satisfy the requirement by showing that there are proper reasons for this. The provisions of sub-section (2)(C) allow for use of a trade mark in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered.

31. The Act refers to “genuine use” having been made of the trade mark but does not set out what constitutes use that is genuine. The European Court of Justice (ECJ) in Case C-40/01, *Ansul BV v Ajax Brandbeveiliging BV* [2003] RPC 40 page 725 paragraph 36, answered the question of what “genuine use” means in the following terms:

“Genuine use” must therefore be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others that have another origin.”

32. So according to *Ansul*, genuine use entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned. Such use must be in relation to goods or services that are already on the market, or about to be marketed and for which preparations are underway to secure customers, for example, by means of advertising. The *Bud* Trade Mark case [2002] RPC 38 at paragraphs 41 and 42 gives some limited guidance on advertising.

33. The assessment of whether there has been genuine use must take into account all of the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, and may include giving consideration, inter alia, to the nature of the goods or services at issue, the characteristics of the market concerned, and the scale and frequency of use; the use need not always be “quantitatively significant” for it to be deemed genuine.

34. In the *Police* case [2004] RPC 35, the Appointed Person took the view that the *Ansul* decision did not limit the factors to be taken into account in establishing whether use was genuine only to the three areas specifically mentioned. It had stated that all facts and circumstances relevant to establishing whether there had been real commercial exploitation should be included, and that the size of a proprietor’s undertaking may be relevant.

35. Further guidance on the scale and frequency of use can be found in the *La Mer Technology Inc* case [2005] F.S.R. 29. This is the decision of a resumed appeal hearing following a reference to the ECJ on various questions relating to the meaning of “genuine use”. In his decision Blackburne J stated:

“31. Whether in any given case the proven use amounts to genuine use (“whether the commercial exploitation of the mark is real” as paragraph 38 of *Ansul* puts it) will depend on all of the facts and circumstances relevant to establishing such a state of affairs, including the characteristics of the market concerned and of the products or services in question, and the frequency or regularity of use of the mark. Even minimal use will be sufficient if, in the market concerned, the proven use is considered sufficient to preserve or create a market share for the goods or services protected by it.

Thus, the sale or offering for sale (in, say, a trade magazine) of a single exceedingly costly and highly unusual item carrying the mark in a specialised market, for example a very large and complex piece of earth-moving equipment, may very well be considered by itself to be sufficient in the market for such

equipment to preserve or create a market share for items of that kind which carry the mark whereas the sale of a low priced everyday product in a widespread market, for example a single jar of face cream bearing the mark or the exposure for sale of, say, half a dozen such jars for sale on a shop shelf, would almost certainly not be. It would be irrelevant to this conclusion that, in the latter example, the purpose of the proprietor of the mark (or of some third-party acting with the proprietor's consent) when offering the jar of cream for sale was to create a share in the market for face cream sold in jars bearing the mark.”

36. Mr Justice Blackburne referred back to the decision of Jacob J in the earlier part of the appeal:

“15. Jacob J himself ventured an answer to those questions. At paragraph 29 of his judgment [2002] F.S.R 51 at 29) he said this:

"I take the view that provided there is nothing artificial about a transaction under a mark, then it will amount to "genuine" use. There is no lower limit of "negligible". However, the smaller the amount of use, the more carefully must it be proved, and the more important will it be for the trade mark owner to demonstrate that the use was not merely "colourable" or "token", that is to say done with the ulterior motive of validating the registration. Where the use is not actually on the goods or the packaging (for instance it is in advertisement) then one must further enquire whether that advertisement was really directed at customers here. ...

Nor do I think that the absence of a *de minimis* rule significantly affects the policy behind the legislation. Yes, marks must be used within the relevant period, but there seems no reason to make a trader who has actually made some small, but proper, use of his mark, lose it. Only if his use is in essence a pretence at trade should he do so. And of course, if he has only made limited use of his mark it is likely that the use will be only for a limited part of his specification of services. If he has a wider specification, that can and should be cut back to just those goods for which he has made use ..."

37. The evidence provided by the opponents is thin to say the least, consisting primarily of the results of Ms Clark’s investigations aimed at establishing that spectacles, sunglasses and watches are retailed by a single undertaking under the same brand. Whilst this is a factor that can assist in the determination of the substantive grounds, it does nothing to satisfy the requirements of Section 47(2)(A).

38. Evidence relating to the opponents’ activities is provided by Mr Matthieu Decroix, a business analyst for LVMH Watch and Jewellery (UK) Limited, and since 1990 the exclusive distributor of the opponent’s products in the UK. Mr Decroix states that the mark has been in use in respect of watches since 1950. He does not say whether that was in relation to the UK market and there is no evidence to assist. The main evidence consists of a catalogue and price list dating from December 2003. This is referred to as

the “third volume in the Zenith saga” but this does not tell me whether, and if so when, the two previous editions were available in the UK. The catalogue shows the ZENITH name being used in connection with watches, both on its own and in combination with specific model names. I have no information on how many, how or to whom they were issued, and it is therefore difficult to gauge its likely impact on the consumer. There is nothing by which to put the turnover figures (from the years 2001-2004) into the context of the market; but on their face appear to be quite modest. However, the price list show these watches to be very much in the high-end of the market for such goods, and therefore the market will be correspondingly much smaller. The expenditure on promotional activities is reasonably significant but there is no detail beyond the bald figures.

39. On my assessment the evidence does just enough to show that the opponents made use of ZENITH in relation to watches in the relevant five year period. There is no evidence of any trade in parts for these watches, but I do not consider that this is of any consequence, for if the opponents cannot succeed in respect of use on watches per se, they will be in no better a position in respect of parts for such goods.

40. I turn now to consider the substantive ground under Section 5(2)(a). In my consideration of a likelihood of confusion or deception, I take account of the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] 45 F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723. It is clear from these cases that:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*,
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, 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; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*,
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*,
- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*,

- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,
- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v Puma AG*,
- (g) in determining whether similarity between the goods or services covered by two trade marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,
- (h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*,
- (i) further, 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; *Marca Mode CV v Adidas AG*,
- (j) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*.

41. That identical marks are involved means that there is no need to consider the question of whether they are visually, aurally and conceptually similarity; self-evidently the answer must be that they are in all respects.

42. ZENITH is an ordinary English word with meanings such as “a point on the celestial sphere that is directly overhead” or “the time at which something is most powerful or successful”. It is not a word that is commonly used in everyday speech, and it is therefore likely that there may be some who will not have heard it and will regard it as an invented word. Others may have encountered ZENITH and know it is an English word but not what it means. Some will be fully au fait with the word and its uses. There is no evidence that this is a word that has any descriptive relevance for watches. It’s meaning as an indicator of something at its peak of “power” or “success” could be taken to be laudatory, but in my view, neither ZENITH or these meanings are apt for use in relation to watches; it is, if anything, an allusion. I see no reason why other traders would legitimately wish to use it in relation to watches. To my mind ZENITH is a mark with a strong distinctive character.

43. In my examination of the evidence to determine the proof of use requirements, I mentioned how thin the evidence is. I do not doubt that the opponents have a reputation in ZENITH in relation to watches, but I do not consider there to be sufficient detail to be

able to assess its extent, at least not with any degree of certainty; high price and exclusivity does not necessarily mean high reputation.

44, Turning to the similarity (or otherwise) of the respective goods. The question is one of whether watches are the same or similar to any of the goods covered by the application, more specifically, sunglasses and spectacles. In answering this question I look to the guidelines formulated by Jacob J in *British Sugar Plc v James Robertson & Sons Ltd* [1996] R.P.C. 281 (pages 296, 297) as set out below:

“...the following factors must be relevant in considering whether there is or is not similarity:

- (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 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 the trade classify goods, for instance whether market research companies, who of course act for the industry, put the goods or services in the same or different sectors.”

45. Whilst I acknowledge that in the view of the *Canon* judgement the *Treat* case may no longer be wholly relied upon, as can be seen from the following paragraph, the ECJ said the factors identified by the UK government in its submissions (which are listed in *Treat*) are still relevant in respect of a comparison of goods:

“23. 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, intended purpose and their method of use and whether they are in competition with each other or are complementary.”

(see paragraph 56 of Case T-169/03 explaining the change from “end consumers” to “intended purpose”. This appears to have resulted from a mis-translation of the original text.).

46. The application covers a range of “optical apparatus and instruments” and “parts and fittings” for such goods, *inter alia*, spectacles of various forms and sunglasses. It is on these specific goods that the opponents’ have focussed their objection, which to my mind reflects the fact that all other goods are clearly so different that this conclusion can be reached without any detailed analysis.

47. Insofar as spectacles and sunglasses, which I shall refer to as eye-wear, are concerned, these are self-evidently very different in their uses to watches. Notwithstanding the fact that the evidence shows the opponents to be trading in what would be called the luxury end of the market, I have to consider the position from a “notional” perspective. To that extent I see no reason why the respective users of the opponents’ watches should not also be a user of the applicants’ optical goods. Quite clearly, eye-wear and watches are very different in their nature.

48. In Ms Clark’s view, the evidence resulting from her visits and internet search show that watches and sunglasses are often sold as fashion accessories, either together with, or in close proximity to one another, and that such goods often emanate from the same source under the same marks. There is evidence of traders selling both eyewear and watches, and doing so under the same house name. I do not consider there to be anything radical in stating that such goods may be sold as complementary fashion goods. However, these are, in the main, brands such as DKNY, Emporio Armani, Gucci and Adidas who have a business centred on clothing, extending to a range of fashion and non-fashion related goods. That is not the case in respect of the opponents, who the evidence show to be a business that has always been exclusively involved in the selling of watches.

49. Ms Clark obviously set out to find instances of a corresponding or complementary trade in eye-wear and watches, and I am not surprised that she succeeded. Because such goods are worn for aesthetic and not purely functional purposes, the consumer may well regard them as a fashion accessory, and I have no doubt that the fashion conscious will be aware that designer brands may sell both. However, it is not at all clear, and the evidence does not establish, that this is typical of the trade at large such that the consumer will expect a manufacturer of watches to also be involved with eye-wear. Nor does it necessarily show the position at the relevant date in these proceedings.

50. There is no evidence that tells me how watches and eye-wear reach, are presented to, and obtained by the consumer. In my experience goods such as watches and sunglasses, and far less commonly spectacles and spectacle frames, may be sold together in a single outlet such as a supermarket or department store. However, as watches are considered to be more akin to jewellery, they are mostly sold in that department rather than alongside clothing. There are instances, such as in the case of sports watches, where these will be sold alongside the clothing, and potentially sunglasses, and obtained by self-selection. Whilst cheaper fashion watches and eye-wear may be obtained by self-selection, watches and eye-wear, more particularly those bearing a designer or luxury label are kept in discrete locked cabinets and obtained on request. As borne out by Ms Clark’s investigations, where a designer brand is used in respect of both types of goods, I am

aware that they may be displayed together. Reflecting the link with jewellery, there are retailers trading as jewellers who sell watches, but not eye-wear, just as there are traders, such as opticians, where the reverse is the case. As the evidence shows, there are also outlets that specialise in a trade in both, but beyond Ms Clark's experiences, nothing that shows the retailers practices in displaying their wares.

51. Optical goods such as eye-wear are not in competition for a consumers attention; one would not be bought as an alternative to the other. I have no evidence as how those in the trade classify goods, but given that they are for very different purposes, I do not consider it likely that they will be regarded as being in the same sectors. Taking all of these factors into account, I come to the view that the optical goods, and specifically the sunglasses and spectacles in the applicants' specification, and the watches, whether whole or in part, are not similar goods. It may well be that to those familiar with the opponents' watches, seeing the word ZENITH on any goods will bring the mark they know to mind, but this association, of itself, is not sufficient for a finding of a likelihood of confusion. The opponents' ZENITH watches may have a high reputation amongst those able to afford, or willing to pay significant sums for such an item, but that they have this reputation does not give grounds for presuming a likelihood of confusion. For this to be the case the association caused by the use of the mark applied for, in relation to the goods for which the applicants seek registration, would have to cause the public to wrongly believe that these are goods from the opponents or some linked undertaking. On my assessment, and notwithstanding the identity in the marks and the "fashion-accessory" link, if all factors are taken into account, there is no real likelihood of confusion. The ground under Section 5(2)(a) fails accordingly.

52. Turning to the ground under Section 5(3). That section reads as follows:

“5.- (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 Community trade mark or international trade mark (EC) in the European Community) 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.”

53. As I have already stated in my determination of the earlier grounds, the applicants' mark is identical to the opponents' earlier mark, so the first part of the statutory requirement is clearly satisfied.

54. The standard of the test for the sort of reputation that is needed to underpin a Section 5(3) action is set out in *General Motors Corp v Yplon SA* [2000] R.P.C. 572. In this case the Court concluded that the requirement implies a certain degree of knowledge amongst the public, and that the required level would be considered to have been reached when the earlier mark is known by a significant part of the relevant sectors of the public. In deciding whether this requirement is fulfilled all relevant factors should be considered, including, 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 promoting it;

the stronger the reputation and distinctive character, the easier it will be to accept that detriment has been caused to it.

55. In my determination of the ground under Section 5(2), I accepted that the opponents are likely to have a reputation in the UK in respect of the trade mark ZENITH in connection with watches, but that there was insufficient detail in the evidence to be able to gauge the extent of that reputation. The evidence shows the opponents to have been trading in the luxury end of the watch market, and they may well have established a reputation amongst a significant proportion of consumers in that sector. However, without information setting out their market share or the size of their market sector, bald turnover figures provide little assistance. There is also a lack of detailed information relating to the intensity of their use, or the size of their investment. The best that it gets is found in Exhibit MD2, which consists of prints taken on 3 October 2005 from the opponent's web-page at zenith-watches.com. This lists twenty-one outlets throughout the UK which are stated to stock Zenith watches. There is nothing that tells me when these outlets became stockists, whether and how the ZENITH mark is promoted, etc, so how can I assess the position at the relevant date? The position is that I am not able to say with any certainty, that at the relevant date the opponents had the requisite reputation in their actual market sector, but accepting that this is a particularly exclusive product where small sales can be accepted, I shall proceed on the basis that they do possess a reputation to the extent envisaged in *Chevvy*.

56. The judgment of the European Court of Justice in *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd* (C-292/00) which was confirmed by its decision in *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* (C-408/01) determined that Article 5(2) of the Directive granted a right to the proprietor of an earlier trade mark with a reputation, to prevent others from using an identical or similar trade mark in relation to goods or services where such use would, without due cause, take unfair advantage or be detrimental to the distinctive character of the earlier trade mark. In relation to section 5(3) a connection must be established between the earlier trade mark and the goods/services for which it has a reputation and the later trade mark and the goods/services it encompasses. In *Daimler Chrysler AG v Javid Alavi trading as MERC* [2001] RPC 42) Pumfrey J stated:

“there must be actual unfair advantage or detriment. But, for this to happen, there must be some sort of connection formed (I avoid the word association) between the sign used by the defendant and the mark and its associated reputation.”

57. In its judgment in *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd*, the ECJ confirmed this view:

“29. The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link

between them even though it does not confuse them: see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23.”

58. In paragraph 30 the ECJ indicated that whether there are factors that contribute to that connection being made is part of a global appreciation.

59. The weight of authorities have favoured a test that requires actual unfair advantage or detriment to be shown, or that such adverse consequences are reasonably foreseeable. The Advocate General in *General Motors Corporation v Yplon SA (Chevy)*, [1999] ETMR 122 said in relation to the Directive provisions:

“43. It is to be noted in particular that Article 5(2), in contrast to Article 5(1)(b), does not refer to a mere risk or likelihood of its conditions being fulfilled. The wording is more positive: “takes unfair advantage of, or is detrimental to” (emphasis added). Moreover, the taking of unfair advantage or the suffering of detriment must be properly substantiated, that is to say, properly established to the satisfaction of the national court: the national court must be satisfied by evidence of actual detriment, or of unfair advantage.”

60. In *Adidas-Salomon AG, Adidas Benelux BV v. Fitnessworld Trading Ltd*, the European Court of Justice’s view was:

AG37 The concept of detriment to the distinctive character of a trade mark reflects what is generally referred to as dilution. That notion was first articulated by Schechter, who advocated protection against injury to a trade mark owner going beyond the injury caused by use of an identical or similar mark in relation to identical or similar goods or services causing confusion as to origin. Schechter described the type of injury with which he was concerned as the “gradual whittling away or dispersion of the identity and hold upon the public mind” of certain marks. The courts in the United States, where owners of certain marks have been protected against dilution for some time, have added richly to the lexicon of dilution, describing it in terms of lessening, watering down, debilitating, weakening, undermining, blurring, eroding and insidious gnawing away at a trade mark. The essence of dilution in this classic sense is that the blurring of the distinctiveness of the mark means that it is no longer capable of arousing immediate association with the goods for which it is registered and used. Thus, to quote Schechter again, “for instance, if you allow Rolls Royce restaurants and Rolls Royce cafeterias, and Rolls Royce pants, and Rolls Royce candy, in 10 years you will not have the Rolls Royce mark any more”

and

“**AG39** The concepts of taking unfair advantage of the distinctive character or repute of the mark in contrast must be intended to encompass “instances where there is clear exploitation and free-riding on the coattails of a famous mark or an

attempt to trade upon its reputation” Thus by way of example Rolls Royce would be entitled to prevent a manufacturer of whisky from exploiting the reputation of the Rolls Royce mark in order to promote his brand. It is not obvious that there is any real difference between taking advantage of a mark's distinctive character and taking advantage of its repute; since however nothing turns on any such difference in the present case, I shall refer to both as free-riding.”

61. The opponents assertion is that there is “a close association between the goods covered by their earlier trade mark and those covered by the later application and the distinctive character of the earlier trade mark is likely to be eroded by the use of the opposed mark.

62. At paragraph 92 of the judgment in *Daimler Chrysler AG v Javid Alavi trading as MERC* [2001] RPC 42 Pumfrey J stated:

“The presence of two similar marks where there was only one before seems to me to be detrimental to the distinctive character of the first. I am satisfied that this is not what the words are talking about.”

63. In my determination of the ground under Section 5(2), I gave an analysis of why I consider the respective goods to be different, the only link being that in the case of what can loosely be referred to as designer brands, both may be worn as a fashion accessory, and in some cases sold by one and the same trader under the same mark. The opponents have failed to establish that there are circumstances that would contribute to an association being made, but even if some do make a link, as was stated in *Premier Brands UK Ltd v Typhoon Europe Ltd* [2000] FSR 767, “Section 10(3) is not intended to have the sweeping effect of preventing the use of any sign which is the same or similar to, a registered trade mark with a “reputation” or have the intention of enabling the proprietor of a well known registered mark “... to be able to object as a matter of course to the use of a sign which may remind people of his mark.” I cannot see that the presence of an additional ZENITH trade mark will mean that the opponents’ trade mark will be any less distinctive for the goods for which it has a reputation, or that it will no longer arouse an immediate association with those goods. I am unconvinced by the claim, whether called erosion or dilution, and the ground under Section 5(3) is also dismissed.

64. In summary, the grounds under Section 5(2)(a) and 5(3) are dismissed and the opposition has failed.

65. The opposition having failed, the applicants are entitled to a contribution towards their costs. I therefore order that the opponents pay the applicants the sum of £1,750 towards their costs. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this day 20 of July 2007

**Mike Foley
for the Registrar
the Comptroller-General**