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TRADE MARKS ACT 1994

APPLICATION No. 3116058 BY MRS MARGARET WALKER
TO REGISTER A TRADE MARK IN CLASS 14
AND
OPPOSITION No. 405336 BY TISSOT S.A.

DECISION

INTRODUCTION



1. This is an appeal from the decision Mr Allan James, acting for the Registrar, whereby he dismissed an opposition by Tissot S.A. (“the opponent”) to the registration of the following device mark in respect of a range of goods focussing on jewellery.



2. The trade mark application covers the following goods in class 14:
Costume jewellery; articles of jewellery; charms [jewellery] of common metals; decorative articles [trinkets or jewellery] for personal use; gold plated brooches [jewellery]; items of jewellery; jewellery for personal adornment; jewellery for personal wear; jewellery in non-precious metals; jewellery in precious metals; jewellery in semi-precious metals; jewellery in the form of beads; jewellery items; jewellery made of non-precious metal; jewellery made of plastics; jewellery made of plated precious metals; jewellery ornaments; jewellery products; none of the aforementioned to include watches or watch parts.
3. The opposition was based on four prior registrations in the name of the opponent as follows:

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	<p>UK trade mark 1409174. Registered 13/03/92.</p>	<p>Goods: Watches and parts and fittings therefor; all included in Class 14.</p>
	<p>International trade mark 1228043. Protected in the EU. Date of designation = 22/10/14</p>	<p>Goods: Timepieces and chronometric instruments.</p>

	<p>EU trade mark application 13180757. Currently opposed. Date of application: 18/08/14</p>	<p>Goods: Precious metals and their alloys and goods in precious metals or coated therewith included in this class, namely figurines, trophies; Jewellery, namely rings, earrings, cuff-links, bracelets, charms, brooches, chains, necklaces, tie pins, tie clips, jewellery caskets, jewellery cases, jewellery boxes; Precious stones, semi-precious stones; Horological and chronometric instruments, namely stopwatches, chronographs, clocks, watches, wristwatches, alarm clocks and parts and fittings for the aforesaid goods, namely hands, anchors, pendulums, barrels, watch casings, watch straps, watch dials, clockworks, watch chains, movements for clocks and watches, watch springs, watch crystals, presentation cases for watches, cases for clocks and watches.</p>
	<p>International trade mark 1101192. Protected in the EU. Date of designation = 12/10/11</p>	<p>Services: Retail sale of timepieces and jewelry; retail sale by means of global computer networks of timepieces and jewelry; advertisement promotion (sponsoring) of cultural and sporting events.</p>

4. The principal ground of opposition was section 5(2)(b) of the Trade Marks Act 1994 (“the Act”) and the hearing officer found, in a nutshell, that the similarity between the respective marks was not particularly high, they were not very distinctive and, having regard to the characteristics of the average consumer and the purchasing process, there was no likelihood of confusion.
5. Non-use of one of the prior registrations was also in issue although, in the event, because of the hearing officer’s findings as to the absence of a likelihood of confusion, the case did not turn on that point. The hearing officer also rejected oppositions based on sections 5(3) and 5(4)(a) of the Act and it is common ground that these do not add materially to the case (see below).
6. In view of that, the critical issue on this appeal is whether the hearing officer approached the assessment of similarity of the marks and the likelihood of confusion in the correct way under section 5(2)(b) of the Act. Nonetheless, I must address the other points on the appeal since they were argued in writing and orally and it was said that the hearing officer’s approach on proof of use affected other aspects of the decision.

APPROACH TO APPEAL

7. In *Apple Inc v Arcadia Trading Ltd* [2017] EWHC 440 (Ch) (10 March 2017), Arnold J said at [11]:

“Standard of review

The principles applicable on an appeal from the Registrar of Trade Mark were recently considered in detail by Daniel Alexander QC sitting as the Appointed Person in *TT Education Ltd v Pie Corbett Consultancy Ltd* (O/017/17) at [14]-[52]. Neither party took issue with his summary at [52], which is equally applicable in this jurisdiction:

"(i) Appeals to the Appointed Person are limited to a review of the decision of Registrar (CPR 52.11). The Appointed Person will overturn a decision of the Registrar if, but only if, it is wrong (Patents Act 1977, CPR 52.11).

(ii) The approach required depends on the nature of decision in question (*REEF*). There is spectrum of appropriate respect for the Registrar's determination depending on the nature of the decision. At one end of the spectrum are decisions of primary fact reached after an evaluation of oral evidence where credibility is in issue and purely discretionary

decisions. Further along the spectrum are multi-factorial decisions often dependent on inferences and an analysis of documentary material (*REEF, DuPont*).

(iii) In the case of conclusions on primary facts it is only in a rare case, such as where that conclusion was one for which there was no evidence in support, which was based on a misunderstanding of the evidence, or which no reasonable judge could have reached, that the Appointed Person should interfere with it (*Re: B* and others).

(iv) In the case of a multifactorial assessment or evaluation, the Appointed Person should show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. Special caution is required before overturning such decisions. In particular, where an Appointed Person has doubts as to whether the Registrar was right, he or she should consider with particular care whether the decision really was wrong or whether it is just not one which the appellate court would have made in a situation where reasonable people may differ as to the outcome of such a multifactorial evaluation (*REEF, BUD, Fine & Country* and others).

(v) Situations where the Registrar's decision will be treated as wrong encompass those in which a decision is (a) unsupportable, (b) simply wrong (c) where the view expressed by the Registrar is one about which the Appointed Person is doubtful but, on balance, concludes was wrong. It is not necessary for the degree of error to be 'clearly' or 'plainly' wrong to warrant appellate interference but mere doubt about the decision will not suffice. However, in the case of a doubtful decision, if and only if, after anxious consideration, the Appointed Person adheres to his or her view that the Registrar's decision was wrong, should the appeal be allowed (*Re: B*).

(vi) The Appointed Person should not treat a decision as containing an error of principle simply because of a belief that the decision could have been better expressed. Appellate courts should not rush to find misdirections warranting reversal simply because they might have reached a different conclusion on the facts or expressed themselves differently. Moreover, in evaluating the evidence the Appointed Person is entitled to assume, absent good reason to the contrary, that the Registrar has taken all of the evidence into account. (*REEF, Henderson* and others)."

Neither side took issue with that summary in this case.

THE DECISION UNDER APPEAL AND THE OPPONENT'S CRITICISMS

A. Proof of use of the 1409174 mark

8. The hearing officer considered, first, whether sufficient evidence had been adduced to establish use of the opponent's earlier 1409174 trade mark, in the light of the requirements of section 6A of the Act, for it to be relied on as a basis for opposition. The hearing officer reviewed the evidence of use of this mark

in detail at paras. [13]-[45] of the decision, having regard to the summary of the requirements for proof of use by Arnold J in *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited* [2016] EWHC 52 (Ch). The hearing officer summarised his conclusions as follows:

“43. I am left with the impression that the opponent’s sales of Heritage watches bearing a version of the 1409174 mark were token sales purely to maintain the UK trade mark registration.

44. Whatever the purpose was for the use of the 1409174 mark on the rear casing of some watches in the opponent’s Gold Collection range, it does not appear to have been to create or maintain a market under the mark. If it had been, one would have expected the mark to be noticeable without minute examination of the rear of the products, and/or for the mark to have appeared in advertisements for them. The evidence does not show either of these things.

45. Section 100 places the burden on the opponent to show what use was made of the 1409174 mark. I have accepted that the opponent discharged this burden. This shifted the onus on to the applicant to show why the use shown should not be accepted as genuine. The applicant provided a *prima facie* case that the opponent’s use of the 1409174 mark in relation to the Heritage PR 516 watch was token use. In my view, the opponent’s response failed to establish that any of the use was anything other than token within the meaning of that word in the case law. I therefore find that the use shown of the 1409174 mark is token use. This is because it was purely to maintain the trade mark registration and/or would not be viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods.”

9. The opponent criticises the hearing officer’s approach to this issue on this appeal principally on the basis that (a) he should not have held that the burden of establishing genuineness of use had shifted back to the opponent after it had been challenged and (b) even if it had shifted, the opponent had discharged the burden.

(a) Shifting burden

10. The opponent contends that the hearing officer failed to draw the proper conclusions from *EXTREME TM* O-161-07. In that case, Mr Richard Arnold QC, sitting as the Appointed Person, said that, in proof of use cases, the evidential burden may shift during the course of the proceedings, if, for example, the applicant for revocation were to accept that the proprietor’s

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evidence showed use of the trade mark but were also to contend that the use was not genuine because it was purely for the purpose of preserving the registration. In those circumstances, the evidential burden of showing that that was the case would again lie upon the applicant.

11. That was the approach the hearing officer applied. He concluded that he was not satisfied that the evidential burden of showing that there had been genuine use had been discharged, because the genuineness was challenged and the point was not adequately answered in the evidence.
12. In my view, there is some substance in the opponent's criticisms that there is no single formulaic approach to dealing with an issue of this kind but I am not satisfied that the hearing officer adopted a materially incorrect approach to this issue. In this case, the applicant did not adduce evidence of its own to cast doubt on the opponent's evidence of use. Instead, its challenge to the genuineness of the use was to assert (or argue) that such use was token, merely done to preserve the mark, based largely on the low level of sales in the context of the much greater level of sales of other watches of the opponent.
13. In response, the opponent contended, in effect, that the evidence of genuineness of use was the same as its evidence of did not put forward further evidence, providing a specific explanation for the low volume of sales. It relied on the evidence it had already filed, contending that this was sufficient to show both (a) that the sales had taken place and (b) that the use had been genuine. It also added evidence of other alleged uses.
14. In my view, the applicant was entitled to do this, in circumstances where its case was that the same evidence proved both use and its genuineness. If there is a point here, it is that the hearing officer treated the fact that the opponent had not answered the applicant's queries concerning the reasons for the low level of sales as fatal to proof of use. However, I do not think that this issue is really of significance in this case. The central question on this issue is not so much where the burden lay or whether it was right to treat it as having shifted or whether the

challenge was unanswered but whether, taking the evidence as a whole, it had been shown by the opponent that there had been genuine use.

15. If a tribunal concludes that there has been use which prima facie appears to be token use and it is not convinced otherwise, it is entitled to (indeed bound to) reject the claim that use has been proven. That is what the hearing officer did in this case.

(b) Genuine use – the hearing officer’s decision

16. The hearing officer made a comprehensive and careful evaluation of all of the evidence on the issue of genuine use. It bears setting out in full since several aspects of it are criticised by the opponent.

“34. At the hearing Mrs Walker submitted that the opponent’s evidence was insufficient to show use of the 1409174 during the relevant period. In particular, she pointed out that there was no evidence showing sales under the mark to any UK based customer, other than the Swatch Group UK Ltd. This is a company in the same group as the opponent. Therefore, the invoice evidence showed only internal use of the mark. Additionally, Mr Thiébaud’s sales figures for goods sold under the 1409174 mark were (a) very low and (b) unsupported by any concrete evidence of promotion of the 1409174 mark in the UK during the relevant period.

35. Mr Conway reminded me that Mr Thiébaud had provided evidence of UK sales under the mark and it had not been suggested that his evidence was untrue. He suggested that the evidence of sales of Heritage PR 516 watches bearing the 1409174 mark to an associated UK company was consistent with that company acting as a UK distributor of the products. Consequently, it should be inferred that the associated UK company sold those goods on to external UK customers. Mr Conway responded to the applicant’s complaints about the defects in the opponent’s evidence of use by suggesting that they concentrated too much on individual aspects of the evidence of use of the 1409174 mark, whereas the correct approach was to consider the value of the evidence considered as a whole. Considered as a whole, the opponent’s evidence showed use of the 1409174 mark during the relevant period. Mr Conway pointed out that, based on similar evidence, the Hearing Officer in opposition 403399 had accepted that there had been use of the 1409174 mark in the UK.

36. I find that the opponent’s evidence of use of the 1409174 mark is noticeable for its vagueness and omissions. As an example of the latter, there is no evidence of the amount spent promoting the 1409174 mark during the relevant period. The only evidence showing promotion of the mark in the UK during the relevant period is an example of the mark appearing on the

face of a Heritage PR 516 watch on the ‘UK version’ of the opponent’s website in May 2015 (see paragraphs 21 and 22 above). I note that this was after the opponent was put to proof of use of the 1409174 mark in opposition 403399. The sales figures provided by Mr Thiébaud for UK sales of the Heritage PR 516 watches are small. Further, they are rounded to the nearest CHF 5k. This means that UK sales of Heritage PR 516 watches bearing the mark (and costing £465 each) could have been as low as 18 in 2012 & 2014, and 11 in 2013. In the context of claimed sales amounting to hundreds of thousands, or millions, of CHF the rounding of sales figures to the nearest CHF 5k might be an appropriate measure to avoid unnecessary detail. However, in the context of claimed sales amounting to just CHF 10k or CHF 15k per annum, it looks more like the witness was either being deliberately vague, or he was guesstimating the UK sales. The existence of sample invoices for the watches addressed to an associated UK company (in which the customer’s name has been redacted from a confidential document), suggests that the first possible explanation for the vagueness is more likely to be the correct one.

37. Having said all this, the applicant has not claimed that the witness lied about the UK sales figures. Further, Mr Thiébaud provided further evidence of use of the 1409174 mark during the relevant period on the rear casing of some of the watches in the opponent’s Gold Collection. The applicant has not challenged the truth of this evidence either. Therefore, with some hesitation, I accept Mr Thiébaud’s evidence that the 1409174 mark was used in relation to the claimed UK sales of Heritage PR 516 and certain Gold Collection watches during the relevant period.

38. I do not accept Mr Thiébaud’s evidence that the 1409174 was also used on the winding crown of other watches in the opponent’s Heritage range. This is because, firstly, Mr Thiébaud provides no evidence of the volume of UK sales or any promotion of such watches bearing the mark in question. Secondly, when challenged about the sufficiency of the use of the 1409174 mark set out in his first statement, Mr Thiébaud’s response in his second statement conspicuously failed to mention any use of the mark in relation to other watches in the Heritage range. Instead he provided evidence about the use of the mark on the rear casings of some watches in the Gold Collection range. In these circumstances, I do not think it would be appropriate to regard Mr Thiébaud’s evidence that the mark was applied to the winding crowns of other watches in the opponent’s Heritage range as anything more than an assertion. Alternatively, I do not think it safe to infer, in the absence of an express statement to this effect from Mr Thiébaud, that such watches were marketed in the UK under the 1409174 mark during the relevant period.

39. The applicant challenges whether any use of the 1409174 was genuine use. According to the applicant, any such use was token use simply to maintain the opponent’s trade mark registration.

40. For the opponent, Mr Conway reminded me that the CJEU has held that there is no *de minimis* rule and that even minimal use may constitute genuine

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use if it serves a real commercial purpose. In his submission, the opponent's purpose for using the 1409174 mark in relation to the opponent's Heritage 516 watch was to draw attention to the history and heritage of the opponent's business. This was a genuine commercial purpose/use. Mr Conway also reminded me that the registrar had accepted similar evidence of use as sufficient to constitute genuine use of the 1409174 mark in opposition 403399.

41. I have looked at the decision of my fellow Hearing Officer in opposition 403399. It is of course important for the registrar to have due regard to other decisions taken on similar evidence, particularly when they are recent decisions and cover very similar matters. However, it does not appear that the question of whether the opponent's use constituted genuine use was specifically raised in opposition 403399. Indeed, the other party in that case filed no evidence or written arguments in response to the opponent's evidence. And it was not present or represented at the hearing. Consequently, once the Hearing Officer had decided that the evidence showed use of the 1409174 mark (as I have also done), there was no reason for him to specifically decide whether the use was genuine. In these circumstances, I do not consider that I should be unduly constrained by the Hearing Officer's decision in opposition 403399.

42. I acknowledge the plausibility of the explanation advanced by Mr Conway on behalf of the opponent as to why the opponent has made only limited use of the 1409174 mark in recent years. However, there are several aspects of that explanation which trouble me. Firstly, the very limited UK sales of the Heritage PR 516 mark bearing the 1409174 mark do not look to be on the commercial scale that one might expect, particularly from a company of the size and standing of the opponent. In the face of a direct challenge that this was token use, some explanation was required. The Heritage PR 516 watch appears to retail at £465. Although, by no means a cheap watch, the cost is not so high as to itself offer an explanation for the limited number of UK sales. Secondly, in his evidence filed in reply to the applicant's evidence and submissions, the opponent's witness - Mr Thiébaud - offered no commercial rationale for the limited use of the 1409174 mark in relation to the Heritage PR 516 watch. Thirdly, if the commercial purpose of using the 1409174 was really to draw attention to the history and heritage of the opponent's business, I find it surprising that there is virtually no evidence of any promotion of the Heritage PR 516 mark. This is particularly so given that Mr Thiébaud's evidence is that the opponent conducts "*numerous publicity and advertising campaigns*".

43. I am left with the impression that the opponent's sales of Heritage watches bearing a version of the 1409174 mark were token sales purely to maintain the UK trade mark registration.

44. Whatever the purpose was for the use of the 1409174 mark on the rear casing of some watches in the opponent's Gold Collection range, it does not appear to have been to create or maintain a market under the mark. If it had been, one would have expected the mark to be noticeable without minute

examination of the rear of the products, and/or for the mark to have appeared in advertisements for them. The evidence does not show either of these things.

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The reasons for the small sales

17. As the argument developed at the hearing, it became clear that the key point of criticism was that the reasons given by the hearing officer in para. [42]-[43] for considering that the very low level of sales was evidence of token rather than genuine use reflected too critical an approach and did not take account of the commercial realities. Accordingly, it was suggested that the hearing officer had not taken into account relevant factors in evaluating the use. It is convenient to address these points and the additional arguments made in order.

18. However, before dealing with that point, it should be borne in mind that the hearing officer held, in my view correctly, that:
 - a. there had been actual sales of at least several thousand pounds worth of watches in the UK, marked with the relevant mark during the relevant years;
 - b. the explanation advanced on behalf of the opponent as to why the opponent had only made limited use of the 1409174 mark in recent years was "plausible".

It might be said that the analysis should have stopped there because, at that point, the opponent had (in effect) advanced a satisfactory explanation for the low level of sales. The hearing officer went on to explain why, even though plausible, the explanation was unsatisfactory. This merits comment.

Commercial scale of sales of the watches bearing the mark

19. Mr Thiébaud, who submitted written evidence on behalf of the opponent and was not cross-examined, said that the 1409174 mark was used at least as early as 1980 and some historic examples of such use appear in the exhibits. The main use of the mark relied on by the opponent during the relevant period was on a model PR 516 watch in the Heritage series. As noted above, these had a fairly substantial retail price of £465. Sales of these watches in the UK were limited, on any view. The hearing officer was somewhat sceptical about the evidence of sales figures since they had been rounded in an unsatisfactory way.

20. In addition, there was evidence of an announcement of the launch of the PR 516 watch in an article about a trade exhibition called Basel World. As the hearing officer noted, it did not appear to be an article published by opponent and it did not show the 1409174 mark. However, the article stated that the opponent would launch a Heritage PR 516 watch at the Basel show and that the new watch would retain the same dial markings as the time piece from the 1960s and 70s on which it was based. Moreover, the Heritage PR 516 watch with the 1409174 mark on its face appeared on page 76 of the opponent's catalogue for 2013/14, an extract from which was in evidence, albeit with no evidence as to its distribution. Mr Thiébaud's evidence concluded by saying that he confirmed that the trade mark "has been subject to genuine commercial use for the goods covered by the registration" during the relevant period.

(i) The sales of Heritage PR 516 watches in context

21. Turning to the reasons why the hearing officer rejected the, prima facie, plausible explanation for limited sales, he said, first, that the very limited UK sales of the Heritage PR 516 mark bearing the 1409174 mark did not appear to be on the commercial scale that one might expect, particularly from a company of the size and standing of the opponent. He thought that further explanation was required, in view of the fact that the Heritage PR 516 watch was not inexpensive but the cost would not itself justify the limited number of UK sales.

22. In my view, with all deference to the hearing officer, I do not find this so surprising. A point not apparently appreciated so strongly by the hearing officer

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but which I have found compelling is that the opponent's range of watches is (a) large and (b) in some respects, more "modern" and/or "sporty". The evidence shows that there are over 200 watches in Tissot's range and the Heritage PR516 represents a tiny part of that range. It appears, on the evidence, to be more targeted to a clientele who would not necessarily find the Heritage PR 516 appealing. Overall, the Heritage PR 516 watch does have a rather "retro" design, which does not necessarily fit so well with the different identity which the opponent has apparently developed more recently. Examples of this can be seen in the catalogues exhibited and referred to by the hearing officer.

23. Against the background of this newer focus of the opponent, as appears from the exhibits showing the full range and nature of the products it has been selling more recently, rather low sales of the Heritage PR 516 are to be expected. For a model which might be expected to have only niche appeal to the market, the sales do not appear unduly low for a product costing nearly £500.

(ii) *Quality of evidence and lack of explanation*

24. The second reason given by the hearing officer for casting doubt on the explanation was that, in his evidence filed in reply to the applicant's evidence and submissions, the opponent's witness offered no commercial rationale for the limited use of the 1409174 mark in relation to the Heritage PR 516 watch.

25. That is undoubtedly true but it does not follow from the omission that there was not, in fact, such a rationale. As indicated above, I do not find it surprising that the main market the opponent was now targeting would not find the Heritage PR 516 as attractive as other watches in the opponent's range with correspondingly limited sales. I am not satisfied that this would need to be stated by the witness for that sort of analysis to be taken into account.

26. The observations of Mr Richard Arnold QC sitting as the Appointed Person in *EXTREME TM* at [36] should also be borne in mind. He said:

"Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously

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incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness's evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness's evidence."

In this case, the witness had said that there were genuine, albeit small, commercial sales. There were documentary records of them. There was no application to cross-examine on this evidence and no counter evidence casting doubt on it. In such a case, a hearing officer should be particularly cautious before not accepting it at face value.

(iii) *Evidence of promotion*

27. The hearing officer also found it surprising that if the commercial purpose of using the 1409174 mark was really to draw attention to the history and heritage of the opponent's business, that there was virtually no evidence of any promotion of the Heritage PR 516 watches. He found that particularly surprising given that Mr Thiébaud's evidence was also that the opponent conducts "numerous publicity and advertising campaigns".

28. Again, I do not find that so surprising, in the context of this being a heritage mark, used for a product somewhat outside the mainstream of the opponent's range. Moreover, it might be said that this approach sets the bar of proving that use was non-token too high, if an undertaking has to show not only that they have sold several thousand pounds worth of goods under the mark in question in the UK, but must also provide a full rationale for why (a) sales were not higher and (b) why promotion of the goods was not as extensive as promotion of other ranges of goods.

(iv) *Sales in other countries*

29. In evaluating whether use in the UK was genuine (as opposed to extensive), it can also be instructive to consider whether sales of products marked with the mark were being made elsewhere. In my judgment, even if there were no sales in the United Kingdom, the fact that other watches were marked with the mark suggests that the use on the Heritage PR 516 watch was not merely a one-off

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for the purposes of preserving the UK trade mark registration, but there was a more widespread use elsewhere which did not translate into sales in the UK. The hearing officer did not explicitly take this into account as a matter on the other side of the balance.

(v) *Earlier decision of the Registrar*

30. Finally, the opponent draws attention to the earlier decision of the Registrar taken by a different hearing officer, Mr George Salthouse, *T-Band (Kairos Watches)* O-461-15, in which it was said that use of the mark had been proved on the basis of evidence very similar to that in the present case. Mr Salthouse said at para. [18], after summarising that evidence:

“To my mind the opponent has clearly shown use of the mark 1409174 upon watches.”

In my view, that provides further support for the opponent’s position, since it shows that another hearing officer found the evidence supplied credible as proof of genuine use.

31. Where an issue of genuineness of use arises and the Registrar has held certain evidence to be sufficient in one case, it is incumbent on a hearing officer to provide greater explanation for why the same evidence should nonetheless be regarded as insufficient in a later case, where the same issue arises. A litigant is entitled to assume that, if no further explanation was required, that will remain the case unless there is a good reason to the contrary. It is true that this case is complicated by the fact that there were challenges to the adequacy of explanation made by the applicant which may not have been made in the earlier case, giving rise to a greater need here than in *T-Band* for more material. Nonetheless, it is desirable that on this issue, there is a common approach or at least fuller explanation for why a different approach has been taken.

Conclusion on non-use of the 1409174 mark

32. For these reasons, there is real reason for doubt as to the hearing officer’s determination as regards use. It is understandable that the Register should take a strict approach to evidence of use, which the hearing officer did and which

has ample support in the case law. However, as counsel for the opponent submitted, if a well-established watchmaker goes to the trouble of finding a factory to manufacture a particular of product, places that product in its catalogue, launches the product at a trade fair, shows actual sales in the UK in three consecutive years of products under the mark and there is evidence that other products are also so marked, that should, absent strong reason to the contrary, be taken to be genuine use, especially if, in addition, (i) it is possible to think of a range of reasons why sales of that particular kind of product in the UK may be low (ii) the Registrar has held the evidence to be sufficient in an earlier case and (iii) the main witness has not been challenged on the truthfulness of his evidence that there was genuine use.

33. However, before considering whether the points made above suffice to overturn the hearing officer's evaluation on this aspect, it is necessary to consider whether the alleged errors made any difference, since the hearing officer in any event decided the case on the footing that, contrary to his views on use, the mark could be relied on to oppose the applicant's registration.

B. The section 5(2)(b) grounds of opposition

34. The opponent submitted, and I agree, that the strongest case was based on the 1409174 mark and that if that did not succeed, the opposition would not succeed on the basis of the other marks. I will therefore focus on that mark.

(i) Similarity/or identity of goods

35. First, the hearing officer found that all the goods covered by the contested mark were identical to the particular items of jewellery covered by the 13180757 mark.

36. Second, as regards the specification for the 1409174 mark, he held that the degree of similarity between the respective goods varied from high in the case of bracelets and other goods capable of being worn on the wrist, to medium in the case of other items of jewellery made from precious or semi-precious metals and/or stones, to low in the case of jewellery items made from plastic or other

non-precious/semi-precious metals/stones, and which are not designed to be worn on the wrist.

37. He considered that this was because complementary jewellery is likely to be designed either to be worn on the wrist alongside the watch, such as bracelets or bands, or to be worn elsewhere on the body to complement the material from which the watch is made and that the latter is much more likely to be the case where the material is (say) gold or silver than when it is plastic or common metal. However, as most of the applicant's descriptions of goods are general terms, such as *articles of jewellery*, this observation, in his view, only affected only one of the terms in the applicant's specification, i.e. *charms [jewellery] of common metals*.

38. No criticism is or could be made of those evaluations.

(ii) Similarity of marks/likelihood of confusion

39. The hearing officer recited the familiar principles from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

40. He went on to apply them in the following way.

Average consumer

41. As to the average consumer and the purchasing process, the hearing officer said:

“61. I therefore find that the relevant public includes buyers and potential buyers of jewellery of all prices. The level of attention paid by the average consumer will vary from average in the case of low cost jewellery, to high when it comes to high cost jewellery or trade customers.

62. Aesthetic considerations and size/fit are likely to be important to purchasers of watches and jewellery. Therefore such goods are likely to be selected primarily by eye. Mr Conway submitted that word of mouth recommendations may also play an important part in the selection process. I see some merit in this submission, but even when acting on a recommendation, the purchaser is unlikely to complete the selection process without sight of the goods, at which point the trade mark is likely to be visible. I therefore find that the selection process is likely to be primarily visual, although aural considerations may play some part in it.”

Opponent’s criticisms

42. The opponent contends that the hearing officer erred in failing to take account of the fact that the marks would be likely to appear rather small on the products, given their nature, and that this would affect the ability of the average consumer to distinguish between them. Accordingly, it was submitted that this was a case in which not just the imperfect recollection, but the imperfect perception of the average consumer, had to be taken into account.

43. I am not satisfied that the hearing officer fell into error in this respect. In making his overall evaluation as to whether there would be a likelihood of confusion he took into account visual examination and said that the marks were likely to be visible. There was no evidence to support the suggestion that, in use, differences between the marks would not be discernible. In addition, in other proceedings, the opponent had submitted that, for goods of the same general kind, consumers would notice the difference between similar kinds of marks. Accordingly, I think that the hearing officer was entitled to proceed on the same basis here, absent any solid reason to the contrary.

44. The opponent drew attention to the earlier decision of the same hearing officer in *iSWATCH/iWATCH (Application to register ‘WATCH’)*, O-307-16, where he had said at para. [76]

“Mr Krause, for the opponent, sought to emphasise the significance of the high degree of visual similarity between the marks. He pointed out that trade marks often appear on watches in relatively small letters. I accept that this makes it more likely that small differences will go unnoticed, even by someone paying an above average degree of attention.”

45. While that is true, it does not seem to me to be a blanket observation applicable in every case. Moreover, it cannot be right in principle that simply because the articles with which goods are marked are likely to be small, otherwise clear differences will invariably be so obscured as to make them unnoticeable, such as to make an otherwise different mark unregistrable. At the *reductio* limit of that argument, it would suggest that every logo was similar to every other one on the basis that, if viewed from a sufficient distance or made sufficiently small, they would appear indistinguishable.

Distinctiveness of the stylised single letter

46. The hearing officer assessed distinctiveness as follows.

47. First he referred to the relevant case law, which had specifically drawn attention to the difficulties in showing that single letter marks were particularly distinctive. In *Borco-Marken-Import Matthiesen GmbH & Co. KG v OHIM* Case C-265/09 P which concerned a decision by OHIM (now the EU IPO) to refuse to register a single letter mark on the grounds of lack of distinctiveness, essentially on policy grounds, the CJEU said:

“37 it should be pointed out that, even though it is apparent from the case-law cited that the Court has recognised that there are certain categories of signs which are less likely *prima facie* to have distinctive character initially, the Court, nevertheless, has not exempted the trade mark authorities from having to carry out an examination of their distinctive character based on the facts.

38 In relation, more particularly, to the fact that the sign at issue consists of a single letter with no graphic modifications, it should be borne in mind that registration of a sign as a trade mark is not subject to a finding of a specific level of linguistic or artistic creativity or imaginativeness on the part of the proprietor of the trade mark (Case C-329/02 P *SAT.1 v OHIM* [2004] ECR I-8317, paragraph 41).

39 It follows that, particularly as it may prove more difficult to establish distinctiveness for marks consisting of a single letter than for other word marks, OHIM is required to assess whether the sign at issue is capable of distinguishing the different goods and services in the context of an examination, based on the facts, focusing on those goods or services.”

48. Next, he evaluated the distinctiveness of the opponent’s mark, concluding:

“70. I find that the capital letter T is the dominant element of the earlier marks. However, the stylisation of the letter T in the 1479174 mark, i.e. the serifs applied to the cross of the T, is a non-negligible element of the mark which also contributes to its distinctive character. Similarly, I find that the contrast between the colour of the (very ordinary looking) letter T in the 13180757 mark and that of the square background is also a non-negligible feature of that mark, which contributes to its distinctive character. In reaching these findings, I have taken into account that the less distinctive the dominant element of the mark, the more likely it is that the stylisation or additions to that element will impact on the overall impression created by the mark as a whole on average consumers. Even taking account of the particular presentations of the letters T in the marks, I find that the earlier marks are inherently distinctive to a below average degree.”

Opponent’s criticisms

49. The opponent criticises this evaluation saying that the hearing officer should have found that the marks had greater distinctiveness, mainly on the basis that “T” as such was not descriptive of the goods. While that is true, the real question in evaluating distinctiveness is the extent to which, either inherently or by use, it would be thought that the mark or element of the mark denoted the goods or services of a single trader. The difficulty with single letters is that, for many goods and services, there is no reason to think that such would be the case and it is only the embellishments that actually serve to distinguish. That is all the more so, given the evidence showing that other traders in this general area also use differently stylised “T” marks.

50. I am unable to accept that the hearing officer’s evaluation here was erroneous.

51. In this connection, the opponent referred again to *T-Band (Kairos Watches)*, decided by a different hearing officer, Mr George Salthouse. In that case, the present opponent successfully opposed registration of “T-Band” on the basis of the same earlier mark.

52. Mr Salthouse said of the distinctiveness of the opponent’s mark in that case

“31) The opponent’s mark is a well known English letter “T” whose distinctive character lies within its whole. It is only slightly stylised and has a plain border to which most consumers will not give any trade mark significance. In relation to watches etc it has no meaning and as such it

is inherently distinctive. Although use of the mark has been shown it is not sufficient in my opinion for the opponent to benefit from enhanced distinctiveness.”

53. I do not think there is a material inconsistency between the two decisions in this respect. Mr Salthouse did not take into account the relatively low level of distinctiveness that would result from the letter “T” being an initial of many brands (see above) which Mr James was entitled to do. Moreover, when making the comparison in that case, Mr Salthouse referred to the opponent’s mark as having “an average level of inherent distinctiveness in relation to watches and parts and fitting therefor in class 14” (see *T-Band*, para. [32]). The difference between “average” and “below average” is not so great as to call into question the hearing officer’s evaluation in the present case.

Acquired distinctiveness of the 13180757 mark

54. The hearing officer also rejected the contention that the 13180757 mark had acquired enhanced distinctiveness through use. He said at para. [72]:

”...the opponent’s main logo appears to be used in a subordinate way to the word mark TISSOT. Thus consumers are used to seeing the composite sign, not just the logo. Average consumers tend to regard trade marks as a whole and do not usually proceed to analyse their various details. This makes it less likely that use of the 13180757 mark as part of the logo element of the composite word/logo sign would have made an impression on consumers that was independent of the impression created by the composite mark as a whole or, at least, independent of the impression created by the whole logo. Secondly, although the cross element of the logo is clearly intended to represent a Swiss flag, which I accept is non-distinctive on its own for watches, the use of that sign in the opponent’s logo is clearly part of the logo (as opposed to just a descriptive addition to the mark). In this connection, I note that exhibit FT2 to Mr Thiébaud’s second statement includes a page from the opponent’s 2013/14 catalogue with a public statement from him. It says that “*Our aim is to reflect the valuable Swiss assets of quality, reliability and innovation and to remain faithful to the “+” sign of the Tissot logo and the Swiss flag*”. This indicates that the opponent regards the cross device as part of its logo and not simply as a descriptive indication. The public are likely to look upon the logo in the same way, i.e. as a whole. I do not therefore consider that it would be safe to find that use of the 13180757 mark as part of the opponent’s logo has materially enhanced the distinctive character of that mark as registered, i.e. on its own.”

55. Again, this is unimpeachable logic and is of lesser significance in any event, given that this mark is not alleged to be more similar than the one considered above.

The hearing officer's evaluation of similarity

56. The hearing officer correctly set out the relevant law (see above), drew attention to the similarities and differences between the marks and concluded:

“81. The opponent’s 13180757 mark most resembles a plain letter mark. By contrast, the average consumer is likely to look on the contested mark as a figurative or device mark, albeit one from which the letter T can be extracted. The opponent’s 1479179 mark is closer to being a letter mark, albeit one with particular stylisation.

82. I have already found that the selection process for the goods at issue is likely to be a primarily visual one. Therefore, average consumers will have relatively little need to give any of the marks oral expression.

83. I conclude that there would be a significant degree of aural similarity between the applicant’s mark and the 13180757 and 1479174 marks if the marks were verbalised, but this is unlikely to happen regularly in the ordinary course of trade in the goods, particularly in the case of the applicant’s mark. Therefore, the level of aural similarity between the marks is less important than the level of visual similarity between them.

84. Although the letter ‘T’ is, to a greater or lesser extent, discernible in all the marks, the visual impressions created by the 13180757 mark and the applicant’s mark are strikingly different. I do not therefore accept the opponent’s submission that the letter ‘T’ is the dominant and distinctive element of the contested mark. I find that the figurative elements of the mark are equally dominant, and arguably more distinctive.

85. There is more visual similarity between the 1479174 mark and the applicant’s mark. This is because both marks utilise serifs on part of the horizontal section of the T devices. However, even here the overall stylisation of the marks is different and the presence of what the applicant calls a “*curly comma*” is a prominent and distinctive element of the contested mark that is noticeably absent from the earlier mark.

86. Overall, I find that there is a low degree of visual similarity between the 13180757 mark and the contested mark, and a medium degree of visual similarity between the 1479174 mark and the contested mark.”

The opponent's criticisms

57. The opponent contends that the hearing officer did not give appropriate consideration to the distinctive character which can arise from a mark consisting of a single letter, but instead sought to play down the shared letter "T" element of the two trade marks under consideration. The opponent again contrasted the decision with the *Kairos Watches* case referred to above.
58. I am not satisfied that there was any error in this evaluation. Determinations of degrees of similarity are inherently jury-like questions. The hearing officer clearly took account of the key features and reached a reasonable conclusion. At its heart was the point that, apart from the fact that the marks both involved the letter "T", there was little else they had in common. In my view, the hearing officer was entitled to give the weight he did to the various similarities and differences, visual, aural and conceptual. This is a situation in which it was right to focus, as the hearing officer did, on visual comparison, giving the differences in stylisation greater importance for the reasons he provided.

Likelihood of confusion

59. Having set out the relevant law, the hearing officer evaluated the likelihood of confusion as follows:

“93. For the reasons given at paragraphs 62 and 89-83 above, I find that the visual comparison of the marks is the most important aspect of the required global assessment of the likelihood of confusion in this case.

94. I find that the medium degree of similarity between the contested mark and the 1479174 mark, and the quite high degree of similarity between the respective goods, is sufficiently offset by the low degree of distinctiveness of the common elements of the marks and the, at least, normal degree of attention that consumers will pay during the selection process for the goods. In my judgment, it is not likely that an average consumer is liable to be confused about the commercial origin of watches and their parts marketed under the 1479174 mark, and the commercial origin of jewellery, charms and trinkets marketed under the contested mark.

95. In reaching this conclusion, I have considered the likelihood of confusion arising through imperfect recollection of one or other of the marks. I find that the visual differences between the respective marks combined with the difference between the goods make this unlikely. I have also considered the likelihood of indirect confusion, i.e. of

consumers assuming that, although different, the marks are used by economically connected undertakings. However, I find that the relatively low degree of distinctiveness of the elements which are common to the marks make this unlikely too.

96. I find that the low degree of similarity between the 13180757 mark and the contested mark combined with the low degree of distinctiveness of the common element – a letter T - is sufficient to avoid a likelihood of confusion despite the identity of the respective goods. I have again considered the likelihood of confusion arising through imperfect recollection of one or other of the marks. However, I find that the different impressions created by the respective marks makes this unlikely. I have also considered the likelihood of indirect confusion, i.e. of consumers assuming that, although different, the marks are used by economically connected undertakings. However, I find that the relatively low degree of distinctiveness of a letter T as such makes this unlikely too.

97. Consequently, I find that the opposition under s.5(2)(b) would have failed even if I had found that earlier mark 1479174 had been put to genuine use in the UK (and therefore qualified for protection under s.6A of the Act), and assumed that the earlier pending EU mark 13180757 will proceed to registration.”

Opponent’s criticisms

60. The opponent’s main criticisms centre on the points already discussed above. It contends that the hearing officer’s decision on likelihood of confusion was finely balanced. Having regard to the similarity of the marks, it contends that, if account is taken especially of the imperfect perception and distinctiveness points above, this should swing the assessment in favour of the opponent.
61. For the reasons given, I am unpersuaded that the hearing officer was wrong to leave out of account the “size” of mark point. Equally, I do not consider that his evaluation of distinctiveness of the respective marks was wrong.
62. The central issue underlying all of these evaluations is whether there is a real likelihood of confusion as a result of another undertaking using on or in relation to its goods a different stylised version of the letter “T”, which is the initial letter of a number of well-known jewellery and watch manufacturers, given the opponent’s registration and use of specific forms of that letter on its goods in a comparatively modest way.

63. The opponent's representative accepted at the hearing, with justification, that that small differences between single letter marks may be sufficient to avoid confusion. The hearing officer held, in effect, that this was a case in which those differences were sufficient. In my view, the hearing officer was right to conclude that there was no likelihood of confusion and that the average consumer would be able to distinguish between different forms of the letter even if the differences were comparatively small.
64. I am unpersuaded that the case law cited (*Perry Ellis v EUIPO* T-350/16) to the effect that where there are signs composed of the same letter, special consideration should be given to visual differences, casts doubt on the hearing officer's approach. To the contrary, in my view the hearing officer was doing just that in making the evaluation. The weight to be given to the individual visual differences and similarities was a matter for him.
65. Stepping back, the hearing officer took account of the right factors and the conclusion he reached was a reasonable one on the evidence. It cannot properly be described as "wrong". I do not think this position is altered by the fact that a different hearing officer reached a different decision as to likelihood of confusion when comparing a different mark with those relied on.
66. The case based on the 13180757 mark was less promising, as the opponent recognised and it hardly featured in argument.
67. In those circumstances the appeal based on section 5(2)(b) is rejected.
68. The appeal does not succeed even assuming, as I have done, that the 1409174 mark is entitled to found an opposition on the footing that use has been proved. In view of that, the hearing officer's conclusion as to proof of use makes no difference to the outcome and there is no need to say more about it other than to observe that, had I been deciding the issue afresh, I would have considered that, on balance, and notwithstanding the evidence which was less complete than it might have been, use had been proved by the materials provided.

However, I cannot see any way in which the proof of use case affected the decision on likelihood of confusion. They are unrelated points and there is no evidence that the hearing officer's view of one was coloured by his view of the other.

C. Other grounds of opposition

69. The opposition based on sections 5(3) and 5(4)(a) of the Act were also rejected by the hearing officer. At the hearing, the appellant realistically accepted that if the appeal failed under section 5(2)(b) of the Act, it would not succeed under any other ground saying that the other grounds would face an “uphill battle” in those circumstances. The underlying reason is that, as the hearing officer found, the reputation was not so significant that the grounds of opposition would be significantly better under section 5(3) or sections 5(4)(a) of the Act. There was no dispute that the hearing officer recorded and applied the correct legal principles (see decision paras [100]-[101] and [105]-[106]).

70. I have therefore considered these grounds, the arguments relating to them and the hearing officer's decision on these issues more briefly. In my view, having failed under section 5(2)(b), the grounds of appeal under the other heads cannot succeed either for the following summary reasons.

Section 5(3)

71. As to section 5(3), the hearing officer held that the evidence filed did not establish that the 13180757 mark had acquired a reputation in the EU, i.e. that the mark as registered was known by a significant section of the public (see decision para. [102]). He further held that, even had such reputation been shown, the mark could only have acquired a reputation in relation to watches. Given the low level of similarity between the 13180757 mark and the contested mark that he had held there to be, combined with the fact that the contested mark covers jewellery, charms and trinkets, but not watches or parts of watches, he did not consider that the use of the contested mark would even bring the 13180757 mark to mind and that there was no “link”. In view of that, there was no possibility of the contested mark taking unfair advantage of, or being

detrimental to, the reputation or distinctive character of the 13180757 mark (see decision para. [103]).

72. In my view, those findings were amply justified and the challenges to this aspect of the decision which, in essence, invite a re-evaluation of his assessment, cannot succeed. In the event, they were only faintly advanced.

Section 5(4)(a)

73. As to section 5(4)(a), having summarised the evidence of use by the opponent, the hearing officer concluded at paras. [113]-[115]:

“113. I accept that the opponent has used a number of marks which include the letter T, either in plain type or in stylised form. The full extent of the use of these marks in the UK is not clear from the evidence. However, even if some of them have been used on a substantial scale, I do not consider that the use of these marks establishes that the UK watch buying public has been educated to view any mark containing a letter T element as being distinctive of the opponent. Further, even if I am wrong about that, I do not consider that the opponent’s broad claim to the letter T for watches entitles it to object to the use of the contested mark in relation to jewellery, charms and trinkets.

114. I bear in mind that reliance on the marks in question is an essential condition for establishing that use of the contested mark will amount to a misrepresentation. Given the nature of the opponent’s use of ‘T’ marks, as supporting signs for TISSOT and/or as parts of other marks, I do not think it likely that the public would be likely to rely on the letter T alone as an indication that the jewellery, charms and trinkets marketed under the contested mark are the goods of the opponent, or are authorised by the opponent.

115. I remind myself that it is not sufficient for passing-off purposes to show that some members of the public might wonder whether the contested mark is connected with the opponent. A substantial number must be likely to assume that there is such a connection before there can be passing off. I am not persuaded that there is any such likelihood in this case. Although there is evidence that watches and jewellery are sometimes sold side by side, there is no evidence that the opponent’s goodwill extends beyond watches. This might not matter if the contested mark closely resembled the opponent’s marks, but it is not highly similar to any of them, and is very different to many of them, e.g. T-TOUCH. In these circumstances I regard it as unlikely that a substantial number of the public will assume that the contested mark signifies a connection with the opponent.”

74. Again, it can be seen that the hearing officer took the right factors into account and reached a reasonable decision on the evidence. I am un-persuaded by any of the opponent's criticisms of this evaluation.

75. Overall, the opponent was right not to focus on these additional grounds, which do not add to the argument under section 5(2)(b).

The *T-Band (Kairos Watches)* decision – general observations

76. Finally, I would observe that, in some cases, the discrepancy between two decisions in similar cases may be so great as to give rise to real concern as to the correctness of one or other, particularly if one hearing officer perceives there to be a likelihood of confusion which another is unable to see. In such a situation, that may lead to a conclusion that the tribunal has not been sufficiently alive to the ways in which similarities in the marks may be perceived or confusion may arise. However, in this case, given the differences in the cases, I do not think this concern arises here. I have addressed the impact of that case on the non-use question above.

OVERALL CONCLUSION

77. The appeal is dismissed.

Costs

78. The hearing officer awarded the applicant costs of £1350 in total, including costs of £200 for preparing a skeleton argument. The applicant's skeleton for the hearing was very short and the applicant's submissions amounted to little more than saying that the hearing officer was right for the reasons he gave.

79. I have had reservations about the non-use point and the applicant has not been wholly successful on all issues. In the circumstances, I award £300 in respect of the costs of preparing the skeleton argument and attending the hearing to be added to the £1350 already awarded.

DANIEL ALEXANDER QC

Appointed Person

3 October 2017

Representation

Michael Conway of Haseltine Lake LLP for the opponent/appellant

Christopher Hoole of Appleyard Lees for the applicant/respondent