

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO. 3062769 IN THE NAME OF OLIVER CARL WALLACE ASHLEY

AND IN THE MATTER OF OPPOSITION NO. 405746 THERETO BY RADO UHREN AG (RADO WATCH CO LTD)(MONTRES RADO S.A.)

DECISION

Introduction

1. This is an appeal against the decision of Louise White, acting on behalf of the Registrar, dated 5 May 2017 (O-215-17). In her decision the Hearing Officer dismissed the opposition and ordered that Rado Uhren AG (Rado Watch Co Ltd)(Montres Rado S.A.) (“*the Opponent*”) pay to Oliver Carl Wallace Ashley (“*the Applicant*”) the sum of £1900 as a contribution towards his costs.
2. On 24 July 2014 the Applicant applied to register the trade mark:

RADAR

in the UK under No. 3062768. The application was accepted and published in the Trade Marks Journal on 23 October 2015 in respect of a number of goods and services including *inter alia*:

Class 14: Precious metals and their alloys; jewellery, precious stones; horological and chronometric instruments; key rings; watches; clocks.

Class 35: Retail services and the bringing together for the benefit of others of horological and chronometric instruments, watches, clocks.

3. On 23 December 2015 the Opponent filed a Notice of Opposition opposing the application in part pursuant to sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 (“*the Act*”). It did so on the basis of:
 - (1) Its earlier UK Trade Mark No 1488874 for the mark:

RADO

The goods relied upon for the purposes of the Opposition were: Watches; parts and fittings for all the aforesaid goods; all included in Class 14; and

- (2) Its earlier International Registration designating the EU No 1035353:

RADO
S W I T Z E R L A N D

The services relied upon for the purposes of the Opposition were: Retail sale services for watches, clocks, timepieces, chronometric instruments and their parts and jewellery products.

4. The Applicant filed a counterstatement denying all the Grounds of Opposition and putting the Opponent to proof of the use of the earlier trade marks relied upon.
5. Both parties filed evidence in the proceedings.
6. A Hearing took place before the Hearing Officer on 7 March 2017 at which the Opponent represented by Martin Krause of Haseltine Lake LLP and the Applicant by Phillip Harris of Lane IP Limited.

The Hearing Officer's Decision

7. The Hearing Officer first considered the question of whether the earlier marks relied upon by the Opponent had been used. At paragraph [13] of her Decision she concluded that the Opponent had established on the basis of evidence that the earlier marks had been used '*in respect of watches and retail services thereof*'. The Hearing Officer therefore proceeded to consider the grounds of opposition first on the basis of section 5(2)(b) and then section 5(3) of the Act.
8. With regard to the assessment under section 5(2)(b) of the Act the Hearing Officer having set out the relevant legal principles to be applied:
 - (1) Decided that for the purposes of procedural economy she would proceed on the basis that the contested goods and services were identical (paragraph [15] of her decision);
 - (2) Found in paragraph [23] of her decision that with respect to the relevant average consumer and the purchasing act that:

The consumer for watches will be the public at large, purchasing the products from a store or in the online environment. As such, both visual and aural considerations are potentially important. Watches can vary wildly in terms of price and so the level of attention expected to be displayed during the purchasing process will reflect this. For example, one would expect

it to be fairly high in respect of a luxury item. However, in any case, even a cheaper item would be reasonably considered as factors such as look, colour, function will all be relevant.

- (3) Found in paragraph [27] of her Decision that with regard to the distinctive character of the earlier marks relied upon that:

The opponent claims that it enjoys an enhanced distinctive character (and so, degree of protection) as a result of its use of the earlier trade marks. On perusal of the evidence, it is clear that the use that has been made is impressive, in terms of sales and advertising. The earlier trade marks are clearly well established in the UK. They enjoy an above average degree of distinctive character.

9. The Hearing Officer assessed the comparison of the respective mark as follows:

18. The respective trade marks are shown below:

<p>RADO</p> <p>RADO</p> <p>S W I T Z E R L A N D</p>	<p>RADAR</p>
<p>Earlier trade marks</p>	<p>Contested trade mark</p>

19. Before comparing the respective trade marks, I must first appraise their distinctive and dominant components. In respect of the earlier trade marks, this is clearly RADO in each instance; it is the sole element of the word only trade mark and the largest and most distinctive element of the figurative trade mark. With regards to the contested trade mark, it is comprised of only one element and so this is its distinctive and dominant element.

20. The marks coincide visually in respect of the letters RAD. They differ in all other respects. The degree of visual similarity is pitched as being low to medium.

21. Aurally, the later trade mark will be pronounced as RAY-DAH. In respect of the earlier trade mark, the applicant has filed evidence to demonstrate that it is pronounced as RAH-DOH. However, it could also be RAY-DOH. In respect of the

latter aural option, the trade marks are similar to a medium to high degree.

22. Conceptually, RADO is an invented element and is meaningless. Switzerland will be understood as referring to the European country. According to Collins, Radar is a way of discovering the position or speed of objects such as aircraft or ships when they cannot be seen, by using radio signals. This is considered to be a clear and unequivocal meaning. The trade marks are not conceptually similar.

10. With regard to the global assessment of the likelihood of confusion the Hearing Officer considered the likelihood of both direct and indirect confusion.

11. With regard to the likelihood of direct confusion the Hearing Officer found as follows (footnote excluded):

29. The goods and services are identical. The trade marks are visually similar to a low to medium degree and aurally similar potentially to a medium to high degree. The earlier trade marks are also distinctive to an above average degree. All of these factors weigh in the opponent's favour. However, in *The Picasso Estate v OHIM*, Case C-361/04 P, the Court of Justice of the European Union found that:

“20. By stating in paragraph 56 of the judgment under appeal that, where the meaning of at least one of the two signs at issue is clear and specific so that it can be grasped immediately by the relevant public, the conceptual differences observed between those signs may counteract the visual and phonetic similarities between them, and by subsequently holding that that applies in the present case, the Court of First Instance did not in any way err in law.”

30. Though it is true that a conceptual difference does not always overcome visual and aural similarities, it is considered that in respect of RADO and RADAR, the concept in the later trade mark is immediate and powerful. It is a differentiating hook that entirely sets it apart from the earlier trade mark. It is considered that this, together with the reasonable degree of attention likely to be shown during the purchasing process, that is highly likely to negate against any of the trade marks being imperfectly recalled. There is no likelihood of direct confusion.

12. With regard to the likelihood of indirect confusion the Hearing Officer found as follows:

31. However, this is not the end of the matter. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10, Mr Iain Purvis Q.C. as the Appointed Person noted that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.”

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

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

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

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

32. Though the above list is non exhaustive, it is considered that category a) identified above cannot apply as the marks do not have a common “element” as such; rather they share some common letters – RAD. As such, it is difficult to see how a consumer upon viewing RADAR would assume it must be a

new mark of RADO. In respect of categories b) and c), it is clear that neither apply here. There is no likelihood of indirect confusion. The opposition, in so far as it is based upon Section 5(2)(b) fails.

13. On the basis of those findings the Hearing Officer dismissed the Opposition on the grounds of section 5(2)(b) of the Act.
14. The Hearing Officer then turned to consider the section 5(3) ground. Having set out the relevant legal principles the Hearing Officer went on to apply them to the materials before her.
15. In paragraphs [36] and [37] the Hearing Officer held that both the earlier trade marks were marks with a reputation such that the Opponent was entitled to rely upon section 5(3).
16. The Hearing Officer then considered the question of a 'link'. Her findings and conclusion were as follows:

38. I must therefore assess whether or not the later trade mark will call the earlier trade marks to mind, in other words, to create a link between them. The respective trade marks have already been compared above: they are visually and aurally similar, yet conceptually different. It is also taken into account that the goods and services are identical and that the prospective consumers clearly overlap. As to the strength of the opponent's reputation, it is considered that this is notable, though not overwhelming.

39. Bearing in mind all of the factors listed above, it is considered that the conceptual difference between the trade marks is notable. Its effect is strong and immediate. The result being that it is difficult to see how a consumer on noting RADAR, will bring to mind the invented word RADO. The opposition based upon Section 5(3) also fails.

The Appeal

17. On 2 June 2017 an appeal against the Hearing Officer's decision was filed on behalf of the Opponent pursuant to section 76 of the Act.
18. The grounds of appeal were in essence that the Hearing Officer had made a central error of principle in evaluating the degree of conceptual similarity between the trade mark; and that this error had permeated the Hearing Officer's analysis in relation her assessment of the other aspects of similarity between the marks; the likelihood of confusion under section 5(2)(b) of the Act; and the 'link' in the reputation based claim under section 5(3) of the Act.

19. No Respondent's Notice was filed on behalf of the Applicant.
20. At the hearing of the appeal on 27 September 2017 Mr Michael Conway of Haseltine Lake LLP appeared on behalf of the Opponent. By letter dated 18 September 2017 Lane IP Limited indicated that the Applicant would not be represented at the hearing of the appeal. The letter stated the Applicant's position that the decision of the Hearing Officer should be upheld on all points and sought an order for costs in its clients favour.

Standard of review

21. As was rightly accepted by the Applicant, the appeal against decisions taken by the Registrar is by way of review. Neither surprise at a Hearing Officer's conclusion, nor a belief that she has reached the wrong decision suffice to justify interference in this sort of appeal. Before that is warranted, it is necessary for me to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was wrong. See Reef Trade Mark [2003] RPC 5; BUD Trade Mark [2003] RPC 25; and more recently the decision of Geoffrey Hobbs Q.C. sitting as the Appointed Person in ALTI Trade Mark (O-169-16) at paragraphs [19] to [20]; the decision of Daniel Alexander Q.C. sitting as the Appointed Person in Talk for Learning Trade Mark (O-017-17) referred to by Arnold J. in Apple Inc. v. Arcadia Trading Ltd [2017] EWHC 440 (Ch); and the judgment of Daniel Alexander Q.C. sitting as a Deputy Judge in the High Court in Abanka D.D. v. Abanca Corporación Bancaria S.A. [2017] EWHC 2428 (Ch).
22. In Fine & Country Ltd v Okotoks Ltd (formerly Spicerhaart Ltd) [2013] EWCA Civ 672; [2014] FSR 11 Lewison LJ said:

50. The Court of Appeal is not here to retry the case. Our function is to review the judgment and order of the trial judge to see if it is wrong. If the judge has applied the wrong legal test, then it is our duty to say so. But in many cases the appellant's complaint is not that the judge has misdirected himself in law, but that he has incorrectly applied the right test. In the case of many of the grounds of appeal this is the position here. Many of the points which the judge was called upon to decide were essentially value judgments, or what in the current jargon are called multi-factorial assessments. An appeal court must be especially cautious about interfering with a trial judge's decisions of this kind. There are many examples of statements to this effect. I take as representative Lord Hoffmann's statement in *Designers Guild Ltd v Russell Williams (Textiles) Ltd* [2000] 1 WLR 2416 , 2423:

'Secondly, because the decision involves the application of a not altogether precise legal standard to a

combination of features of varying importance, I think that this falls within the class of case in which an appellate court should not reverse a judge's decision unless he has erred in principle.'

23. This approach was reiterated by the Court of Appeal in Fage UK Ltd v. Chobani UK Ltd [2014] EWCA Civ 5; [2014] E.T.M.R. 26 at paragraphs [114] and [115]. Moreover in paragraph [115] Lewison LJ said:

115 It is also important to have in mind the role of a judgment given after trial. The primary function of a first instance judge is to find facts and identify the crucial legal points and to advance reasons for deciding them in a particular way. He should give his reasons in sufficient detail to show the parties and, if need be, the Court of Appeal the principles on which he has acted and the reasons that have led him to his decision. They need not be elaborate. There is no duty on a judge, in giving his reasons, to deal with every argument presented by counsel in support of his case. His function is to reach conclusions and give reasons to support his view, not to spell out every matter as if summing up to a jury. Nor need he deal at any length with matters that are not disputed. It is sufficient if what he says shows the basis on which he has acted. These are not controversial observations: see *Customs and Excise Commissioners v A* [2002] EWCA Civ 1039; [2003] Fam. 55; *Bekoe v Broomes* [2005] UKPC 39; *Argos Ltd v Office of Fair Trading* [2006] EWCA Civ 1318; [2006] U.K.C.L.R. 1135.

24. It is necessary to bear these principles in mind on this appeal.

Decision

25. As noted above the main point on this appeal is the Hearing Officer's approach to the assessment of conceptual similarity and the impact of her finding in that regard on her assessment of the other aspects of similarity of the marks; the likelihood of confusion in the context of the objection under section 5(2)(b); and her assessment of the 'link' in the context of the objection under section 5(3).
26. In considering the question of the role of conceptual similarity in the assessments that she was required to make the Hearing Officer quite correctly referred to the case law of the CJEU namely Case C-361/04P Claude Ruiz-Picasso v. EUIPO (ECLI:EU:C:2006:25).
27. The approach in Case C-361/04P Claude Ruiz-Picasso v. EUIPO and the relevance of conceptual similarities and differences in general terms was set out by Iain Purvis Q.C. sitting as the Appointed Person in ROCHESTER Trade Mark (O-049-17) where he explained the position as follows (emphasis in the original):

38. Before turning to the particular issue in this case, it may be useful to consider the relevance of conceptual similarities and differences in more general terms. The case law of the European Union has recognised the self-evident proposition that where marks evoke particular, different concepts, this tends to counteract any visual or aural similarities between them and reduce the likelihood of confusion. This may be the case even where only one of the marks conveys a particular concept, and the other is concept-free. The CJEU in *Ruiz-Picasso v OHIM* [C-361/04] put it as follows:

'55 From the conceptual point of view, the word sign PICASSO is particularly well known to the relevant public as being the name of the famous painter Pablo Picasso. The word sign PICARO may be understood by Spanish-speaking persons as referring inter alia to a character in Spanish literature, whereas it has no semantic content for the (majority) non-Spanish-speaking section of the relevant public. The signs are not thus similar from the conceptual point of view.

56 Such conceptual differences can in certain circumstances counteract the visual and phonetic similarities between the signs concerned. For there to be such a counteraction, at least one of the signs at issue must have, from the point of view of the relevant public, a clear and specific meaning so that the public is capable of grasping it immediately [Case T-292/01 Phillips-Van Heusen v OHIM - Pash Textilvertrieb und Einzelhandel (BASS) [2003] ECR II-4335, paragraph 54].

57 The word sign PICASSO has a clear and specific semantic content for the relevant public. Contrary to the applicants' submissions, the relevance of the meaning of the sign for the purposes of assessing the likelihood of confusion is not affected in the present case by the fact that that meaning has no connection with the goods concerned. The reputation of the painter Pablo Picasso is such that it is not plausible to consider, in the absence of specific evidence to the contrary, that the sign PICASSO as a mark for motor vehicles may, in the perception of the average consumer, override the name of the painter so that that consumer, confronted with the sign PICASSO in the context of the goods concerned, will henceforth disregard the meaning of the sign as the name of the painter and perceive it principally as a mark, among other marks, of motor vehicles.'

39. The interesting point here is that the absence of a particular concept is said to ‘counteract’ confusion, by making the marks easier to distinguish. So lack of conceptual similarity is not merely a ‘neutral’ factor. That is the case even where one of the two marks has no particular meaning at all to the average consumer.
28. Before considering the impact of ‘concept’ on either the likelihood of confusion or the ‘link’ it is first necessary to consider what concept if any each sign conveys to the average consumer. This is an assessment of how the average consumer would perceive the signs.
29. In the present case the earlier mark RADO is an invented word. It is meaningless and therefore invokes no particular concept at all. There is no dispute that that is the position.
30. Radar is, as the Hearing Officer notes and is quite rightly not disputed by the Opponent, an ordinary dictionary word (paragraph [22] of the Decision). The Hearing Officer goes on to note in the same paragraph that ‘*According to Collins, Radar is a way of discovering the position or speed of objects such as aircraft or ships when they cannot be seen, by using radio signals*’. The Hearing Officer found that the word radar had a clear and unequivocal meaning and went on to conclude that the trade marks in issue were not conceptually similar (paragraph [22] of the Decision). The Hearing Officer then went on to find that the concept in the Applicant’s mark was ‘*immediate and powerful*’ (paragraph [30] of the Decision) and that the conceptual difference between the trade marks was ‘*notable. Its effect is strong and immediate.*’ (paragraph [39] of the Decision).
31. It seems to me that the concept of the Applicant’s mark is clear and specific. The concept is a device or method for detecting and locating distant objects in particular aircraft and ships. That is supported by the inclusion of the word in the dictionary. The word radar is not one which can be regarded as obscure and is one with which the average consumer would be familiar. I do not consider that the suggestion that the average consumer may not be aware of what a radar device looks like or how radar works is a necessary prerequisite for a finding that the concept of the Applicant’s mark is clear and specific or indeed immediate, strong and powerful. It does not seem to me to be necessary to establish particular knowledge on the part of the average consumer to that degree. The point is that that the Applicant’s mark possesses a specific concept whereas the Opponent’s earlier marks possess no concept. They are not conceptually similar.
32. Moreover, for the reasons set out by Iain Purvis Q.C. above, it is my view that the finding one mark possesses a specific concept but the other possesses no conceptual content is not merely a neutral factor, as submitted by the Opponent, but may

‘counteract’ any likelihood of confusion or indeed the finding of a ‘link’. It was a factor that it was open to the Hearing Officer to take into account in assessing both the Grounds of Opposition in the present case.

33. With regard to the assessment of the visual and aural similarity of the signs by the Hearing Officer I do not accept that assessment was permeated by the Hearing Officer’s view as to the conceptual difference between the marks. The Hearing Officer considered each of the visual, oral and conceptual similarities in turn before going on to consider the likelihood of confusion and then the ‘link’.
34. The Hearing Officer made an assessment of the visual similarity at paragraph [20] of the Decision and clearly had in mind that the marks coincided with the letters RAD. She correctly observed that that was the only similarity between the marks. It seems to me that her conclusion that the visual similarity was low to medium was one that was open to her to make and the fact that she did not state that the coincidence of the letters RAD was at the start of the marks the subject of the comparison does not vitiate that conclusion.
35. With regard to the assessment of aural similarity made in paragraph [21] of the Decision it is suggested on this appeal that the finding should have been that with respect of the aural similarity the finding should have been a high degree of similarity. However, the Hearing Officer found that the similarity was potentially to a medium to high degree. I have not been pointed to any reason why this was clearly wrong. In any event it seems to me that this was a finding that the Hearing Officer was entitled to make.
36. In making the assessment of the likelihood of confusion there is no suggestion that the Hearing Officer had not identified the correct legal approach. Moreover, it is clear that the Hearing Officer had firmly in mind those factors which weighed in the Opponent’s favour. She clearly set them out in paragraph [29] of her Decision as being (a) that the marks were visually similar to a low to medium degree; (b) that the marks were potentially aurally similar to a medium to high degree; and (c) that the earlier trade marks were distinctive to an above average degree.
37. The Hearing Officer also, correctly, had in mind that conceptual difference did not always overcome visual and aural similarities. However she considered having evaluated the various factors that the ‘concept’ invoked by the Applicant’s trade mark was such that from the perspective of the average consumer it provided a differentiating hook that entirely set it apart from the earlier marks relied upon (paragraph [32] of her Decision). For the reasons set out in paragraph 31 above that was a view which it seems to me was entirely open to her to reach.
38. On appeal, it was suggested that the Hearing Officer has failed to consider the particular purchasing circumstances relevant to watches and in particular the fact that

marks often appear on watches in relatively small letters such that the differences between the marks would go unnoticed. In this connection the decision of Mr Allan James in I-WATCH Trade Mark (O-307-16) was referred to on behalf of the Opponent.

39. Whilst it is correct to say that the Hearing Officer did not explicitly refer to this submission in her Decision I do not consider that this is a material omission in the context of the present appeal. First, there is no challenge to the findings of the Hearing Officer in paragraph [25] of her Decision in which she held:

The consumer for watches will be the public at large, purchasing the products from a store or in the online environment. As such, both visual and aural considerations are potentially important. Watches can vary wildly in terms of price and so the level of attention expected to be displayed during the purchasing process will reflect this. For example, one would expect it to be fairly high in respect of a luxury item. However, in any case, even a cheaper item would be reasonably considered as factors such as look, colour, function will all be relevant.

40. Second, it is clear that the Hearing Officer had in mind the perspective of the relevant average consumer in reaching the conclusion that she did (paragraph [30] of the Decision).
41. Third, whilst I agree with the observation of Mr James in paragraph [76] of his Decision in I-WATCH that in the context of watches small differences will go unnoticed, even by a consumer paying an above average degree of attention; I do not agree that present case that the differences between the marks are such as to go unnoticed. When considering the marks as a whole in the present case there are, it seems to me, differences between them such that it was open to the Hearing Officer to find that there was no likelihood of either direct or indirect confusion.
42. With regard to the finding that there was no 'link' for the purposes of the section 5(3) objection the Opponent relied on essentially the same grounds of appeal that it did under section 5(2)(b). In particular it relied upon the ground that the Hearing Officer had incorrectly considered the weight to be given to and assessment of the conceptual similarity of the marks in issue.
43. In my view the Hearing Officer engaged in paragraphs [38] and [39] with the multifactorial assessment that she was required to make under section 5(3) of the Act. It is not suggested that the Hearing Officer has not identified the correct factors to be considered but that the weight that had been given to some of those factors was incorrect. For the reasons set out above I have already found that it was open to the

Hearing Officer to find that the conceptual difference between the trade marks was notable and that its effect would be strong and immediate.

44. In those circumstances, it seems to me that it was likewise open to the Hearing Officer in making the required multi-factorial, evaluative assessment of the 'link' to reach the conclusion that she did and reject the section 5(3) objection.

Conclusion

45. In the premises, it does not seem to me that the Opponent has identified any material error of principle in the Hearing Officer's analysis of that the Hearing Officer was wrong. For the reasons set out above I am satisfied that it was open to the Hearing Officer to come to the view that she did. In the result the appeal fails.
46. Since the appeal has been dismissed the Applicant is entitled to a contribution to his costs of the appeal. As noted above, in advance of the hearing the Applicant's representatives indicated that there would be no attendance at the hearing of the appeal. Neither side has asked for a special order as to costs. The Appellant's Notice is relatively detailed. No Respondent's Notice was filed. In those circumstances it seems to me that it is appropriate to make an order that the Opponent pay to the Applicant £100 towards his costs of the appeal. This sum is to be paid in addition to the costs of £1900 ordered by the Hearing Officer below. I therefore order that Rado Uhren AG (Rado Watch Co Ltd)(Montres Rado S.A.) pay £2000 to Oliver Carl Wallace Ashley within 21 days of the date of this decision.

EMMA HIMSWORTH Q.C.

Appointed Person

12 December 2017