

**O/342/18**

**TRADE MARKS ACT 1994**

**TRADE MARK APPLICATION 3217945**

**BY CRO MAGNON TRADE AND SERVICES – JOHN BAILLIE**

**AND**

**OPPOSITION No. 409611**

**BY EUROMARKET DESIGNS, INC.**

## **Background and pleadings**

1. This is an opposition by Euromarket Designs, Inc. (“the opponent”) to an application filed on 10<sup>th</sup> March 2017 (“the relevant date”) by Cro Magnon Trade and Services – John Baillie (“the applicant”) to register the trade mark BABYCRATE in relation to:

Class 20: Furniture and nursery furniture including: cots, portable cots, highchairs, change tables, cushions, mattresses, bassinets, cradles, playpens, and fittings and accessories for furniture.

Class 25: Clothing, footwear, headgear.

2. The contested mark was published for opposition purposes on 24<sup>th</sup> March 2017.

3. The opposition is based on two earlier UK trade marks: UK2228332 and UK2244090, both of which consist of the words CRATE & BARREL. The earlier marks were registered in 2001 in relation to goods in classes 20, 21 & 24, and retail services in class 35, respectively.

4. The opponent claims that (a) the goods and services covered by the earlier marks are the same as, or similar to, the goods covered by the contested mark, (b) the respective marks are similar, and (c) there is a likelihood of confusion on the part of the public. Further, the opponent claims that the earlier marks have a reputation in the UK and that use of the contested mark would, without due cause, taken unfair advantage of, and/or be detrimental to, the reputation of the distinctive character of the earlier marks. The opponent therefore asks for registration of the contested mark to be refused under section 5(2)(b) or section 5(3) of the Trade Marks Act 1994 (“the Act”)

5. The s.5(3) grounds are, essentially, that (a) the public will believe that there is some sort of economic connection between the users of the respective marks and this will permit the contested mark to take unfair advantage of the reputation of the earlier marks, (b) the opponent will lose control over the reputation of its marks,

which will be tarnished if the contested mark is used in relation to inferior goods, and (c) the distinctiveness of the earlier mark will be diluted by the use of the contested mark and it will therefore be less able to immediately distinguish the opponent's goods/services.

6. The applicant filed a counterstatement denying the grounds of opposition. The counterstatement is long (10 pages) and detailed. I note the following points, in particular:

- The applicant requested proof of use of the earlier trade marks;
- The applicant denied that the respective marks are similar;
- The applicant admitted that the goods in class 20 are the same as, or similar to, the goods in the corresponding class of the earlier marks;
- The applicant denied that the goods covered by class 25 of the contested mark are similar to the goods or services covered by the earlier marks;
- The applicant put the opponent to proof that the earlier marks have a reputation in the UK;
- The applicant denied that use of the contested mark would take unfair advantage of any reputation associated with the earlier marks, or that such use would be detrimental to the reputation or distinctive character of the earlier marks.

7. Both sides seek an award of costs.

### **Representation**

8. The opponent is represented by D Young & Co LLP, Chartered Trade Mark Attorneys. The applicant is not professionally represented. Neither side wished to be heard on the substance of the opposition, preferring a decision from the papers.

## Case Management

9. The counterstatement was served on the opponent on 7<sup>th</sup> August 2017. It was allowed until 9<sup>th</sup> October 2017 to file evidence in support of the opposition. On 9<sup>th</sup> October 2017 the opponent sought an extension of time of two months in which to file its evidence. Among the reasons given for the extension of time were that the opponent required more time to collect evidence and that the signatory of the draft witness statement was not available to sign it. The opponent was granted an extension of time of one month. The opponent's evidence was filed within this period.

10. The applicant filed its evidence within the period allowed, on 8<sup>th</sup> January 2018.

11. The opponent indicated that it wished to file evidence in reply. It was allowed until 8<sup>th</sup> March 2018 to do so. On 8<sup>th</sup> March 2018, the opponent submitted an application for a one week extension of time to file evidence in reply. The reason given was the non-availability of the signatory of the draft witness statement. The application was provisionally refused. The opponent's evidence was filed within the week sought.

12. A case management conference took place on 5<sup>th</sup> April 2018 at which Mr Baillie represented himself. The opponent was represented by Ms Gemma Kirkland of D Young & Co LLP. The applicant opposed the extension of time. On reviewing the evidence, I noted that it all related to the opponent's plans to launch a spin off brand CRATE AND KIDS and when this plan was first developed. There was no evidence of any actual external use of that brand. The evidence appeared wholly irrelevant to the matters covered by the opposition. On enquiry, I was told that the evidence was intended to reply to some speculation in paragraph 25 of the applicant's witness statement as to the opponent's motives for bringing the opposition. When asked neither side could explain why this matter was relevant to the grounds of opposition. The discretion to extend time limits should not be used to take in evidence that is manifestly irrelevant. I therefore rejected the opponent's request for an extension of time to file the evidence-in-reply. I also directed that no weight should be attached to paragraph 25 of Mr Baillie's witness statement. Consequently, there is no need for me to say anything more about that matter in the following summary of the evidence.

## The evidence

### The opponent's evidence

13. The opponent's evidence consists of a witness statement by its General Counsel in the US, Ms Victoria Donati. Ms Donati says that the opponent operates stores in the USA under the name CRATE & BARREL. The first one was opened in Chicago in 1962. It sells household products.

14. According to Ms Donati, the CRATE & BARREL mark is *“present on the products, labels and packaging as shown by the images... at exhibit 4.”* There are 8 images in exhibit 4 to Ms Donati's statement. Seven of these images show white (or light) coloured packaging boxes bearing the words CRATE & BARREL. The eighth image shows a waste basket with a label attached to it, and a delivery note. No trade mark is visible on the basket itself. The contents of the label are illegible because of the angle from which the photograph was taken. The delivery note is headed with the name CRATE & BARREL. The waste basket is listed on the note as a “SEDONA GREY TAPERED WASTEBASKET.” I pause there to note that, contrary to Ms Donati's statement, none of the images in exhibit 4 show the CRATE & BARREL mark on products or their labels.

15. The opponent has operated the website [crateandbarrel.com](http://crateandbarrel.com) since 1999. Ms Donati states that sales of the opponent's products have grown exponentially since the launch of the website. Annual worldwide sales for 2016 amounted to around \$1.2 billion. Sales in the UK are much more modest. In 2012, the opponent sold just over \$100k worth of goods in the UK. Sales continued to grow after that, but have never exceeded \$200k per annum. In 2016, sales to the UK were around \$170k.

16. Ms Donati provides two spreadsheets showing sales between 2011 and 2017 to customers located in the UK.<sup>1</sup> The first list shows around 1250 sales between 2011 and the relevant date. These sales vary in value from around £25 to several hundred pounds. Some sales appear to be repeat orders from the same people. There is no

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<sup>1</sup> See exhibit 6 to WS Donati

indication as to the type of products sold or the trade mark used. The second list covers sales in 2015/16. It includes the brands used for the various goods as well as a description of the items. In no case is the brand shown as CRATE & BARREL. Rather, this name appears as the 'merchant name'. A brand name which is different to CRATE & BARREL is shown for each entry in the list. The products appear to be mainly glassware and kitchenware.

17. The evidence also includes "representative samples of invoices" relating to sales to the UK.<sup>2</sup> There are 21 such invoices. These sales are for larger sums, typically over \$1000. A few are over \$20k. They include sales of items of furniture, pillows and mattresses. I note that the 'warehouse pick-up address' shown in each case is in New Jersey, USA. Consequently, a significant proportion of the charges made to the customers were delivery charges, particularly where the goods were shipped to the UK as air freight.

18. Ms Donati provides worldwide marketing figures for the CRATE & BARREL mark, but does not provide figures relating to marketing in the UK.

19. The opponent has been planning to open a store in the UK since 2015. Ms Donati provides a copy of an internal presentation prepared in 2015.<sup>3</sup> She points out that according to figures shown on page 33 of the report, in the period February – July 2016, the 'furniture' department (presumably section of the website) received 80k visits and the 'bedding' department received over 10k visits.

20. I note the Executive Summary on page 2 of the presentation suggests that a store should be opened in Kings Cross and that *"we should be prepared to launch a UK eCommerce site either at the same time or even ahead of the store open to capture the broader demand and boost profitability."*

21. Exhibit 9 to Ms Donati's statement consists of press coverage over the past 5 years, which she says shows that the CRATE & BARREL mark is known and recognised by a significant proportion of the UK public. There are 22 examples of

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<sup>2</sup> See exhibit 7 to WS Donati

<sup>3</sup> See exhibit 8 to WS Donati

articles published in the UK between 2011 and the relevant date which mention CRATE & BARREL. Many of these are linked to discussion about the opponent opening a store in the UK. In my view, they show limited recognition of the opponent's mark as the trade mark of a US retailer.

### The applicant's evidence

22. The applicant's evidence consists of a witness statement by Mr John Baillie. He says that he filed the opposed application. He was not aware of the opponent's mark at that time but, even if he had been, it would have made no difference as he does not consider it to be similar to the contested mark.

23. Mr Baillie says that the BABYCRATE mark was inspired by the applicant's new-born baby safe sleep bassinet which somewhat resembles a crate. This product was launched in November 2017 and is, so far, the applicant's only furniture product. I pause there to note that this was after the relevant date in these proceedings. Therefore, the applicant's mark was unused in commerce at the relevant date.

24. Mr Baillie makes a number of other points about the way his business's goods are marketed as opposed to the opponent's business. However, I must base my assessment on normal and fair use of the marks (as opposed to actual use to date). Therefore, these points are mostly irrelevant. Similarly, Mr Baillie's evidence showing the existence of other registered marks including the word CRATE is also irrelevant. This is because it does not show whether such marks are in use, or where, or for which goods. Consequently, it cannot show that the public have got used to distinguishing between such marks.

### **Proof of use**

25. Section 6A of the Act states:

“Raising of relative grounds in opposition proceedings in case of non-use

6A. - (1) This section applies where -

- (a) an application for registration of a trade mark has been published,
- (b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
- (c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if -

- (a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or
- (b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

- (a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and
- (b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) -

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated



for the purposes of this section as if it were registered only in respect of those goods or services.”

26. Section 100 of the Act is also relevant. It states that:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

27. Earlier trade mark UK2228332 is registered in relation to:

Class 20: Furniture, mirrors, picture frames; articles (not included in other classes) consisting of wood, cork, reeds, cane, wicker, horn, bone, ivory, whalebone, shell, amber, mother-of-pearl, meerschaum, celluloid, and substitutes for all these materials.

Class 21: Glassware, crockery; chinaware, porcelain, ceramic ware, earthenware; trays for domestic purposes; tableware, picnic ware, kitchenware, bakeware, cookware, baking and cooking utensils, baskets and basketware, all for domestic uses; ornaments, barbecue ware, storage containers and containers for garden use.

Class 24: Tissues (piece goods); bed and table covers; textile articles not included in other classes.

28. Earlier trade mark UK2244090 is registered in relation to:

Class 35: The bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a department store, supermarket, retail furniture store, retail homeware store or a retail home furnishing; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods from a department store, supermarket, retail furniture store, retail homeware store or a retail home furnishing catalogue by mail order or by means of telecommunications; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase

those goods from a supermarket or department store web site or an Internet web site specialising in the marketing of furniture, homewares, home furnishings.

29. The earlier marks were registered in 2001. Therefore s.6A applies. The relevant period for establishing genuine use of the marks is 25<sup>th</sup> March 2012 to 24<sup>th</sup> March 2017.

30. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*<sup>4</sup> Arnold J. summarised the case law on genuine use of trade marks. He said:

“217. *The law with respect to genuine use* . In *Stichting BDO v BDO Unibank Inc* [2013] EWHC 418 (Ch), [2013] FSR 35 I set out at [51] a helpful summary by Anna Carboni sitting as the Appointed Person in *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] of the jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439 , Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759 (to which I added references to Case C-416/04 *P Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237 ). I also referred at [52] to the judgment of the CJEU in Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16 on the question of the territorial extent of the use. Since then the CJEU has issued a reasoned Order in Case C-141/13 *P Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and that Order has been persuasively analysed by Professor Ruth Annand sitting as the Appointed Person in *SdS InvestCorp AG v Memory Opticians Ltd* (O/528/15).

218. An important preliminary point to which Prof Annand draws attention in her decision is that, whereas the English versions of Articles 10(1) and 12(1) of the Directive and Articles 15(1) and 51(1)(a) of the Regulation use the word

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<sup>4</sup> [2016] EWHC 52

“genuine”, other language versions use words which convey a somewhat different connotation: for example, “ernsthaft” (German), “efectivo” (Spanish), “sérieux” (French), “effettivo” (Italian), “normaal” (Dutch) and “sério/séria” (Portuguese). As the Court of Justice noted in *Ansul* at [35], there is a similar difference in language in what is now recital (9) of the Directive.

219. I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetsky-Order v Bundervsvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

31. UK2244090 is registered in relation to various retail services in class 35. The opponent had no retail stores in the UK during the relevant period and there is no

evidence that it sold goods via mail order. The opponent's evidence is that it operated a website from which goods were sold to the UK. The website was evidently organised into 'departments' mimicking the organisation of a bricks and mortar store. This raises the question of whether the opponent was, through its .com website, making genuine use of the mark CRATE & BARREL in the UK.

32. In *Pammer v Reederei Karl Schlüter GmbH & Co. KG and Hotel Alpenhof GesmbH v Heller*<sup>5</sup> the CJEU interpreted the national court as asking, in essence, “*on the basis of what criteria a trader whose activity is presented on its website or on that of an intermediary can be considered to be ‘directing’ its activity to the Member State of the consumer’s domicile ..., and second, whether the fact that those sites can be consulted on the internet is sufficient for that activity to be regarded as such*”. The court held that it was not sufficient for this purpose that a website was accessible from the consumer’s Member State. Rather, “*the trader must have manifested its intention to establish commercial relations with consumers from one or more other Member States, including that of the consumer’s domicile*”. In making this assessment national courts had to evaluate “*all clear expressions of the intention to solicit the custom of that state’s customers*”. This applies equally to the assessment of whether a trade mark used on a website has been put to genuine use in a particular territory.

33. There is no evidence of active promotion of the mark in the UK during the relevant period. However, the evidence shows that a modest but significant number of sales of furniture, bedding and homewares took place via the opponent’s website to customers in the UK during the relevant period. This is not necessarily evidence of genuine use of the mark in the UK, i.e. use intended to create or preserve an outlet for the goods or services that bear the mark. Some of it was no doubt sales to Americans who just happened to be in the UK at the time. However, on balance, I consider the scale of the sales to the UK via the website is sufficient to establish that it was partly directed at the UK market. I find that a fair description of the services offered under the mark (as shown in the evidence) is:

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<sup>5</sup> Joined Cases C-585/08 and C-144/09

“The bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods from a department store web site or an Internet web site specialising in the marketing of furniture, homewares, home furnishings.”

The opponent is entitled to rely on earlier mark UK2244090 to this extent.

34. UK2228332 is registered in relation to goods in classes 20, 21 and 24. The evidence shows that the opponent, operating as CRATE & BARREL, made sales to UK consumers of, at least, furniture, glassware, crockery and bedding. Ms Donati states that the products and their labels bore the mark CRATE & BARREL as shown in exhibit 4 to her statement. However, as I noted earlier, the pictures in exhibit 4 do not show this. They show only that the mark was applied to boxes used to package goods. I must therefore assess what weight to give to Ms Donati’s evidence that the mark was “*present on the products, labels....as shown in exhibit 4.*”.

35. In *Dosenbach-Ochsner Ag Schuhe Und Sport v Continental Shelf 128 Ltd*,<sup>6</sup> Mr Geoffrey Hobbs Q.C. as the Appointed Person stated that:

“21. The assessment of a witness statement for probative value necessarily focuses upon its sufficiency for the purpose of satisfying the decision taker with regard to whatever it is that falls to be determined, on the balance of probabilities, in the particular context of the case at hand. As Mann J. observed in *Matsushita Electric Industrial Co. v. Comptroller- General of Patents* [2008] EWHC 2071 (Pat); [2008] R.P.C. 35:

[24] As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in any particular case where satisfaction is required depends on the nature of the inquiry and the nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or

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<sup>6</sup> Case BL 0/404/13

her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and what is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence has to be provided in order to satisfy a decision-making body about that of which that body has to be satisfied.

22. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not '*show*' (per Section 100 of the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use."

36. I find that Ms Donati's evidence does not *show* that the products the opponent sold to UK based consumers had the CRATE & BARREL mark on them, or on the labels attached to the products. Further, the inconsistency between her statement and what exhibit 4 actually shows is itself a reason to treat this part of her narrative evidence with caution. This is particularly the case where other parts of the opponent's evidence show that the goods were sold under other marks. I therefore conclude that the opponent has not established that the goods it sold to the UK during the relevant period bore the CRATE & BARREL mark, or that the mark was attached to the labels for the goods.

37. The CRATE & BARREL mark was plainly used on the opponent's website and on delivery notes, invoices and packaging. It is therefore necessary to consider whether this represents use "in relation to" the goods.

38. In *Aegon UK Property Fund Limited v The Light Aparthotel LLP*<sup>7</sup>, Mr Daniel Alexander Q.C. as the Appointed Person stated that:

“17. .... unless it is obvious, the proprietor must prove that the use was in relation to the particular goods or services for which the registration is sought to be maintained.

18. In *Céline SARL v. Céline SA*, Case C-17/06 (*Céline*), the Court of Justice gave guidance as to the meaning of “use in relation to” goods for the purpose of the infringement provisions in Article 5(1) of the Directive. Considering a situation where the mark is not physically affixed to the goods, the court said at [23]:

“...even where the sign is not affixed, there is use “in relation to goods or services” within the meaning of that provision where the third party uses that sign in such a way that a link is established between the sign which constitutes the company, trade or shop name of the third party and the goods marketed or the services provided by the third party.”

19. The General Court has, on more than one occasion, proceeded on the basis that a similar approach applies to the non-use provisions in what is now Article 42 of the European Union Trade Mark Regulation. For example, in *Strategi Group*, Case T-92/09, the General Court said:

“23. In that regard, the Court of Justice has stated, with regard to article 5(1) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989, L 40, p. 1), that the purpose of a company, trade or shop name is not, of itself, to distinguish goods or services. The purpose of a company name is to identify a company, whereas the purpose of a trade name or a shop name is to designate a business which is being carried on. Accordingly, where the use of a company name, trade

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<sup>7</sup> BL O/472/11



name or shop name is limited to identifying a company or designating a business which is being carried on, such use cannot be considered as being 'in relation to goods or services' (*Céline*, paragraph 21).

24. Conversely, there is use 'in relation to goods' where a third party affixes the sign constituting his company name, trade name or shop name to the goods which he markets. In addition, even where the sign is not affixed, there is use 'in relation to goods or services' within the meaning of that provision where the third party uses that sign in such a way that a link is established between the sign which constitutes the company, trade or shop name of the third party and the goods marketed or the services provided by the third party (see *Céline*, paragraphs 22 and 23)."

20. Those passages must be read together with the general requirements of proof of use in *Ansul* at [43] that there is genuine use of a trade mark where the mark is used in accordance with its essential function namely to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services."

39. In my view, the opponent has not shown that CRATE & BARREL was used "in relation to" the goods it sold under other marks. Rather, the mark appears to have been used solely to designate the retail services provided by the opponent. Consequently, the opponent is not entitled to rely on earlier trade mark UK2228332.

### **The section 5(2)(b) ground based on UK2244090**

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

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

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

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

### Comparison of goods and services

41. The following principles are gleaned 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.

#### *The principles*

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

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

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

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

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

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

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

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

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

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

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

### Comparison of goods/services

42. In the judgment of the CJEU in *Canon* the court stated at paragraph 23 of its judgment that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their

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

43. The goods covered by the contested mark in classes 20 and 25 are manifestly different in nature, purpose and method of use to the opponent’s services in class 35. However, in *Oakley, Inc v OHIM*<sup>8</sup> the General Court held that although retail services are different in nature, purpose and method of use to goods, retail services for particular goods may be complementary to those goods, and distributed through the same trade channels, and may therefore be similar to a degree. In *Tony Van Gulck v Wasabi Frog Ltd*<sup>9</sup> Mr Geoffrey Hobbs Q.C., as the Appointed Person reviewed, reviewed the law concerning retail services v goods. He said (at paragraph 9 of his judgment) that:

“9. The position with regard to the question of conflict between use of BOO! for handbags in Class 18 and shoes for women in Class 25 and use of MissBoo for the Listed Services is considerably more complex. There are four main reasons for that: (i) selling and offering to sell goods does not, in itself, amount to providing retail services in Class 35; (ii) an application for registration of a trade mark for retail services in Class 35 can validly describe the retail services for which protection is requested in general terms; (iii) for the purpose of determining whether such an application is objectionable under Section 5(2)(b), it is necessary to ascertain whether there is a likelihood of confusion with the opponent’s earlier trade mark in all the circumstances in which the trade mark applied for might be used if it were to be registered; (iv) the criteria for determining whether, when and to what degree services are ‘similar’ to goods are not clear cut.”

44. Taking account of the European courts’ judgments in *Sanco SA v OHIM*<sup>10</sup>, and *Assembled Investments (Proprietary) Ltd v. OHIM*<sup>11</sup> (upheld on appeal in *Waterford*

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<sup>8</sup> Case T-116/06, at paragraphs 46-57

<sup>9</sup> Case BL O/391/14

<sup>10</sup> Case C-411/13P

<sup>11</sup> Case T-105/05, at paragraphs [30] to [35] of the judgment

*Wedgewood Plc v. Assembled Investments (Proprietary) Ltd*<sup>12</sup>, Mr Hobbs concluded that:

- i) Goods and services are not similar on the basis that they are complementary if the complementarity between them is insufficiently pronounced that, from the consumer's point of view, they are unlikely to be offered by one and the same undertaking;
- ii) In making a comparison involving a mark registered for goods and a mark proposed to be registered for retail services (or vice versa), it is necessary to envisage the retail services normally associated with the opponent's goods and then to compare the opponent's goods with the retail services covered by the applicant's trade mark;
- iii) It is not permissible to treat a mark registered for 'retail services for goods X' as though the mark was registered for goods X;
- iv) The General Court's findings in *Oakley* did not mean that goods could only be regarded as similar to retail services where the retail services related to exactly the same goods as those for which the other party's trade mark was registered (or proposed to be registered).

45. Retailers of furniture and clothing are sometimes also the party responsible for the goods themselves, e.g. own branded or unbranded goods. It follows that the goods covered by class 20 of the contested mark and the services covered by the earlier mark are 'complementary' in the sense described in the case law. Further, the respective goods in class 20 and services in class 35 are usually directed to the same types of consumers. There is therefore a low to medium degree of similarity between the applicant's goods in class 20 and the opponent's services. There is no complementary relationship between the applicant's goods in class 25 and the opponent's retail services. Consequently, these goods/services are dissimilar.

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<sup>12</sup> Case C-398/07P

### Average consumer and the selection process

46. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*. The goods and services at issue are ordinary goods/services. The average consumer is therefore likely to be a member of the public in the market for furniture. As furniture is not an everyday purchase it is possible that such consumers will pay a higher than an average degree of attention when selecting the goods. However, for present purposes I will assume a 'normal' or average degree of attention.

47. I would expect the goods covered by class 20 of the contested mark to be selected mainly by eye, from advertisements either on paper or online, or from displays of the goods in shops. However, word of mouth recommendations may also play some part in the process. Therefore, the way that the marks look is most important to the likelihood of confusion, but I must also take account of the way they sound.

### Distinctive character of the earlier mark

48. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

49. The words CRATE & BARREL are not descriptive of the retail services for which they are registered in class 35, or of the types of goods offered for sale in association with the opponent’s services. The combination of words is unusual. In my view, the earlier mark has an above average degree of inherent distinctive character. However, the element common to the parties’ marks – the word CRATE – has only a normal degree of distinctive character.

50. The opponent has no physical presence in the UK and there is no evidence of active promotion of the CRATE & BARREL mark in the UK prior to the relevant date. The mark was probably known to some of the UK public as the mark of a US retailer. However, the evidence is insufficient to show that a significant proportion of the relevant UK public would have been aware of the earlier mark at the relevant date. I therefore find that, at the relevant date, the distinctive character of the earlier mark had not been enhanced through use.

#### Comparison of marks

51. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components.

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

CRATE & BARREL	BABYCRATE
Earlier trade mark	Contested trade mark

53. The opponent submits that the marks are similar because:

- (i) BABY is descriptive of the applicant's goods, at least to the extent that they are for use by babies;
- (ii) In contrast, CRATE is distinctive for furniture;
- (iii) Therefore, the dominant and distinctive element of the contested mark is the word CRATE;
- (iv) CRATE is the first element of the earlier mark and is therefore likely to be seen and heard as the dominant and distinctive element of that mark;
- (v) The words in both marks begin with B & C;
- (vi) Both BABY and BARREL begin with BA-;
- (vii) The ampersand in the earlier mark is likely to go unnoticed by average consumers;
- (viii) When BABYCRATE is spoken there is a certain emphasis on CRATE over BABY;
- (ix) Although BABY and BARREL have different meanings, the meaning of CRATE is common to both marks.

54. The applicant denies that the marks are similar at all.



55. I accept points (i), (ii), (v), and (vi) in the list in paragraph 53 above. However, I do not accept that these points lead to the conclusion that the dominant and distinctive element of both marks is the word CRATE. The distinctive character of the earlier mark manifestly derives from the combination of the visual, aural and conceptual impacts of the word combination CRATE and BARREL. The ampersand is part of this identity. I do not therefore accept that average consumers would overlook it. Conceptually, the idea of the mark is that of a crate and a barrel.

56. There is more to be said for the submission that CRATE is more distinctive than BABY in the contested mark, at least in relation for goods for babies. However, even in this case it would be artificial to dissect the mark into BABY and CRATE, and then discount the word BABY to leave CRATE as the 'dominant and distinctive' element of the mark. I do not consider that this is how an average consumer would view the mark because such a person "*normally perceives a mark as a whole*". Therefore, although the word BABY is descriptive (for some goods) it still distinguishes the mark to some extent in terms of the way that it looks and sounds. This is particularly the case because, being at the beginning of the mark, BABY strikes the eye and ear first. Further, (from a visual perspective) the word is conjoined with the word CRATE. The conceptual meaning conveyed by BABYCRATE is likely to be a small crate or, perhaps less likely, a crate for a baby. On either view, the concept is quite distinct from that of a crate and a barrel.

57. Overall, I therefore find that the marks are visually and aurally similar to only a low degree. Further, the marks are conceptually dissimilar or, at most, conceptually neutral.

#### Likelihood of confusion

58. Even allowing for a degree of imperfect recollection on the part of the average consumer, the differences between the marks are sufficient, in my view, to rule out the likelihood of direct confusion. Further, I would have reached the same conclusion even if I had found that the opponent was entitled to rely on UK2228332 in Class 20 and the respective goods were therefore identical.

59. The opponent submits that there is a likelihood of indirect confusion, i.e. that BABYCRATE will be regarded as a spin-off mark used by the opponent in relation to a range of goods for babies. In *L.A. Sugar Limited v By Back Beat Inc*,<sup>13</sup> Mr Iain Purvis Q.C., as the Appointed Person, explained that:

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

60. In this connection, I note that the most distinctive thing about the earlier mark is the combination of the words CRATE and BARREL. The word that is common to the marks – CRATE – is no more than averagely distinctive by itself. Further, the evidence does not even establish that CRATE & BARREL had acquired an enhanced degree of distinctiveness in the UK at the relevant date, let alone the word CRATE alone. In these circumstances, I do not consider it likely that average UK consumers would assume that BABYCRATE is a spin-off mark for babies’ goods used by the same undertaking which uses CRATE & BARREL, or by an economically connected undertaking.

61. I should make it clear why the opponent’s plans to develop a derivative brand for use in relation to its trade in children’s goods is irrelevant to this assessment. It is because (a) UK consumers would have been unaware of any such plans at the

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<sup>13</sup> Case BL O/375/10

relevant date, and (b) the average UK consumer's expectations cannot be expected to reflect the opponent's internal plans or ideas.

62. The opposition under s.5(2)(b) therefore fails.

### **The section 5(3) ground based on UK2244090**

63. Section 5(3) states:

“(3) A trade mark which-

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

### The case law

64. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and C-487/07, *L'Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls

the earlier mark to mind; Adidas Saloman, paragraph 29 and Intel, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; Intel, paragraph 42

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; Intel, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; Intel, paragraph 79.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; Intel, paragraphs 76 and 77.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; Intel, paragraph 74.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; L'Oreal v Bellure NV, paragraph 40.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure).

### Reputation

65. In my view, the opponent has not shown that CRATE & BARREL was known by a significant part of that relevant UK public at the relevant date. Therefore, the s.5(3) ground falls at the first hurdle.

### Link

66. In case I am wrong about that, I will also consider whether, if the CRATE & BARREL mark has a qualifying reputation in the UK, consumers would make the required 'link' with the contested mark. I acknowledge that there is a high degree of overlap between consumers of the opponent's retail services and consumers for furniture and clothing in classes 20 and 25. However, bearing in mind:

- (i) The low degree of similarity between the respective marks;
- (ii) The low to medium degree of similarity between the applicant's goods in class 20 and the opponent's services;
- (iii) That there is no similarity between the applicant's goods in class 25 and the opponent's services;
- (iv) That the common word - CRATE – is inherently distinctive to an average degree (and has not been enhanced through use to a material degree);

- (v) That the reputation of the earlier mark in the UK is, at most, modest;
- (vi) That there is no likelihood of confusion on the part of the UK public;

- I find that UK consumers encountering the contested mark in use in relation to the goods covered by the application would not make any link with the earlier mark.

#### Unfair advantage/detriment to reputation or distinctive character

67. It follows that the opponent's claims of unfair advantage/detriment to the reputation or distinctive character of CRATE & BARREL must be rejected. Further, if I had found that the opponent's mark had a qualifying reputation and that a significant proportion of average UK consumers of furniture in class 20 would make a mental link between the marks, I would have held that any such link would be too weak and fleeting to affect the economic behaviour of consumers. In other words, too weak for the reputation of the earlier mark to have transferred to the contested mark and thereby provide that mark with an unfair advantage.

68. Apart from the claim of a likelihood of confusion as to the trade source of the goods sold under it, which I have rejected, the opponent has not shown or explained how the use of BABYCRATE would affect the economic behaviour of consumers of the opponent's services. Consequently, the allegation of detriment to distinctive character must be rejected.<sup>14</sup>

69. The opponent's argument that the reputation of CRATE & BARREL will be damaged if the contested mark is used in relation to goods of an inferior quality is hypothetical and must be rejected on that basis alone.<sup>15</sup>

70. The s.5(3) ground therefore fails.

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<sup>14</sup> See *Environmental Manufacturing LLP v OHIM*, Case C-383/12P, CJEU

<sup>15</sup> See the decision of Ms Anna Carboni as the Appointed Person in *Unite The Union v The Unite Group Plc*, Case BL O/219/13

## **Outcome**

71. The opposition is rejected.

## **Costs**

72. The opposition has failed. The applicant is therefore entitled to a contribution towards its costs. The applicant is not professionally represented, but has provided a breakdown of the time spent dealing with the opposition. This amounts to just over 81 hours, including 48 hours spent on the counterstatement. Assuming an hourly rate of £19 per hour this represents a potential cost to the applicant's business of around £1600.

73. The registrar operates a scale of costs. Costs awarded under the scale are intended to provide a contribution towards actual costs, not to compensate those costs. The registrar routinely requests a breakdown of costs from litigants in person. The purpose of doing so is to ensure that costs awarded on the scale do not exceed actual costs. Applying the scale, I assess the appropriate award of costs as follows:

£600 for considering the notice of opposition and filing a counterstatement;  
£300 for considering the opponent's evidence and filing evidence in response;  
£100 for attending a case management conference.

74. I therefore order Euomarket Designs, Inc. to pay Cro Magnon Trade and Services – John Baillie the sum of £1000. This sum to be paid within 21 days of the end of the period allowed for appeal.

**Dated this 6<sup>th</sup> day of June 2018**

**Allan James  
For the Registrar**