

O/246/19

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00003273674

BY NYALL AVERY AND GWYN BUTLER

TO REGISTER THE TRADE MARK:

BROAD CONSTRUCTION

IN CLASS 37

AND

IN THE MATTER OF OPPOSITION THERETO

UNDER NO. 411952 BY

KAUFMAN & BROAD EUROPE

BACKGROUND AND PLEADINGS

1. On 28 November 2017, Nyall Avery and Gwyn Butler (together “the applicants”) applied to register the trade mark shown on the cover page of this decision in the UK. The application was published for opposition purposes on 15 December 2017 and is for the following services:

Class 37 Air conditioning apparatus installation; annex Construction; balcony installation; bathroom installation; blind and shutter installation; bricklaying; building sealing, damp-proofing; building insulating; building construction supervision; burglar alarm installation; carpentry services; carpet, tiles and laminate flooring installation; chimney sweeping; conservatory construction; construction consultation; construction information; construction; demolition of buildings; doors and windows installation; electrical wiring installation; TV aerial installation; electrical appliance installation; excavation; extension construction; fascia, soffit and guttering installation; fire alarm installation; heating equipment installation; garden building construction; home office construction; garage construction; loft ladders and staircase installation; loft conversion; masonry maintenance and repair; newbuild construction; orangery construction; playroom construction; project management; painting, interior and exterior; paper hanging; wallpapering; plastering, rendering and screeding; plumbing; roofing services; rustproofing; sanding; scaffolding; shed construction; summerhouse construction; swimming pool construction; varnishing.

2. The application is opposed by Kauffman & Broad Europe (“the opponent”). The opposition is based upon section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opponent relies on EUTM registration no. 1505916 for the following mark:

3. The opponent's mark has a filing date of 14 February 2000 and a registration date of 23 May 2001. The opponent initially sought to rely upon all goods and services for which the earlier mark is registered.

4. The opponent argues that the respective goods and services are identical or similar and that the marks are similar.

5. The applicants filed a counterstatement denying the claims made and requesting that the opponent prove use of its earlier mark relied upon. Due to the applicants' request for proof of use, the opponent withdrew its opposition relying on classes 19, 35 and 36 and sought to pursue the opposition relying on its class 37 services only. The class 37 services for which the opponent's mark is registered are as follows:

Class 37 Construction, maintenance and repair, notably of apartments, real estate and prefabricated houses, installation, maintenance and repair of lifts, heating and building elements, insulation and damp-proofing of buildings, kitchen equipment installation, construction engineering; promotion (construction) of a real estate project.

6. The opponent is represented by Carpmaels & Ransford LLP and the applicants are represented by Urquhart-Dykes & Lord LLP. The opponent filed evidence in the form of the witness statement of Nordine Hachemi dated 19 July 2018, which was accompanied by written submissions. The applicants filed evidence in the form of the witness statement of Nyall Avery dated 14 November 2018. The opponent filed written submissions in reply to the applicants' evidence dated 29 January 2019. No hearing was requested and only the applicants filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

EVIDENCE

Opponent's Evidence in Chief

7. As noted above, the opponent's evidence in chief consists of the witness statement of Mr Nordine Hachemi dated 19 July 2018, with 14 exhibits. Mr Hachemi is the Chairman and Managing Director of Kaufman & Broad SA; a position he has held since 24 January 2014. Prior to this Mr Hachemi was General Manager from 2013. Kaufman & Broad SA is the parent company of the opponent.

8. Mr Hachemi states that the name KAUFMAN & BROAD has been used continuously since 1968, and since 2011 in its registered form, in relation to real estate development and construction. Mr Hachemi states that the opponent has offices and agencies across all major cities in France. He notes that the opponent did expand into other European markets (Germany and Belgium) until it withdrew and refocused on France in 1983.

9. Mr Hachemi states that the opponent has built close to 124,000 housing units and 820,000 square metres of office and business space in France since its formation. He states that the opponent is one of the France's leading property developers and builders. Mr Hachemi has provided the opponent's annual turnover figures as follows:

Year end 31 December	Total Net Sales (Euros)
2014	280.7million
2015	237.7million
2016	237.8million
2017	237.8million

10. Mr Hachemi states that the opponent's estimated share of the total market for new real-estate development in France was 6.4% in 2016 and increased to 7% in 2017.

11. Mr Hachemi explains that the opponent invests heavily in marketing and has provided copies of commercial brochures from 2013, 2014, 2015, 2016 and 2017¹. The brochures are in French and no translation is provided, however, the opponent's mark as registered is clearly visible. The opponent advertises, using the mark as registered, at its construction sites². It also operates show houses and show rooms³.

12. The opponent operates a website (which has been registered since 2 November 2015⁴) which clearly displays the mark as registered⁵. Mr Hachemi has provided examples of the mark as registered in use on the opponent's YouTube channel in 2013 and 2016⁶.

13. The opponent's mark appears as follows on its Facebook, YouTube and Twitter pages⁷:



14. The opponent's Facebook page has 24,500 likes and 24,270 followers. The print out of the opponent's Facebook page is undated and the dates of posts made are not visible. The opponent's Twitter page has 61 likes and 2,310 followers. The print out of the opponent's Twitter page is undated but the page confirms that the opponent joined Twitter in 2010. The print out of the opponent's YouTube page is also undated. The video with the highest number of views has 1,879 views; the lowest has only 1 view.

15. The opponent also advertises at trade fairs. Mr Hachemi has provided two images of its stands at trade fairs. The first was posted on the opponent's social media account

¹ Exhibit NH3

² Exhibit NH4

³ Exhibits NH5 and NH6

⁴ Exhibit NH2

⁵ Exhibit NH7

⁶ Exhibit NH8

⁷ Exhibit NH9

on 13 September 2017⁸ and was located in Bordeaux and the second was posted on the opponent's social media account on 28 March 2017⁹ and was located in the Paris region. Mr Hachemi explains that the first was focused on construction in wood and the second was targeted at local authorities.

16. The opponent has been referenced in various press articles dated between 29 March 2010 and 17 May 2017¹⁰. The articles are all in French (although I note that there are handwritten annotations in English on the articles) but they all clearly display the words **Kaufman & Broad** or **Kaufman and Broad** (although I note that one article spells it Kauffman & Broad). No circulation figures are provided for any of the publications in which these articles are printed.

17. Mr Hachemi states that according to an opinion poll conducted by TNS-Sofres in 2015, when prompted, 42% of French consumers know Kaufman & Broad. An uncertified translation of the opinion poll is provided¹¹.

Applicants' Evidence

18. As noted above, the applicants' evidence consists of the witness statement of Mr Niyall Avery dated 14 November 2018, with 2 exhibits. Mr Avery is the Director of Broad Construction Limited; a position he has held since 25 January 2016. Mr Avery states that the name BROAD CONSTRUCTION was coined because Broad is a family name and it also alludes to the wide range of construction services offered.

19. Mr Avery has provided copies of two documents both entitled "Registration Document" which are produced by the opponent and dated 2015¹² and 2016¹³. These both confirm that the opponent sub-contracts any construction work to third parties. Mr Avery states that this demonstrates that the opponent's mark is not being used for construction related services.

⁸ Exhibit NH10

⁹ Exhibit NH11

¹⁰ Exhibit NH12

¹¹ Exhibit NH14

¹² Exhibit NA1

¹³ Exhibit NA2

20. The applicants filed written submissions in lieu of a hearing. Whilst I do not propose to summarise those here, I have taken them into consideration in reaching my decision and will refer to them below as appropriate.

Opponent's Evidence in Reply

21. The opponent filed written submissions in reply to the applicants' evidence. Whilst I do not propose to summarise those submissions here, I have taken them into consideration in reaching my decision and will refer to them below as appropriate. I note the following submission which seeks to answer the points raised in the applicants' evidence regarding the opponent's use of sub-contractors:

“3.[...] In so far as the Applicant implies by this that the Opponent does not provide construction services under the Kaufman Broad trade mark, this is denied. It is common place in the industry for large real estate developers like the Opponent to use sub-contractors for construction work (or indeed other aspects of the real estate development process). Such work is carried out and delivered to the end consumer under the Opponent's Kaufman Broad brand with the Opponent's consent. The Opponent has provided ample evidence of use of its Kaufman Broad trade mark in relation to construction services, which include also promotion (construction) of a real estate project, in the witness statement of Nordine Hachemi dated 19th July 2018.”

22. However, I note that this statement is not given in the form of a witness statement and cannot, therefore, be given evidential weight.

PRELIMINARY ISSUE

23. Several exhibits provided by the opponent are in French. In some cases, no translation has been provided. In others, uncertified translations have been annotated on, or attached to, the exhibit. During these proceedings, the opponent filed an application for an extension of time dated 13 July 2018 in respect of the deadline set for filing its evidence. As part of this application, the opponent's representatives stated:

“We have prepared a draft witness statement containing relevant information about the opponent’s longstanding business under the EU Trade Mark, and have already collated relevant financial data (sales and marketing) and a number of supporting documents and promotional materials. However, there are some gaps in documentation which the opponent is still working to fill. Furthermore, because the opponent is based in France, many of its records are in French and require translating.”

24. On 18 July 2019, prior to the filing of the opponent’s evidence, the Tribunal wrote to the opponent’s representatives as follows:

“It is noted that the opponent’s records are in French and require translating. For your information, if you wish the records in French to be taken into consideration by the Hearing Officer, you will need to provide translations of these exhibits. The translations must be provided by a qualified translator together with an affidavit or statutory declaration by the translator, confirming that he/she is qualified to make the translation and that it is a true account. The translation must be attached as an exhibit to the translator’s evidence. However, if this information is not to be relied upon translations are not required.”

25. As noted above, certified translations have not been provided. I will, therefore, only be able to take from these exhibits the information that I am able to identify without the translation. This will not include the opponent’s handwritten annotations. I am prepared to take into account the information provided within Mr Hachemi’s witness statement (which may be based on the exhibits) as this is certified by a statement of truth.

PROOF OF USE

26. The first issue is whether, or to what extent, the opponent has shown genuine use of the earlier mark. The relevant statutory provisions are as follows:

“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 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 of 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) In relation to a Community trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(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.”

27. Section 100 of the Act is also relevant, which reads:

“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.”

28. According to section 6(3)(a) of the Act, the relevant period in which genuine use must be established is the five-year period ending on the date of publication of the applied for mark. The relevant period is, therefore, 16 December 2012 to 15 December 2017.

29. What constitutes genuine use has been subject to a number of judgments. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, 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 Laboratoires 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 Marken 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).

...

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 Radetzky-Orden v Bundesvereinigung Kameradschaft 'Feldmarschall Radetzky'* [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] to [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 always the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

30. As the earlier mark is an EUTM, the comments of the Court of Justice of the European Union (“CJEU”) in *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, are relevant. The court noted that:

“36. It should, however, be observed that [...] the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase ‘in the Community’ is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use.”

And:

“50. Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as ‘genuine use’, it cannot be ruled out that, in certain circumstances, the market for the goods or services for which a Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark.”

And:

“55. Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to

establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77)".

31. The court held that:

"Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to 'genuine use in the Community' within the meaning of that provision.

A Community trade mark is put to 'genuine use' within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the mark concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity."

32. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. reviewed the case law since the *Leno* case and concluded as follows:

"228. Since the decision of the Court of Justice in *Leno* there have been a number of decisions of OHIM Boards of Appeal, the General Court and national courts with respect to the question of the geographical extent of the use

required for genuine use in the Community. It does not seem to me that a clear picture has yet emerged as to how the broad principles laid down in *Leno* are to be applied. It is sufficient for present purposes to refer by way of illustration to two cases which I am aware have attracted comment.

229. In Case T-278/13 *Now Wireless Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* the General Court upheld at [47] the finding of the Board of Appeal that there had been genuine use of the contested mark in relation to the services in issue in London and the Thames Valley. On that basis, the General Court dismissed the applicant's challenge to the Board of Appeal's conclusion that there had been genuine use of the mark in the Community. At first blush, this appears to be a decision to the effect that use in rather less than the whole of one Member State is sufficient to constitute genuine use in the Community. On closer examination, however, it appears that the applicant's argument was not that use within London and the Thames Valley was not sufficient to constitute genuine use in the Community, but rather that the Board of Appeal was wrong to find that the mark had been used in those areas, and that it should have found that the mark had only been used in parts of London: see [42] and [54]-[58]. This stance may have been due to the fact that the applicant was based in Guilford, and thus a finding which still left open the possibility of conversion of the community trade mark to a national trade mark may not have sufficed for its purposes.

230. In *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC), [2015] ETMR 37 at [25] His Honour Judge Hacon interpreted *Leno* as establishing that "genuine use in the Community will in general require use in more than one Member State" but "an exception to that general requirement arises where the market for the relevant goods or services is restricted to the territory of a single Member State." On this basis, he went on to hold at [33]-[40] that extensive use of the trade mark in the UK, and one sale in Denmark, was not sufficient to amount to genuine use in the Community. As I understand it, this decision is presently under appeal and it would therefore be inappropriate for me to comment on the merits of the decision. All I will say is that, while I find the thrust of Judge Hacon's analysis of *Leno* persuasive, I would not myself

express the applicable principles in terms of a general rule and an exception to that general rule. Rather, I would prefer to say that the assessment is a multi-factorial one which includes the geographical extent of the use.”

33. The General Court (“GC”) restated its interpretation of *Leno* in Case T-398/13, *TVR Automotive Ltd v OHIM* (see paragraph 57 of the judgment). This case concerned national (rather than local) use of what was then known as a Community trade mark (now a European Union trade mark). Consequently, in trade mark opposition and cancellation proceedings the registrar continues to entertain the possibility that use of an EUTM in an area of the Union corresponding to the territory of one Member State may be sufficient to constitute genuine use of an EUTM. This applies even where there are no special factors, such as the market for the goods/services being limited to that area of the Union.

34. Whether the use shown is sufficient for this purpose will depend on whether there has been real commercial exploitation of the EUTM, in the course of trade, sufficient to create or maintain a market for the goods at issue in the Union during the relevant 5-year period. In making the required assessment I am required to consider the relevant factors, including:

- a) The scale and frequency of the use shown;
- b) The nature of the use shown;
- c) The goods for which use has been shown;
- d) The nature of those goods and the market(s) for them; and
- e) The geographical extent of the use shown.

35. Proven use of a mark which fails to establish that “the commercial exploitation of the mark is real” because the use would not be “viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark” is, therefore, not genuine use.

Form of the mark

36. In *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, which concerned the use of one mark with, or as part of, another mark, the CJEU found that:

“31. It is true that the ‘use’ through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas ‘genuine use’, within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, ‘use’ within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish ‘use’ within the meaning of Article 15(1) for the purpose of preserving the rights of the proprietor of the registered trade mark.

32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestle*, the ‘use’ of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition of a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

35. Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term 'genuine use' within the meaning of Article 15(1)". (emphasis added)

37. In *Nirvana Trade Mark*, BL O/262/06, Mr Richard Arnold Q.C. (as he then was), sitting as the Appointed Person, summarised the test under section 46(2) of the Act as follows:

"33. ...The first question [in a case of this kind] is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period...

34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all."

38. Although this case was decided before the judgment of the CJEU in *Colloseum*, it remains sound law so far as the question is whether the use of a mark in a different form constitutes genuine use of the mark as registered. The later judgment of the CJEU must also be taken into account where the mark is used as registered, but as part of a composite mark.

39. Where the opponent's mark has been used as registered this will clearly be use upon which the opponent may rely. Further, I do not consider that it alters the distinctive character of the mark (as explained in *Nirvana*), where the mark has been

used as registered but in a different colour. In my view, this is use upon which the opponent may rely.

40. The opponent's evidence also shows variant use of the earlier mark in the form of the words **KAUFMAN & BROAD** or **KAUFMAN AND BROAD**. In my view, the opponent's mark as registered is likely to be identified as two surnames in any event. The addition of 'AND' or '&' does not, therefore, alter the distinctive character of the marks. The stylisation in the mark as registered is minimal and the fact that this stylisation is missing from this variant use of the marks does not alter its distinctive character. In my view, this is use upon which the opponent may rely.

41. Finally, the following variant is displayed in the opponent's evidence:



42. This variant uses the same stylisation as the registration, but in black and white and with the word KAUFMAN above the word BROAD. The words are divided by an ampersand and the device used in the registered marks appears above the wording. Although the components of the mark have been rearranged, I do not consider that this alters its distinctive character as explained in *Nirvana*. Consequently, I consider this to be used upon which the opponent may rely.

Sufficient Use

43. I have lengthy submissions from the applicants on the evidence provided by the opponent to prove use of the earlier mark. Whilst I do not propose to reproduce those here, I have taken them into consideration in reaching my decision.

44. An assessment of genuine use is a global assessment, which includes looking at the evidential picture as a whole, not whether each individual piece of evidence shows use by itself¹⁴.

45. As indicated in the case law cited above, use does not need to be quantitatively significant in order to be genuine. The assessment must take into account a number of factors in order to ascertain whether there has been real commercial exploitation of the mark which can be regarded as “warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark”.

46. The opponent’s evidence confirms that the name KAUFMAN & BROAD has been used continuously since 1968 and that the mark, in its registered form, has been used since 2011. The opponent accepts that it operates only within the French market. The opponent has generated total net sales of well over €200million each year between 2014 and 2017. The opponent estimates that its market share in the French market was 6.4% in 2016 and 7% in 2017.

47. As explained in the case law cited above, use in one Member State may be sufficient to prove use of an EUTM. In this case, I consider that the use demonstrated by the opponent in the French market is sufficient to establish genuine use of the mark during the relevant period.

Fair Specification

48. I must now consider whether, or the extent to which, the evidence shows use for all of the services relied upon.

49. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

¹⁴ *New Yorker SHK Jeans GmbH & Co KG v OHIM*, T-415/09

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

50. In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Mr Justice Carr summed up the law relating to partial revocation as follows:

“iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria’s Secret UK Ltd* [2014] EWHC 2631 (Ch) (“Thomas Pink”) at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 (“Asos”) at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46.”

51. It seems to me that the main point of contention between the parties is whether the opponent can rely on construction services when it has stated that it uses sub-contractors for construction. The documents produced by the applicants which show that the opponent does not undertake any construction activities itself, to my mind, do not undermine its claim to have used the mark for construction services. In my experience, housebuilders commonly use third party contractors to undertake various aspects of the construction process. However, it is the housebuilder that is actually providing the construction services to the end user, albeit the construction is being carried out by a third party under the housebuilder's mark with its consent. If the consumer had an issue with the quality of the construction work, they would take issue with the housebuilder and not with any sub-contractors that they may have employed. It is clear from the documents that the applicants have provided regarding the opponent's use of sub-contractors, that a reasonable amount of scrutiny is placed upon the work undertaken by such contractors by the opponent, indicating that it is their own reputation which is at risk. Mr Hachemi states that the opponent is known as a housebuilder and I do not consider that their use of sub-contractors prevents this from being the case. During the course of selling the buildings which they have constructed, it seems clear that they will be involved in the promotion of such projects. The opponent's involvement in promotion of real estate projects is evident from its use of show rooms.

52. I consider that the opponent can rely upon all of the services in class 37 of its specification upon which they have sought to rely.

DECISION

53. Section 5(2)(b) of the Act reads as follows:

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

(a)...

(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.”

54. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

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

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

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b) subject to its being so registered.”

55. The trade mark upon which the opponent relies qualifies as an earlier trade mark under the above provisions.

Section 5(2)(b) – case law

56. 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 to mind the earlier mark, is not sufficient;

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

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

Comparison of services

57. In light of my findings at paragraph **52** above, the competing services are as follows:

Opponent's services	Applicants' services
<u>Class 37</u>	<u>Class 37</u>

Construction, maintenance and repair, notably of apartments, real estate and prefabricated houses, installation, maintenance and repair of lifts, heating and building elements, insulation and damp-proofing of buildings, kitchen equipment installation, construction engineering; promotion (construction) of a real estate project.

Air conditioning apparatus installation; annex Construction; balcony installation; bathroom installation; blind and shutter installation; bricklaying; building sealing, damp-proofing; building insulating; building construction supervision; burglar alarm installation; carpentry services; carpet, tiles and laminate flooring installation; chimney sweeping; conservatory construction; construction consultation; construction information; construction; demolition of buildings; doors and windows installation; electrical wiring installation; TV aerial installation; electrical appliance installation; excavation; extension construction; fascia, soffit and guttering installation; fire alarm installation; heating equipment installation; garden building construction; home office construction; garage construction; loft ladders and staircase installation; loft conversion; masonry maintenance and repair; newbuild construction; orangery construction; playroom construction; project management; painting, interior and exterior; paper hanging; wallpapering; plastering, rendering and screeding; plumbing; roofing services; rustproofing; sanding; scaffolding; shed construction; summerhouse construction; swimming pool construction; varnishing.

58. When making the comparison, all relevant factors relating to the goods in the specifications should be taken into account. In the judgment of the Court of Justice of the European Union (“CJEU”) in *Canon*, Case C-39/97, 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.”

59. Guidance on this issue has also come from Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and, in particular, whether they are or are likely to be found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance, whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

60. In *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

“... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of ‘dessert sauce’ did not include jam, or because the ordinary and natural description of jam was not ‘a dessert sauce’. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

61. In *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another*, [2000] F.S.R. 267 (HC), Neuberger J. (as he then was) stated that:

“I should add that I see no reason to give the word “cosmetics” and “toilet preparations”... anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context.”

62. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the General Court stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut for Lernsysteme v OHIM – Educational Services* (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”

63. The terms “apartments, real estate and prefabricated houses” in the opponent’s specification cover a broad range of buildings (particularly the use of the term real estate). I consider the term “real estate” to be broad enough to cover any property which includes buildings of some description. Consequently, I consider that “annex construction”, “conservatory construction”, “construction” “extension construction”, “home office construction”, “garage construction”, “loft conversion”, “newbuild construction”, “orangery construction” and “playroom construction” in the applicants’ specification will fall within the broader category of “construction, maintenance and repair, notably of apartments, real estate and prefabricated houses” in the opponent’s specification.

64. “Garden building construction”, “summerhouse construction” and “shed construction” in the applicants’ specification clearly also involve construction. However, I do not consider that they will fall within the terms “apartments, real estate and prefabricated houses” as they are likely to relate to more temporary structures. Similarly, “swimming pool construction” cannot be said to fall within these terms as it does not relate to an actual building. Nonetheless, the opponent’s specification states that the construction relates notably to these buildings but not exclusively. I therefore consider that these services will also fall within the term “construction, maintenance and repair, notably of apartments, real estate and prefabricated houses” in the opponent’s specification. These services can, therefore, be considered identical on the principle outlined in *Meric*.

65. The term “construction, maintenance and repair, notably of apartments, real estate and prefabricated houses” in the opponent’s specification will also include the various specific services required during the construction process. Consequently, I consider that “bricklaying”, “carpentry services”, “electrical wiring installation”, “excavation”, “plastering, rendering and screeding”, “plumbing” and “roofing services” in the applicants’ specification will fall within “construction, maintenance and repair, notably of apartments, real estate and prefabricated houses” in the opponent’s specification. I consider these services to be identical on the principle outlined in *Meric*. If I am wrong then they will overlap in user, uses, method of use and trade channel and will be highly similar.

66. I consider that “air conditioning apparatus installation”, “heating equipment installation”, “balcony installation”, “doors and windows installation”, “fascia soffit and guttering installation”, “loft ladders and staircase installation” in the applicants’ specification fall within the broader category of “installation, maintenance and repair of lifts, heating and building elements” in the opponent’s specification. These services can, therefore, be considered identical on the principle outlined in *Meric*.

67. I consider that “building sealing, damp-proofing” and “building insulating” in the applicants’ specification fall within the broader category of “insulation and damp-proofing of buildings” in the opponent’s specification. These services can, therefore, be considered identical on the principle outlined in *Meric*.

68. It is standard practice for housebuilders to fit new build homes with fire alarm systems. This is likely to be considered by consumers as a service which would be provided through the same trade channels as construction services. The services share the same users. The uses differ as construction services are used to create a building and fire alarm installation services is used to prevent and detect fires. Consequently, I consider “fire alarm installation” in the applicants’ specification to be similar to “construction, maintenance and repair, notably of apartments, real estate and prefabricated houses” in the opponent’s specification to a medium degree.

69. The installation of a burglar alarm system, on the other hand, is not a regulatory requirement for new house builders and is not something that every house does or must have. It is something purchased by preference of the home owner. Such alarms are often installed by private companies which specialise in home security and have no involvement with building construction. Whilst the users will be the same (that is, homeowners or prospective homeowners), the uses and trade channels of the services are different. They are neither competitive nor complementary. I do not consider “burglar alarm installation” in the applicants’ specification to be similar to “construction, maintenance and repair, notably of apartments, real estate and prefabricated houses” in the opponent’s specification. If I am wrong, then they will be similar to only a low degree. I can see no other point of similarity with the opponent’s specification which would put the opponent in a stronger position.

70. The maintenance and repair elements of the opponent's "construction, maintenance and repair, notably of apartments, real estate and prefabricated houses" will cover a wide range of services that might be provided during maintenance and repair of buildings. In my view, "bathroom installation", "blind and shutter installation", "carpet, tiles and laminate flooring installation", "chimney sweeping", "electrical appliance installation", "masonry maintenance and repair", "painting, interior and exterior", "paper hanging", "wallpapering", "rustproofing", "sanding" and "varnishing" in the applicants' specification will all fall within this term. These services can, therefore, be considered identical on the principle outlined in *Meric*. If I am wrong, then they will be highly similar.

71. In my experience, businesses that are responsible for house construction are also responsible for the supervision of such works as well as providing consultations and information about the construction process to consumers. They are also often responsible for the project management of the process. I consider that "building construction supervision", "construction consultation", "construction information" and "project management" in the applicants' specification will share trade channels and users with "construction, maintenance and repair, notably of apartments, real estate and prefabricated houses" in the opponent's specification. They will be complementary in the sense that without the construction itself, the other services would become redundant in this context. I consider these services to be highly similar.

72. It is not uncommon in housing developments for site clearance to be required before the development can start. New housing sites are often built on land that has fallen into disuse but already has buildings in situ. In my experience, it is the housebuilders who are responsible for the clearance of the land before they begin their development because it is the housebuilder's signage which appears on a site being cleared. Consequently, I consider that "demolition of buildings" in the applicants' specification will overlap with "construction, maintenance and repair, notably of apartments, real estate and prefabricated houses" in the opponent's specification in user and trade channels. However, I note that their use is fundamentally different with one being to construct buildings and the other being to destroy them. I consider these services to be similar to a medium degree.

73. In my experience, housebuilders are not responsible for the installation of television aerials. This is a service which is provided by specialist businesses. The user will be the same in that they are both services that will be purchased by homeowners or prospective homeowners. However, the uses will differ as one is the creation of buildings and the other is to enable the user to watch television. The trade channels will differ. I do not consider “TV aerial installation” in the applicants’ specification to be similar to “construction, maintenance and repair, notably of apartments, real estate and prefabricated houses” in the opponent’s specification to be similar. However, if I am wrong then they will be similar to only a low degree. I can see no other point of similarity with the opponent’s services which would put the opponent in a stronger position.

74. “Scaffolding” in the applicants’ specification is a service which is inevitably required at some point during the construction process. Without construction taking place, there would be no need for scaffolding and, in this sense, the services are complementary. For this reason, I consider “scaffolding” in the applicants’ specification to be similar to “construction, maintenance and repair, notably of apartments, real estate and prefabricated houses” in the opponent’s specification to a medium degree.

Average consumer and the nature of the purchasing act

75. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties’ services. I must then determine the manner in which these services are likely to be selected by the average consumer. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words

“average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median”.

76. The average consumer in these proceedings will be both members of the general public and business users. The frequency of purchase of the services in issue is likely to be infrequent. The cost of the services is likely to vary, with varnishing services being of relatively low cost and construction services being of much higher cost for example. In any event, the level of attention paid by the average consumer is likely to be above average in the case of all the services as enquiries are likely to be made about reputation and quality of the services provided. The level of attention will be highest in the case of construction services.

77. The services are likely to be purchased from bricks and mortar premises such as show rooms, from online websites operated by traders or from advertisements (such as flyers, posters or online adverts). Visual considerations are likely to dominate the selection process. However, given that word-of-mouth recommendations may also play a part, I do not discount that there will be an aural component to the selection of the services.

Comparison of the trade marks


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

“... it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall

impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

79. 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.

80. The respective trade marks are shown below:

Opponent's trade mark	Applicants' trade mark
	BROAD CONSTRUCTION

81. In its written submissions, the opponent states:

“11. The Earlier Trade Mark, essentially consists of the words KAUFMAN BROAD (the triangle logo is small, ornamental and does not affect the distinctive character of the words). The words KAUFMAN and BROAD are each inherently distinctive in the context of class 37 services.

12. The Contested Mark consists of the words BROAD and CONSTRUCTION. CONSTRUCTION is purely descriptive in the context of class 37, so the only distinctive element is BROAD. As such, the Contested Mark consists of one half of the Opponent's Earlier Trade Mark.

13. Therefore, the trade marks are clearly similar. The word BROAD enjoys independent distinctive character in the Earlier Trade Mark. It has no meaning in relation to the Registered Services and is not subordinate to KAUFMAN; the combination KAUFMAN BROAD has no overall meaning or association that

could make it more than the sum of its parts or detract from the independent distinctive character of KAUFMAN and BROAD individually. It is likely that consumers would perceive the Contested Mark to be either a shorthand for or sub-brand or extension of the Earlier Mark”.

82. In their written submissions in lieu, the applicants state:

“In the Statement of Grounds, the Opponent argues the marks at issues should be dissected and compared only in relation to the coincidental element BROAD. However, as the average consumer normally perceives a mark as a whole, it would be wrong, therefore, to artificially dissect the trade marks, 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 Opponent’s trade mark consists of two words KAUFMAN BROAD separated by a substantially triangular device element. The Applicant’s mark consists of the BROAD CONSTRUCTION in plain block capitals. Although the marks coincide with regard to the term BROAD, the non-coincidental elements, “KUAFMAN” [(sic)], the stylised triangle device, and the term “CONSTRUCTION” present in the respective marks and cannot simply be dismissed. The marks coincide to the extent that they both include the element “BROAD”.

However, the earlier mark also includes the element “KUAFMAN” [(sic)], and the stylised triangle device which have no counterpart in the mark of the applicant. Likewise the mark of the applicant includes the element “CONSTRUCTION” which has no counterpart in the mark of the Applicant. The first part of the earlier mark KAUFMAN has no counterpart in the mark of the Applicants and as this word appears at the beginning of the earlier mark, it is not easily missed when the mark is seen or heard.

The earlier mark consists of two words KAUFMAN BROAD separated by a substantially triangular device element and the mark of the Applicant consists

of the BROAD CONSTRUCTION. It is an accepted principle that consumers place greater emphasis on the first element of a mark, in this case KAUFMAN which is pronounced quite differently to the first element of the Applicant's mark BROAD. The marks will be pronounced differently and are phonetically dissimilar."

83. The applicants' mark consists of the two words BROAD CONSTRUCTION. I consider that the overall impression of the mark lies in the combination of these words, with BROAD playing a greater role due to the descriptive nature of the word CONSTRUCTION for the services. The opponent's mark consists of the words KAUFMAN BROAD presented in a blue, uppercase font and separated by a gold triangle device. The wording plays the greater role in the overall impression of the opponent's mark, with the triangle device and stylisation playing a lesser role.

84. Visually, the marks both contain the word BROAD. It is the first word in the applicants' mark and is followed by the word CONSTRUCTION. It is the second word in the opponent's mark and is preceded by the word KAUFMAN. The wording in the opponent's mark is presented in blue, but registration in black and white covers use in any colour and so the applicants' mark could also be used in this colour. Differences created by the colour are not, therefore, relevant. The triangular device in the opponent's mark does not have a counterpart in the applicants' mark. Overall, I consider the marks to be visually similar to no more than a medium degree.

85. Aurally, the word BROAD will be pronounced identically in both marks. However, aural differences are created by the presence of the word KAUFMAN at the start of the opponent's mark and the presence of the word CONSTRUCTION at the end of the applicants' mark. In my view, the marks are aurally similar to a medium degree.

86. Conceptually, the opponent's mark will be seen as two surnames. The word BROAD in the applicants' mark is also likely to be seen as referring to a name. However, consumers are also likely to recognise that the words BROAD CONSTRUCTION gives rise to a play on words with the applicants' mark being a reference to a broad range of services offered. In my view, the marks are conceptually similar to a low degree.

Distinctive character of the earlier trade mark

87. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-2779, 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).”

88. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities.

89. The opponent has stated that it seeks to rely on its reputation to show that its mark has acquired enhanced distinctiveness through use. However, by its own admission, the opponent only operates within the French market and there is no evidence to

suggest any reputation in the UK. As the likelihood of confusion must be assessed by reference to the territory in which the applicants seek to register their mark (in this case, the UK), the relevant market for assessing enhanced distinctiveness is the UK market. I do not, therefore, consider that there is any evidence to support a finding that the opponent's mark has acquired enhanced distinctiveness through use in the UK.

90. I can, therefore, only consider the inherent distinctiveness of the earlier mark. I must consider the inherent distinctive character of the earlier mark as a whole. The words KAUFMAN and BROAD are likely to be seen as surnames, accompanied by a triangle device, which does not convey any meaning. In *Becker v Harman International Industries*, Case C-51/09 P, the distinctive character of a surname was considered and the CJEU stated as follows:

“Although it is possible that, in part of the European Union, surnames have, as a general rule, a more distinctive character than forenames, it is appropriate to take account of factors specific to the case and, in particular, to the fact that the surname concerned is unusual or, on the contrary, very common, which is likely to have an effect on that distinctive character.”

91. In this case, both the surname KAUFMAN and the surname BROAD are fairly unusual. In the UK, the name KAUFMAN is likely to be more unusual than the name BROAD. Taking this into account and the addition of the triangular device in the opponent's mark, I consider it to have a higher than average degree of inherent distinctive character.

Likelihood of confusion

92. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods and services down to the responsible undertakings being the same or related. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors needs to be borne in mind. The first is the interdependency

principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the opponent's trade mark, the average consumer for the services and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

93. I have found there to be no more than a medium degree of visual similarity, a medium degree of aural similarity and a low degree of conceptual similarity between the marks. I have found the earlier mark to have a higher than average degree of inherent distinctive character. I have identified the average consumer to be both members of the general public and business users who will select the services primarily by visual means, although I do not discount an aural component. I have concluded that a higher than average degree of attention will be paid during the purchasing process. I have found the parties' services to range from identical to dissimilar.

94. I consider that the visual, aural and conceptual differences between the marks are sufficient to ensure that they will not be misremembered or mistakenly recalled as each other. This is particularly the case given that KAUFMAN is a relatively unusual name which is unlikely to be forgotten by the average consumer. Further, the consumer will be paying a higher than average degree of attention during the purchasing process. I am satisfied that there is no likelihood of direct confusion.

95. It now falls to me to consider the likelihood of indirect confusion. Indirect confusion was described in the following terms by Iain Purvis Q.C., sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10:

“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.”

96. Although I have found the opponent’s mark to be inherently distinctive to a higher than average degree, this will be offset by the higher than average degree of attention that will be paid during the purchasing process. In my view, having recognised the differences between the marks, I can see no reason why the opponent would consider the marks to originate from the same or economically linked undertakings. A finding of confusion should not be made merely because two marks share a common element; it is not sufficient that one mark merely calls to mind the other¹⁵. Where marks consist of more than one name, it would not be a natural brand extension for one of the names to be dropped from the mark altogether. It is far more likely that the average consumer will view the marks as referring to two different people, who share the surname BROAD. The difference between the marks will be further reinforced for those consumers who recognise the play on words in the applicants’ mark. I do not consider that there is a likelihood of indirect confusion.

CONCLUSION

97. The opposition has been unsuccessful, and the application will proceed to registration.

COSTS

98. The applicants have been successful and are entitled to a contribution towards their costs, based upon the scale published in Tribunal Practice Notice 2/2016. In the

¹⁵ *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17

circumstances, I award the applicants the sum of **£1,000** as a contribution towards the costs of the proceedings. The sum is calculated as follows:

Preparing a statement and considering the opponent's statement	£200
Preparing evidence and considering the opponent's evidence	£600
Preparing written submissions in lieu	£200
Total	£1,000

99. I therefore order Kauffman & Broad Europe to pay Nyall Avery and Gwyn Butler the sum of £1,000. This sum should be paid within 14 days of the expiry of the appeal period or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings.

Dated 13 May 2019

S WILSON

For the Registrar