

O/423/19

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION NO. 3242826 BY
SILKYMIRACLE LTD
TO REGISTER:**

SILKY MIRACLE

AS A TRADE MARK IN CLASSES 24 & 25

AND

**IN THE MATTER OF THE OPPOSITION THERETO
UNDER NO. 410591 BY
A&H SPORTSWEAR CO., INC.**

Background and pleadings

1. Silky miracle Ltd (“the applicant”) applied to register **SILKY MIRACLE** as a trade mark in the United Kingdom on 11 July 2017. It was accepted and published in the Trade Marks Journal on 21 July 2017 in respect of the following goods:

Class 24

Textiles and substitutes for textiles.

Class 25

Clothing, footwear, headgear.

2. The application was opposed by A&H Sportswear Co., Inc. The opposition is based upon Sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”) and concerns all the goods in the application.
3. With regards to its claim based upon section 5(2)(b) of the Act, the opponent is relying upon the following marks:

Mark	Goods
UKTM 2019409 (“the earlier UKTM”) MIRACLESUIT <i>Miraclesuit</i> Filing date: 3 May 1995 Registration date: 23 August 1996	<u>Class 25</u> <i>Underwear; hosiery; swimwear.</i>
EUTM 43018 (“the earlier EUTM”) MIRACLESUIT Filing date: 1 April 1996 Registration date: 12 June 2001	<u>Class 25</u> <i>Clothing, namely swimwear, various items of underclothing and hosiery and shapewear, namely, girdles and other shape-controlling apparel; bodysuits, leotards and leggings.</i>

The opponent states that it is relying on all these goods under section 5(2)(b) of the Act.

4. The opponent claims that the marks are highly similar and that the goods covered by the applicant's specification are the same as, or highly similar to, goods covered by the earlier marks, leading to a likelihood of confusion on the part of the public. Therefore registration of the contested mark should be refused under section 5(2)(b) of the Act.
5. With regards to its claim based upon section 5(3), the opponent is relying on the earlier UKTM. It claims to have acquired a reputation throughout the UK as a result of extensive use of this mark since at least as early as October 2004 in relation to underwear, hosiery and swimwear.
6. The opponent claims that use of the applicant's mark for all the goods in the application would take unfair advantage of the reputation of the earlier mark and cause detriment to the distinctive character of its mark. It claims that dilution of the distinctive character of the earlier mark will alter the perception of the mark and have an impact on the economic behaviour of the relevant public. Therefore, registration of the contested mark should be refused under section 5(3) of the Act.
7. Under section 5(4)(a) of the Act, the opponent claims that use of the applicant's mark for all the goods in the application is liable to be prevented under the law of passing off, owing to its goodwill attached to the sign **MIRACLESUIT**, which it claims to have used throughout the UK since 2004, in respect of the following goods, which are also covered by the earlier marks:

Underwear; hosiery; swimwear.

8. The applicant filed a defence and counterstatement, denying all the grounds. It also requested that the opponent provide evidence of proof of use of both the earlier marks for all the relied-on goods.

9. Both the opponent and the applicant filed evidence in these proceedings. This will be summarised to the extent that it is considered necessary.
10. Neither party requested a hearing. The opponent and the applicant filed written submissions in lieu of a hearing, on 7 June 2019 and 10 June 2019 respectively. These will not be summarised but will be referred to as and where appropriate during this decision, which has been taken following a careful perusal of the papers.
11. In these proceedings, the opponent is represented by Wildbore & Gibbons LLP and the applicant by Taylor Wessing LLP.

Evidence

Opponent's evidence in chief

12. The opponent's evidence in chief comes from Mr Mark Waldman, President of A&H Sportswear Co, Inc. since 1992. It is dated 15 October 2018.
13. Mr Waldman explains that the trade mark **MIRACLESUIT** has been used in the UK since October 2004 for a range of shapewear, including underwear and swimwear, with these goods sold by high street retailers and online. The aim of this clothing is to improve the appearance of the wearer, by making them look slimmer or smoothing the body. The main distributor for the goods in the UK is Patricia Eve Ltd.
14. Sales to Patricia Eve are shown in the table below:

Year	Sales in US Dollars	Sales in Pounds Sterling
2010	665,400	514,000
2011	457,800	354,000
2012	458,600	354,000
2013	396,900	307,000

Year	Sales in US Dollars	Sales in Pounds Sterling
2014	353,600	274,000
2015	514,600	398,000

15. Mr Waldman states that his company has also sold clothing items under various other “MIRACLE” names: MIRACLE TIGHTS, MIRACLEBODY, MSP BY MIRACLESUIT.
16. Attached to the Witness Statement are eight exhibits. Exhibit MW1 is an article from *Global Intimate Wear*, dated 27 April 2011. This quotes a representative from Patricia Eve as saying that sales had risen by 49% year-on-year and that:
- “the current demand for Miraclesuit swimwear is truly overwhelming. We have worked very hard this past year on raising the brand’s profile in the UK, investing in PR and advertising campaigns”.
17. Examples of products offered for sale by online retailers are to be found in Exhibit MW2. The retailers are Figleaves, John Lewis, Patricia Eve and Next. In the case of the first three, the products shown are underwear, while the Next printout shows swimwear. The URL of the Figleaves website¹ indicates that it is directed towards UK consumers, while the prices of the goods on the John Lewis and Next printouts are shown in sterling. These printouts are undated, but were made in August 2017.
18. Exhibit MW3 contains extracts from surveys conducted in 2009/10 and 2010/11 purporting to show that MIRACLESUIT is the most popular bestselling shapewear brand in the UK. Further survey reports can be found in Exhibit MW7.
19. Exhibit MW4 contains articles from *Good Housekeeping*, the *Daily Telegraph*, *Lingerie Insight*, the *Daily Mail* and *Dorset Magazine* that mention MIRACLESUIT. These articles are dated from November 2010 to 22 July 2015.

¹ www.figleaves.com/uk/brand/miraclesuit/

20. Mr Waldman states that MIRACLESUIT has been promoted at trade shows in the UK and elsewhere in the EU. Details of these can be found in Exhibit MW5. The same exhibit also includes extracts from *Swimwear Yearbook 2009* which, according to Mr Waldman, confirm that MIRACLESUIT has attended such trade events in the UK for many years. The brand was shortlisted as a finalist in the 2015 Shapewear Brand of the Year award at the UK Lingerie Awards.²
21. Finally, in Exhibit MW8, Mr Waldman supplies a set of 36 invoices, with the earliest dating from 25 September 2012 and the latest from 24 February 2017. 21 of these invoices record sales made to the UK distributor, Patricia Eve, while 4 are sales to a company based in Austria and 11 to companies based in Germany. All invoices include the name MIRACLESUIT in plain capital letters.

Applicant's evidence

22. The applicant's evidence comes from Ms Jocelyn Marion Clarke, a registered Trade Mark Attorney in Australia and employed by the applicant's representative, Taylor Wessing LLP. It is dated 5 March 2019. Her evidence is directed towards showing that MIRACLE is a commonly used word in the relevant market and more widely.

Opponent's evidence in reply

23. The opponent's evidence in reply comes from Ms Sarah Talland, Partner and Chartered Trade Mark Attorney at Wildbore & Gibbons. It is dated 8 May 2019 and the exhibits provide examples of the word "silky" used as a description of goods in Class 25. I shall not summarise either the applicant's evidence or the opponent's evidence in reply here, but will refer to it where appropriate in my decision.

² Exhibit MW6.

Relevant dates

24. The opponent's earlier marks had been registered for more than five years on the date on which the contested application was published. They are, therefore, subject to proof of use provisions under section 6A of the Act, and the applicant has requested such proof for all the goods listed in the specifications. The opponent has made a statement that it has made genuine use of the marks in the EU, including the UK, in the case of the earlier EUTM, and the UK, in the case of the earlier UKTM, in the relevant period for all the goods upon which it is relying. The relevant period for these purposes is the five years prior to and ending on the date of publication of the contested application: 22 July 2012 to 21 July 2017. The relevant date for the purposes of sections 5(2)(b) and 5(3) is the date the application was filed: 11 July 2017.
25. The opponent is also claiming an earlier right in relation to the applicant's mark, as provided for by section 5(4)(a) of the Act. The onus is on the opponent to satisfy the Tribunal that its unregistered sign would have been protectable by virtue of the law of passing off before the relevant date. The applicant has not claimed or filed any evidence that it has been using its mark before the date of application (11 July 2017), so this is the relevant date for the purposes of section 5(4)(a).

Decision

Proof of Use

26. Section 6A of the Act states that:

“(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) In relation to a European Union 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 Union.

(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. The onus is on the opponent, as the proprietor of the earlier mark, to show use. Section 100 of the Act states that:

“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. The case law on genuine use was summarised by Arnold J in *Walton International Limited v Verweij Fashion BV* [2018] EWHC 1608 (Ch):

“114. *The law with respect to genuine use.* The CJEU has considered what amounts to ‘genuine use’ of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundersvereinigung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816] [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, 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 Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised 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]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* 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]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

- (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] and [22]. 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]; *Reber* at [29].
- (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]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(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] and [76]-[77]; *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 [132].”

29. In his Witness Statement, Mr Waldman states that the applicant has requested proof of use of the marks for *underwear* and *swimwear*. In fact, the applicant requested proof for all the goods for which the earlier marks stand registered. I can quickly deal with *hosiery*, as there is no evidence at all of use of the marks for these goods and the opponent has given no proper reasons for non-use. Consequently, the opponent may not rely on this term in these proceedings.

30. The earlier UKTM has a slight degree of stylisation. The first mark in the series is presented in capitals in a standard, serif font, while the second is in upper and lower case in a font that resembles handwriting. Fair and notional use of this mark would include its presentation in any standard font, in upper- or lower-case letters, or both. This covers the way the mark is shown in the evidence, for example in the articles, where the mark is presented as a plain word. Consequently, I find such use is an acceptable variant: see *NIRVANA Trade Mark*, BL O/262/06.

31. The applicant makes a number of criticisms of the evidence adduced by the opponent to show both use and reputation. These focus on the age of some of the articles, which fall outside the relevant period, sales figures that the applicant describes as “not compelling” in terms of units sold given the size of the market³ and perceived shortcomings in the survey evidence. I shall consider the submissions that go specifically to the question of reputation later in my decision.

32. In *Dosenbach-Ochsner Ag Schuhe Und Sport v Continental Shelf 128 Ltd*, BL O/404/13, Mr Geoffrey Hobbs QC, sitting as the Appointed Person, stated that:

“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.”⁴

33. The invoices in Exhibit MW8 show that goods were sold during the relevant period to the UK distributor by entities called “Miraclesuit by Swim Shaper” and “Mainstream Int’l Corp.”, the latter name appearing on the earlier invoices. Mr Walden states that these were companies that the opponent used to ship the goods, and the applicant has not challenged this statement. 21 invoices record over \$150,000 worth of sales (representing around 3500 units). Styles sold include Oceanus, Jena and JoJo which are shown elsewhere in the evidence to be swimwear.⁵ It is not clear whether goods other than swimwear were shipped to the distributor. Neither is it apparent how many of these goods were sold to final consumers. That said, the Court of Appeal held in *LABORATOIRE DE LA MER Trade Mark* [2006] FSR 5 that sales under the mark to the trade may qualify as genuine use:

³ Applicant’s written submissions in lieu of a hearing, page 2.

⁴ Paragraph 22.

⁵ See Exhibit MW2 page 5 (Oceanus) and Exhibit MW1 (Jena and JoJo).

“A wholesale purchaser of goods bearing a particular trade mark will, at least on the face of it, be relying upon the mark as a badge of origin just as much as a consumer who purchases such goods from a wholesaler. The fact that the wholesaler may be attracted by the mark does not call into question the fact that the mark is performing its essential function as between the producer and the wholesaler.”⁶

34. The printouts from retailers do not provide much assistance, as they are undated, but some of the articles do fall within the relevant period. These are:

- *Daily Mail* – “Miracle underwear? The shapewear that claims to make you look 10lb lighter in 10 seconds!” (7 March 2014)
- *Lingerie Insight* – An article about reality TV personality Gemma Collins wearing Miraclesuit swimwear for a feature in *Now* magazine (5 May 2015)
- *Lingerie Insight* – “Miraclesuit, N&N launch new shapewear lines” (2 June 2015)
- *Dorset Magazine* – “Pool and beachwear available in Dorset” (Photograph of Miraclesuit swimwear, available from a named retailer) (22 July 2015).

A further article from *Lingerie Insight* dated 12 October 2015 states that Miraclesuit had made the shortlist for the Shapewear Brand of the Year category at the 2015 UK Lingerie Awards.⁷ Miraclesuit also features in surveys from *Underlines* magazine from 2013 to 2017. The respondents to these surveys were swimwear retailers, some of whom would stock the brand.⁸

35. I must now consider whether this evidence is sufficient to show genuine use. The applicant’s submission that sales are not compelling in terms of units appears to be based on dividing the figures given in the table shown in paragraph 14 by the figure Mr Waldman quotes as the average retail price of Miraclesuit swimwear (£130 to £150).⁹ There are at least two problems with this approach. First, there is

⁶ Paragraph 49.

⁷ Exhibit MW6.

⁸ Exhibit MW7.

⁹ Witness Statement of Mr Waldman, paragraph 11.

nothing to suggest that all the items sold were swimwear. The articles highlighted above (although small in number) show that underwear was also marketed during the period covered by the sales data. Secondly, the price paid by the distributor, as Mr Waldman rightly notes, will be lower than the price paid by the consumer, as it would also include the distributor's and retailer's mark ups. The distributor therefore will not have paid as much as £130-£150 for a swimsuit, so more units will have been sold, at least to the intermediary, than the applicant posits.

36. What the opponent must show is a level of use that would be "viewed as warranted in the economic sector concerned to maintain or create a share in the market concerned for the good or services protected by the mark".¹⁰ It appears to me that there is genuine commercial use in the UK within the relevant period in connection with the following goods: ladies' swimwear and ladies' underwear designed to give a slimmer appearance.

37. Having identified the goods for which the mark has been used, I must now decide what is a fair specification for the mark. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs QC, sitting as the Appointed Person, summed up the law as follows:

"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."

38. A more detailed summary was provided by Carr J in *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & ors* [2016] EWHC 3103 (Ch):

¹⁰ *Ansul BV v Ajax Brandbeveiliging BV*, Case C-40/01, paragraph 38.

“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.”¹¹

39. Taking account of both these comments, *swimwear* and *underwear* are, to my mind, a fair specification for the earlier UKTM. In my view, the average consumer would consider these to be categories and that limiting them by the gender of the customer (e.g. *ladies' swimwear*) would be an unduly narrow approach. Also, it seems to me that the average consumer would view *underwear* as a separate category. To state that *shapewear* is in substance different from *underwear* would, to my mind, be to describe the use in the narrowest possible terms and I do not consider that the average consumer would do this.

40. For the earlier EUTM, the opponent must prove use within the territory of the EU: see *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11. Mr Waldman states that the bulk of his company's sales in the EU relate to the UK market, but he has provided some figures for sales in The Netherlands, Belgium, Germany, France, Spain, Austria, Sweden, Denmark, Poland, Greece and Italy, with the highest levels of sales in The Netherlands, Germany and France. In addition, Exhibit MW8 contains four invoices relating to sales to the Austrian distributor in 2013 and 2014 and 11 invoices relating to sales to German distributors between 2014 and February 2017. It is not clear what goods are sold in EU member states other than the UK. However, as the only goods shown in the evidence are covered by the earlier UKTM and fair and notional use of both marks would be the same, I shall consider the section 5(2)(b) ground on the basis of the earlier UKTM.

Section 5(2)(b) ground

41. Section 5(2)(b) of the Act states that:

“A trade mark shall not be registered if because –

¹¹ Paragraph 47.

...

(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.”

42. In considering the opposition under this section, I am guided by the following principles, gleaned from the decisions of the courts of the European Union in *SABEL BV v Puma AG* (C-251/95), *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* (C-39/97), *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* (C-342/97), *Marca Mode CV v Adidas AG & Adidas Benelux BV* (C-425/98), *Matratzen Concord GmbH v OHIM* (C-3/03), *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* (C-120/04), *Shaker di L. Laudato & C. Sas v OHIM* (C-334/05 P) and *Bimbo SA v OHIM* (C-519/12 P):

- (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. The average consumer is deemed to be reasonably well informed and reasonably circumspect and observant, but someone 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 greater 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 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 goods

43. When comparing the goods, all relevant factors should be taken into account, per *Canon Kabushiki Kaisha*:

“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 complementary.”¹²

44. In *Kurt Hesse v OHIM*, C-50/15 P, the Court of Justice of the European Union (CJEU) stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods or services. The General Court clarified the meaning of “complementary” goods or services in *Boston Scientific Ltd v OHIM*, T-325/06:

“...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking.”¹³

45. Guidance was also given by Jacob J (as he then was) in *British Sugar Plc v James Robertson & Sons Limited (“Treat”)* [1996] RPC 281. At [296], he identified the following relevant factors:

“(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;

¹² Paragraph 23

¹³ Paragraph 82.

(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.”

46. The goods to be compared are shown in the table below:

Opponent's goods	Applicant's goods
	<u>Class 24</u> <i>Textiles and substitutes for textiles.</i>
<u>Class 25</u> <i>Swimwear; underwear</i>	<u>Class 25</u> <i>Clothing, footwear, headgear.</i>

47. I shall deal first with the applicant's Class 25 goods. The opponent's *swimwear* and *underwear* are both types of clothing. The General Court stated in *Gérard Meric v OHIM*, Case T-133/05, that:

“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 für 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.”¹⁴

¹⁴ Paragraph 29.

Under this principle, these goods are identical. Even if I had found that the opponent could rely only on *shapewear*, rather than *underwear*, I would make the same finding of identity.

48. I turn now to *footwear*. The purpose of footwear is to protect the feet from the elements or from damage while walking or running. It is often made from relatively hard-wearing materials, such as leather and leather substitutes. Underwear and swimwear are made from softer fabrics as they will be worn next to the skin, which is not always the case with footwear. These goods are not in competition with each other. However, the users are the same and the trade channels overlap as it is not uncommon for a clothing retailer to sell shoes or boots, as well as underwear or swimwear. Given the overlapping trade channels, in my view there is a degree of complementarity, at least with *swimwear*. The average consumer may well think that swimwear and footwear designed for use at the beach or by a pool are produced by the same undertaking. In my view, there is a relatively low degree of similarity between *swimwear* and *footwear* and a lower still degree of similarity between *underwear* and *footwear*.
49. The same reasoning applies when comparing *headgear* to *underwear* and *swimwear*. The purpose of headgear is to protect the head, generally from weather conditions, and may be made of a range of materials: felt, straw, wool – to give just three examples. It is also used in some cultures for reasons of modesty. As with *footwear*, the goods are not in competition, but there is a degree of complementarity and some overlap in trade channels. In my view, *headgear* has a relatively low degree of similarity to *underwear* or *swimwear*.
50. I now move on to the applicant's Class 24 goods: *textiles and substitutes for textiles*. The opponent's *underwear* and *swimwear* will be made from textiles, but this does not necessarily imply similarity, as the General Court found in *Les Éditions Albert René v OHIM*, Case T-366/03:

“... The mere fact that a particular good is used as a part, element or component of another does not suffice in itself to show that the finished goods containing the components are similar since, in particular, their

nature, intended purpose and the customers for those goods may be completely different.”¹⁵

51. The purpose of *textiles* and their substitutes is to be made into finished goods, whether clothing, furnishings, bags, toys, or anything else. They will be supplied as lengths of material which are then cut into the desired shapes. Their users are likely to be anyone who wishes to make such goods. These could be businesses or individual hobbyists. The goods are not in competition with each other, and I do not consider them to be complementary. In my view, the average consumer would not assume that they are produced by the same or connected undertakings, as they would expect the underwear or swimwear manufacturer to buy in the textiles from a third party. I find that these goods are dissimilar.
52. Where there is no similarity of goods or services, there is no likelihood of confusion: see *eSure Insurance v Direct Line Insurance* [2008] EWCA Civ 842, paragraph 49. The section 5(2)(b) ground fails for the following goods: *Textiles and substitutes for textiles*.

Average consumer and the purchasing act

53. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, I must bear in mind that the average consumer’s level of attention is likely to vary according to the category of goods or services in question: see *Lloyd Schuhfabrik Meyer*.
54. 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:

“The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is

¹⁵ Paragraph 61.

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 word 'average' denotes that the person is typical. The term 'average' does not denote some form of numerical mean, mode or median.”¹⁶

55. The average consumer of underwear, swimwear, footwear or headgear is a member of the general public. They will buy the goods from a specialist retailer or a general clothing or department store, either visiting a physical shop or ordering from the internet or a printed catalogue. This means that the mark will be seen and so the visual element will be the most significant. However, I do not discount the aural element, as the consumer may in some cases be assisted by a member of staff. The price varies, but in many cases these goods will be everyday purchases. The consumer will pay attention to the size, the materials, the style and colours to ensure they buy a garment that fits them and achieves the effect they desire. In my view, the average consumer of these goods will be paying an average level of attention.

Comparison of marks

56. 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. The CJEU stated in *Bimbo SA v OHIM*, C-591/12 P, that:

“... it is necessary to ascertain in each individual case, the overall impression made on the target public by the sign for which the 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,

¹⁶ Paragraph 60.

in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”¹⁷

57. It would be wrong, therefore, artificially to dissect the marks, although it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

58. The respective marks are shown below:

Opponent's mark	Applicant's mark
<p data-bbox="293 875 671 920">MIRACLESUIT</p> <p data-bbox="288 965 676 1032"><i>Miraclesuit</i></p>	<p data-bbox="852 860 1098 893">SILKY MIRACLE</p>

59. The applicant's mark consists of two words in capital letters in a standard font. The opponent submits that:

“13. It is universally known that silk is a natural fiber [sic] which can be woven into a fabric and we request that the Hearing Officer takes judicial notice of this. In particular, clothing items for which the MIRACLESUIT mark has been used, namely swimwear and underwear, which are ‘silky’.

14. As such, when a definition of a word directly describes the goods for which protection is sought (Class 24) or, in the case of Class 25, describes the fabric which can be used to make the products, it can only be conclude that SILKY serves, in trade, to designate the kind and quality of the goods covered by the application.

¹⁷ Paragraph 34.

15. Given the non-distinctive nature of both SUIT and SILKY, the respective marks coincide in the distinctive element MIRACLE.”

60. To my mind, the two words hang together as a unit, and it is in this unit that the overall impression of the applicant’s mark lies. The whole has a meaning beyond its separate parts. It brings to mind something that is so astonishingly soft and smooth that the average consumer would not believe it possible. The first word qualifies the second and, consequently, neither word is more dominant than the other.

61. The opponent’s mark consists of a single word formed by the juxtaposition of “MIRACLE” and “SUIT”. As I have already described in paragraph 30, there is some stylisation but this is hardly significant. Fair and notional use of this mark would include its presentation in any standard font or colour. “SUIT” is descriptive of the swimsuits that are sold under it. The word may also describe a form of underwear (as in “BODYSUIT”, a term included in the specification of the earlier EUTM). For these reasons, I find that “MIRACLE” is the dominant and distinctive element of the opponent’s marks, although the juxtaposition of the two words does contribute to the overall impression.

Visual comparison

62. Both marks contain the word “MIRACLE”, although at different places. The contested mark is slightly longer at 12 characters (as opposed to 10) and has two words. In my view, the marks have a medium degree of visual similarity.

Aural comparison

63. The opponent’s mark will be articulated MI-RAC-UL-SOOT or -SYOOT, while the applicant’s will be spoken as SIL-KEY MI-RAC-UL. It will be noted that the applicant’s mark is one syllable longer. However the marks share three of their four or five syllables, although they are in different places in the mark. I find that they have a medium degree of aural similarity.

Conceptual comparison

64. In Exhibit JCM4, the applicant has supplied a definition of the word “MIRACLE” from the *Cambridge Dictionary*:

“an unusual and mysterious event that is thought to have been caused by a god because it does not follow the usual laws of nature ...
a very lucky event that is surprising and unexpected ...
an excellent achievement in a particular area of activity.”

65. The opponent’s mark brings to mind a garment that will have such an impressive effect on the body of the wearer that it could scarcely be believed. The applicant’s mark brings to mind a quality of the textile, that in some equally astonishing manner, feels as smooth and luxurious as silk. Both marks carry the concept of miraculousness and so I find that there is a reasonably high degree of conceptual similarity.

Distinctiveness of the earlier mark

66. There is, as has already been noted, a greater likelihood of confusion if the earlier mark is highly distinctive. The CJEU provided guidance on assessing a mark’s distinctive character in *Lloyd Schuhfabrik Meyer*:

“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).”

67. I have already found that “SUIT” is descriptive and that “MIRACLE” is the dominant and distinctive element of the mark. This word alludes to a quality to be found in the goods: a suit that has miraculous properties. Consequently, I find that the opponent’s mark has only a weak level of inherent distinctiveness. The stylisation is too banal to raise this any higher.

68. While the opponent has filed evidence to persuade me that it has used the mark in the UK in the relevant period, I do not consider that this is enough to demonstrate that the mark has enhanced distinctiveness. In particular, it is not clear what market share the opponent enjoys, how much it has invested in promoting the mark, and the level of awareness of the mark among the public. Exhibit MW1 quotes the brand’s UK distributor as saying that it has invested unspecified sums in PR and advertising campaigns. Most of the articles that fall within the relevant period are aimed at the industry, rather than the public at large, and the survey evidence appears to be drawn from interviews with retailers, rather than consumers. I conclude that the distinctive character of the earlier UKTM has not been enhanced by the use made of it and so many only rely on having a weak level of inherent distinctiveness.

Conclusions on likelihood of confusion

69. In assessing the likelihood of confusion, I must adopt the global approach set out in the case law to which I have already referred in paragraph 42. I must also have regard to the interdependency principle, that a lesser degree of similarity between

the goods may be offset by a greater degree of similarity between the marks, and vice versa.¹⁸ The distinctiveness of the earlier mark must also be taken into account.

70. Such a global assessment does not imply an arithmetical exercise, where the factors are given a score and the result of a calculation reveals whether or not there is a likelihood of confusion. I must keep in mind the average consumer of the goods and the nature of the purchasing process. I note that it is generally accepted that marks are rarely recalled perfectly, the consumer relying instead on the imperfect picture he has kept in his mind.¹⁹
71. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor QC, sitting as the Appointed Person, gave helpful guidance on making a global assessment:

“81.2 ... in my view it is important to keep in mind the purpose of the whole exercise of a global assessment of a likelihood of confusion, whether direct or indirect. The CJEU has provided a structured approach which can be applied by tribunals across the EU, in order to promote a consistent and uniform approach. Yet the reason why the CJEU has stressed the importance of the ultimate global assessment is, in my view, because it is supposed to emulate what happens in the mind of the average consumer on encountering, for example, the later mark applied for with an imperfect recollection of the earlier mark in mind. It is not a process of analysis or reasoning, but an impression or instinctive reaction.

81.3 Third, when a tribunal is considering whether a likelihood of confusion exists, it should recognise that there are four options:

¹⁸ *Canon Kabushiki Kaisa*, paragraph 17.

¹⁹ *Lloyd Schuhfabrik Meyer*, paragraph 27.

81.3.1 The average consumer mistakes one mark for the other (direct confusion);

81.3.2 The average consumer makes a connection between the marks and assumes that the goods or services in question are from the same or economically linked undertakings (indirect confusion);

81.3.3 The various factors considered in the global assessment lead to the conclusion that, in the mind of the average consumer, the later mark merely calls to mind the earlier mark (mere association);

81.3.4 For completeness, the conclusion that the various factors result in the average consumer making no link at all between the marks, but this will only be the case where either there is no or very low similarity between the marks and/or significant distance between the respective goods or services;

...”

72. Although I found it to be weakly distinctive, the word MIRACLE is the most memorable element of the opponent’s mark. That the earlier mark has a weak distinctive character does not preclude a likelihood of confusion, as the CJEU held in *L’Oréal SA v OHIM*, Case C-235/05 P:

“The applicant’s approach would have the effect of disregarding the notion of the similarity of the marks in favour of one based on the distinctive character of the earlier mark, which would then be given undue importance. The result would be that where the earlier mark is only of weak distinctive character a likelihood of confusion would exist only where there was a complete reproduction of that mark by the mark applied for, whatever the degree of similarity between the marks in question. If that were the case, it would be possible to register a complex

mark, one of the elements of which was identical with or similar to those of an earlier mark with a weak distinctive character, even where the other elements of that complex mark were still less distinctive than the common element and notwithstanding a likelihood that consumers would believe that the slight difference between the signs reflected a variation in the nature of the products or stemmed from marketing considerations and not that the difference denoted goods from different traders.”²⁰

73. The applicant’s evidence contains a list of 31 UK and EU trade marks containing the word “MIRACLE”.²¹ State of the register evidence, however, does not assist in deciding whether there is a likelihood of confusion. The General Court stated in *Zero Industry Srl v OHIM*, Case T-400/06, that:

“As regards the results of the research submitted by the applicant, according to which 93 Community trade marks are made up of or include the word ‘zero’. It should be pointed out that the Opposition Division found, in that regard, that ‘... there are no indications as to how many of such trade marks are effectively used in the market’. The applicant did not dispute that finding before the Board of Appeal but none the less reverted to the issue of that evidence in its application lodged at the Court. It must be found that the mere fact that a number of trade marks relating to the goods at issue contain the word ‘zero’ is not enough to establish that the distinctive character of that element has been weakened because of its frequent use in the field concerned (see, by analogy, Case T-135/04 *GfK v OHIM – BUS (Online Bus)* [2005] ECR II-4865, paragraph 68, and Case T-29/04 *Castellblanch v OHIM – Champagne Roederer (CRISTAL CASTELLBLANCH)* [2005] ECR II-5309, paragraph 71).”²²

74. Earlier in my decision, I found that the applicant’s mark hung together as a unit. But given the average consumer’s imperfect recollection of the earlier mark, the

²⁰ Paragraph 45.

²¹ Exhibit JMC1.

²² Paragraph 73.

similarities in the marks lead me to find a likelihood of direct confusion where the goods are identical, despite the weak distinctiveness of the opponent's mark. Both marks carry the concept of miraculousness, and contain the word "MIRACLE", and as the average consumer will be paying no more than an average level of attention, it seems to me likely that they will be confused.

75. In the event that I am wrong in this, I shall now consider whether indirect confusion is likely. Imperfect recollection may still play a role in this type of confusion, as the average consumer does not necessarily have the opportunity to carry out a side-by-side comparison of the marks. The average consumer will remember "MIRACLE" and when they come across the applicant's mark used on identical goods will, in my view, assume that this is another brand of the same company, with the mark highlighting a particular quality in the clothing. Consequently, I find there to be a likelihood of indirect confusion.

76. I must now consider whether there is a likelihood of confusion between the applicant's mark if used in connection with footwear or headgear and the opponent's mark used for underwear or swimwear. I found these goods to be significantly less similar than the goods I have been addressing in the above paragraphs. The weak distinctiveness of the opponent's mark implies a relatively small penumbra of protection. Together with the differences in the word order observed in the marks, and my finding that the applicant's mark would be seen as a unit, this leads me to conclude that there is no likelihood of confusion with respect to footwear and headgear.

Outcome of Section 5(2)(b) ground

77. The opposition succeeds under section 5(2)(b) with respect to the following goods:

Class 25

Clothing.

78. The section 5(2)(b) ground fails with respect to the following goods:

Class 24

Textiles and substitutes for textiles.

Class 25

Footwear, headgear.

Section 5(3) ground

79. Section 5(3) of the Act states that a trade mark which is identical with or similar to an earlier trade mark

“shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community/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”.

80. The conditions of section 5(3) are cumulative:

- 1) The opponent must show that the earlier mark has a reputation.
- 2) The level of reputation and the similarities between the marks must be such as to cause the public to make a link between the marks.
- 3) One or more of three types of damage (unfair advantage, detriment to distinctive character or repute) will occur.

It is not necessary for the goods to be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

Reputation

81. In *General Motors Corporation v Yplon SA*, Case C-375/97, the CJEU set out the factors that must be taken into account when assessing whether a mark has a reputation:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation ‘in the Member State’. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation ‘throughout’ the territory of the Member State. It is sufficient for it to exist in a substantial part of it.”

82. These are similar factors to the ones that must be considered when assessing whether a mark has enhanced distinctiveness through use. In paragraph 68 of this decision, I set out my reasons for finding that the mark’s distinctiveness had not been enhanced. I shall now provide a more detailed look at the survey evidence, as this goes to the question of reputation.

83. Exhibit MW3 contains articles that refer to surveys which state that MIRACLESUIT is the UK's leading shapewear brand and MW7 contains survey information on the swimwear market. The value of surveys as evidence is limited. In *Imperial Group plc & another v Philip Morris Limited & another* [1984] RPC 293, Whitford J held that:

“If a survey is to have validity (a) the interviewees must be selected so as to represent a relevant cross-section of the public, (b) the size must be statistically significant, (c) it must be conducted fairly, (d) all the surveys carried out must be disclosed including the number carried out, how they were conducted, and the totality of the persons involved, (e) the totality of the answers given must be disclosed and made available to the defendant, (f) the questions must not be leading nor should they lead the person answering into a field of speculation he would never have embarked upon had the question not been put, (h) the exact answers and not some abbreviated form must be recorded, (i) the instructions to the interviewers as to how to carry out the survey must be disclosed and (j) where the answers are coded for computer input, the coding instructions must be disclosed.”

84. In *esure Insurance Limited v Direct Line Insurance Plc* [2008] EWCA Civ 842 (COA), Jacob LJ stated that:

“Finally, I entirely endorse what Arden LJ has said about opinion polls. I would only add that even where the practice has been followed, so that the questions and methodology are settled with the agreement of the court in advance, it may be that things will go wrong. Experience of polls shows that they can be conducted in a slipshod manner, so one would need to examine the detail. And even the unexpected can happen – a question which one thought in advance was clear, may turn out not to have been so when the poll has been conducted. And a question which one thought was non-leading, may turn out to be so or to have caused

the pollees to speculate in a way which they would not have done but for the question itself.”²³

85. The surveys adduced by the opponent as evidence of reputation in swimwear were compiled from interviews with retailers, ranging from small specialist shops to the larger department stores and online retailers.²⁴ Respondents were asked to identify the top selling brands, and MIRACLESUIT appeared in the top 5 brands in the UK in 2014, 2015 and 2016. The numbers of retailers interviewed in each of these years were over 300, over 540 and over 430 respectively. As the surveys covered other countries, it is not clear how many of them were selling into the UK, or even the EU, market. I note, however, that MIRACLESUIT is only mentioned in the context of UK sales. The survey on shapewear is undated and, in any case, only 50 retailers responded. There is nothing to suggest that the respondents to any of these surveys constitute a representative sample of the market.

86. Aside from these surveys and the articles I highlighted in paragraph 34, there are two older articles from national publications read by consumers: *Good Housekeeping* and the *Daily Telegraph*.²⁵ I shall also briefly consider the evidence of attendance at trade shows. This gives no indication of the size of the swimwear shows or any suggestion that these shows have an impact on the consciousness of the end-consumer. Reputation is, after all, a knowledge test.

87. Taken as a whole, I find that there is insufficient evidence to demonstrate that at the date of filing of the contested application (11 July 2017), the opponent had a reputation in either the earlier UKTM or the earlier EUTM. The section 5(3) ground therefore fails.

Section 5(4)(a) ground

88. Section 5(4)(a) of the Act states that:

²³ Paragraph 78.

²⁴ See note to table on page 4 of Exhibit MW7.

²⁵ Exhibit MW4, pages XXXX

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule or law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b) [...]

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of ‘an earlier right in relation to the trade mark’.

89. It is settled law that for a successful finding of passing off, three factors must be present: goodwill, misrepresentation and damage. Her Honour Judge Melissa Clarke, sitting as deputy Judge of the High Court, conveniently summarised the essential requirements of the law in *Jadebay Limited, Noa and Nani Limited Trading as the Discount Outlet v Clarke-Coles Limited Trading as Feel Good UK* [2017] EWHC 1400 IPEC:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the Jif Lemon case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL) namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all these limbs.

56. In relation to deception, the court must assess whether ‘a *substantial number*’ of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

90. *Halsbury's Laws of England* Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309, it is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

Goodwill

91. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantages of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has the power of attraction sufficient to bring customers home to the source from which it emanates.”

92. Earlier in my decision, I found that the opponent had shown that it had used its earlier UKTM for swimwear and underwear, but not hosiery. The sign on which it seeks to rely under section 5(4)(a) is the same as the earlier UKTM, as it will be recalled that fair and notional use of that mark covers the word MIRACLESUIT in a standard font and upper- or lower-case letters. The sign is distinctive of the opponent, as I found the mark possessed inherent distinctiveness, albeit at a low level.

93. The customers attracted by any goodwill must be in the UK. The evidence shows that sales were made to the UK distributors before the date the application was

filed, and the opponent's statement that the goods reached the end consumer has not been challenged. What the applicant has challenged is the level of any sales. However, I note that even small levels of goodwill may be protectable, as Millett J stated in *Stacey v 2020 Communications* [1991] FSR 49. There is sufficient evidence in terms of invoices and articles for me to find that the opponent has protectable goodwill in connection with swimwear and underwear.

Misrepresentation

94. I will now consider whether there is misrepresentation. The relevant test was set out by Morritt LJ in *Neutrogena Corporation and another v Golden Limited and another* [1996] RPC 473:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 at page 407 the question on the issue of deception or confusion is:

‘is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants’ [product] in the belief that it is the respondents’ [product].

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol. 48 para. 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd v June Perfect Ltd* (1941) 58 RPC 147 at page 175; and *Re Smith Hayden's Application* (1945) 63 RPC 97 at page 101.”

95. In contrast to the section 5(2)(b) ground, there is no requirement that the goods are similar, as Millett LJ stated in *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA) at [714]:

“There is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any natural extension of the plaintiff’s business. The expression ‘common field of activity’ was coined by Wynn-Parry J in *McCulloch v May* (1948) 65 R.P.C. 58, when he dismissed the plaintiff’s claim for want of this factor. This was contrary to numerous previous authorities (see, for example, *Eastman Photographic Material Co. Ltd v John Griffiths Cycle Corporation Ltd.* (1898) 15 R.P.C. 105 (cameras and bicycles); *Walter v Ashton* [1902] 2 Ch. 282 (The Times newspaper and bicycles)) and is now discredited. In the *Advocaat* case Lord Diplock expressly recognised that an action for passing off would lie although ‘the plaintiff and the defendant were not competing traders in the same line of business’. In the *Lego* case, Falconer J. acted on evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into the manufacture of plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.

The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration

‘... whether there is any kind of association, or could be in the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant’:

Annabel’s (Berkeley Square) Ltd v G Schock (trading as Annabel’s Escort Agency) [1972] R.P.C. 838 at page 84 per Russell L.J.”

96. I must decide whether the public would believe that the goods offered by the applicant are offered by the opponent. I have already considered the similarities between the marks/sign under the section 5(2)(b) ground. Other relevant factors will include the strength of the goodwill. Mr Waldman in his witness statement estimated that the value of sales for each year between 2010 and 2015 was more than \$1.2 million (which he calculated to be around £930,000).²⁶ As swimwear and underwear are fairly regular purchases made by the general public, this appears to be a relatively modest share of the total market, given the size of the UK population. While I found that the opponent had protectable goodwill, it is of a fairly small size. In addition, the sign, like the earlier UKTM, is only weakly distinctive. Taking these factors into account, I find that there is no likelihood of misrepresentation and the section 5(4)(a) ground fails with respect to the Class 24 goods and footwear and headgear.

97. As I found a likelihood of confusion under section 5(2)(b) in respect of clothing, I also find there to be misrepresentation under section 5(4)(a). As the goods are identical, it seems to me that the average consumer is likely to make a mistake when purchasing the goods and therefore I would also find there to be damage. The section 5(4)(a) ground succeeds with respect to clothing.

Conclusion

98. The opposition has been partially successful. The application by Silkymiracle Ltd may proceed to registration in respect of the following goods:

Class 24

Textiles and substitutes for textiles.

Class 25

Footwear, headgear.

²⁶ Paragraph XXX

Costs

99. Both parties have had some success in these proceedings, with the greater proportion of success being won by the applicant. In the circumstances, I award the applicant the sum of £1000 as a contribution towards its costs. The sum is calculated as follows:

Preparing a statement and considering the other side's statement: £150

Preparing and considering the other side's evidence: £600

Preparation of written submissions: £250

Total: £1000

100. I therefore order A&H Sportswear Co., Inc. to pay Silkymiracle Ltd the sum of £1000. The above sum should be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 23rd day of July 2019

**Clare Boucher
For the Registrar,
Comptroller-General**