

O-427-19

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION NO. 3345433
BY SHENZHEN 1981 INVESTMENT CO., LTD.
TO REGISTER THE FOLLOWING TRADE MARK:**

HiGain

IN CLASS 5

AND

**OPPOSITION THERETO UNDER NO. 414749
BY HOUSEHOLDS & TOILETRIES MANUFACTURING CO., LTD (SUKHTIAN)**

BACKGROUND AND PLEADINGS

1. On 15 October 2018, Shenzhen 1981 Investment Co., Ltd. (“the applicant”) filed trade mark application number UK00003345433 for the mark **HiGain**. The application was accepted and published for opposition purposes on 19 October 2018, in respect of the following goods:

Class 5 Adhesive band for medical use; Adhesive plaster; Air purifying preparations; Alcohol for medicinal purposes; Antibacterial mouthwashes; Antibacterial preparations; Baby food; Contact lens cleaning solutions; Cotton swabs for medical use; Dietary and nutritional supplements; Herbal medicine; Medicated mouth wash; Medicated shampoos for pets; Medicated skin care preparations; Medicinal tea; Vitamin preparations; Wipes for medical use.

2. Households & Toiletries Manufacturing Co., Ltd (Sukhtian) (“the opponent”) opposes the application in full under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”), relying upon United Kingdom trade mark (“UKTM”) no. 3308493, the pertinent details of which are as follows:

Filing date: 3 May 2018

Registration date: 5 October 2018

Goods:

Class 3 Baths (cosmetic preparations for --); soap; antiperspirants [toiletries]; creams (cosmetic --); cotton sticks for cosmetic purposes; dentifrices; deodorants for personal use; depilatory preparations; lotions for cosmetic purposes; shampoos.

Class 5 Disinfectants for hygiene purposes; antiseptics; sanitary napkins; burns (preparations for the treatment of --); iodides for pharmaceutical purposes; medicinal alcohol; sunburn ointments; ointments for pharmaceutical purposes; mouthwashes for medical purposes; pharmaceutical preparations.

Representation:



3. For the purposes of these proceedings, the opponent relies upon all the goods for which its mark is registered. The mark qualifies as an earlier mark in accordance with section 6 of the Act. Given its registration date, it is not subject to the proof of use provisions contained in section 6A of the Act.

4. The opponent's case under section 5(2)(b) is that the applied-for mark is visually and phonetically highly similar to its earlier mark and that the respective goods are either identical or similar, resulting in a likelihood of confusion.

5. The applicant filed a counterstatement in which it denies a likelihood of confusion, even for goods found to be similar, due to the marks at issue being significantly different.

6. Neither party filed evidence. Neither party requested a hearing. Only the opponent filed written submissions in lieu of a hearing. The opponent is represented by Abel & Imray. The applicant is represented by Suki Sun.

DECISION

Section 5(2)(b)

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

"A trade mark shall not be registered if because –

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

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

Relevant law

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

The principles

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

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

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

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing

in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

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

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

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

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

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

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

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

Comparison of goods

9. The competing goods are shown in the table below:

Earlier mark	Applied-for mark
<p>Class 3: Baths (cosmetic preparations for --); soap; antiperspirants [toiletries]; creams (cosmetic --); cotton sticks for cosmetic purposes; dentifrices; deodorants for personal use; depilatory preparations; lotions for cosmetic purposes; shampoos.</p> <p>Class 5: Disinfectants for hygiene purposes; antiseptics; sanitary napkins; burns (preparations for the treatment of --); iodides for pharmaceutical purposes; medicinal alcohol; sunburn ointments; ointments for pharmaceutical purposes; mouthwashes for medical purposes; pharmaceutical preparations.</p>	<p>Class 5: Adhesive band for medical use; Adhesive plaster; Air purifying preparations; Alcohol for medicinal purposes; Antibacterial mouthwashes; Antibacterial preparations; Baby food; Contact lens cleaning solutions; Cotton swabs for medical use; Dietary and nutritional supplements; Herbal medicine; Medicated mouth wash; Medicated shampoos for pets; Medicated skin care preparations; Medicinal tea; Vitamin preparations; Wipes for medical use.</p>

10. 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*, the court stated at paragraph 23 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”.

11. The relevant factors for assessing similarity, identified by Jacob J. (as he then was) in the *Treat* case,¹ were:

- (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.

12. In *Kurt Hesse v Office for Harmonization in the Internal Mark (OHIM)*,² the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v OHIM*,³ the General Court (“GC”) stated that “complementary” means:

“...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”.

¹ [1996] R.P.C. 281

² Case C-50/15 P

³ Case T-325/06

13. The GC confirmed in *Gérard Meric v OHIM*⁴ that even if goods/services are not worded identically, they can still be considered identical if one term falls within the scope of another (or vice versa):

“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 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. *Les Éditions Albert René v OHIM*⁵ is also relevant. The GC found that:

“61... 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 those components are similar since, in particular, their nature, intended purpose and the customers for those goods may be completely different.”

15. I also bear in mind *YouView TV Ltd v Total Ltd*.⁶ 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

⁴ Case T-133/05

⁵ Case T-336/03

⁶ [2012] EWHC 3158 (Ch)

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."

16. *Altecnic Ltd's Trade Mark Application*⁷ is also relevant, where it was considered permissible to take into account the class number specified by the applicant when assessing the meaning of the descriptions of goods/services included in the application.

17. However, I bear in mind section 60A of the Act, which provides:

"(1) For the purpose of this Act goods and services-

(a) are not to be regarded as being similar to each other on the ground that they appear in the same class under the Nice Classification;

(b) are not to be regarded as being dissimilar from each other on the ground that they appear in different classes under the Nice Classification."

18. In accordance with *Meric*, I find the applicant's 'alcohol for medicinal purposes', 'antibacterial mouthwashes' and 'medicated mouth wash' identical to the opponent's 'medicinal alcohol' and 'mouthwashes for medical purposes', respectively.

19. I understand the ordinary meaning of 'disinfectant' to be a substance that contains chemicals that kill bacteria.⁸ As such, I consider the applicant's 'antibacterial preparations' identical (in accordance with *Meric*) to the opponent's 'disinfectants for hygiene purposes', since one term could fall within the scope of the other.

⁷ [2002] RPC 34 (COA)

⁸ Cambridge English Dictionary

20. 'Pharmaceutical' means relating to the production of medicines⁹ and 'preparations' are mixtures of substances, often for use as a medicine.¹⁰ Since the applicant's 'medicated skin care preparations' are also substances containing medicine, they fall within the scope of the opponent's 'pharmaceutical preparations'. I find these goods to be identical in accordance with *Meric*. The same can be said for the applicant's 'medicated shampoo for pets'.

21. Although the same similarity has been identified by the opponent for the applicant's 'herbal medicine' and 'medicinal tea', I do not consider these goods to be identical to the opponent's 'pharmaceutical preparations'. Herbal medicine and medicinal tea do not fall within the ordinary meaning of pharmaceutical medicines. They are a type of alternative medicine. However, the intended purpose of these goods may be the same, the users may overlap, they are likely to be found in adjacent aisles in physical stores (or the same category online) and may be in competition with one another, with the consumer choosing between synthetic pharmaceutical drugs and herbal medicine. I find the applicant's 'herbal medicine' and 'medicinal tea' to be highly similar to the opponent's 'pharmaceutical preparations'.

22. The applicant's 'wipes for medical use' may be used to sterilise or disinfect. As such, I consider them similar to the opponent's 'disinfectants for hygiene purposes' and/or 'antiseptics'. These goods have the same (or at least highly similar) use and will share trade channels and users. They are also likely to be found in the same location in stores or online and it is possible for them to be in competition, with consumers choosing between a disinfectant (or antiseptic) and wipes that are already impregnated with those substances. Overall, I find the goods to be similar to a high degree.

23. Bearing in mind section 60A(1)(b) of the Act, though in different classes, I consider the applicant's 'cotton swabs for medical use' similar to the opponent's 'cotton sticks for cosmetic purposes' in class 3. Although their intended purpose differs, the goods have almost an identical physical nature and could, in reality, be used for the same

⁹ Cambridge English Dictionary

¹⁰ Cambridge English Dictionary

purpose by the same user. However, due to their different intended purpose, they are unlikely to be found in the same location in stores and online and are unlikely to be in competition with each other. Overall, I find a medium degree of similarity between these goods.

24. Although the applicant's 'contact lens cleaning solutions' are goods that usually have a disinfecting function, it is not a product that is likely to be perceived as a "disinfectant" as such. Therefore, in comparing 'contact lens cleaning solutions' with the opponent's 'disinfectants for hygiene purposes' (and keeping the *YouView* guidance in mind), one term does not include the other. The goods will be in different locations in stores and online and will not share trade channels. The consumer of the goods will vary, but there is a slight overlap of purpose (to disinfect). Overall, I find these goods to be similar to a low degree.

25. The applicant's 'adhesive band for medical use' and 'adhesive plaster' (I group these goods together for the purpose of assessment in accordance with *Separode Trade Mark*¹¹) are both similar to the opponent's 'antiseptics', since their intended purpose is to aid the healing of wounds. The users will often be the same, the goods will reach the market through the same trade channels, and they are likely to be found in the same, or adjacent, aisles in physical stores and under the same category online. Users often use them together to aid healing, but they are not considered important for the use of the other, so are not complementary. The physical nature of the goods differs, and they are unlikely to be in competition with each other. I find these goods to be similar to a low degree.

26. The opponent has suggested similarity between its 'disinfectants for hygiene purposes' and the applicant's 'air purifying preparations'. I understand 'air purifying preparations' to be a mixture that has been prepared for use as or in an air purifier. To purify means to remove harmful substances from something to make it pure.¹² Applying this to the goods at issue, air purifying preparations remove harmful substances from the air. Since the opponent's 'disinfectants for hygiene purposes' are

¹¹ BL O/399/10 (AP)

¹² Cambridge English Dictionary

used to kill bacteria (which can be harmful), I find these goods to have some similarity of purpose, but no more than a low level. There is no reason the users of these goods will overlap, nor will they travel through the same trade channels or be found in the same location in stores or online. The goods will not be in direct competition with one another and are not complementary since one is not indispensable for the other. The nature of the goods also differs. Overall, I find these goods to be similar to a low degree.

27. I will group together the applicant's 'dietary and nutritional supplements' and 'vitamin preparations' for the purposes of assessment.¹³ I will compare these to the opponent's 'pharmaceutical preparations', as suggested by the opponent in its written submissions. The applicant's goods at issue can be used to supplement a normal diet or just because they are considered beneficial for health. However, they may also be used for medical purposes, i.e. if they are recommended by a medical professional, for example. As such, there may be an overlap of purpose and user with the opponent's 'pharmaceutical preparations'. The physical nature of these goods may be the same in that they may come in the form of tablets, capsules, powders or liquids, for example. The trade channels may overlap, and the goods will be found on adjacent shelves in stores or online. The goods are unlikely to be in competition with each other and are not complementary, since one is not important for the use of the other. Overall, I find a medium degree of similarity between these goods.

28. The opponent has suggested similarity between the applicant's 'baby food' and its own 'pharmaceutical preparations' in its written submissions but has not provided an explanation or any evidence to support that submission. I have found (at paragraph 20 of this decision) that pharmaceutical preparations are mixtures of substances produced for use as a medicine. I do not consider baby food to fall within this category. The ordinary meaning of baby food is food specifically manufactured for babies. It may be fortified with vitamins, for example, but, ordinarily, baby food does not contain medicine, nor is it used for the same purpose. The average consumer will not find these goods in the same location in stores, will not choose between them and will not consider one important for the other. I do not find any similarity between the applicant's

¹³ *Separode Trade Mark*

'baby food' and the opponent's 'pharmaceutical preparations' or any of the goods in the opponent's specification.

The average consumer and the nature of the purchasing act

29. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purposes of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*.¹⁴

30. 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*,¹⁵ 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.”

31. The average consumer of the goods at issue will be either a member of the general public or a member of the medical profession with specific professional knowledge or expertise. Although the price of the goods can vary, they are not, generally speaking, particularly expensive. Such goods are likely to be purchased frequently by professionals, but less frequently by the general public. The average consumer (whether a professional or a member of the public) is likely to consider, for example, the ingredients and the suitability of the goods for the particular medical concern. I also bear in mind that the average consumer pays a heightened level of attention when selecting pharmaceutical products, including such products available without a

¹⁴ Case C-342/97

¹⁵ [2014] EWHC 439 (Ch)

prescription.¹⁶ Taking all of these factors into account, the level of care and consideration that will be adopted during the purchasing process would be higher than average. However, the non-pharmaceutical goods are frequent (but not every day) purchases that attract only an average degree of care and attention.

32. The purchase is likely to be predominantly visual: the goods will be self-selected from physical stores, websites or brochures. However, I do not discount that there may be an aural element with conversations taking place with professionals in a retail or pharmaceutical setting.

Comparison of marks


33. It is clear from *Sabel* 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 *Bimbo*, 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 relevant 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.”

34. 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 trade marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the trade marks.

¹⁶ *Bayer AG v EUIPO*, Case T-261/17

35. The trade marks to be compared are as follows:

Earlier mark	Applied-for mark
	HiGain

36. The parties have made various submissions on the similarities and differences of the marks. I have considered them all in reaching my decision and will refer below to some of the arguments raised (although I do not propose to reproduce the submissions in full).

37. I will, however, deal with one aspect of the opponent's submissions. The opponent has made comparisons between the applied-for mark and what it refers to as the opponent's earlier mark. I am required to make a comparison of the marks in question, exactly as they are registered (as shown in the table at paragraph 35 of this decision). What the opponent has inserted in its mark comparison table is a much less stylised version of its mark as registered. Not only is it in black and white, but multiple stylistic elements have been removed. This is not the mark I will be comparing to the applicant's mark.

Overall impression

38. The applied-for mark consists solely of the two (conjoined) words Hi and Gain, with no stylisation or figurative elements. The overall impression of the mark rests in the combination of the words themselves.

39. The earlier mark consists of the two (conjoined) words Hi and Geen written in white in a fairly standard typeface. The tittle (or dot) above the letter 'i' has been replaced with a larger red dot. Above the letters 'een' are symbols or characters deriving from a non-English language/alphabet, written in a yellow font. I have not been provided with any submissions or evidence as to the meaning, if any, of this script. All of these

elements of the mark are placed on a dark blue background. The non-English script is unlikely to be understood by the UK population so it is likely to be largely overlooked by the average consumer, the red dot will be seen as part of the word 'Hi', and the dark blue background will be seen as little more than that: a background. As such, the overall impression of the earlier mark rests in the two (conjoined) words HiGeen.

Visual comparison

40. The similarity between the marks rests in the entire first word ('Hi') and the first and last characters of the second word ('G' and 'n'). The differences are in (i) the second and third characters of the second word ('ai' versus 'ee') and (ii) the addition of the non-English script in the earlier mark. The stylisation of the earlier mark (white font and a dark blue background with a red 'dot' element) also creates a visual difference between the marks. However, I bear in mind that fair and notional use of the applicant's mark allows it to take on different presentations (in a different font colour on a coloured background, for example)¹⁷ so long as any changes made to the mark do not affect its distinctive character.¹⁸ As such, notional use of the applicant's mark may include being presented with white letters on a dark blue background, therefore reducing the significance of these elements present in the earlier mark and I conclude that these elements do not make a material difference to the visual comparison. I agree with the opponent's submission that the verbal elements of the marks are of identical length. However, the fact that the second word in each mark is a different word, and the addition of the non-English characters (whether or not the average consumer understands the meaning) creates a significant visual difference. Overall, I find a low to medium degree of visual similarity between the marks.

Aural comparison

41. I have no submissions from the opponent as to how its earlier mark will be pronounced. I find that there are two options: (i) the mark will be pronounced 'hi' + 'gene' (identical to the pronunciation of the common dictionary word 'hygiene'), or (ii)

¹⁷ See the comments of Professor Ruth Annand in *Bentley Motors Limited v Bentley 1962 Limited*. BL O/158/17

¹⁸ In accordance with Section 6A(4)(a) of the Act

the mark will be pronounced 'hi' + 'geen' (the 'g' being a hard sound, as in the word 'green' without the letter 'r'). I find the former option the most likely. No other elements of the earlier mark will be articulated. The applied-for mark will be pronounced as the two words 'hi' + 'gain'. The 'Hi' element of both marks will be pronounced identically, creating the aural similarity in the marks. The opponent submits that the "slight difference in the second vowel sound does not alter that otherwise overwhelming phonetic similarity". I disagree. I find that the vowels in the second word of each mark ('ai' and 'ee') create a different sound, regardless of whether the earlier mark is pronounced with a soft-sounding or a hard-sounding 'g'. Overall, I find aural similarity between the marks, albeit to a low to medium degree.

Conceptual comparison

42. For a conceptual message to be relevant it must be capable of immediate grasp by the average consumer. This is highlighted in numerous judgments of the GC and the CJEU including *Ruiz Picasso v OHIM*¹⁹. The assessment must be made from the point of view of the average consumer.

43. The applicant submits that its mark expresses a specific and clear meaning to consumers of "being happy and getting something". This is not obvious to me and I reject it. I find that the applied-for mark will conjure a clear concept in the mind of consumers. That concept will be of obtaining or securing something of benefit to the consumer (being the ordinary meaning of 'gain',²⁰ preceded by 'hi' which will likely be understood as a misspelling of the word 'high'). Bearing in mind the goods at issue, the mark will give the consumer the impression that they will benefit or gain something from such goods.

44. The applicant further submits that consumers may have no notion of what is conveyed by the earlier mark. I have no submissions from the opponent as to the concept of its mark. I consider there to be two possible scenarios. If the average consumer reads the earlier mark as 'hi' + 'geen' (a hard-sounding 'g'), there will be no

¹⁹ [2006] e.c.r.-I-643; [2006] E.T.M.R. 29

²⁰ Collins English Dictionary

clear concept grasped, since the two (conjoined) words will be perceived as invented. In the alternative, if the average consumer reads the earlier mark as a misspelling of the word 'hygiene', the consumer will immediately grasp the concept of "keeping yourself and your environment clean in order to maintain health and prevent disease" (being the ordinary definition of 'hygiene').²¹ In any event, the marks will not portray the same concept to the consumer. The marks are conceptually dissimilar.

Distinctive character of the earlier mark

45. The degree of distinctiveness of the earlier mark must be assessed. This is because the more distinctive the earlier mark, the greater the likelihood of confusion (see *Sabel*). In *Lloyd Schuhfabrik Meyer* the CJEU stated that:

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

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

²¹ Cambridge English Dictionary

46. The opponent has not claimed to have used its earlier mark to the extent that it has an enhanced degree of distinctive character. However, even if it had, I have not been provided with any evidence to determine whether the earlier mark has an enhanced distinctive character. Accordingly, I have only the inherent distinctiveness of the earlier mark to consider.

47. I have found that the average consumer will perceive the two (conjoined) words HiGeen in the earlier mark as an invented word possibly giving the vague allusion to 'hygiene' to some consumers. In either case, HiGeen is a made-up term. I consider the earlier mark to have a higher than average degree of distinctive character.

Likelihood of confusion

48. The factors assessed so far have a degree of interdependency (*Canon*); a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel*). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.

49. Confusion can be direct (which occurs when the average consumer mistakes one mark for the other) or indirect (where the average consumer realises the marks are not the same but puts the similarity that exists between the marks/services down to the responsible undertaking being the same or related).

50. The marks have been found to be visually similar to a low to medium degree, aurally similar to a low to medium degree and conceptually dissimilar. The goods at issue have been found to be either identical, similar to a medium or low degree, or dissimilar.

51. Due to the clear visual and aural differences I have highlighted I do not find that the average consumer would mistake one mark for the other. There is no likelihood of direct confusion.

52. I go on now to consider indirect confusion. This was dealt with by Mr Iain Purvis QC, sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*:²²

“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 recognised that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: ‘The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark’.

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

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

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

²² BL O/375/10

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

53. I have borne in mind that the examples given by Mr Purvis are not exhaustive. Rather, they were intended to be illustrative of the general approach.²³

54. I also bear in mind the guidance of Mr James Mellor QC, sitting as the Appointed Person in *Duebros Limited v Heirler Cenovis GmbH*²⁴:

“81.4. Fourth, I think it is important to stress that a finding of indirect confusion should not be made merely because the two marks share a common element. When Mr Purvis was explaining in more formal terms the sort of mental process involved at the end of his [16], he made it clear that the mental process did not depend on the common element alone: ‘Taking account of the common element in the context of the later mark as a whole.’ (my emphasis).”

55. I go on now to consider whether the average consumer, having recognised that the marks are different, considers the common element of both marks and determines, through an instinctive mental process, that the marks are related and originate from the same, or an economically linked undertaking.

56. Considering the only element that the average consumer will recognise as being identical in both marks is the word ‘Hi’, in the context of the marks as wholes, I can see no logical step which would induce the consumer to be indirectly confused. The average consumer, noticing the shared element (and perhaps the shared ‘G’ and ‘n’), is likely to think that there are two undertakings coincidentally using those letters in their marks. I do not consider indirect confusion to be likely.

²³ See *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17 at paragraphs [81] to [82]

²⁴ BL O/547/17

CONCLUSION

57. There is no likelihood of confusion. The opposition has failed, and the applicant's mark may continue to registration.

COSTS

58. As the applicant has been successful, I consider it is entitled to an award of costs in its favour. Awards of costs are governed by Annex A of Tribunal Practice Notice ("TPN") 2/2016. Using that TPN as a guide, I award costs to the applicant on the following basis:

Preparing a statement and considering the other side's statement:	£200
Considering the other side's written submissions in lieu of a hearing:	£150 ²⁵
Total:	£350

59. I order Households & Toiletries Manufacturing Co., Ltd (Sukhtian) to pay Shenzhen 1981 Investment Co., Ltd. the sum of **£350**. This sum is to 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 23 July 2019

Emily Venables
For the Registrar,
The Comptroller-General

²⁵ This is below the scale minima due to the opponent's written submissions being exceptionally light