

BL O-596-18

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION 3229490

BY DREAMERSCLUB LTD

TO REGISTER THE FOLLOWING SERIES OF THREE TRADE MARKS:

Dreamers Club

Dreamersclub

The logo consists of the word "DREAMERS" in a bold, sans-serif font, arched over the word "CLUB" which is in a similar bold, sans-serif font. The letters are black and the background is white.

AND

OPPOSITION THERETO (No 410045)

BY KTS GROUP LIMITED

Background and pleadings

1. **DreamersClub Ltd** (the applicant) applied to register the trade marks:

Dreamers Club

Dreamersclub



**DREAMERS
CLUB**

as a series of three, in the UK on 08 May 2017. The application was accepted and was published in the Trade Marks Journal on 19 May 2017, in respect of the following goods and services:

Class 14: Precious metals and their alloys; jewellery; precious stones; horological and chronometric instruments; personal ornaments; unwrought and semi-wrought precious stones and their imitations; keyrings; clocks and watches; watch bands, watch straps, watch cases; jewel cases of precious metal; shoe ornaments of precious metal; charms in precious metals, semi-precious metals or coated therewith.

Class 18: Leather and imitations of leather; bags; handbags; shoulder bags; toiletry bags; garment bags; make-up bags; kit bags; rucksacks; sports bags; gym bags; beach bags; swing bags; hip bags; cross body bags; travel bags; luggage; wallets; purses; key cases (leather ware); umbrellas; parasols; leather laces, cords, twists and straps, belts.

Class 25: Clothing; footwear; headgear.

Class 35: Advertising; business management; business administration; office functions; sales promotion for others; marketing; marketing research; organisation of fashion shows for promotional purposes; organisation of exhibitions and trade fairs for commercial or advertising purposes; online and in-store retail services in connection with the sale of magnetic data carriers, recording discs, compact discs, DVDs and other digital recording media; online and in-store retail services in connection with the sale of spectacles, sunglasses, cases, cords and chains for spectacles and sunglasses, lenses for spectacles and sunglasses; online and in-store retail services in connection with the sale of bags and cases for personal digital assistants, electronic organisers, laptop computers, tablet computers, mobile phones and e-book devices; online and in-store retail services in connection with the sale of cases, covers, carry bags and holders for telephones, smart phones, mobile telephones, satellite navigational devices, MP3 and other digital format audio and video players, cameras and video cameras; online and in-store retail services in connection with the sale of hands free kits for telephones, wireless headsets, headphones, loudspeakers, microphones, radios and chargers; online and in-store retail services in connection with the sale of jewellery, keyrings, clocks and watches, watch bands, watch straps, watch cases and stationery; online and in-store retail services in connection with the sale of bags, handbags, shoulder bags, toiletry bags, garment bags, make-up bags, kit bags, rucksacks, sports bags, gym bags, beach bags, swing bags, hip bags, cross body bags, travel bags, luggage, wallets, purses, key cases (leather ware), umbrellas and parasols; online and in-store retail services in connection with the sale of leather laces, cords, twists and straps, belts, clothing, footwear and headgear; information, advisory and consultancy services in relation to all the aforesaid.

2. **KTS Group Limited** (the opponent) opposes the trade mark on the basis of Section 5(2)(b) of the Trade Marks Act 1994 (the Act), relying upon its earlier United Kingdom Trade Marks 2060937 for the mark **DREAMS** and 2216417 for the mark **DREAM**. The following goods are relied upon in this opposition:

Class 25: Clothing.

3. Following the filing of the opposition, the applicant requested that its class 25 specification of goods be restricted to 'Clothing, namely, t-shirts, hoodies, shorts, jackets, tops and trousers; footwear; headgear'.
4. The applicant also requested that the two plain word marks in the series of three marks be deleted, leaving the application only for the stylised mark:



5. The opposition is raised against all of the goods applied for in class 25 and some of the services applied for in class 35 of the application, namely:

Class 25: Clothing, namely, t-shirts, hoodies, shorts, jackets, tops and trousers; footwear; headgear.

Class 35: Online and in-store retail services in connection with the sale of belts, clothing, footwear and headgear.

6. The opponent claims in its statement of grounds (TM7) that the applicant's mark is visually, aurally and conceptually very similar to the opponents 'DREAM' and 'DREAMS' marks. The opponent also states that the applicant's goods in class 25 and some of the services in class 35 are identical or similar to the goods of the opponent and that, as such, there is a likelihood of confusion and association.
7. The applicant filed a defence and counterstatement, denying all the grounds of opposition and putting the opponent to proof of use for all the goods relied upon.
8. The opponent filed evidence. Both sides filed written submissions which will not be summarised but will be referred to as and where appropriate during this

decision. No hearing was requested and so this decision is taken following a careful perusal of the papers.

9. The applicant has been represented throughout the proceedings by Ladas & Parry London Limited whilst the opponent has been represented by Page Hargrave.
10. The opponent's earlier mark 2060937 'DREAMS', was registered on 25 October 1996 and earlier mark 2216417 'DREAM', was registered on 27 April 2001. Given their dates of registration, the opponent's marks qualify as earlier marks in accordance with Section 6 of the Act. The opponent states, in its notice of opposition, that it has used its trade marks in relation to some of the goods relied upon, namely 'clothing' in class 25. This statement is made because the earlier marks are subject to the proof of use provisions contained in Section 6A of the Act. As the statement of use has only been made in respect of clothing, this is all, that the opponent may rely upon, subject to satisfying the proof of use requirements.

EVIDENCE

11. The opponent filed evidence on 19 March 2018, which consists of a witness statement from Mr Tahir Sharif, the opponent's Executive Director, and eight **exhibits KTS1 – KTS 8**.
12. Mr Sharif has held his position with the opponent company since 1983 and is authorised to provide the information in the Witness Statement. He states:
 - KTS Group has been selling clothing and related goods bearing the DREAMS mark since 1982, principally as wholesalers, through their wholly owned subsidiary Flick Fashions Limited, of which Mr Sharif is also Executive Director, and which is authorised to use the marks on behalf of the Group.

- KTS Group also sell DREAMS clothing and related goods in the UK through their retail outlets. The KTS Group has also sold DREAM label garments itself or via a licensee since 1999.

- Sales in the UK for recent years have been:

2012 - £1,599,553.87

2013 - £858,726.52

2014 - £526,837.83

2015 - £754,193.86

2016 - £1,097,771.47

2017 - £1,068,687.41

- These sales figures apparently relate to DREAMS or DREAM sales but the opponent cannot provide a clear breakdown of sales per mark. In the relevant period most of the sales were, according to Mr Sharif, apparently under the DREAMS mark.
- The relevant period for evidence of use is the five-year period prior to the publication date of the opposed application, i.e. 20 May 2012 to 19 May 2017 in this case.
- The opponent uses various codes on its invoices to identify certain styles of items. The opponent provided a list of style codes that relate directly to goods that are badged as DREAM or DREAMS products. These codes are shown in the witness statement and are used in exhibits KTS1 - KTS5.

Exhibits:

KTS1: provides 8 sales invoices for the year 2017, alongside several images of women's outer clothing. These invoices show a reasonable geographic spread across southern England, cover the time period Jan-April 2017 and amount to £11,307.48. There is no evidence of the mark 'DREAM' being

used at all, and all use of the mark 'DREAMS' is in the stylised format shown below:



KTS2: provides 15 sales invoices for the year 2016, alongside images of women's outer clothing. These invoices show a reasonable geographic spread across southern England, cover the time period Jan-Dec 2016 and amount to £27,096.36. There is no evidence of 'DREAM' being used. All use of the word DREAMS is in the stylised version shown above.

KTS3: provides 5 sales invoices for the year 2015, alongside images of women's outer clothing. These invoices show a reasonable geographic spread across southern England, cover the time period Jan-Oct 2015 and amount to £5,625.06. There is no evidence of 'DREAM' being used. All use of the word DREAMS is in the stylised version shown above.

KTS4: provides 5 sales invoices for the year 2014, alongside images of women's outer clothing. These invoices show a geographic spread across southern England, cover the time period Apr-Sept 2014 and amount to £10,777.62. There is no evidence of 'DREAM' being used. All use of the word DREAMS is in the stylised version shown above.

KTS5: provides 4 sales invoices for the year 2013, alongside images of women's outer clothing. These invoices show a geographic spread across southern England, cover the time period Feb-Jul 2013 and amount to £8,454.84. There is no evidence of 'DREAM' being used. All use of the word DREAMS is in the stylised version shown above.

KTS6: provides 5 sales invoices for the year 2012, alongside images of women's outer clothing. These invoices show a geographic spread across

southern England, cover the time period Jun-Nov 2012 and amount to £10,382.64. There is no evidence of 'DREAM' being used. All use of the word DREAMS is in the stylised version shown above.

KTS7: Comprises several images of women's outer clothing, tops and trousers. All displaying the same figurative, stylised DREAMS mark on the clothing labels and on swing tags attached to the garments. The mark is presented in white lettering on a dark, brown or black background.

KTS8: consists of several prints from the website of Flick Fashions Limited, showing further images of women's clothing bearing the stylised DREAMS mark on the webpages. These prints are all dated 30 October 2017 and are therefore outside of the relevant date for provision of proof of use.

13. The opponent's stylised 'DREAMS' mark has been demonstrated to be in use between 2012-2017 based on the invoices provided under exhibits KTS1-6. The opponent has sold goods across a large part of southern England. There are no indications of any marketing or promotional activities that the opponent may have undertaken to raise awareness of its brands. All of the information provided appears to relate back to Flick Fashions Limited, a subsidiary of the opponent KTS Group Limited.

14. In its written submissions, dated 05 July 2018, the applicant states that the opponent's earlier registrations are for the plain word marks, 'DREAMS' and 'DREAM', which is correct. However, it claims that the opponent shows no use of the mark 'DREAM' in its evidence, and that the only use of the mark 'DREAMS' is in the heavily stylised format shown above.

15. The applicant also notes that the opponent's evidence points to sales of women's clothing only. I would suggest that in fact it is narrower than this in fact, and only shows women's outer clothing. There is no evidence of the provision or sale of undergarments, footwear or headgear at all.

Proof of Use

The relevant statutory provisions are as follows:

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

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

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier 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.”

Section 100 of the Act states that:

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

16. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. summarised the case law on genuine use of trade marks. He said:

“217. *The law with respect to genuine use* . In *Stichting BDO v BDO Unibank Inc* [2013] EWHC 418 (Ch), [2013] FSR 35 I set out at [51] a helpful summary by Anna Carboni sitting as the Appointed Person in *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] of the jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439 , Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759

(to which I added references to Case C-416/04 *P Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237). I also referred at [52] to the judgment of the CJEU in Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16 on the question of the territorial extent of the use. Since then the CJEU has issued a reasoned Order in Case C-141/13 *P Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and that Order has been persuasively analysed by Professor Ruth Annand sitting as the Appointed Person in *SdS InvestCorp AG v Memory Opticians Ltd* (O/528/15).

218. An important preliminary point to which Prof Annand draws attention in her decision is that, whereas the English versions of Articles 10(1) and 12(1) of the Directive and Articles 15(1) and 51(1)(a) of the Regulation use the word “genuine”, other language versions use words which convey a somewhat different connotation: for example, “ernsthaft” (German), “efectivo” (Spanish), “sérieux” (French), “effettivo” (Italian), “normaal” (Dutch) and “sério/séria” (Portuguese). As the Court of Justice noted in *Ansul* at [35], there is a similar difference in language in what is now recital (9) of the Directive.

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

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

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

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

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

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

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

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

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

17. According to section 6A(3)(a) of the Act, the relevant period in which genuine use must be established is the five-year period ending on the date of publication of the applied for mark. Consequently, the relevant period is 20 May 2012 to 19 May 2017.

18. Before assessing the opponent’s evidence of use, I remind myself of the comments of Mr Daniel Alexander, Q.C., sitting as the Appointed Person, in *Awareness Limited v Plymouth City Council*, Case BL O/236/13, where he stated that:

“22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of

protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

and further at paragraph 28:

“28. I can understand the rationale for the evidence being as it was but suggest that, for the future, if a broad class, such as “tuition services”, is sought to be defended on the basis of narrow use within the category (such as for classes of a particular kind) the evidence should not state that the mark has been used in relation to “tuition services” even by compendious reference to the trade mark specification. The evidence should make it clear, with precision, what specific use there has been and explain why, if the use has only been narrow, why a broader category is nonetheless appropriate for the specification. Broad statements purporting to verify use over a wide range by reference to the wording of a trade mark specification when supportable only in respect of a much narrower range should be critically considered in any draft evidence proposed to be submitted.”

19. In *Nirvana Trade Mark*, BL O/262/06, Mr Richard Arnold Q.C. (as he then was) as the Appointed Person summarised the test under s.46(2) of the Act, which is analogous to Section 6A(4)(a), as follows:

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


34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter’s distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive

character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all."

20. Although this case was decided before the judgment of the Court of Justice of the European Union ("CJEU") in *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, it remains sound law so far as the question is whether the use of a mark in a different form constitutes genuine use of the mark as registered.

21. The distinctiveness of the earlier marks as registered, lies in the plain words 'DREAM' and 'DREAMS'. The mark 'DREAM' has not been shown in use by the opponent. The mark 'DREAMS', as used in trade by the opponent, is presented in a heavily stylised design, similar in some respects to a signature effect. The mark 'DREAMS' as used, is a substantially altered variation of the registered mark in my opinion, and would have a significant impact on the average consumer. It is far from the sort of variation envisaged by the CJEU in *Bernhard Rintisch v Klaus Eder* Case C-533/11:

"21 The purpose of art.10(2)(a) of Directive 89/104, which avoids imposing a requirement for strict conformity between the form used in trade and the form in which the trade mark was registered, is to allow the proprietor of the mark, in the commercial exploitation of the sign, to make variations in the sign, which, without altering its distinctive character, enable it to be better adapted to the marketing and promotion requirements of the goods or services concerned."

22. I find the mark in use, namely: , to be a variant of the registered mark 'DREAMS' that goes beyond the normal course of trade evolution, and in which the stylistic differences from the plain word mark can be said to clearly alter the distinctive character found in that plain word mark. I am reminded of *Dosenbach-Ochsner AG Schuhe und Sport v Continental Shelf 128 Ltd*, BL 0/404/13, in which Mr Geoffrey Hobbs Q.C., sitting as the Appointed Person, reviewed a mark which had been registered in plain letters, but used in stylised form. He said " The way in which the former individualises the latter may

perhaps be analogised to the way in which a signature individualises the name it represents.” The way in which the opponent in this case has used its mark is in the style of a signature. I do not find that the average consumer, even presupposing that they perceive the word ‘dreams’ in the mark being used by the opponent, something that cannot be guaranteed, would assume that the goods provided under that stylised mark originate from the same undertaking as those products badged with the earlier registered mark ‘DREAMS’. Accordingly, I find that there has been no genuine use of the opponent’s earlier marks during the relevant period

Conclusion

23. The opponent has failed to show that its earlier marks ‘DREAM’ and ‘DREAMS’ have been used in the market place as registered. As such, the opponent is not entitled to rely upon either of its earlier marks, which means that the opposition fails. Subject to appeal, the applied for mark may proceed to registration.

Costs

24. The applicant has been successful and is entitled to a contribution towards its costs. I award DreamersClub Ltd the sum of £400 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Preparing the statement of case and considering the counterstatement	£200
Preparing written submissions	£200
Total	£400

24. I therefore order KTS Group Limited to pay DreamersClub Ltd the sum of £400. The above sum should be paid within 14 days of the expiry of the appeal period or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings.

Dated this 24th day of September 2018

**Andrew Feldon
For the Registrar
The Comptroller-General**