

O/633/21

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 3495303
IN THE NAME OF DUF LTD FOR THE TRADE MARKS**

SPACE

AND

space

IN CLASSES 9 & 14

AND

**OPPOSITION THERETO UNDER NO. 421538
BY OMEGA SA (OMEGA AG) (OMEGA LTD)**

Background and pleadings

1. Duf Ltd (“the applicant”) applied to register the trade marks SPACE/space (series of two) under no. 3495303 in the UK on 31 May 2020. The application was accepted and published in the Trade Marks Journal on 24 July 2020 in respect of the following goods:

Class 9: Optical apparatus and instruments; optical goods; spectacle and sunglass frames; spectacle and sunglass lenses; contact lenses; spectacle cases; spectacle cords and chains, including spectacles for cycling; goggles, lenses for goggles, all being in the nature of protective eyewear; face masks and face shields; helmets, including cycle helmets; protective eyewear, headgear and bodywear; protective clothing for cycling.

Class 14: Precious metals and their alloys; jewellery; ornaments; rings, earrings, ear clips, brooches, chokers, necklaces, pendants, chains, bracelets; precious stones, pearls; horological and chronometric instruments, in particular small clocks, wrist watches, parts for clocks and watches, clock faces, housing for clocks and watches, clockworks, parts for clockworks; parts and fittings for the aforesaid goods, included in class 14.

2. Omega SA (Omega AG) (Omega Ltd) (“the opponent”) opposes the trade marks on the basis of sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). The opposition under section 5(2)(b) is on the basis of its earlier International Trade Mark registration designating the EU¹ no. 1068447 for the mark SPACEMASTER. By virtue of its earlier filing date, the trade mark upon which the opponent relies qualifies as an earlier trade mark pursuant to section 6 of the Act. The opponent under section 5(2)(b) opposes the

¹ Although the UK has left the EU and the transition period has now expired, EUTMs, and International Marks which have designated the EU for protection, are still relevant in these proceedings given the impact of the transitional provisions of The Trade Marks (Amendment etc.) (EU Exit) Regulations 2019 – please see Tribunal Practice Notice 2/2020 for further information.

applicant's goods in class 14 only and relies on the following goods covered by its earlier mark:

Class 14: Horological and chronometric instruments.

3. The opponent also opposes the mark under section 5(3) of the Act. The opponent relies upon the same earlier mark under this ground, relying again on the above goods in class 14, and opposing the applicant's goods in class 14 in full. The opponent claims it has a reputation for its class 14 goods above, and that it is inevitable that the reproduction of SPACE in the application combined with the similarity or identity in the goods will result in consumers believing that the marks originate from or are connected to the opponent. The opponent argues this will result in an unfair advantage for the applicant, who will be able to free ride off the opponent's investment and benefit from its reputation for a high standard of products. The opponent argues there may be detriment to its reputation if the applicant offers lower quality products, and that there will be dilution to the distinctive character of its mark by the use of SPACE, which would in turn deter both customers and its high-profile brand ambassadors.
4. The opponent also opposes the application under section 5(4)(a) of the Act, based on its use of the sign SPACEMASTER throughout the UK since 2012 in respect of the same goods relied upon under the previous grounds. The opponent submits it has goodwill in respect of its high-end and high value goods, and that the applicant's use of SPACE for its goods would result in a misrepresentation. The opponent states this would inevitably cause it damage, resulting in a loss of sales, brand prestige, loss of distinctiveness, and loss of sponsorship and licensing opportunities.
5. The applicant filed a counterstatement denying the claims made and requesting that the opponent provides proof of use of its earlier trade mark relied upon. The applicant states that due in part to the difference in retail cost, no one will confuse the marks. The applicant also submits that the mark is obscure, and that there will be no passing off.

6. Only the opponent filed evidence in these proceedings. This will be summarised to the extent that it is considered necessary.
7. Neither party filed written submissions during this decision. No hearing was requested and so this decision is taken following a careful perusal of the papers. The applicant is unrepresented in these proceedings. The opponent is represented by Mewburn Ellis LLP.
8. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from an EU Directive. That is why this decision continues to refer to EU trade mark law.

Evidence

9. The opponent's evidence comprises two witness statements and a total of twenty-two exhibits. The first statement is in the name of Sophia Arenal, described as a Chartered Trade Mark Attorney and a director at Mewburn Ellis LLP, the opponent's representative. The statement introduces a single exhibit, namely Exhibit SA1. The second witness statement is in the name of Jean-Claude Monachon, described as Vice President and Head of Product for the opponent since 1997, and Head of Customer Services since 2014. This statement introduces 21 exhibits in total, namely Exhibit JCM1 – Exhibit JCM21.
10. Exhibit SA1 to Ms Arenal's statement comprises pages described by Ms Arenal as "extracts showing SPACEMASTER products in Omega SA's catalogues for 2015, 2016 and 2017." The images themselves show the mark 'SPACEMASTER Z-33' and 'OMEGA Spacemaster Z-33' used in relation to watches. The catalogues themselves show the dates of 2016 and 2017.
11. In his witness statement, Mr Monachon explains that the OMEGA marks have been used in the UK since 1948,² and he details the mark's relationship with high profile people and sporting events over the years. Exhibit JCM1 details the

² See paragraph 5

history of the opponent’s brand up until 1993. No reference to SPACEMASTER is made in the document. Exhibit JMC2 provides a history from the opponent’s website from 2002 – 2020. Again, no mention is made of SPACEMASTER in this summary. Mr Monachon explains that SPACEMASTER is a sub brand, and that it falls within the SPEEDMASTER range. He explains that the SPACEMASTER “timepieces” are high quality and can be used by pilots and astronauts and so there is a strong connection with space, but that some customers buy these for everyday wear.³ Mr Monachon confirms that “horological and chronometric instruments” have been sold under the SPACEMASTER mark in the UK since 2012, and that the catalogues provided under Exhibit SA1 were distributed in the UK.⁴ A print out of the website www.omegawatches.com showing images of watches under the SPACEMASTER brand is provided at Exhibit JCM3. These are described as the current products and the screenshots are dated 18 March 2021.

12. Sales figures for watches sold in the UK (or the EU) are not provided, but it is confirmed that the retail value of the “SPACEMASTER timepiece” is upwards of 4000 GBP.⁵ Invoices are provided at Exhibit JCM4. These documents are heavily redacted. They are headed ‘The Swatch Group (UK) Ltd’, and Mr Monachon confirms that this party shares a parent company with the opponent and is responsible for its UK distribution of the watches.⁶ The following information is visible on redacted invoices, which Mr Monachon confirms in his witness statement are UK invoices to retailers:

Ship to address	Invoice date	Product reference
Lancashire	13 January 2015	Watch SP Z-33 QUARTZ
Manchester	13 January 2015	Watch SP Z-33 QUARTZ
London	13 January 2015	W SP Z33 43 STD
Birmingham	7 September 2016	Watch SP Z-33 QUARTZ
Lancashire	26 October 2016	Watch SP Z-33 QUARTZ

³ See paragraph 8

⁴ See paragraph 9

⁵ See paragraph 11

⁶ See paragraph 12

Middlesex	18 May 2016	Watch SP Z-33 QUARTZ
Lancashire	24 May 2017	Watch SP Z-33 QUARTZ
London	13 July 2018	Watch SP Z-33 QUARTZ
Lancashire	15 October 2018	Watch SP Z-33 QUARTZ
Birmingham	15 March 2019	W SP Z33 43 STD
West Midlands	27 March 2019	Watch SP Z-33 QUARTZ
Leicester	20 February 2020	Watch SP Z-33 QUARTZ
Lancashire	9 March 2020	Watch SP Z-33 QUARTZ

13. Mr Monachon explains in his witness statement that the SPACEMASTER watches are sold in the opponent's own stores in London, Kent, Birmingham and Manchester,⁷ as well as in official retailers across the UK including in Aberdeen, Bishops Stortford, Cambridge and Leeds.⁸ In addition, he explains they are sold at UK-wide retailers including Beaverbrooks, and an image of the Beaverbrooks website showing the location of its stores across the UK, and an "OMEGA SPEEDMASTER SPACEMASTER Z-33" watch available for purchase for 4,540 GBP is provided as Exhibit JCM5. The Exhibit doesn't appear to be dated but reference to the copyright running from 2001 – 2021 on the page indicates the screenshot was taken in 2021.

14. Mr Monachon explains that there is an "active second-hand market" for the SPACEMASTER watches and provides a print out from the website watchfinder.co.uk with an article about the 'OMEGA SPACEMASTER Z-33' watches at Exhibit JCM7. The article itself appears undated but the screenshots date from 29 January 2021.

15. At paragraphs 18 to 19 of his witness statement, Mr Monachon details the opponent's connection with space and its goods, including the fact that Omega branded goods "specifically OMEGA SPEEDMASTER chronographs" have been used by NASA astronauts and in the first moon landing in 1969. This is

⁷ See paragraph 13

⁸ See paragraph 14

supported by Exhibit JCM8 – JCM11. This evidence doesn't make reference to the SPACEMASTER mark.

16. Several articles relating to the OMEGA Z-33 SPACEMASTER and the OMEGA SPACEMASTER Z-33 are provided at Exhibit JCM12 dated in 2012 and 2013. Mr Monachon explains these articles are from UK publications.
17. Two articles are provided from elsewhere in the EU at JCM13, including one that Mr Monachon confirms is from Austria in 2012, and one he confirms is from France in May 2018. The article from France refers to the OMEGA SPACEMASTER Z33, and the article from Austria refers to 'Die Spacemaster Z-33 von Omega' and both show images of the watch appearing to display SPACEMASTER Z-33 on the product itself.
18. An article dated 13 October 2013 is provided at Exhibit JCM14. This refers to the OMEGA SPEEDMASTER Z-33 SPACEMASTER being named the "GENTS WATCH OF THE WEEK". The article features on the website of Banks Lyon who appear to be a UK jewellery and watch retailer.
19. The remaining witness statement and exhibits JCM15 – JCM21 concern the opponent's "high profile brand ambassadors",⁹ the opponent's business in jewellery,¹⁰ and its connection with the Olympics.¹¹ The evidence provided has been fully considered, however, as this relates primarily to the OMEGA mark and there is no mention of the SPACEMASTER mark, I do not feel it is necessary to summarise this in detail at this stage.

⁹ See paragraph 23

¹⁰ See paragraphs 24 – 27

¹¹ See paragraphs 28 & 29

Proof of use

Legislation

20. Section 6A of the Act provides as follows:

“(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 relevant period.

(1A) In this section “the relevant period” means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(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 relevant period 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 (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), 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 Community.

(5A) In relation to an international trade mark (EC) the reference in subsection (1)(c) to the completion of the registration procedure is to be construed as a reference to the publication by the European Union Intellectual Property Office of the matters referred to in Article 190(2) of the European Union Trade Mark Regulation.

(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.”

Proof of Use case law

21. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J summarised the law relating to genuine use as follows:

“114.....The CJEU¹² 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 Bunderversammlung 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

¹² Court of Justice of the European Union

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 [32].”

22. 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.”

23. The applicant has requested proof of use in respect of the earlier mark relied upon. The application was filed on 31 May 2020, at which time the earlier mark had been registered for a period of over five years. As such, the proprietor must prove that the earlier mark has been put to genuine use within the relevant period of 1 June 2015 – 31 May 2020 in respect of the relevant goods and in the territory of the EU.

Form of the mark

24. I begin with my assessment by considering if the mark shown in the evidence has been used as registered, or in an acceptable variant of the registered mark. The earlier mark relied upon is the word SPACEMASTER. In the evidence, the mark SPACEMASTER is not used alone. The evidence shows use of longer marks including OMEGA SPACEMASTER Z-33, SPACEMASTER Z-33, and OMEGA SPEEDMASTER SPACEMASTER Z-33.

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

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

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

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

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

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

26. Where the mark is used as SPACEMASTER Z-33, I find that SPACEMASTER continues to be indicative of the origin of the goods, with it seemingly being combined with a reference to a particular model of product, namely 'Z-33'. I therefore find the use of SPACEMASTER Z-33 to be an acceptable variant of the mark.

27. Where the mark is used with the additional wording, either OMEGA or SPEEDMASTER, or both, this again appears to me to be use of the mark in combination with other marks, with SPACEMASTER remaining capable of being used as an indication of origin in this form. I therefore find these to be acceptable variants of the mark for the purpose of proving use.

Use of the mark

28. Next I will consider if there has been use of the mark in relation to the goods and services relied upon within the relevant territory and within the relevant period. If I find there has been use, I will go on to consider if I find this use to constitute genuine use for the purpose of enforcing the rights within this opposition. The opponent claims to have used the mark in respect of the following goods:

Class 14: Horological and chronometric instruments.

29. Reviewing the evidence of the use, I note that the opponent provides brochures which are said to be from 2015, 2016 and 2017, the later two of which fall within the relevant period entirely. Mr Monachon confirmed in his witness statement that these brochures were distributed within the UK, which was within the territory of the EU during the relevant period. Whilst I do not have figures relating to the distribution of these brochures, or sales of the goods from the same, I do have 10 invoices relating to sales of goods within the relevant period and within the UK. These invoices do not show the mark SPACEMASTER, but they do reference the code 'SP Z-33' and Mr Monachon has confirmed these relate to sales of the SPACEMASTER watches in his witness statement. Mr Monachon also provides evidence that watches under the SPACEMASTER mark are available within Omega stores throughout England, but there are no dates given. There is a single article provided from what is said to be a French publication dated within the relevant period in May 2018, referring to the OMEGA SPACEMASTER Z33, but much of the other publicity, as well as evidence of the watches for sale on third party websites and the pages from its own website appear to date outside of the relevant period.
30. From the sum of the evidence provided, I find it is clear there has been some use of the mark in respect of watches within the relevant territory (particularly within the UK), and within the relevant period. I find no evidence that use of the mark has been made in respect of any other product.

Genuine use

31. Now that I have established that there has been some use of the mark, I consider if the use that has been evidenced constitutes genuine use for the purpose of enforcing the opponent's protection within this opposition.
32. I remind myself that there is no *de minimis* rule for proving use, and that use of the mark need not always be quantitatively significant for it to be deemed genuine, but also that not every proven commercial use of the mark may automatically be deemed to constitute genuine use. In *Jumpman* BL O/222/16, Mr Daniel Alexander QC, as the Appointed Person, upheld the registrar's decision to reject the sale of 55k pairs of training shoes through

one shop in Bulgaria over 16 months as insufficient to show genuine use of the EU trade mark in the European Union within the relevant 5 year period.

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

34. In *Memory Opticians Ltd’s Application*, BL O/528/15, Professor Ruth Annand, as the Appointed Person, upheld the Hearing Officer’s decision to revoke the protection of the mark STRADA on the grounds that it had not been put to genuine use within the requisite 5 year period. There had in fact been sales of goods bearing the mark, but these were very low in volume (circa 40 pairs of spectacles per year) and all the sales were local from 3 branches of an optician. There was no advertising of goods under the mark, although the evidence indicated that they were only displayed in-store on occasions. The mark was said to have been applied to the goods via a sticker applied to the arms of a dummy lense. This level of use was held to be insufficient to create or maintain market under the mark. Consequently, it was not genuine use.

35. The earlier mark is registered as an International trade mark designating the EU, and as such I am to consider if the use constitutes genuine use within the territory of the EU as a whole. In *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, the Court of Justice of the European Union noted that:

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

And

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

And

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

36. The court held that:

“Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment

of whether a trade mark has been put to 'genuine use in the Community' within the meaning of that provision.

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

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

"228. Since the decision of the Court of Justice in *Leno* there have been a number of decisions of OHIM Boards of Appeal, the General Court and national courts with respect to the question of the geographical extent of the use required for genuine use in the Community. It does not seem to me that a clear picture has yet emerged as to how the broad principles laid down in *Leno* are to be applied. It is sufficient for present purposes to refer by way of illustration to two cases which I am aware have attracted comment.

229. In Case T-278/13 *Now Wireless Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* the General Court upheld at [47] the finding of the Board of Appeal that there had been genuine use of the contested mark in relation to the services in issues in London and the Thames Valley. On that basis, the General Court dismissed the applicant's challenge to the Board of Appeal's conclusion that there had been genuine use of the mark in the Community. At first blush, this

appears to be a decision to the effect that use in rather less than the whole of one Member State is sufficient to constitute genuine use in the Community. On closer examination, however, it appears that the applicant's argument was not that use within London and the Thames Valley was not sufficient to constitute genuine use in the Community, but rather that the Board of Appeal was wrong to find that the mark had been used in those areas, and that it should have found that the mark had only been used in parts of London: see [42] and [54]-[58]. This stance may have been due to the fact that the applicant was based in Guildford, and thus a finding which still left open the possibility of conversion of the Community trade mark to a national trade mark may not have sufficed for its purposes.

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

38. The General Court restated its interpretation of *Leno Marken* in Case T-398/13, *TVR Automotive Ltd v OHIM* (see paragraph 57 of the judgment). This case concerned national (rather than local) use of what was then known as a Community trade mark (now a European Union trade mark). Consequently, in

trade mark opposition and cancellation proceedings the registrar continues to entertain the possibility that use of an EUTM in an area of the Union corresponding to the territory of one Member State may be sufficient to constitute genuine use of an EUTM. This applies even where there are no special factors, such as the market for the goods/services being limited to that area of the Union.

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

- i) The scale and frequency of the use shown
- ii) The nature of the use shown
- iii) The goods and services for which use has been shown
- iv) The nature of those goods/services and the market(s) for them
- v) The geographical extent of the use shown

40. I have already found the nature of the use shown both on the product itself and on the descriptions of the products to be trade mark use in respect of the watches. Within his witness statement, Mr Monachon has stated he does not wish to disclose UK sales figures for the “SPACEMASTER timepieces”. Further, no sales figures have been provided in respect of the EU. I note the opponent is not required to file any particular type of evidence in order to prove genuine use, and I must assess the evidence as a whole and the picture it creates. However, I do find the lack of any indication of unit sales or turnover make it difficult to piece together that picture of the use in this case. I note I am only able to conclude from the evidence that there have been approximately ten transactions for the watches during the relevant period. I consider the higher value of the watches, but I find this still equates to only a small turnover for the goods over the relevant period. I consider also that the watches, retailing at this higher price point, may fall into a smaller subcategory of the watch market for

luxury goods, and that the demand for these goods will likely be lower than for mass market products. However, although I have no evidence in respect of the size of the luxury watch market in the EU, it is my view that this is likely to still be substantial.

41. Whilst the very low number of sales actually evidenced may not necessarily be determinative, in addition to this I have only very limited press coverage from within the relevant period, and no indication of advertising or promotional spend or activity from within the relevant period and relating to the mark. I therefore must conclude, on the basis of the evidence I have, including the three catalogues dated within the relevant period (the level of distribution of which is unknown), and the ten invoices falling within the relevant timeframe showing the transactions of products under the mark, that the scale and frequency of the use of the mark in the relevant territory is at best very limited.
42. I find the evidence provided shows a geographical footprint for sales under the mark in the EU across several UK cities. I do note reference in the witness statement to the goods being stocked on the website as well as shops located across the UK, but there is again little to place this reach within the relevant period. In respect of the geographical extent of the use shown, this is predominantly within the UK, with limited use also shown in respect of one publication in France within the relevant period.
43. Overall, the evidence provided mark shows the use of the SPACEMASTER mark within the relevant timeframe as minimal. I remind myself of the comment made by Mr Daniel Alexander Q.C. as the Appointed Person in *Awareness Limited v Plymouth City Council*, Case BL O/236/13, that being:

“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.”

44. I do not find that the evidence shows the use of the mark is only token, solely for the sake of preserving the rights of the mark, as its use appears to be consistent with the opponent’s business interests. However, the use that has been evidenced is so limited that it would require me to make several assumptions, particularly in relation to the scale and frequency of the use, in order to find that the opponent has made real commercial exploitation of its mark within the relevant timeframe, and for me therefore to conclude genuine use has been shown. On this basis, I find evidence filed is insufficiently solid and inconclusive on the question of genuine use. From the evidence before me, I cannot find that there has been genuine use by the opponent of the earlier mark SPACEMASTER.

45. As the opponent has failed to show genuine use of the earlier mark, its opposition based on section 5(2)(b) and 5(3) of the Act must fail.

Section 5(4)(a)

Legislation

46. Section 5(4)(a) states:

“(4) 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 of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,

(aa)

(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.”

47. Subsection (4A) of Section 5 states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

General principles of Section 5(4)(a)

48. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“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 three 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)."

49. 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.”

50. The opponent claims to have used the sign SPACEMASTER throughout the UK since 2012 in respect of *Horological and chronometric instruments*. The applicant has not claimed to have used the mark to date. The relevant date for considering if the opponent held goodwill is the filing date of the application, namely 31 May 2020.

51. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), the meaning of goodwill was discussed as follows:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage 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.”

52. The evidence I am able to consider towards the opponent's claim of goodwill includes the evidence from the use in the UK as detailed under the proof of use

section of this decision. However, in addition, I consider the evidence filed prior to the five-year period for proving genuine use. This includes the three additional invoices dated in January 2015, in addition to the seven press articles from UK publications dated between 2012 and 2013, as well as the detailed information regarding the history of the opponent as a watch maker, and its involvement with large scale sporting events, such its role as the official timekeeper of the Olympic games 28 times since 1932,¹³ and its sale of “horological and chronometric apparatus and instruments” in the United Kingdom since at least as early as 1948.¹⁴ It is my view that the opponent’s business will hold goodwill in respect of Horological and chronometric instruments in the UK.

53. However, I consider that the opponent’s business has largely been conducted under the mark OMEGA to date. Whilst I note there has also been use of other signs such as SPEEDMASTER and SEAMASTER in relation to the same, I ask myself in this case, whether I find the sign SPACEMASTER had become distinctive of the opponent’s business in the UK by the relevant date. On the basis of the evidence filed, it is my view that the use and promotion of the sign SPACEMASTER by the opponent is limited, even when taking into account the evidence dating back to the launch of the goods under the mark in 2012. I find from the sum of the evidence that this sign had not become distinctive of the opponent’s business at the relevant date. Without a finding that the sign SPACEMASTER had become distinctive of the opponent’s business, I cannot find that a substantial number of consumers will be misled into thinking that the business under the applicant’s marks will originate from or be connected to the business of the opponent.

54. As I have found the use of the applicant’s mark will not result in misrepresentation, the opposition based on section 5(4)(a) fails.

¹³ See Exhibit JCM21

¹⁴ See paragraph 5 of the Witness Statement of Jean-Claude Monachon

Final Remarks

55. The opposition has failed in its entirety. Subject to a successful appeal, the application will proceed to registration.

COSTS

56. The applicant has been successful in this opposition and ordinarily would be entitled to an award of costs. The applicant was sent a costs proforma by the Tribunal by letter dated 4 June 2021. Within a separate letter also dated 4 June 2021, the Tribunal confirmed as follows:

What to do if you intend to request costs

If you intend to make a request for an award of costs you must complete and return the attached pro-forma and send a copy to the other party. Please send these by e-mail to tribunalhearings@ipo.gov.uk.

*If there is to be a “decision from the papers” this should be provided by **2 July 2021**. If a hearing is taking place you will be advised of the deadline to do so when the Hearing is appointed.*

If the pro-forma is not completed and returned, costs, other than official fees arising from the action (excluding extensions of time), may not be awarded.

You must include a breakdown of the actual costs, including accurate estimates of the number of hours spent on each of the activities listed and any travel costs.

Please note that The Litigants in Person (Costs and Expenses) Act 1975 (as amended) sets the minimum level of compensation for litigants in person in Court proceedings at £19.00 an hour.

57. The applicant did not return the cost proforma provided. I therefore do not make an award of costs in this instance.

Dated this 25th day of August 2021

Rosie Le Breton

For the Registrar