

O/1052/22

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. UK00003683211
IN THE NAME OF CHONGQING GAOTIAN FURNITURE CO., LTD.
FOR THE TRADE MARK**

GTCHAIR

IN CLASS 20

AND

**THE OPPOSITION THERETO UNDER NO. 428426
BY WUDI INDUSTRIAL (SHANGHAI) CO., LTD.**

Background and pleadings

1. On 18 August 2021, Chongqing Gaotian Furniture Co., Ltd. (“the applicant”) applied to register the trade mark shown in the cover page of this decision in the UK.

2. The application was accepted and published in the Trade Marks Journal on 24 September 2021 in respect of the following goods:

Class 20: *Furniture; office furniture; furniture of metal; screens [furniture]; chairs [seats]; sofas; tables; beds; cabinet work; sideboards.*

3. On 22 November 2021, Wudi Industrial (Shanghai) Co., Ltd. (“the opponent”) opposed the application under Sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). The opposition is directed against all of the goods in the application.

4. Under Sections 5(2)(b) and 5(3), the opponent relies on the goods covered by the two trade marks set out below:

UK00003586051

GTPLAYER

Filing date: 28 January 2021; Date of entry in the register: 30 July 2021

Class 20: *Ergonomic chairs for seated massage; portable desks; stools; office seats; office furniture; office tables; office chairs; bolsters; infant walkers; cots for babies; easy chairs; furniture; deck chairs; extendible sofas; footstools; rocking chairs; chairs [seats]; sofas; sofa beds; dining chairs.*

UK00917543588

GTPLAYER

Filing date: 30 November 2017; Date of entry in the register: 14 March 2018.

Class 20: *Ergonomic chairs for seated massage; portable desks; stools; office seats; office furniture; office tables; office chairs; bolsters; infant walkers; cots for babies; easy chairs; furniture; deck chairs; extendible sofas; footstools; rocking chairs; chairs [seats]; sofas; sofa beds; dining chairs.*

5. The opponent's trade marks have filing dates that are earlier than the filing date of the application and, therefore, they are earlier marks, in accordance with Section 6 of the Act. The opponent's marks had not completed their registration processes more than five years before the filing date of the application at issue. The conditions of use do not, therefore, apply and the opponent can rely on all the goods for which its marks are registered.

6. Under Section 5(2)(b), the opponent claims that there is a likelihood of confusion because the applicant's mark contains the element 'GT' and the descriptive word 'CHAIR' and is similar to its own mark, and the respective goods are identical.

7. Under Section 5(3), the opponent states (a) that the earlier marks have acquired a reputation in relation to the goods relied upon, (b) that such reputation would increase the likelihood of confusion and (c) that use of the applicant's mark would take unfair advantage of the opponent's mark or cause detriment to the distinctive character and reputation of the opponent's mark. The opponent states:

"The opposed trade marks begins with GT and the opponent is synonymous with GT based marks for the goods and services it provides, especially for gaming chairs e.g. GTPLAYER, GTRACING. The goods covered by the respective marks are identical. Given the overall similarities, there is a likelihood of confusion. The opponent's reputation in its marks also increases the likelihood of confusion. The marks cover identical goods and given the similarities in the marks, it suggests that the later mark emanates from the same or liked undertaking."

"Use of the later mark will free ride on the reputation of the former such that the value of the reputation, marketing and investment in the earlier mark will be unfairly diverted to the applicant."

“The opponent has been in operation in the UK since at least 2018. The opponent uses the mark on a number of goods including office chairs, gaming chairs, desk, etc. Because of the link that will be perceived between the earlier mark and the later filed mark, the activities of the applicant could reflect poorly on the activities of the opponent, particularly given that the opponent cannot control the quality of the activities of the applicant, which may not be of the same standard of those of the opponent.”

“The marks are so similar and so easily perceived as being connected that use of the applicant’s mark would interfere with the connection between the opponent’s mark and its business in the minds of its consumers by diluting the mark”.

8. Lastly, under Section 5(4)(a), the opponent relies on the signs ‘GTPLAYER’ and ‘GTRACING’ and claims to have used them throughout the UK since July 2018 in relation to *furniture, office chairs, gaming chairs, tables, chair mats*.

9. The opponent claims that its goodwill entitles it to prevent the use of the applicant’s mark under the law of passing off.

10. The applicant filed a defence and counterstatement, denying the claims. The defence includes a claim that the applicant’s use of the later mark is with due course. However, the applicant filed no evidence to support this claim, so I will say no more about it.

11. Only the opponent filed evidence during the evidence rounds. It also filed written submissions which were received on 24 May 2022. I shall refer to the evidence and submissions to the extent that I consider necessary.

12. The applicant is represented by Mewburn Ellis LLP and the opponent by Lewis Silkin LLP. Neither party asked to be heard, nor did they file submissions in lieu.

EU Law

13. 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 Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case law of EU courts.

The evidence

14. The opponent's evidence is provided by Wu Peng, the opponent's CEO. Mr Peng's witness statement is dated 23 May 2022 and is accompanied by 10 exhibits (WP1-WP10).

DECISION

Section 5(2)(b)

15. Section 5(2)(b) of the Act is as follows:

“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”.

16. Section 5A of the Act is as follows:

“5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the

trade mark is applied for, the application is to be refused in relation to those goods and services only.”

17. 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.

(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

18. The General Court (GC) confirmed in *Gérard Meric v OHIM*, Case T-133/05, paragraph 29, that, even if goods are not worded identically, they can still be considered identical if one term falls within the scope of another, or vice versa.

19. The goods to be compared are as follows:

The applicant's goods	The opponent's goods
Class 20: <i>Furniture; office furniture; furniture of metal; screens [furniture];</i>	Class 20: <i>Ergonomic chairs for seated massage; portable desks; stools; office</i>

<i>chairs [seats]; sofas; tables; beds; cabinet work; sideboards.</i>	<i>seats; office furniture; office tables; office chairs; bolsters; infant walkers; cots for babies; easy chairs; furniture; deck chairs; extendible sofas; footstools; rocking chairs; chairs [seats]; sofas; sofa beds; dining chairs.</i>
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20. The term *Furniture; office furniture; chairs [seats]; sofas;* are identically contained in both specifications. These goods are self-evidently identical.

21. The applied-for *tables* encompass the opponent's *office tables*. The applied-for *furniture of metal* is encompassed by the opponent's *furniture*. These goods are identical on the principle outlined in *Meric*.

22. The remaining *screens [furniture]; beds; cabinet work; sideboards* in the applicant's specification are also encompassed by the broad term *furniture* in the opponent's specification and are identical on the principle outlined in *Meric*.

Average consumer

23. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose 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*, Case C-342/97.

24. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

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

by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

25. The average consumer for the relevant goods is both the general public and businesses.

26. Whilst most items of furniture are likely to be purchased for their functional purpose, generally speaking, I would expect the aesthetics of the product to also play a part in the consumer’s decision-making process. Bearing this in mind, I would expect the purchasing act to be mainly visual for these goods, whether that be through selection of the goods by the eye in a high street retailer or from the pages of a website, for example. That is not to say, though, that aural considerations will be ignored.

27. Furniture will vary greatly in price, depending on the item in question. As the consumer may take into account factors such as functionality, size, colour and the material from which the goods are made (wood or plastic, for instance), I would expect the average consumer to pay a degree of attention ranging from medium to above medium (but not high).

Comparison of marks

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

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

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

29. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. The respective marks are shown below:

The applicant's mark	The opponent's mark
GTCHAIR	GTPLAYER

Overall impression

30. The opponent states that that the dominant and distinctive element of both marks is the sequence 'GT' and that the element 'CHAIR' in the applied-for mark is descriptive. The applicant states that the average consumer would not artificially dissect the marks but would rather view them as a whole and consider their overall impressions which are different visually, aurally, and conceptually.

31. Although both marks are presented as having a unitary character, a significant part of the relevant public will recognise the words 'CHAIR' and 'PLAYER' within the marks. This seems to be uncontested.

32. The applied-for mark consists of the sequence 'GTCHAIR' presented in a slightly stylised font. Although the letter 'A' appears somewhat more stylised than the others, it is still recognisable as an 'A'. Despite the fact that the mark 'GTCHAIR' is presented

as one word, the average consumer (or a significant proportion of the relevant public) will perceive it as made up of two elements, namely the sequence 'GT' and the word 'CHAIR'. In the context of goods which are chairs, the descriptive nature of the word 'CHAIR' is such that it plays little role in the overall impression; in those circumstances the mark is dominated strongly by the letters 'GT'. For goods which are other types of furniture, the 'GT' element would still be the more distinctive element, having the greater weight in the mark's overall impression. This is because it is placed at the beginning of the mark and has no meaning in relation to the goods at issue. The stylisation is minimal and will contribute very little to the overall impression of the mark.

33. The opponent's mark consists of the sequence 'GTPLAYER' presented in a standard font. Although the mark is presented as one word, the average consumer (or a significant proportion of the relevant public) will identify two elements, namely the sequence 'GT' and the word 'PLAYER'. The word 'PLAYER' is not descriptive of the registered goods although it may allude to a subcategory of goods, namely gaming chairs – in relation to which the opponent says it uses the mark. Nevertheless, even in relation to goods for which the word 'PLAYER' is not descriptive, it is still less distinctive than the sequence 'GT' which is placed at the beginning of the mark and has no meaning.

Visual similarity

34. As regards the visual similarity, the opponent states:

“There are clear similarities between the respective marks. The Opponent's Earlier Marks consists of the distinct two letter prefix “GT” followed by the short word, “PLAYER”, with the last letter being an “R”. The Application also consists of the distinct two letter prefix “GT” followed by a short descriptive word “CHAIR”, with the last letter being an “R”. Both marks include the letter “A” as the fifth letter. Both marks are presented in upper case format.”

35. The marks' first two letters are identical, and the marks also have a similar structure, namely the letters 'GT' followed by a dictionary word which is descriptive or allusive of a characteristic of some of the goods concerned. However, the words

'CHAIR' and 'PLAYER' are different because they are of different length and coincide only in the last letter 'R'. Taking into account the similarities and differences, the marks are visually similar to a low degree.

Aural similarity

36. Aurally, the letters 'GT', present in both marks, will be pronounced in the same manner, e.g. as two single letters. However, the words 'CHAIR' and 'PLAYER' distinguish the marks at issue from a phonetic point of view and such distinction is all the more pronounced owing to the brevity of the element 'GT'. The marks are aurally similar to a low degree.

Conceptual similarity

37. Given the lack of conceptual content of the letters 'GT' in the respective marks, they do not convey any particular message with respect to the parts they have in common. However, the meaning of the words 'CHAIR' and 'PLAYER' means that the marks at issue are conceptually different.

Distinctive character of earlier mark

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

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

39. Registered trade marks possess various degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctiveness of a mark can be enhanced by virtue of the use made of it.

40. The opponent’s earlier mark ‘GTPLAYER’ is presented as a unitary mark, made up of two elements, the letter sequence ‘GT’, which has no meaning, and the word ‘PLAYER’. The mark is in my view inherently distinctive to a medium to high degree.

41. The opponent’s evidence establishes that the opponent is a Chinese company which produces gaming chairs. The opponent products have been promoted in the UK through Amazon.co.uk - which is the opponent’s main selling platform - (since May 2019), via its own dedicated website at www.uk-gtplayer.com (since May 2020), via Twitter (since November 2021), via Facebook (since December 2021) and via Instagram (since January 2022).

42. UK sales figures for ‘GTPLAYER’ branded chairs for the period 2019-2021 are as follows:

2019 - £516,917.45

2020 - £3,296,628.40 (£3,126,358.12 Amazon UK sales / £170,270.28 website sales)

2021 - £1,842,231.21 (£1,716,028.07 Amazon UK sales / £126,284.14 website sales)

43. Mr Peng states that the opponent has invested heavily in advertising in the UK and has spent just over USD69,000 for UK advertising between 2020 and 2022.

44. According to Mr Peng the brand 'GTPLAYER' is ranked as the second-best selling gaming chair product on Amazon and on the date of the witness statement it had a market share of 12.4% of the UK gaming chair market on Amazon UK.

45. An article from The Sun dated 2 March 2021 contains a review about 'GTPLAYER' chairs and the page also promotes the brand. The opponent's 'GTPLAYER' chairs are also mentioned on a couple of websites which seem to address gamers.

46. At the relevant date, which is the date of the application, use of the mark had been going on only for a couple of years and even considering that the sale figures are significant, the market share relates only to a very niche segment of the market, i.e. gaming chairs sold through Amazon, and it does not really reflect the mark's position in the wider market for furniture or chairs. Further, the mark 'GTPLAYER' has been used for goods for which the word 'PLAYER' is allusive so taking into account all of the above, if the distinctiveness of the mark has been enhanced through use, it would not have been enhanced to any material extent.

Likelihood of confusion

47. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the earlier mark, the average consumer for goods and services and the nature of the purchasing process.

In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between marks and must instead rely upon the imperfect picture of them that they have retained in their mind.

48. Confusion can be direct or indirect. The difference between these two types of confusion was explained in *L.A. Sugar Trade Mark*, BL O/375/10, where Iain Purvis Q.C. as the Appointed Person explained that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

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.).

(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).”

49. Earlier in this decision, I concluded that:

- The goods are identical;
- The average consumer is likely to be a member of the general public, who will demonstrate a medium to above medium level of attention when selecting the goods;
- The purchasing process for the goods will be predominantly visual in nature, though I have not excluded aural considerations;
- The earlier mark is inherently distinctive to a medium to high degree;
- Both marks will be perceived as unitary in character and made up of two elements, namely the sequence ‘GT’ and the words ‘CHAIR’ (in the applicant’s mark) and ‘PLAYER’ (in the opponent’s mark) conjoined;
- The marks are visually and aurally similar to a low degree and conceptually different;

50. I also bear in mind that the beginnings of marks tend to have more visual and aural impact than the ends,¹ that both marks begin with the sequence ‘GT’, and that the sequence ‘GT’ is the most distinctive element of both marks. Although the marks at issue are visually and aurally similar to a low degree and conceptually different, the differences between the marks are introduced by elements which are either descriptive or allusive in respect of some of the goods concerned. Further, the absence of conceptual similarity notwithstanding the presence of the common element ‘GT’ is due to the fact that the latter has no meaning. In those circumstances, and taking into account that the goods covered by the marks are identical, my conclusion is that even if the distinguishing elements of the marks admittedly exclude the possibility of the

¹ *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02.

applied-for mark being directly confused with the opponent's mark, they do not preclude the likelihood that the public would see the applied-for mark as a brand extension or a variation of the opponent's brand. In this connection, the letter sequence 'GT' placed at the beginning of the marks creates the impression of either an acronym (which has a meaning even if not directly perceptible to consumers) or a house brand (without a particular meaning) and is capable of creating an economic link between the two undertakings, whilst the differences in the words 'CHAIR' and 'PLAYER' will be put down to brand variation and/or brand extension, especially given their descriptive or allusive connotations. There is a likelihood of confusion.

51. The opposition under Section 5(2)(b) is successful.

Section 5(3)

52. Section 5(3) states:

“(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark”.

53. Section 5(3A) states:

“(3A) Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected”.

54. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Adidas-Salomon*, Case C-487/07, *L’Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora*

and Case C383/12P, *Environmental Manufacturing LLP v OHIM*. The law appears to be as follows.

(a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors, paragraph 24*.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors, paragraph 26*.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman, paragraph 29* and *Intel, paragraph 63*.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77* and *Environmental Manufacturing, paragraph 34*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure*).

Reputation

55. In *General Motors*, Case C-375/97, the CJEU held that:

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

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

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

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

56. The relevant date for assessing whether the opponent has a reputation is the filing date of the contested application, namely 18 August 2021.

57. In order to succeed under Section 5(3), the opponent must demonstrate by way of evidence that the earlier mark is known by a significant part of the relevant public for the goods relied upon. For the reasons given at paragraphs 41- 46, I am prepared to accept that the opponent's mark had a moderate reputation in the UK at the relevant date in relation to gaming chairs.

Link

58. The next step is to assess whether the public will make a link between the conflicting marks. In assessing whether the public will make the required mental link, I must take account of all relevant factors, which were identified by the CJEU in Intel at paragraph 42 of its judgment. I shall consider each of them in turn:

The degree of similarity between the conflicting marks.

I refer here to the findings that I made under Section 5(2)(b) above.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or

dissimilarity between those goods or services, and the relevant section of the public.

The contested goods are related to furniture, as are the goods for which the earlier mark has a reputation.

The strength of the earlier mark's reputation.

As noted in paragraphs 41-46 above, I find that the earlier mark has a moderate reputation in relation to gaming chairs.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use.

I refer here to the findings that I made under Section 5(2)(b) in paragraph 50 above.

Whether there is a likelihood of confusion.

Under Section 5(2)(b), I found there to be a likelihood of confusion where the goods were identical. However, not all of the goods for which the applied-for mark seeks registration are identical to the goods in relation to which the opponent's mark has a reputation, i.e. gaming chairs.

59. The opponent's pleaded case under Section 5(3) is predicated on a likelihood of confusion. I will therefore assess the Section 5(3) claim on the basis that the pleading is alleging that the contested mark will gain an unfair commercial advantage or cause detriment to the reputation and distinctiveness of the earlier mark as a consequence of the similarity between the applied-for mark 'GTCHAIRS' (stylised) and the earlier mark 'GTPLAYER', leading consumers to believe that there is a trade connection between their users.

60. Taking into account all of the above factors, I find that use of the applied-for mark in relation to identical goods (i.e. goods whose notional use covers gaming chairs), namely *Furniture; chairs [seats]*, will cause the average consumer to be confused. A likelihood of confusion will automatically result in a link.

61. As regards the remaining goods in the applied-for specification, namely *office furniture; furniture of metal; screens [furniture]; sofas; tables; beds; cabinet work; sideboards*, although not identical, these goods are similar in nature to the opponent's gaming chairs (because they are all items of furniture) and share channels of trade and users, resulting in a meaningful similarity with the opponent's goods. In those circumstances, I consider that the average consumer who encounters the applicant's goods would also be confused and make a link between the respective trade marks.

Damage

62. The opponent claims that damage would occur either as a result of the applicant gaining an unfair advantage or through the dilution of the earlier marks. I shall consider unfair advantage first.

63. Unfair advantage means that consumers are more likely to buy the goods of the contested mark that they would otherwise have been if they had not been reminded of the earlier mark. Where there is a likelihood of confusion, the applicant would gain an unfair advantage through the average consumer mistakenly assuming a trade connection, and thus buying the applicant's goods instead of the opponent's. Given my finding that there would be a likelihood of confusion and a link in relation to all of the applied-for goods, damage is therefore made out. Hence, I do not need to consider the other alleged heads of damage.

Section 5(4)(a)

64. 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) [...]

(c)

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.”

65. 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.”

66. 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).”

Goodwill

67. In *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217 (HOL):

“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.”

68. Although in its Form TM7 the opponent relies on two signs, namely ‘GTPLAYER’ and ‘GTRACING’, the evidence only relates to the sign ‘GTPLAYER’. Consequently, the opponent’s case based on the sign ‘GTRACING’ fails at the first hurdle.

69. As regards the claim based on the sign ‘GTPLAYER’, I do not propose to repeat here the analysis I have already made of what is shown by the evidence. I am satisfied that at the relevant date, i.e. 18 August 2021, the opponent had goodwill in gaming chairs and that the sign ‘GTPLAYER’ was distinctive of that goodwill.

70. The assessment of misrepresentation, which is the second limb of the passing off claim, depends upon confusion and deception among the consumers by the use or proposed use of a similar sign adopted by the applicant. I have already found that there is a likelihood of confusion. I recognise that the test for misrepresentation is different to that for likelihood of confusion, namely, that misrepresentation requires “*a substantial number of members of the public are deceived*” rather than whether the “*average consumer are confused*”. However, as recognised by Lewinson L.J. in *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, it is doubtful whether the difference between the legal tests will produce different outcomes. Certainly, I believe that this is the case here and I find that, because of the similarities discussed in respect of the Section 5(2)(b) ground between the opponent’s sign and the applicant’s mark, members of the public are likely to be misled into purchasing the applicant’s goods in the belief that they are the opponent’s goods. Damage will follow in the most likely form of diversion of sales.

71. Opposition under Section 5(4)(a) also succeeds.

OVERALL OUTCOME

72. The opposition has been successful and UKTM application no. UK00003683211 will be refused registration.

COSTS

73. The opponent has been successful and is entitled to a contribution towards its costs. In the circumstances, I award the opponent scale costs in accordance with Tribunal Practice Notice 2/2016 to the sum of £1,400 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Preparing and filing a TM7 and considering the counterstatement:	£400
Filing evidence:	£800
Official fees:	£200
Total	£1,400

74. I therefore order Chongqing Gaotian Furniture Co., Ltd. to pay Wudi Industrial (Shanghai) Co., Ltd. the sum of **£1,400**. The above sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 30th day of November 2022

Teresa Perks
For the Registrar