

O/634/20

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. UK00003481367 BY SHQ HOLDINGS
LIMITED TO REGISTER THE FOLLOWING TRADE MARK:**

SKINHQ

AS A TRADE MARK IN CLASSES 3, 5, 35, 41 AND 44

AND

IN THE MATTER OF OPPOSITION THERETO

UNDER NO. 600001421

Background and Pleadings

1. On 14 April 2020, SHQ Holdings Limited ('the Applicant') filed an application to register the trade mark shown on the cover page of this Decision, number 3481367. The application was published for opposition purposes in the *Trade Marks Journal* on 8 May 2020. Registration is sought in respect of the following goods and services¹:

Class 3 Skin care preparations; moisturisers, conditioners and skin care creams; beauty lotions; beauty masks; beauty care preparation; beauty care cosmetics; none of the aforesaid being nail care and nail treatment products.

Class 5 Medicated skin care preparations; none being nail care and nail treatment products.

Class 35 Administration of membership schemes; business services for the provision of franchises; assistance in the commercialisation of products and services within the framework of a franchise contract.

Class 41 Training; training consultancy; adult training; personnel training; practical training; staff training services; training and instruction; health and wellness training; production of training facilities: technical training relating to safety; training academy services; beauty arts instruction; educational services relating to beauty therapy; teaching of beauty skills; educational services in the nature of beauty schools.

Class 44 Skin care salons; skin care services; consultation services relating to skin care; dermatological services for treating skin conditions; laser hair removal; pigmentation reduction; hydrafacial treatment; facial treatments; micro needling;

¹ Following amendments to the specifications by way of Form TM21B, filed on 14 October 2020.

dermaplaning; microdermabrasion; deep cleansing facial treatment; beauty consultancy; beauty salons; beauty care; beauty therapy treatments; none of the aforesaid being nail care and nail treatment services.

2. On 2 July 2020, the application was opposed under the fast track opposition procedure by ABC Italia S. r. l. ('the Opponent') based on section 5(2)(b) of the Trade Marks Act 1994 ("the Act"). The opposition is directed against all of the Applicant's goods and services in classes 3, 5 and 44; the application is unopposed in respect of classes 35 and 41. The Opponent relies on the following earlier trade mark registration for its section 5(2)(b) ground:

EU016052656



Filing date: 16 November 2016; Date registration completed: 18 April 2017.

Relying on its registered goods and services in the following classes:

- Class 3** Essential oils; Dentifrices; Mouthwashes, not for medical purposes; Scented body lotions and creams; Toilet water; Perfumery; Perfumed tissues; Nail conditioners; Beauty care cosmetics; Washing creams; Deodorants and antiperspirants; Cosmetic creams and lotions; Foams for use in the shower; Make-up preparations; Hair preparations and treatments; Bath preparations; Hair removal and shaving preparations; Skin care preparations; Cosmetic nail care preparations; Nail repair preparations; Soaps and gels; Dyes (Cosmetic -); Shampoo; Face gels; Facial masks; Beauty serums; Face packs; Cosmetics for use in the treatment of wrinkled skin; Cosmetic body scrubs.

Class 8 Abrading instruments (hand instruments); Electric fingernail polishers; Nail files, electric; Files [tools]; Electric or non-electric nail files; Emery files; Nail files, electric; Nail clippers, electric or non-electric; Fingernail polishers, electric and non-electric; Manicure sets; Electric manicure sets; Pedicure sets; Nail nippers.

Class 10 Electrically operated massagers; Massage apparatus; Massage apparatus; Massage apparatus; Esthetic massage apparatus; Electric massage apparatus for household use; Vibromassage apparatus; Massaging apparatus for personal use; Massage apparatus [for medical purposes]; Body massagers; Foot massagers; Massage apparatus, electric or non-electric; Electric massage apparatus for personal use; Nerve muscle stimulators; Transcutaneous electrical muscle stimulators; Transcutaneous electrical nerve stimulators; Transcutaneous electrical nerve stimulators; Apparatus for the therapeutic stimulation of the muscles; Apparatus for the therapeutic stimulation of the body; Electro-stimulation apparatus for use in therapeutic treatment; Medical skin abraders.

3. The Opponent claims, in its statement of grounds, the following:

- that the Applicant's goods in Class 3 are identical to the Opponent's goods in Class 3;
- that the Applicant's Class 5 goods are 'strongly similar' to the Opponent's Class 3 goods;
- that the Applicant's Class 3 and 5 goods, and Class 44 services, are similar to the Opponent's Class 8 and 10 goods;
- that the Applicant's Class 44 services are 'strongly similar' to the Opponent's Class 3 goods;
- that the applied-for mark shares a distinctive and dominant element with the Opponent's mark; and

- that there is therefore a likelihood of confusion.
4. The Applicant filed a defence and counterstatement, denying the grounds save for the admission that ‘there exists a limited degree of similarity’ between the Applicant’s and the Opponent’s goods in Class 3. The Applicant argues that such similarity is offset by differences between the marks.
 5. The Opponent is represented by Boulton Wade Tennant LLP; the Applicant is represented by Azrights International Limited.
 6. Rule 6 of the Trade Marks (Fast Track Opposition) (Amendment) Rules 2013, S.I. 2013 2235, disapplies paragraphs 1-3 of Rule 20 of the Trade Marks Rules 2008, but provides that Rule 20(4) shall continue to apply. Rule 20(4) states that:

“(4) The registrar may, at any time, give leave to either party to file evidence upon such terms as the registrar thinks fit.”
 7. The net effect of these changes is to require parties to seek leave in order to file evidence in fast track oppositions. No leave was sought in respect of these proceedings.
 8. Rule 62(5) (as amended) states that arguments in fast track proceedings shall be heard orally only if (i) the Office requests it or (ii) either party to the proceedings requests it and the registrar considers that oral proceedings are necessary to deal with the case justly and at proportionate cost; otherwise, written arguments will be taken. A hearing was neither requested nor considered necessary. Both parties filed written submissions in lieu of a hearing. These will be summarised to the extent that it is considered necessary or appropriate.

Preliminary issues

9. The Applicant, in its counterstatement, makes the following comment:

“The Opponent has made assertions regarding absolute grounds for registration of the mark applied for [...] and which moreover are irrelevant to an opposition under section 5. Accordingly, those statements by the Opponent should be disregarded.”

10. I disagree. The ‘assertions’ to which the Applicant’s criticism is directed are as follows:

“The distinctive and dominant element of each mark is the element HQ, the element “SKIN” being clearly perceptible as a meaningful word in the Applicant’s Mark, and “SKIN” being devoid of distinctive character and descriptive for goods and services relating to skin and beauty care.”

11. The Opponent is simply commenting on an element of the Applicant’s mark i.e. the ‘SKIN’ element. There is no suggestion that the mark as a whole is devoid of distinctive character. Therefore, this cannot be construed as an objection under Section 3 of the Act. I am persuaded of this by the fact that Opponent’s comment begins with the words ‘The distinctive and dominant element *of each mark*’ (my emphasis added). An Opponent relying on the section 5(2)(b) ground is entitled to comment on the absence or otherwise of distinctive character in so far as it relates to *an element* of a mark; and the Tribunal may take such comment into account as it sees fit.

12. I also note the Applicant’s comments at paragraph [1.4] of its written submissions:

“the Opponent has not provided any substantive basis for the Opposition beyond mere assertion. From the Form TM7F, it appears that the Opponent’s only case is that the Application offends section 5(2)(b) of the Trade Marks Act 1994 due to alleged similarities between the Application and the Earlier Mark and alleged identity/similarity of the goods and services applied for, such that there exists a likelihood of confusion.”

13. The matter of whether, and the extent to which, the respective marks, and goods and services, are similar is for this tribunal to decide.

14. The following decision has been made after careful consideration of the papers before me.

Decision

Section 5(2)(b) of the Act and related case law

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

“5(2) A trade mark shall not be registered if because –

(a) ...

(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. The following principles are derived from the decisions of the Court of Justice of the European Union (“CJEU”) 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 C120/04; *Shake di L. Laudato & C. Sas v OHIM*, Case C-334/05P; and *Bimbo SA v OHIM*, Case C-591/12P

The principles:

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

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

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

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

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

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

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

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

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

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

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

Comparison of goods and services

17. As noted at [3] above, there are several strands to the Opponent's argument regarding comparison of the respective goods and services. Therefore, for ease of reading and reference, I shall set out each pair of goods or services individually as I come to compare them, rather than setting out the parties' entire specifications of goods and services side-by-side here.

18. Similarity of goods and services – Nice Classification

Section 60A of the Act provides:

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

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

(b) are not to be regarded as being dissimilar from each other on the

ground that they appear in different classes under the Nice Classification.

(2) In subsection (1), the ‘Nice Classification’ means the system of classification under the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, which was last amended on 28 September 1975.”

19. I must therefore be mindful of the fact that inclusion within the same class is not enough to guarantee similarity between the goods; and, conversely, the appearance of the respective goods or services in different classes is not a sufficient condition for dissimilarity between those goods or services.

20. The CJEU in *Canon*, Case C-39/97, stipulates that all relevant factors relating to the parties’ goods and services must be taken into account:

“[23] “In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

21. Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281², identified the following factors for assessing similarity of the respective goods and services:

(a) The respective uses of the respective goods or services;

(b) The respective users of the respective goods or services;

(c) The physical nature of the goods or acts of service;

² *British Sugar Plc v James Robertson & Sons Ltd* [1996] R. P. C. 281, pp 296-297.

(d) The respective trade channels through which the goods or services reach the market;

(e) In the case of self-serve consumer items, where in practice they are respectively found, or likely to be found, in supermarkets and, in particular, whether they are, or are likely to be, found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

24. Goods or services will be found to be in a competitive relationship only where one is substitutable for the other.³

25. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods [or services]. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the General Court stated that “complementary” means:

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

26. In *Sanco SA v OHIM*, Case T-249/11, the General Court indicated that goods and services may be regarded as ‘complementary’ and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different, i.e. chicken against transport services for chickens.

³ *Lidl Stiftung & Co KG v EUIPO*, Case T-549/14.

The purpose of examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander Q.C. noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL-0-255-13:

“It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes.”

Whilst on the other hand:

“...it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together.”

Class 3

27. The Opponent submits that the class 3 goods in respect of which the Applicant seeks registration of its mark are identical to the class 3 goods in respect of which the Opponent’s earlier mark is registered, by virtue of falling within the terms ‘Beauty care cosmetics’, ‘Cosmetic creams and lotions’ and ‘Skin care preparations’.

28. The Applicant submits the following:

‘2.5. It is admitted that there exists a limited degree of similarity between the goods applied for in class 3 and the goods in class 3 specified in the Earlier Mark’

29. The goods to be compared are thus:

Opponent’s mark:

Applied-for mark:

Class 3

Class 3

Essential oils; Dentifrices;	Skin care preparations;
Mouthwashes, not for medical	moisturisers, conditioners and skin
purposes; Scented body lotions and	care creams;
creams; Toilet water; Perfumery;	beauty lotions;
Perfumed tissues; Nail conditioners;	beauty masks;
Beauty care cosmetics; Washing	beauty care preparation;
creams; Deodorants and	beauty care cosmetics; none of the
antiperspirants; Cosmetic creams and	aforesaid being nail care and nail
lotions; Foams for use in the shower;	treatment products.
Make-up preparations; Hair	
preparations and treatments; Bath	
preparations; Hair removal and	
shaving preparations; Skin care	
preparations; Cosmetic nail care	
preparations; Nail repair preparations;	
Soaps and gels; Dyes (Cosmetic -);	
Shampoo; Face gels; Facial masks;	
Beauty serums; Face packs;	
Cosmetics for use in the treatment of	
wrinkled skin; Cosmetic body scrubs.	

30. Both the Applicant and the Opponent include the terms 'skin care preparations' and 'beauty care cosmetics' in their respective specifications under class 3. These goods are unequivocally identical.

31. I bear in mind the decision of the General Court in *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05 when comparing the remainder of the Applicant's class 3 goods with the Opponent's specification:

"29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 Institut fur Lernsysteme v OHIM- Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or

where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

32. The goods ‘Moisturisers, conditioners and skin care creams’ in the Applicant’s specification are included in the Opponent’s more general category of ‘Skin care preparations’. Applying the above principle, these goods are therefore identical.
33. The *Meric* principle also applies to the Applicant’s goods: ‘beauty lotions’, ‘beauty masks’ and ‘beauty care preparation’; which fall under the Opponent’s more general term ‘beauty care cosmetics’.
34. I find that all of the Applicant’s class 3 goods are identical with the Opponent’s goods.

Class 5

35. The Opponent submits, at paragraph 6 of its written submissions, that the Applicant’s goods, i.e. ‘medicated skin care preparations’, in class 5 are ‘strongly similar’ to the Opponent’s goods.
36. The Applicant submits the following at paragraph 2.7 of its written submissions:

The goods applied for in class 5, being medicated skin care preparations, are entirely different in nature to the goods covered by the Earlier Mark. Such preparations are purchased for very different purposes to cosmetic products, e.g. to treat specific medical conditions which have been diagnosed by a medical practitioner and which are possibly also the subject of a prescription. All of the goods in the Earlier Mark are directed squarely at personal beauty and cosmetics, which require no intervention of a medical practitioner. Whilst the physical nature of medicated skin care preparations is potentially similar to beauty and cosmetics skin care preparations, they are not typically packaged in consumer-friendly packaging or with the same kind of marketing appeal. Medicated preparations look very different to standard beauty products, are often regulated in the manner in which they may be dispensed, and the relevant consumer is very much aware of that distinction. Goods having a very specific purpose, i.e. treatment of a medical condition, is a strong indication of dissimilarity.

37. The goods in respect of which the Applicant seeks to register its mark in class 5 are ‘medicated skin care preparations’. The Opponent does not specify in respect

of which of its goods similarity is argued. I will therefore compare the Applicant's class 5 goods against the Opponent's class 3 goods, for the reason that both specifications contain skin care preparations of some description.

38. Applying the '*Treat*' factors, I find the following:

The respective uses of the respective goods

Both 'skin care preparations' and 'medicated skin care preparations' are applied to the skin with the aim of improving its condition and/or appearance. The intended result of application of a medicated skin care product to treat or alleviate a skin complaint is an improvement in the condition of the skin. An improvement of the condition of the skin usually entails an improvement in its appearance. The fact that a skin care product might be described as medicated does not necessarily prevent it from being cosmetic.

39. The use of medicated skin care preparations does not necessarily entail the 'intervention of a medical practitioner'; though it *may*, of course, be recommended by a medical practitioner as effective for certain skin conditions. Furthermore, medicated skin care preparations are not necessarily available only on prescription, nor are they necessarily used after a formal medical diagnosis; though they *may* be. Coal tar soap and zinc and castor oil ointment are examples of the many medicated skin care preparations that can be purchased without medical advice, formal diagnosis or prescription.

40. The respective users of the respective goods

I consider that there will be a great deal of overlap between users of 'skin care preparations' and 'medicated skin care preparations'. In both cases, users will be seeking to improve the condition or appearance of their skin; indeed, condition and appearance will, in most cases, go hand in hand.

41. In my view, it is conceivable that users with skin complaints might try multiple products to remedy them, some of which may be medicated and others of which may not be. I also consider that certain skin conditions, e.g. dry skin, might be remedied or alleviated by either medicated or non-medicated skin care products.

I also recognise that a proportion of users with certain skin complaints might use medicated skin care products exclusively.

42. The physical nature of the goods

I find that the respective goods are the same in nature; both are topical preparations with properties which are intended to improve the condition or appearance of the skin. Both are in the form of either a cream, lotion, liquid, powder or paste, and contained in the same sorts of receptacle i.e. a bottle, tube, sachet or tub.

43. Trade channels; and

In the case of self-serve products, where in retail premises they are/likely to be found

I consider that the respective goods will have shared trade channels by virtue of being sold in shops and online stores; both will be found in the 'skin care' section of retail premises, often in the same aisle or on the same shelf.

44. Extent to which the respective goods or services are competitive

Following my finding above at [41], I consider there to be a degree of competition between the respective goods. Certain medicated products will be substitutable for certain non-medicated products to the extent that either might be purchased with the aim of improving a certain skin complaint. For example, non-medicated skin preparations intended to moisturise the skin may have medicated counterparts.

45. I therefore conclude that there is a high degree of similarity between the Applicant's class 5 goods, i.e. 'medicated skin care preparations', and 'skin care preparations' in the Opponent's class 3 specification.

46. This represents the strongest comparison between the parties' goods. It is therefore unnecessary for me to compare the Applicant's class 5 goods with any other of the Opponent's goods.

Class 44

47. The Opponent submits the following at paragraph [8] of its written submissions:

The Applicant's Class 44 services are all strongly similar to the Opponent's goods in that they share an intended purpose and are complementary. The Applicant's services all have the effect or desired effect of improving the appearance, in particular of the skin. The Opponent's goods and services in Classes 3, 8 and 10 all share this purpose and the goods in Classes 8 and 10 are used in the skin care salons and in the treatments claimed in the Applicant's Class 44 services. In particular, facial treatments may include the use of massage apparatus, apparatus for the therapeutic stimulation of the muscles, and electro-stimulation apparatus for use in therapeutic treatment (for example in facial treatments which use microcurrent). Such facial treatments may also use medical skin abraders, for example in a microdermabrasion facial.

48. The Applicant submits the following at paragraphs [2.9] of its written submissions:

The provision of beauty services is markedly different to the purchase of physical products. By its nature, the provision of beauty services occurs in a specific location, from a specific practitioner on a personal basis. Physical cosmetics products are purchased in supermarkets, online, or from retailers such as chemists, none of which provide beauty treatment services.

49. The Opponent claims that there is similarity between the Applicant's class 44 services and its goods in classes 3, 8 and 10. The comparison between class 44 and class 3 will be dealt with first:

Opponent's mark:	Applied-for mark:
<p>Class 3 Essential oils; Dentifrices; Mouthwashes, not for medical purposes; Scented body lotions and creams; Toilet water; Perfumery; Perfumed tissues; Nail conditioners; Beauty care cosmetics; Washing creams; Deodorants and antiperspirants; Cosmetic creams and lotions; Foams for use in the shower; Make-up preparations; Hair preparations and treatments; Bath</p>	<p>Class 44 Skin care salons; skin care services; consultation services relating to skin care; dermatological services for treating skin conditions; laser hair removal; pigmentation reduction; hydrafacial treatment; facial treatments; micro needling; dermaplaning; microdermabrasion; deep cleansing facial treatment; beauty consultancy; beauty salons; beauty care; beauty therapy</p>

preparations; Hair removal and shaving preparations; Skin care preparations; Cosmetic nail care preparations; Nail repair preparations; Soaps and gels; Dyes (Cosmetic -); Shampoo; Face gels; Facial masks; Beauty serums; Face packs; Cosmetics for use in the treatment of wrinkled skin; Cosmetic body scrubs.	treatments; none of the aforesaid being nail care and nail treatment services.
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50. All of the Applicant's services can be deemed to be skin care and/or beauty care services. When these are compared against the Opponent's goods, 'skin care preparations' and 'beauty care cosmetics', I find the following:

51. There is a shared use to the extent that the respective goods and services have a common purpose, i.e. that of the improvement of the condition and/or appearance of the skin. It is clear, however, that the Opponent's goods constitute physical items which are applied to the user's face or body; whereas the Applicant's services are received by the user when administered/performed by a professional person. The physical nature of the goods and acts of service is therefore very different.

52. I consider that there will be an overlap with respect to users of the respective goods and services; both will be purchased by users hoping to improve the condition and/or appearance of their skin.

53. In my view, the trade channels will be similar; both skin care/beauty products and skin care/beauty salons providing skin care/beauty services can be found in department stores. I also recognise that many skincare/beauty salons operate from their own premises. The respective goods and services can also be purchased or booked online. In my view, although skin care and beauty products will largely be self-selected from shelves in retail premises, I recognise that some brands of skin care and beauty products also operate beauty salons or spas,

under the same brand name, in which the products might be purchased alongside the services provided.

54. I consider that there will be a certain degree of competition between the goods and services to the extent that a purchaser might deliberate over whether to book a facial treatment in a salon or purchase a product to use at home, for example.

55. I consider that the provision of the Applicant's skin care/beauty services will necessarily involve the use of various skincare and beauty products. It is therefore conceivable that a user of beauty services might presume that the products used during their skincare/beauty treatment and the treatment itself originate from an economically-linked undertaking. I therefore accept the Opponent's submission that the respective goods and services are complementary. I find that they are similar to at least a medium degree.

56. I have considered whether a comparison of the Applicant's class 44 services with the Opponent's goods in the remaining classes (8 & 10) would strengthen the Opponent's position. In my view, it would not; any similarity found would not exceed the medium level that I have found above at [55].

57. In summary, I have found that:

- The Applicant's goods in class 3 are identical to the Opponent's goods in class 3;
- The Applicant's goods in class 5 are similar to the Opponent's goods in class 3 to a high degree; and
- The Applicant's services in class 44 are similar to the Opponent's goods in class 3 to at least a medium degree.

Average consumer and the purchasing act

58. 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.

59. In *Hearst Holdings Inc*⁴ Birss J. described the average consumer thus:

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

60. The Opponent has submitted the following at paragraph [10] of its written submissions:

The average consumer is a member of the general public. Such a consumer will normally pay an average degree of attention when selecting skincare products or treatments. Such goods and services may be low-cost, at a few pounds, or extremely high in the hundreds of pounds. Hence, the average consumer may have a low to high level of attention for such goods and services, and in that case it is the lowest level of attention which must be considered.

61. I note that the Applicant has not addressed the matter of the purchasing act in either its counterstatement or its written submissions.

62. I find that the average consumer is a member of the general public. With respect to the skin care and beauty care *goods*, I also recognise that a number of purchasers will be members of the professional public looking to equip skin care/beauty salons, spas, and the like, with products to be used in the provision of their services.

63. I agree with the Opponent to the extent that the level of attention paid by the average consumer would fluctuate depending on whether the goods or services

⁴ *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).

cost a few pounds or several hundreds of pounds.

64. In my view, the goods in classes 3 and 5 would be purchased with at least an above average degree of attention. Consumers would likely consider factors including whether the product is scented or non-scented, or hypoallergenic; in retail premises, some consumers would also sample the product by applying a small amount to the back of their hand from a 'tester' bottle/tube. I therefore disagree with the Opponent's submission that consumers would pay a low level of attention when purchasing these goods.

65. I consider that the goods will, in most cases, be purchased by self-selection based on visual inspection of the goods, either physically from shelves in shops or online. Some purchases may also be made aurally by way of requests to retail staff.

66. Skin care/beauty *services*, on the other hand, will, in my view, often be purchased with a higher level of care due to the cost of treatments which range from tens of pounds to hundreds of pounds. I appreciate, however, that certain treatments e.g. eye-brow waxing, would cost just a few pounds. I consider that the decision to book a skin care or beauty *treatment* will be taken after examining a menu of treatment options either via a website or on the treatment/service provider's premises. I also appreciate that some treatments will not be purchased until after the consumer has had an initial consultation with a skin/beauty care professional in which certain recommendations are made or treatment options suggested. I therefore find that the services will be purchased with a level of attention in the medium to high range.

Comparison of the marks

	<p>SKINHQ</p>
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Opponent's mark	Applicant's mark
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67. 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.”

68. 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.

69. The Opponent has submitted the following at paragraph [20] of its written submissions:

Visually and aurally, both marks are short and share the element HQ. Therefore, there is average or strong visual and aural similarity between the marks.

70. The Applicant has submitted the following at paragraphs [2.25] and [2.27] of its written submissions:

The Applicant submits that the Application is visually distinct to the Earlier Mark. We bring to the attention of the Hearing Office that it is an accepted principle that consumers tend to pay more attention to the beginning of trade marks than to their endings. The Application will be read as a single compound word, beginning with the word "SKIN", whereas the Application is solely made up of the stylised acronym "HQ". As the beginning of the marks are different, the risk of confusion is reduced.

In the present context, the relevant consumer's imperfect recollection of the Earlier Mark will focus predominantly on the stylisation, namely the leaf-element in the middle of the letter "H" and the long tail of the letter "Q". Those graphical elements are what will stay in mind, and are not reproduced or imitated in the Application in any way. The Application is made up of two different expressions, the word "SKIN" and the acronym "HQ". As the differences are significant, the risk of confusion between the marks is minimal. The Application is therefore visually distinct to the Opponent's Earlier Mark.

71. The overall impression of the Opponent's mark resides in the mark in its entirety, the dominant aspect of which is the letters 'HQ'. The mark consists of the letters/'word' 'HQ' in upper case. There is a degree of stylisation to the extent that the 'tail' of the 'Q' is elongated and curved in a manner that might be described as calligraphic. The 'H' is rendered in Times New Roman font apart from a simple leaf device forming the central bar of the 'H'. I disagree with the Applicant's suggestion that the leaf device and stylisation elements have visual primacy. In my view, the incorporation of the leaf device into the 'H' of 'HQ', together with the subtle degree of stylisation to the 'Q', do not usurp the dominance of the letters/'word' 'HQ'.

72. The overall impression of the mark resides in the mark in its entirety.

The Applicant's mark consists of the word SKIN and the abbreviation HQ, conjoined, in a plain font with all letters in lower case.

73. Visual comparison

The fact that the letters 'HQ', in that order, are incorporated into the Applicant's mark is uncontroversial. However, this fact alone is not enough to guarantee the 'strong' visual similarity between the marks that the Opponent contends. The Opponent's mark consists of two letters; whereas the Applicant's mark consists of six letters, making it three times the length of the earlier mark. This difference in

length will be discerned visually. I therefore cannot accept the Opponent's comment that both marks are short.

74. I disagree with the Applicant's comment that 'SKINHQ' will be read as a single word. In my view, the average consumer will perceive the words separately; 'SKINHQ' as a word is not capable of being articulated, but the mind will fix upon the familiar words 'SKIN' and 'HQ' within it. The Applicant's submission that 'it is *an accepted principle* [my emphasis] that consumers tend to pay more attention to the beginning of trade marks than to their endings' is to be treated with caution. Although in *El Corte Inglés, SA v OHIM*, the General Court observed that 'the attention of the consumer is *usually* [my emphasis] directed to the beginning of the word'⁵, this is not an absolute rule.

75. Furthermore, it has also been held that common elements at the end of word marks may also suffice to create a likelihood of confusion. In *Bristol Global Co Ltd v EUIPO*, T-194/14, the General Court held that there was a likelihood of confusion between AEROSTONE (slightly stylised) and STONE if both marks were used by different undertakings in relation to identical goods (land vehicles and automobile tyres). This was despite the fact that the beginnings of the marks were different. The common element – STONE – was sufficient to create the necessary degree of similarity between the marks as wholes for the opposition before the EUIPO to succeed. I am, however, mindful that this is not an absolute rule either.

76. In the light of the foregoing, I find a low-medium level of visual similarity between the marks.

Aural comparison

77. The Opponent's position on this point has been cited above at paragraph [69].

78. The Applicant has submitted the following at paragraph [2.28] of its written submissions:

⁵ Cases T-183/02 and T-184/02 at para [83].

The beginning of the Application is the word “SKIN”. The beginning of the Earlier Mark is the acronym “HQ”. The comparison is therefore between the Application having three syllables, and the Earlier Mark having two syllables. Whilst the phonetic similarity at the end of the marks is acknowledged, there is a different cadence to the pronunciation of the two expressions, with the clear emphasis on the word “SKIN” in the Application, which has no counterpart in the Earlier Mark. The Application is therefore phonetically distinct to the Opponent’s Earlier Mark.

The Opponent’s mark will be articulated as ‘aitch-cue’, with the emphasis on the final syllable, i.e. ‘aitch-*cue*’. I consider that the majority of consumers would articulate the Applicant’s mark as ‘skin-aitch-*cue*’, with the emphasis on the final syllable. The last two syllables of the Applicant’s mark are aurally identical. I therefore find at least a medium level of aural similarity between the marks.

Conceptual comparison

79. The Opponent has submitted the following at paragraph [21] of its written submissions:

Conceptually, the Later Mark contains also the element SKIN, but as this is devoid of distinctive character and descriptive for the Applicant’s goods, it must be considered to have lesser weight. Both marks share the HQ element, which may be perceived either as an abbreviation for “headquarters” or as a meaningless letter combination. In the former case, there is a strong shared conceptual similarity between the marks; in the latter, there is no conceptual difference to differentiate the marks. Therefore, there is conceptual identity or strong similarity between the marks.

80. The Applicant has submitted the following at paragraphs [2.29]-[2.30] of its written submissions:

The relevant publics would appreciate the expression “HQ” as referring to a “source” of a product or service, because that is a common use of the word in the English language. In the case of the Application, the combination of “SKIN” and “HQ” is distinctive, as it would be uncommon to combine those two words in that way. The relevant consumer is required to make a leap of interpretation. That leap gives additional context to the word “HQ” as it appears in the Application, namely that the

goods and services provided by the Applicant are the “source” of goods and services relating to “skin” in some way. The Earlier Mark provides no such context to its use of the acronym “HQ”. At best, the concept imparted to the audience is something to do with leaves.

The relevant consumer seeing the Application would understand a connection and a meaning as a result of the compounding of the word “SKIN” with the acronym “HQ” which simply is not possible with the Earlier Mark alone. The Application is therefore conceptually distinct to the Opponent’s Earlier Mark.

81. Dealing with the Opponent’s mark first, it is my view that most average consumers would perceive ‘HQ’ as an acronym for the word ‘headquarters’. As noted by the Opponent, according to the online Cambridge Dictionary, the definition of ‘headquarters’ is: ‘the main offices of an organisation such as the army, the police, or a business company’.⁶ I accept the Opponent’s argument that the ‘HQ’ element in the *Applicant’s* mark would also connote ‘headquarters’. I also recognise that a small number of consumers might perceive ‘HQ’ as merely a pair of letters to which no concept can be attached; or, perhaps, the initials of a name. However, I consider that this latter interpretation of ‘HQ’ would apply to only a very small number of consumers.
82. I agree with the Applicant to the extent that ‘SKINHQ’ would be perceived as a combination of the word ‘SKIN’ with the acronym ‘HQ’. However, I am unconvinced by the Applicant’s argument that the idea conjured in the average consumer’s mind upon perceiving the mark would be that *‘the goods and services provided ...are the ‘source’ of goods and services relating to ‘skin’.*’ In my view, the combination of ‘SKIN’ and ‘HQ’ would, for the average consumer, readily invoke the idea of some sort of dynamic ‘nerve centre’ in which skin preparations and treatments are masterminded.
83. In the light of the foregoing, as both marks contain the HQ concept, but there are the additional concepts of ‘skin’ and a leaf, which are absent from the other party’s mark, I find that the level of conceptual similarity between the marks is medium.

⁶ <https://dictionary.cambridge.org/dictionary/english/headquarters>, accessed 07/12/2020 at 10:01.

Distinctive character of the earlier mark

84. *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).”

85. I find that the earlier mark neither describes nor alludes to the goods in respect of which it is registered. I consider that ‘HQ’, perceived by most average consumers as the acronym for ‘headquarters’, is a fairly unusual choice of word/text to identify a purveyor of skin care products. I therefore conclude that the earlier mark is inherently distinctive to a least a medium degree.

Likelihood of confusion

86. Confusion can be direct or indirect. Mr Ian Purvis Q. C., as the Appointed Person, explained the difference in the decision of *L.A. Sugar Limited v By Back Beat Inc*⁷. Direct confusion occurs when one mark is mistaken for another. In *Lloyd Schuhfabrik*⁸ in 1999, the CJEU recognised that the average consumer rarely encounters the two marks side by side but must rely on the imperfect picture of them that he has in his mind. Direct confusion can therefore occur by imperfect recollection when the average consumer sees the later mark before him but mistakenly matches it to the imperfect image of the earlier mark in his ‘mind’s eye’. Indirect confusion occurs when the average consumer recognises that the later mark is indeed different from the earlier mark, but, concludes that the later mark is economically linked to the earlier mark by way of being a ‘sub brand’, for instance.

87. Before arriving at my decision, I must make a global assessment taking into account all of the relevant factors, including the principles a) – k) set out above at [16].

88. When considering all relevant factors ‘in the round’, I must bear in mind that a greater degree of similarity between goods *may* be offset by a lesser degree of similarity between the marks, and vice versa.

89. My comparison of the goods has determined that:

- The Applicant’s class 3 goods are identical to the Opponent’s goods;
- The Applicant’s class 5 goods are highly similar to the Opponent’s goods;
- The Applicant’s class 44 services are similar to the Opponent’s goods to at least a medium degree.

90. My comparison of the marks has determined that:

⁷ Case BL O/375/10 at [16].

⁸ *Lloyd Schuhfabrik Meyer and Co GmbH v Klijsen Handel BV* (C-34297) at [26].

- There is a low-medium level of visual similarity between the marks;
- The level of aural similarity between the marks is medium;
- The level of conceptual similarity between the marks is medium.

91. In *New Look Limited v OHIM*⁹ the General Court stated that:

“49. ...it should be noted that in the global assessment of the likelihood of confusion, the visual, aural or conceptual aspects of the opposing signs do not always have the same weight. It is appropriate to examine the objective conditions under which the marks may be present on the market...”

92. Dealing with the mark in respect of the *goods* first, I consider that the low-medium visual similarity between the marks somewhat mitigates the medium level of aural similarity. Furthermore, the weight to be accorded to aural similarity is diminished further in this case given the importance of the visual perception of a mark where the goods concerned are purchased by self-selection from a shelf in a store. In *Quelle AG v OHIM*¹⁰, the General Court held that:

“68..... If the goods covered by the marks in question are usually sold in self-service stores where consumers choose the product themselves and must therefore rely primarily on the image of the trade mark applied to the product, the visual similarity between the signs will as a general rule be more important. If on the other hand the product covered is primarily sold orally, greater weight will usually be attributed to any phonetic similarity between the signs.”

93. Although the above-mentioned GC decision concerns *goods*, I consider the general principle to be apposite to the Applicant’s *services* also. In my view, the services will be offered by and provided within a salon or spa-type premises, or from a space within a department store, where the brand name would be visible on the fascia to the salon/spa or at the counter within the department store, as

⁹ Joined cases T-117/03 to T-119/03 and T-171/03.

¹⁰ Case T-88/05.

the case may be. The average consumer would therefore be selecting the Applicant's services by entering the premises/visiting the counter to purchase them.

94. I have found that the Opponent's mark is inherently distinctive to at least a medium degree. The CJEU held in *Sabel*¹¹ that:

"24. The more distinctive the earlier mark, the greater will be the likelihood of confusion."

95. This principle was given an important qualification by Mr Iain Purvis Q.C, as the Appointed Person, in the decision of *Kurt Geiger v A-List Corporate Limited*¹²:

"39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it."

96. I have found that although the distinctive element of the earlier mark is subsumed in the Applicant's mark without any change to its meaning, that element does not play a dominant role in the later mark. This, together with my finding at [92] concerning the weight to be accorded to the visual comparison, leads me to conclude that the visual differences between the marks are sufficient for me to find that there is no likelihood of direct confusion. I find this to be case in respect of both the goods and the services opposed.

97. However, the following observations lead me to conclude that there is a likelihood of *indirect* confusion in respect of all of the goods and services opposed:

¹¹ *Sabel BV v Puma AG* (C-251/95), [1998] E. T. M. R. 1 (1997) at [24].

¹² BL O-075-13.

- The Applicant's class 3 and 5 goods are, respectively, identical and highly similar to the Opponent's goods.
- Although I have found a lesser degree of similarity between the Applicant's *services* and the Opponent's goods, the average consumer of these services would appreciate that some brands of skin care and beauty products also operate beauty salons or spas, under the same brand name, in which the products might be purchased alongside the services provided.
- The level of conceptual similarity between the marks is medium.
- Although the distinctive element of the earlier mark, subsumed in the later mark, is not the *dominant* element of the later mark, it has nevertheless retained its *distinctive* character. In *Whyte and Mackay*¹³ it was held that where an average consumer perceives that a composite mark consists of two or more elements, one of which has a distinctive significance independent of the mark as a whole, confusion may occur as a result of the similarity/identity of that element to the earlier mark. In the instant case, 'HQ' has retained its independent distinctive role. 'HQ' has been conjoined with 'SKIN', a descriptive and therefore non-distinctive term, leading the average consumer to presume that the Applicant's mark is a 'skin' version of the 'HQ' brand.
- In my view, the culmination of these factors will result in the average consumer discerning the visual differences between the respective marks but concluding that the marks relate to economically-linked undertakings.
- I find that this is the case, even though the goods will be purchased with an above average level of care, and the services will be purchased with a medium-high level of care.

¹³ *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271.

Final Remarks

98. The Opponent filed a partial opposition in respect of the applied-for mark:
Classes 3, 5 and 44 only were opposed; Classes 35 and 41 were unopposed.

99. The Opposition has succeeded in full. The Application is refused in respect of classes 3, 5 and 44; it may proceed only in respect of classes 35 and 41.

COSTS

100. The Opponent has been successful and is entitled to a contribution towards its costs. Awards of costs in fast track opposition proceedings are governed by Tribunal Practice Notice 2/2015. Using that TPN as a guide, I award costs to the Opponent on the following basis:

Preparation of statement and consideration of the Applicant's statement:	£200
Opposition fee:	£100
Written submissions	£200
Total:	£500

101. I therefore order SHQ Holdings Limited to pay to ABC Italia S. r. l. the sum of £500. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 15th day of December 2020

N. R. Morris
For the Registrar,
the Comptroller-General