O/1211/24

TRADE MARKS ACT 1994

IN THE MATTER OF UK REGISTRATION NOS. 2517629 & 916475841

IN THE NAME OF HELIOS WEB

IN RESPECT OF THE FOLLOWING TRADE MARKS:

AND

THE APPLICATIONS FOR DECLARATIONS OF THE INVALIDITY

THEREOF UNDER NOS 505762 & 506086

BY HYPNOS LIMITED

BACKGROUND AND PLEADINGS

1. Helios Web ("the proprietor") is the proprietor of the two trade marks shown on the front cover of this decision. Both were originally owned by 3am Ltd ("3am") and assigned to the proprietor with effect from 27 April 2022.

2. The first mark, UK Trade Mark ("UKTM") No. 2517629 ("the 629 mark"), was applied for on 2 June 2009 and completed its registration procedure on 9 October 2009. It is registered for the following goods and services:

> *Class 20*
> *Memory foam mattresses, memory foam beds, memory foam toppers, combination mattresses.*
>
> *Class 35*
> *Retail services connected with the sale of mattresses, via the internet and by mail order; wholesale services connected with the sale of mattresses for export and to the trade.*

3. The second mark, UKTM No. 916475841 ("the 841 mark"), is a comparable UK trade mark. The proprietor applied for an EU Trade Mark ("EUTM") on 15 March 2017 and the EUTM was registered on 28 June 2017. A seniority date of 2 June 2009 is claimed from the 629 mark. Under the provisions of the Withdrawal Agreement between the UK and the EU, EUTMs that were in existence at IP completion day became comparable UK trade marks and retained the filing, registration, and, where applicable, the priority or seniority, dates of the EUTMs. The 841 mark is registered for the following goods and services:

> *Class 20*
> *Foam mattresses; Mattress toppers; Beds, bedding, mattresses, pillows and cushions.*
>
> *Class 35*
> *Retail services connected with the sale of furniture; Wholesale services in relation to furniture.*

4. On 25 January 2023, Keen & Toms Partnership Limited ("Keen & Toms") filed an application to have the 629 mark declared invalid under the provisions of sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 ("the Act") which are relevant in invalidation proceedings under section 47 of the Act. The application concerns all the goods and services in respect of which the mark stands registered. On 9 May 2023, Keen & Toms filed an application to have the 841 mark declared invalid on the same grounds and also in relation to all the goods and services for which that mark stands registered.

5. In both applications, it relied on UKTM No. 823467, **HYPNOS**, which has an application date of 27 July 1961 and was registered with effect from that date. It is registered for the following goods in Class 20: *Bedding (other than bed clothing), mattresses and furniture; and parts and fittings included in Class 20 for all the aforesaid goods.* The mark was published on 7 March 1962 and last renewed on 1 July 2016. This mark qualifies as an earlier mark under the provisions of section 6(1) of the Act.

6. During the course of proceedings, in August 2023, the earlier mark was assigned to Hypnos Limited and signed undertakings were received on 30 November 2023 confirming that Hypnos had had sight of all the forms, correspondence and evidence admitted into the proceedings; that it stood by the grounds of the original pleading and evidence; and that it accepted liability for costs for the proceedings. I shall from now on refer to Hypnos as "the applicant".

7. The pleadings are the same for both applications.

8. Under section 5(2)(b), the applicant claims that the marks are highly similar, that the earlier mark has an enhanced level of distinctive character, and that the goods and services covered by the marks are either identical or highly similar. Consequently, it claims that there exists a likelihood of confusion on the part of the relevant public in the UK.

9. Under section 5(3), the applicant claims that on the relevant dates in both proceedings the earlier mark had a reputation in the UK for beds and mattresses, and that the similarity between the marks is such as to give rise to a link between them in the mind of the relevant public. It asserts that damage would occur in one or more of the following ways:

- Use of the contested marks would take unfair advantage of the reputation of the earlier mark;

- Use of the contested marks would damage the reputation of the earlier mark if the quality of the goods and services were low; or

- Use of the contested marks would damage the distinctive character of the earlier mark by causing *"a damaging loss of exclusivity as a result of over-exposure"*.

10. The proprietor filed a defence and counterstatement denying the claims made and putting the applicant to proof of use of the earlier mark.

11. It also claims that it has been using the contested marks or marks consisting of or containing the word "HYPNIA" since (at the latest) 2008 in relation to mattresses, combination mattresses, memory foam mattresses, memory foam beds, memory foam toppers, furniture, and retail and wholesale services in connection with these goods. It asserts that the applicant and/or its associated companies were aware of this use and did not challenge it until more than five years after the registration date of each of the contested marks. Consequently, the proprietor claims that the applicant has acquiesced for a continuous period of five years in the use and registration of the contested marks and that, pursuant to section 48(1) of the Act, the proprietor is not entitled to bring the cancellation actions.

12. Further, the proprietor claims that its use of the contested marks, and that of its predecessors in title, has been honest and concurrent in time with the applicant's use of the earlier mark. It argues that the use has not had, or has not been liable to have had, any adverse effect on the origin (or any other) function of the earlier mark and that both parties' marks have peacefully coexisted without any actual or likely confusion for at least fifteen years.

13. Both parties filed evidence and written submissions which I list below. Neither party requested a hearing and I have taken this decision following a careful consideration of all the papers.

14. In these proceedings, the applicant is represented by Baron Warren Redfern and the proprietor by Fladgate LLP.

EVIDENCE AND SUBMISSIONS

15. The applicant's evidence comes from James Peter George Keen, Director of Hypnos Limited and Hypnos Contract Beds. His witness statement is dated 30 June 2023 and goes to the use made of the earlier mark. It is accompanied by 12 exhibits. At the same time as it filed this evidence, the applicant also filed written submissions dated 3 July 2023.

16. The proprietor's evidence comes from Samuel Georges Parfait Galloo, Director of Phasis Limited, licensee of the contested marks and subsidiary of Helios Web. He is also General Director of Helios Web and has been involved with the proprietor since February 2019. His witness statement is dated 11 September 2023 and goes to the sale and marketing in the UK of goods bearing the contested marks, and contains both evidence and submissions relating to the meaning of the respective marks and the prefix "HYPN-" to consumers in the UK, to the purchasing process for the goods at issue and submissions on the likelihood of confusion. A further document containing the proprietor's submissions is also dated 11 September 2023.

17. Both parties filed written submissions in lieu of a hearing on 5 February 2024.

18. On 8 July 2024, the proprietor wrote to the Tribunal requesting that it be allowed to amend its submissions of 11 September 2023. At paragraph 23 of the original submissions, it had stated that the contested registrations were last used in December 2017, but now it said that this had been an error and the relevant part of the submissions should say that they were last used in April 2022. The applicant had sought to rely on the original submissions in revocation actions launched against the marks at issue in these proceedings. It wrote to the Tribunal on 4 October 2024, arguing that the request for an amendment should not be allowed.

19. I held a Case Management Conference ("CMC") on 15 November 2024, where I heard submissions from the legal representatives of both parties. As Mr Galloo says in his witness statement at paragraph 19 that the registrations were being used up to

April 2022 by 3am and thereafter by the proprietor, I accepted that the original submissions contained an error that should be allowed to be corrected.

DECISION

Legislation

20. The relevant parts of section 47 of the Act are as follows:

> "…
>
> (2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground–
>
> > (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
> >
> > (b) …
>
> unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.
>
> …
>
> (2A) The registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless–
>
> > (a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of application for the declaration,
> >
> > (b) the registration procedure for the earlier trade mark was not completed before that date, or
> >
> > (c) the use conditions are met.
>
> (2B) The use conditions are met if–

(a) the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with their consent in relation to the goods or services for which it is registered-

(i) within the period of 5 years ending with the date of application for the declaration, and

(ii) within the period of 5 years ending with the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application where, at that date, the five year period within which the earlier trade mark should have been put to genuine use as provided in section 46(1)(a) has expired, or

(b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes–

(a) use of a trade mark includes use in a form (the 'variant form') differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

[(2D) and (2DA) repealed]

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(2F) Subsection (2A) does not apply where the earlier trade mark is a trade mark within section 6(1)(c).

(2G) An application for a declaration of invalidity on the basis of an earlier trade mark must be refused if it would have been refused, for any of the reasons set out in subsection (2H), had the application for the declaration been made on the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application.

(2H) The reasons referred to in subsection (2G) are–

…

(b) that the application for a declaration of invalidity is based on section 5(2) and the earlier trade mark had not yet become sufficiently distinctive to support a finding of likelihood of confusion within the meaning of section 5(2);

(c) that the application for a declaration of invalidity is based on section 5(3)(a) and the earlier trade mark had not yet acquired a reputation within the meaning of section 5(3).

…

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

…

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made:

Provided that this shall not affect transactions past and closed."

21. As the 841 is a comparable mark, Paragraph 9 of Schedule 2A of the Act is also relevant. It reads:

"(1) Section 47 applies where an earlier trade mark is a comparable trade mark (EU), subject to the modifications set out below.

(2) Where the period of five years referred to in sections 47(2A)(a) and 47(2B) (the 'five-year period') has expired before IP completion day-

(a) the references in section 47(2B) and (2E) to the earlier trade mark are to be treated as references to the corresponding EUTM; and

(b) the references in section 47 to the United Kingdom include the European Union.

(3) Where IP completion day falls within the five-year period, in respect of that part of the five-year period which falls before IP completion day-

(a) the references in section 47(2B) and (2E) to the earlier trade mark are to be treated as references to the corresponding EUTM; and

(b) the references in section 47 to the United Kingdom include the European Union.

22. 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."

23. Section 5(3) of the Act is as follows:

"A trade mark which-

(a) is identical with or similar to an earlier trade mark, and

(b) [Repealed]

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom 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."

24. Section 48(1) of the Act is as follows:

> "(1) Where the proprietor of an earlier trade mark or other earlier right has acquiesced for a continuous period of five years in the use of a registered trade mark in the United Kingdom, being aware of that use, there shall cease to be any entitlement on the basis of that earlier trade mark or other right-
>
> (a) to apply for a declaration that the registration of the later trade mark is invalid, …
>
> unless the registration of the later trade mark was applied for in bad faith."

25. The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

Proof of Use

26. The case law on genuine use was summarised by Arnold LJ in *easyGroup Ltd v Nuclei Ltd & Ors* [2023] EWCA Civ 1247:

> "105. The principles applicable to determining whether there has been genuine use of a trade mark have been considered by the CJEU in a considerable number of cases, the principal decisions being Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159, Case C-416/04 *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundersvereinigung Kamaradschaft 'Feldmarschall*

Radetsky' [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], Case C-141/13 *P Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089], Case C-689/15 *W. F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434] and Joined Cases C-720/18 and C-721/18 *Ferrari SpA v DU* [EU:C:2020:854].

106. Ignoring issues which do not arise in the present case, such as use in relation to spare parts or second-hand goods and use in relation to a sub-category of goods or services, the principles may be summarised as follows:

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

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29]; *Ferrari* at [32].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29]; *Gözze* at [37], [40]; *Ferrari* at [32].

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

But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

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

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56]; *Ferrari* at [33].

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

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

107. The trade mark proprietor bears the burden of proving genuine use of its trade mark: see section 100 of the 1994 Act and *Ferrari* at [73]-[83]. The General Court of the European Union has repeatedly held that genuine use of a trade mark cannot be proved by means of probabilities or suppositions, but must be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned: see e.g. Case T-78/19 *Lidl Stiftung & Co KG v European Union Intellectual Property Office* [EU:C:2020:166] at [25]. It has also repeatedly held that the smaller the commercial volume of the exploitation of the mark, the more necessary it is for the proprietor to produce additional evidence to dispel any doubts as to the genuineness of its use: see e.g. *Lidl* at [33]. In *Awareness Ltd v Plymouth City Council* [2013] RPC 24 Daniel Alexander QC sitting as the Appointed Person said:

'19. For the tribunal to determine in relation to what goods or services there has been genuine use of a mark during the relevant period, it should be provided with clear, precise, detailed and well-supported evidence as to the nature of that use during the period in question from a person properly qualified to know. …

22. … it is not strictly necessary to exhibit any particular kind of documentation but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal … comes to take its final decision, the evidence must be sufficiently solid and specific to

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

The Relevant Periods

27. The applicant is required to prove that it has made genuine use of its mark during two relevant periods: the five years ending with the date of application for invalidation and the five years ending with the date of application (or priority date) for the contested mark. The applicant submits that the relevant periods are as shown in the table below:

Contested Mark	**First Relevant Period**	**Second Relevant Period**
629 mark	3 June 2004 – 2 June 2009	26 January 2018 – 25 January 2023
841 mark	3 June 2004 – 2 June 2009	10 May 2018 – 9 May 2023

28. The proprietor agrees that the relevant periods for the 629 mark are as shown above. However, it submits that the first relevant period for the 841 mark should be 16 March 2012 to 15 March 2017. This is because the 841 mark is a comparable mark derived from an EUTM, which claimed seniority, not priority, from the 629 mark. It states that section 47(2B) defines the first relevant period as *"the period of five years ending with the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application"*.

29. The differences between the concepts of priority and seniority are explained in Chapter 8, Section 15 of *Kerly's Law of Trade Marks and Trade Names*, 17th edition:

"8-145. Although the concepts of priority and seniority are sometimes confused, there are clear differences between them. The term 'priority', in the technical sense in which it is used here, refers to the possibility for a trade mark applicant to obtain a filing date earlier than the date on which the application is actually filed, as a result either of art.4 of the Paris Convention for the Protection of Industrial Property ('Convention priority') or of the Paris Convention on International Exhibitions ('exhibition priority'). Priority, in this sense, applies both to EUTMs and to national trade marks. Seniority, on the other hand, is a specific feature of the EUTM system whereby the proprietor

of an EUTM is able to retain whatever rights they enjoyed in a Member State as a result of an earlier registration of an identical trade mark in respect of the same goods and services, even though they surrender the national trade mark or allow it to lapse."

30. The editors of *Kerly's* go on to explain that the purpose of the right to claim seniority was to increase the attractiveness of the EUTM system and enable a person owning a national right to allow that right to lapse and so save the cost of renewing it, while retaining the rights it had enjoyed in respect of that national registration. A seniority claim does not allow a person to enjoy rights from an earlier date throughout the rest of the EU.

31. Article 39(3) of Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union Trade Mark states that:

> "Seniority shall have the sole effect under this Regulation that, where the proprietor of the EU trade mark surrenders the earlier trade mark or allows it to lapse, he shall be deemed to continue to have the same rights as he would have had if the earlier trade mark had continued to be registered."

32. Paragraph 13 of Schedule 2A of the Act deals with the effect of a seniority claim on a comparable mark. It says:

> "(1) This paragraph applies where immediately before IP completion day an existing EUTM has a valid claim to seniority of a trade mark which trade mark (the 'senior mark') is a registered trade mark or a protected international trade mark (UK).
>
> (2) The comparable trade mark (EU) which derives from the existing EUTM is to be treated on and after IP completion day as if it had a valid claim to seniority of the senior mark.
>
> (3) Accordingly, where the proprietor of the comparable trade mark (EU) surrenders the senior mark or allows it to lapse (whether wholly or partially) subject to paragraph 14, the proprietor of the comparable trade mark (EU) is deemed to continue to have the same rights as the proprietor would have

had if the senior mark had continued to be registered in respect of all goods or services for which it was registered prior to the surrender or lapse.

(4) An existing EUTM has a valid claim to seniority of a trade mark where-

(a) a claim has been filed in accordance with Article 39 or 40; and

(b) the seniority claimed for the existing EUTM has not lapsed in the circumstances referred to in Article 39.

33. EUTM No. 16475841 (from which the 841 mark was derived) had a valid claim to seniority before IP completion day and so the 841 mark is treated as if it had a valid claim to seniority based on the 629 mark. I read the legislation as meaning that seniority only applies when the national right has been surrendered or has lapsed. Although they are not binding, I am fortified in this interpretation by the Opposition Guidelines of the European Union Intellectual Property Office ("EUIPO"), which state that *"The seniority claimed in an EUTM can be taken into account within the meaning of Article 8(2)(a) EUTMR provided that the proprietor of the EUTM has surrendered the earlier mark or allowed it to lapse within the meaning of Article 39(3) EUTMR and that this fact is proved by the opponent."*[1]

34. The 629 mark has neither lapsed nor been surrendered. I therefore agree with the proprietor that the first relevant period should cover the five-year period ending on the date of application for the EUTM from which the 841 mark is derived. The relevant periods for the respective marks are as follows:

Contested Mark	First Relevant Period	Second Relevant Period
629 mark	3 June 2004 – 2 June 2009	26 January 2018 – 25 January 2023
841 mark	16 March 2012 – 15 March 2017	10 May 2018 – 9 May 2023

35. The applicant has filed no evidence covering the 841 mark's first relevant period. As use must be proved in both relevant periods**, the application to invalidate the 841 mark fails**. The rest of this decision concerns the application to invalidate the 629 mark.

[1] See guidelines.euipo.europa.eu/2214311/2227133/trade-mark-guidelines/2-4-1-2-identification-of-earlier-marks-or-rights, accessed on 4 December 2024.

The applicant's evidence

36. Mr Keen states that the first HYPNOS-branded bed was made by the company William S Toms in 1904 and that a trade mark comprising this word and a roundel containing the head of Hypnos, the Greek god of sleep, was filed in 1927. During the 1970s, William S Toms joined with chair maker G H & S Keen, and the latter company was renamed Keen & Toms Partnership Limited to carry on the business. Keen & Toms was renamed Hypnos Limited in 1988.[2] The exhibits contain some historical documents, including a photograph that Mr Keen states was taken at the British Industries Fair in 1947 showing an exhibition of beds made by William S Toms and use of the sign "HYPNOS".[3] Since 1975, HYPNOS has held a Royal Warrant.[4]

37. Hypnos Contract Beds was founded in 2013 as a wholly owned subsidiary of the applicant and supplies beds and mattresses to businesses in the hotel and hospitality sector. Among its customers are hotel chains such as Marriott, Holiday Inn, Premier Inn and Travelodge, as well as establishments such as the Grosvenor House, The Lanesborough, St Pancras Renaissance and Raymond Blanc's Le Manoir aux Quat'Saisons.[5]

The first relevant period

38. Mr Keen gives the following turnover figures for sales of mattresses, beds and bedding by Hypnos in the UK:

Year	**Turnover**
2005	£18,510,778.04
2006	£22,570,884.45
2007	£26,139,994.45
2008	£23,867,210.02

39. These figures are not the same as those that appear in Mr Keen's witness statement. Although he states that his table shows UK turnover figures, Exhibit JK3

[2] Paragraph 4.
[3] Exhibit JK2.
[4] Paragraph 4.
[5] Paragraph 5.

(described by Mr Keen as *"an internal document"*[6]) shows that the figures quoted in the witness statement cover sales in all territories. I have therefore reproduced the UK figures from the exhibit in the table above. However, it is fair to say that the substantial majority of the total turnover derived from UK sales. Mr Keen states that the goods were sold mainly through third-party retailers such as John Lewis, House of Fraser and Dreams.[7]

40. Mr Keen states that the figures for 2008 refer to an 18-month period, ending in June 2009. He also says that approximately 77-85% of the turnover relates to the sale of mattresses, 13-20% to divans (bed bases), and 3% to bedding products.[8] During this period, the applicant had an approximately 5% share of the market for these products.[9] Mr Keen does not state, however, whether this is 5% of the market for each of mattresses, beds and bedding products, or 5% of the combined market for these products.

41. There are no invoices relating to this period. Mr Keen states that these have all been destroyed in line with the company's policies.

42. Exhibit JK4 contains examples of marketing materials which Mr Keen states cover the whole period from 2005 to January 2009. These consist of the following:

- A product catalogue from 2005 aimed at hotels, showing beds, mattresses and a range of furniture (such as wardrobes, bedside cabinets and chairs).[10] It also mentions headboards, mattress protectors and pillows, and states that spare bed legs, castors, glides and spindles are available. The mark is shown thus:

HYPNOS
THE MOST COMFORTABLE BEDS IN THE WORLD

[6] Paragraph 9.
[7] Paragraph 3.
[8] Paragraph 7.
[9] Paragraph 8.
[10] Pages 16-43.

- A product catalogue for John Lewis showing beds and mattresses.[11] The mark appears as above;

- A product brochure from 2007 promoting the "Regency collection" and showing divans, headboards, mattresses and pillows.[12] The mark is shown in the following form:

- A 2007 advertisement from The Sheen Bed Company, showing the Hypnos Kingsize Hampton Divan set on sale for £2549;[13]

- Point of sale marketing material for use in John Lewis, dating from November 2008.[14] The mark appears as in the Regency collection brochure;

- A product brochure from 2008 for the Dreamworld Collection, showing mattresses and divans and mentioning pillows.[15] The mark appears as in the Regency collection brochure;

- A product leaflet from 2008 showing the Heritage Collection mattress, divan and headboard. The mark appears as in the Regency collection brochure;[16]

- Two print advertisements from 2009. It is not stated where they appeared.[17]

43. Exhibit JK5 contains screenshots from the applicant's website which show the mark in use. The earliest is dated 28 July 2004 and the latest 21 November 2008. An example dated 21 May 2007 is shown below.[18]

[11] Pages 44-65.
[12] Pages 66-81.
[13] Page 82.
[14] Page 83.
[15] Pages 84-95.
[16] Pages 96-97.
[17] Pages 98-99.
[18] Page 106.

The second relevant period

44. Mr Keen states that the following table shows turnover figures for the sale of mattresses and beds in the UK:[19]

Dates	Hypnos	Hypnos Contract Beds	Total
07/17 - 06/18	£40,509,254	£24,922,637	£65,431,891
07/18 - 06/19	£39,492,895	£22,197,818	£61,690,713
07/19 - 06/20	£30,456,404	£18,156,567	£48,612,971
07/20 - 06/21	£30,091,061	£23,751,503	£53,842,564
07/21 - 06/22	£39,200,525	£28,015,130	£67,215,655

45. He says that approximately 77-85% of the turnover relates to the sale of mattresses, 13-20% to divans (bed bases), and 3% to bedding products.[20] During this period, the applicant had an approximately 8% share of the market for these products.[21] As with the figures for the first relevant period, Mr Keen does not state, however, whether this is 8% of the market for each of mattresses, beds and bedding products, or 8% of the combined market for these products.

[19] Paragraph 12.
[20] Paragraph 12.
[21] Paragraph 13.

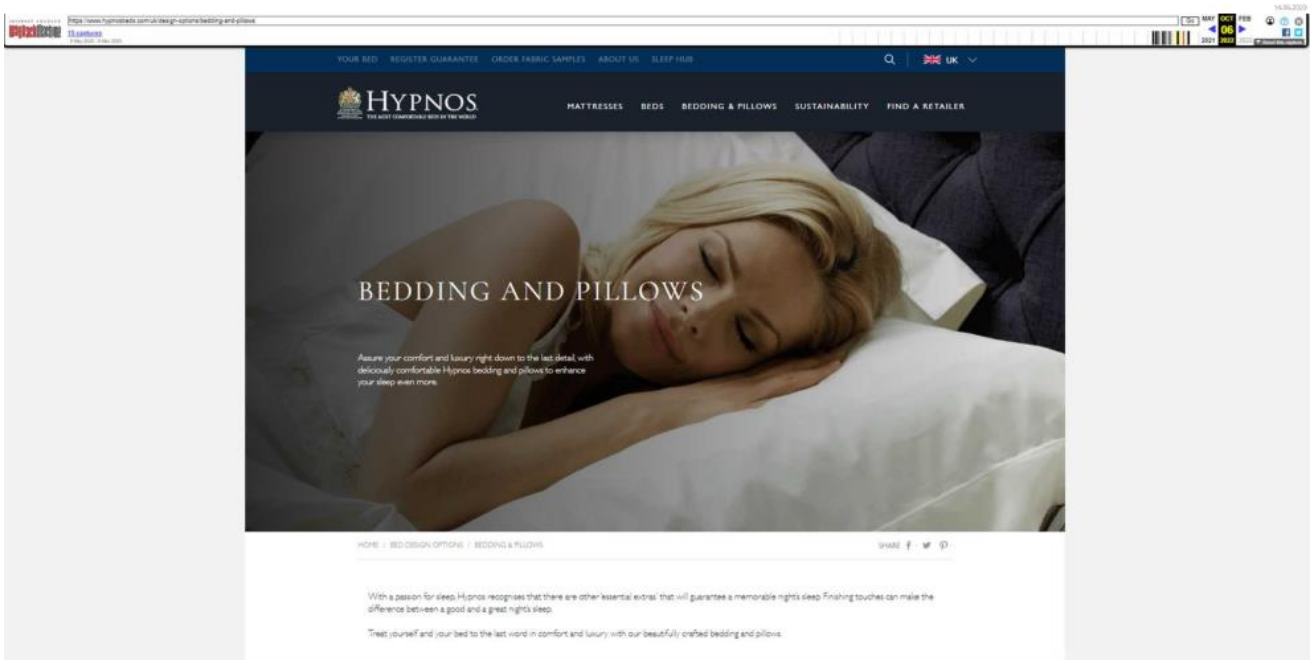
46. Exhibit JK6 contains a selection of sample sales invoices. Mr Keen states that the mark appeared on all the goods sold in these transactions or on their packaging. The mark is shown at the top of the invoices, which are summarised in the table below:

Invoice Date	Purchaser	Details	Amount
02.02.2018	White Company	Luxury Connaught	£582.00
08.02.2018	Arighi Bianchi	Josephine Headboard	£195.60
02.05.2018	Furniture Village	Revive Luxury Silk	£264.38
15.08.2018	John Lewis	4 x Maxistore Divan	£972.00
17.05.2019	White Company	10 x Guestbed Pocket Mattress	£4160.64
23.05.2019	John Lewis	2 x Divan	£147.60
05.06.2019	Arighi Bianchi	2 x Serenade Supreme, 2 x Divan	£1288.20
13.11.2019	Furniture Village	2 x mattress, 2 x divan	£402.83
20.05.2020	Furniture Village	Headboard	£211.20
24.07.2020	White Company	Luxury Connaught	£696.00
28.08.2020	Arighi Bianchi	2 x Sorrento zipped, 2 x divan	£1608.52
24.12.2020	JLP.com	Classic Comfort Layer Topper	£125.00
20.03.2021	Arighi Bianchi	Adagio Sublime	£1328.10
11.03.2021	White Company	Classic Lancaster	£333.00
08.09.2021	John Lewis	2 x Divan	£222.00
25.02.2022	Arighi Bianchi	Chiltern Deluxe	£548.40
28.04.2022	Furniture Village	2 x Divan	£266.38
07.06.2022	White Company	Pillow Top Aldbury	£582.00
19.07.2022	John Lewis	2 x Divan, Headboard	£700.80

47. It is not clear what all of these products are. I have been able to cross-reference some of them with other exhibits. A product brochure from the first relevant period features mattress and divan sets called “Serenade” and “Adagio”.[22] A website screenshot dated 1 April 2019 states that “Pillow Top” is the name of a collection of mattresses.[23]

[22] Pages 86 and 87.
[23] Page 135.

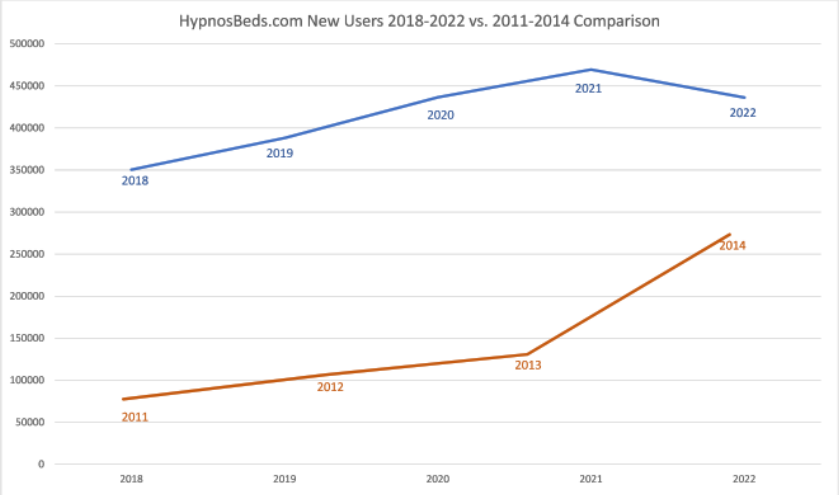
48. Exhibit JK7 contains a selection of screenshots from the applicant's website which show the mark in use. They date from 1 April 2019 to 6 October 2022 and promote the applicant's mattresses, bedding and pillows, mattress protectors and beds. The last of these is reproduced below. I note that the mark appears consistently throughout these screenshots. When the image is magnified, it is clear that the text under the word "HYPNOS" reads *"The most comfortable beds in the world"*.



49. Exhibit JK8 contains examples of marketing materials which Mr Keen states were available for download throughout the second relevant period. There are four product information sheets featuring mattresses and divans and informing the reader that they may also purchase Hypnos headboards. The mark is shown as it appears on the website screenshot above.

50. The graph below shows the number of new users of the applicant's website in each of the relevant periods.[24] I have been given no information on the location of the users.

[24] Exhibit JK9.



Assessment of genuine use

51. For use to be genuine, it must have been real commercial exploitation of the mark, in the course of trade, sufficient to create or maintain a market for the goods at issue in the UK during the relevant five-year periods. In making my assessment, I am required to consider all relevant factors, including (i) the scale and frequency of the use shown; (ii) the nature of the use shown; (iii) the goods for which use has been shown; (iv) the nature of those goods and the markets for them; and (v) the geographical extent of the use shown. I also bear in mind that I am required to take account of what the evidence shows as a whole, rather than treat each individual piece of evidence in isolation: see *New Yorker SHK Jeans GmbH & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-415/09, paragraph 53.

52. The proprietor submits that the applicant has failed to show genuine use of the earlier mark for the goods for which it is registered. In particular, it argues that the mark is not shown on the goods themselves and that what is shown, if anything, is use in relation to sales and marketing services.[25] I accept that there is little evidence showing the earlier mark affixed to the goods; however, the brochures and website screenshots show the mark being used to indicate the origin of goods. They clearly present the applicant as a manufacturer, rather than a retailer, of goods. I am satisfied that the applicant has achieved substantial sales of mattresses and bed bases during both of

[25] Final written submissions of the proprietor, paragraph 26.

the relevant periods throughout the United Kingdom. The invoices show sales in different parts of the UK during the second relevant period, and the John Lewis brochure from the first relevant period indicates that that goods were available throughout the country. I note that the applicant is not relying on use of the earlier mark for *Furniture* beyond beds or on parts and fittings for the goods for which the mark is registered.[26]

53. I note also that 3% of sales in both periods relate to bedding products. Mr Keen has not explained what is meant by this term, although in its submissions the applicant argues that it includes products such as pillows and mattress protectors.[27] I have found that there is some evidence of use in relation to pillows and mattress protectors in the form of brochures and websites, but there is little to indicate the scale of use for these individual products, beyond a single invoice showing a sale of a mattress topper in 2020. Genuine use of a trade mark cannot be proved by means of probabilities or suppositions, but must be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned. In my view, the evidence does not meet this standard in relation to those goods that are argued to be included in the term *Bedding*, particularly with regard to the first relevant period.

54. The proprietor has a further criticism to make. It submits that the earlier mark has not been used on its own, but with added matter, including the Royal Warrant and/or the strapline *The Most Comfortable Beds in the World*. However, the Court of Justice of the European Union ("CJEU") stated in *Colloseum Holdings AG v Levi Strauss & Co*, Case C-12/12 at paragraphs 32-36 that use of a mark encompasses use of that mark with, or as part of, another mark, so long as it continues to be perceived as indicative of the origin of the goods or services at issue. In my view, neither the Royal Warrant nor the strapline would have any trade mark significance for the average consumer. I therefore consider that the use criticised by the proprietor is use of the mark.

55. I now need to decide what goods the applicant may rely on in these proceedings. In *Merck KGaA v Merck Sharp & Dohme Corp & Ors* [2017] EWCA Civ 1834, Kitchin LJ (as he then was) set out the approach to be followed when considering partial

[26] Written submissions of the applicant dated 3 July 2023, paragraph 2.1.
[27] *Ibid*.

revocation of a trade mark. The same approach is relevant when framing a fair specification as part of the assessment of genuine use:

> "244. As I described in *Maier v Asos*, the approach to be adopted is relatively straightforward (although I readily acknowledge that it may on occasion be difficult to apply) and it is in my view consistent with the earlier decisions of the Court of Appeal to which I referred at paragraph [63]. On reflection, I think it can be expressed more clearly as follows.
>
> 245. First, it is necessary to identify the goods or services in relation to which the mark has been used during the relevant period.
>
> 246. Secondly, the goods or services for which the mark is registered must be considered. If the mark is registered for a category of goods or services which is sufficiently broad that it is possible to identify within it a number of subcategories capable of being viewed independently, use of the mark in relation to one or more of the subcategories will not constitute use of the mark in relation to all of the other categories.
>
> 247. Thirdly, it is not possible for a proprietor to use the mark in relation to all possible variations of a product or service. So care must be taken to ensure this exercise does not result in the proprietor being stripped of protection for goods or services which, though not the same as those for which use has been proved, are not in essence different from them and cannot be distinguished from them other than in an arbitrary way.
>
> 248. Fourthly, these issues are to be considered having regard to the perception of the average consumer and the purpose and intended use of the products or services in issue. Ultimately it is the task of the tribunal to arrive at a fair specification of goods or services having regard to the use which has been made of the mark."

56. The specification of the earlier mark is for the following goods in Class 20: *Bedding (other than bed clothing), mattresses and furniture; and parts and fittings included in Class 20 for all the aforesaid goods.* I have already noted that the applicant is not seeking to rely on *Furniture* (beyond beds) or on *Parts and fittings*. I have found that

the evidence does not show genuine use for *Bedding (other than bed clothing)*. The use I have found concerns mattresses and divans (bed bases).

57. In my view, a fair specification would be *Mattresses; Furniture, namely beds and bed bases*. This is because I consider that the average consumer would on encountering the goods shown in the evidence describe them as "beds". To restrict the fair specification to *Mattresses* and *Bed bases* would not accord with the perception of the average consumer. Furthermore, *Beds* are not in essence different from *Mattresses* and *Bed bases* purchased together.

Section 5(2)(b)

58. In considering the application for invalidity under this section, I am guided by the following principles, gleaned from the decisions of the 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 BV* (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-334/05 P) and *Bimbo SA v OHIM* (Case C-519/12 P):

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. The average consumer is deemed to be reasonably well informed and reasonably circumspect and observant, but someone who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them they have kept in their 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 greater 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; and

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

59. It is settled case law that I must make my comparison of the goods and services on the basis of all relevant factors. These include the nature of the goods and services, their purpose, their users and method of use, the trade channels through which they reach the market, and whether they are in competition with each other or are complementary: see *Canon*, paragraph 23, and *British Sugar Plc v James Robertson*

& Sons Limited (TREAT Trade Mark) [1996] RPC 281 at [296]. As the GC said in *Boston Scientific Ltd v OHIM*, Case T-325/06, goods and services are complementary when

> "82. … 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."

60. The goods and services to be compared are shown in the table below:

Contested goods and services	**Earlier goods**
Class 20 *Memory foam mattresses; memory foam beds; memory foam toppers; combination mattresses.*	*Class 20* *Mattresses; Furniture, namely beds and bed bases.*
Class 35 *Retail services connected with the sale of mattresses, via the internet and by mail order; wholesale services connected with the sale of mattresses for export and to the trade.*	

Class 20

61. The proprietor has admitted that *Memory foam mattresses; memory foam toppers; combination mattresses* are identical to *Bedding (other than bed clothing)* and *Mattresses*. However, *Bedding (other than bed clothing)* is not included in the fair specification, and so I shall proceed with a comparison of these goods.

62. Where goods in the specification of one party are included in a broader term from the other party's specification, those goods are considered to be identical: see *Gérard Meric v OHIM*, Case T-133/05, paragraph 29. *Memory foam mattresses* and *Combination mattresses* in the proprietor's specification are included in the broader term *Mattresses* from the applicant's specification. Consequently, I find them to be

identical. I also find that the proprietor's *Memory foam beds* and the applicant's *Beds* are identical on the same principle.

63. This leaves *Memory foam toppers*. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

> "12. … Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

64. In my view, the natural, or core, meaning of *Memory foam toppers* is a product that is used on top of a mattress, perhaps to provide a greater degree of comfort or support for the sleeper, and that is made of memory foam. These goods and mattresses will be purchased by the same users and, in my view, it is likely that they will share the same trade channels. There is some similarity in purpose, as both goods are purchased to enable the user to have a comfortable night's sleep. The contested goods also share the same nature as *Mattresses*, insofar as those mattresses are made of memory foam. The term on which the applicant can rely is broad and would include mattresses of this type. The method of use is similar, as the mattress will be placed on a bed frame or base and the topper on top of that mattress. The goods are not in competition. There is, in my view, a degree of complementarity, as a mattress is indispensable for the use of the topper and I consider that the average consumer would assume that the goods came from the same undertaking, particularly given the shared nature. Taking all these factors into account, I find that *Memory foam toppers* and *Mattresses* are highly similar.

Class 35

65. I shall compare the contested Class 35 retail and wholesale services with the earlier *Mattresses*.

66. In *Oakley, Inc. v OHIM*, Case T-116/06, at paragraphs 46-57, the GC held that although retail services are different in nature, purpose and method of use from goods, retail services for particular goods may be complementary to those goods, and distributed through the same trade channels, and therefore similar to a degree.

67. In *Tony Van Gulck v Wasabi Frog Ltd*, BL O/391/14, Mr Geoffrey Hobbs QC, sitting as the Appointed Person, reviewed the law concerning the comparison of retail services and goods. He said:

> "9. The position with regard to the question of conflict between use of **BOO!** for handbags in Class 18 and shoes for women in Class 25 and use of **MissBoo** for the Listed Services is considerably more complex. There are four main reasons for that: (i) selling and offering to sell goods does not, in itself, amount to providing retail services in Class 35; (ii) an application for registration of a trade mark for retail services in Class 35 can validly describe the retail services for which protection is requested in general terms; (iii) for the purpose of determining whether such an application is objectionable under Section 5(2)(b), it is necessary to ascertain whether there is a likelihood of confusion with the opponent's earlier trade mark in all the circumstances in which the trade mark applies for might be used if it were to be registered; (iv) the criteria for determining whether, when and to what degree services are *'similar'* to goods are not clear cut."

68. However, on the basis of the European courts' judgments in *Sanco SA v OHIM* (Case C-411/13 P) and *Assembled Investments (Proprietary) Ltd v OHIM* (Case T-105/05), upheld on appeal in *Waterford Wedgwood Plc v Assembled Investments (Proprietary) Ltd* (Case C-398/07 P), Mr Hobbs concluded that:

> "i) Goods and services are not similar on the basis that they are complementary if the complementarity between them is insufficiently

pronounced that, from the consumer's point of view, they are unlikely to be offered by one and the same undertaking;

ii) In making a comparison involving a mark registered for goods and a mark proposed to be registered for retail services (or vice versa), it is necessary to envisage the retail services normally associated with the opponent's goods and then to compare the opponent's goods with the retail services covered by the applicant's trade mark;

iii) It is not permissible to treat a mark registered for 'retail services for goods X' as though the mark was registered for goods X;

iv) The General Court's findings in *Oakley* did not mean that goods could only be regarded as similar to retail services where the retail services related to exactly the same goods as those for which the other party's trade mark was registered (or proposed to be registered)."

69. It is clear from this case law that where the applicant's retail services are to be compared to the opponent's goods, the retail services will be different in nature, purpose and method of use from those goods. Despite these differences, where there is some complementarity and shared trade channels, retail services *may* be similar to goods. It is equally clear that complementarity alone will not suffice for a finding of similarity, where from the consumer's point of view, the retail services of the applicant would not normally be offered by the same undertaking as the goods. Furthermore, I note that I must not treat the retail services as goods, although consideration of the retail services normally associated with the opponent's goods should be made.

70. Retail and wholesale services are rarely offered in places where the corresponding goods are not sold. Consequently, I find that the goods and services share trade channels. I also find that there is complementarity, given that the goods are important, if not indispensable, to the supply of the services and the average consumer is likely to assume that the goods and services are supplied by the same undertaking. The users of the retail services and the goods will be the same, but the users of wholesale services will be different from the users of the goods, as they are traders rather than end-users. Nevertheless, given that traders are also members of the general public, there will be some overlap. The goods and services differ in nature, purpose and

method of use, and there is no competition. Taking all these factors into account, I find that there is a medium level of similarity between the goods and the services.

Average consumer and the purchasing process

71. The average consumer is deemed to be reasonably well informed and reasonably circumspect: see *Hearst Holdings Inc & Anor v A.V.E.L.A. Inc & Ors*, [2014] EWHC 439 (Ch), paragraph 60. For the purposes of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods and services in question: see *Lloyd Schuhfabrik*, paragraph 26.

72. The parties agree that the average consumer of the goods and retail services is a member of the general public. The proprietor also submits that the average consumer of the wholesale services would be a business. I agree.

73. The level of attention paid by the average consumer is disputed. The proprietor submits that the level will be high and has filed extracts from the applicant's website and a collection of extracts from information put out by retailers, Which? and also organisations such as The Sleep Council which it argues point to a high level of attention.[28] It submits that the goods are relatively expensive and purchased infrequently. Furthermore, the average consumer is likely to consider a wide range of factors, including health and posture benefits. Mr Galloo in his witness statement also puts forward his own opinion as to the behaviour of the average consumer. I agree with the applicant that this is not evidence of fact and so I treat Mr Galloo's comments as submissions. Finally, the proprietor directs me to the decision of the EUIPO to refuse registration to HYPNOS as an EUTM, and submits that in this decision the examiner found that the level of attention paid to the purchase of the goods at issue here was high.[29]

74. The applicant submits that the goods in question are common consumer products. It accepts that beds and mattresses are likely to be higher value purchases, but argues that this does not necessarily mean that the level of attention paid will be high. It also submits that the decision in the EUIPO is not relevant, as it is not binding on the UK

[28] Exhibit SG35.
[29] Exhibit SG38.

office. I agree and will make my own assessment. In doing so, I am permitted to use my own experience, given that these goods are consumer products bought by the general public.

75. I accept that beds and mattresses are infrequent purchases. The applicant's website states that The Sleep Council recommends that a bed is changed every seven years and the applicant's own beds come with a 10-year guarantee.[30] I consider that the average consumer would take some time over the purchase, weighing up the different factors that are important to them personally. For these reasons, I consider that the average consumer would pay a higher than medium degree of attention when purchasing beds and mattresses, although not the very highest. In the case of mattress toppers, which are likely to be less expensive and so more frequently purchased, I consider that the level of attention paid would be medium. The purchasing process will largely be a visual one. The average consumer will see the mark on the goods or on signs in a retail outlet, promotional material, advertisements or websites. However, they are also likely to seek assistance from sales staff and in such circumstances would hear the marks being spoken.

76. Turning to the retail services, I consider that the average consumer will pay a medium degree of attention. They will be interested in the range of goods sold by the retail outlet, the prices charged, delivery times, and the customer service offered by the retailer. The purchasing process will largely be visual. The average consumer will see the mark on signage or in promotional material and websites. They may also receive word-of-mouth recommendations, and so the aural aspect of the mark may have some role to play.

77. The applicant accepts that the level of attention paid by the average consumer of the wholesale services will be slightly higher than that paid by the average consumer of retail services. In my view, it will be slightly higher than medium. As with retail services, the purchasing process will be largely visual, with a smaller role for the aural element.

[30] Exhibit SG32, page 231.

Comparison of marks

78. It is clear from *SABEL* (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. Artificial dissection of the marks would therefore be wrong, although it is necessary for me to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks: see *Bimbo*, paragraph 34.

79. The respective marks are shown below:

Contested mark	**Earlier mark**
	HYPNOS

80. The earlier mark is a plain word mark. In *LA Superquimica v EUIPO*, Case T-24/17, the GC held at paragraph 39 that such plain word marks protected the word or words contained in the mark in whatever form, colour or typeface they might appear. There is no other element that can contribute to the overall impression of the mark apart from the word “HYPNOS”.

81. The contested mark consists of the word “HYPNIA” in rounded lower-case letters. The letter “i” is orange, while the remaining letters are white. They appear on a black background. Below the word “HYPNIA” are the words “MEMORY MATTRESS SPECIALISTS” in much smaller orange lower-case letters. The applicant submits that “HYPNIA” is the dominant and distinctive element of the mark, and that “MEMORY MATTRESS SPECIALISTS” is descriptive.

82. The proprietor disagrees, arguing that the average consumer would notice the additional words, which it denies are descriptive, and the *“unusual … font, in white,*

with the letter I strikingly appearing in yellow".[31] It submits that "MEMORY MATTRESS SPECIALISTS" cannot be descriptive because goods (such as mattresses) cannot be specialists, as they are not people. It also argues that it is not descriptive of the retail or wholesale services as these relate to furniture, and mattresses are not furniture. The furniture retail and wholesale services are to be found in the specification of the 841 mark and, for reasons that I have already explained, the application to invalidate this mark has failed. The services still in play are *Retail services connected with the sale of mattresses, via the internet and by mail order* and *Wholesale services connected with the sale of mattresses for export and to the trade*. In my view, these words are descriptive of a characteristic of the retail or wholesale services, in that they are provided by a specialist in memory mattresses and so the average consumer would expect a high degree of expertise and/or a focus on these goods. Turning to the goods, the words "MEMORY MATTRESS" are certainly descriptive of the kind of goods for which the mark is registered and "SPECIALISTS" may be allusive of the quality of the goods. Even if it is not allusive, I consider that the phrase "MEMORY MATTRESS SPECIALISTS" will have no trade mark significance for the average consumer.

83. I am unpersuaded that the stylisation of the mark will play much of a role in the overall impression of the contested mark. I do not see that there is anything particularly unusual about the typeface. I acknowledge that the letter "I" appears in a different colour, but I consider the contribution this makes to the overall impression of the 629 mark is small. In my view, the dominant and distinctive element of the mark is the word "HYPNIA". In coming to this position, I have borne in mind the case law in which the courts have frequently held that the average consumer is more likely to refer to goods or services by using the verbal element of the mark, rather than by describing figurative or stylistic elements: see, for example, *Wassen International Ltd v OHIM (SELENIUM-ACE)*, Case T-312/03 at paragraph 37; *Migros-Genossenschafts-Bund v EUIPO (CReMESPRESSO)*, Case T-68/17 at paragraph 52.

[31] Counterstatement, paragraph 17.

Visual comparison

84. The earlier mark consists of six letters, as does the more dominant element of the contested mark. The first four of these letters are the same: “HYPN”. The applicant submits that, as a result, the marks are visually highly similar. The proprietor submits that they are visually similar to a low degree and that nothing makes “HYPN” stand out as a sequence of letters. In its written submissions, the proprietor argues that the letters are *“utterly meaningless”*. It also notes that the endings “-OS” and “-IA” are different.

85. Whether the letters are meaningless or not, is more a question for the conceptual comparison. Here I must consider what the marks look like, and it cannot be denied that they each contain a word beginning with the same four letters “HYPN”. I have found that this word is the dominant and distinctive element of the 629 mark, and it is the only element of the earlier mark. In *El Corte Inglés SA v OHIM*, Cases T-183/02 and T-184/02, the GC held that beginnings of words tend to have more visual and aural impact than the ends, although I acknowledge that this is not a hard-and-fast rule. However, in this instance, I do consider that it is the beginning of the words that will have the most impact. Consequently, I find that the marks are visually highly similar.

Aural comparison

86. The earlier mark consists of two syllables and I consider that it would be pronounced as “HIP-NOSS”. The proprietor submits that the average consumer would articulate all four words contained in the earlier mark, but I do not believe that this is likely, given my findings on the descriptiveness or allusiveness of the phrase “MEMORY MATTRESS SPECIALISTS”. In my view, they would just say the first word and this would contain three syllables: “HIP-NEE-YA”. I find that the marks are aurally similar to between a medium and high degree.

Conceptual comparison

87. The applicant submits that the origin of the earlier mark is the name of the Greek god of sleep, Hypnos. It also argues that, while “Hypnia” is the name of an ancient Greek town, this is unlikely to be known by the average consumer, who will see the contested mark as a play on the name of Hypnos, which is also the modern Greek

word for sleep. It adds that the "HYPN" prefix is present in English words associated with sleep. The only example given is "hypnosis".

88. The proprietor does not deny that Hypnos is the Greek god of sleep and that Hypnia was an ancient Greek town. However, it submits that the average consumer in the UK would not be aware of these meanings. In Exhibit SG25, it has adduced the entry for "Hypnos" from the *Oxford English Dictionary.* It refers to four quotations from 1906 (a letter from soldier and author T.E. Lawrence), 1934 (a poem by Walter de la Mare), 1938 (a reference in *Classical Weekly*) and 1970 (a reference in the *Oxford Classical Dictionary*). I consider that this is a small number of quotations appearing in works that are unlikely to be familiar to the average consumer. While I accept that the average consumer may be aware of some of the better-known Greek gods – perhaps Zeus, Aphrodite or Athene – I think it unlikely that they will know about Hypnos.

89. Elsewhere, there is evidence that the word "HYPNOS" is a transliteration of the modern Greek ύπνος meaning "sleep".[32] However, I have no evidence on the proportion of the UK population that speaks Greek and I consider it likely that a significant proportion of consumers will not know this either.

90. The proprietor also denies that the prefix "HYPN-" is used for words associated with sleep. It argues that hypnosis is not a state of being asleep and adduces a selection of exhibits to show that it is in fact a state of relaxation or changed consciousness.[33] For consumers to make a link between the marks and the word "Hypnosis" and its derivatives, requires some thought and it is my view that a significant proportion will not do so. The case law is clear that the average consumer does not subject trade marks to detailed analysis. Consequently, I find that the average consumer is not likely to see any meaning in either mark, and so there is no conceptual comparison to be made. Even if the average consumer does associate "HYPNOS" with "Hypnosis", on the basis that the former is completely contained in the latter, I am not persuaded that they will make the same association with respect to the contested mark, which is likely to be perceived as an invented word. For these consumers, the marks are conceptually dissimilar.

[32] Exhibit SG38, page 273.
[33] Exhibits SG30-SG32.

Distinctive character of the earlier mark

91. Distinctive character is a measure of how strongly a mark distinguishes the goods or services of one undertaking from those of others. The factors that I must take into account in assessing the level of distinctive character were set out by the CJEU in *Lloyd Schuhfabrik Meyer*:

> "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)."

92. Registered trade marks possess varying degrees of inherent distinctive character from the very low, because they are suggestive of, or allude to, 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 the mark can be enhanced by the use that has been made of it.

93. I have found that the average consumer is likely to see no meaning in the word "HYPNOS". Consequently, the earlier mark has a high degree of inherent distinctive character. Even if they associate the earlier mark with the word "HYPNOSIS", this is only very mildly allusive of the applicant's goods, and is based on the association of the word "hypnosis" with being in a relaxed state, as the average consumer may also see a bed as a place in which to relax. For those consumers, the earlier mark has a level of inherent distinctiveness that is between low and medium.

94. I have already summarised the evidence that goes to the use made of the earlier mark, so I shall not repeat myself here. I am satisfied that use is long-standing and spread throughout the United Kingdom. The applicant has also provided me with figures on the share of the market enjoyed by the earlier mark (5% in the period 3 June

2004 to 2 June 2009 and 8% from 26 January 2018 to 25 January 2023). The applicant's goods have been sold in major retailers of furniture. I accept that I have not been given figures for the amounts spent on promoting the mark, but taking the evidence as a whole, I consider that it shows long-standing use at a significant level. In my view, the distinctive character of the mark has been enhanced through this use. For consumers who see no meaning in the word "HYPNOS", the distinctive character of the earlier mark is very high; for consumers who see an association with "HYPNOSIS", the distinctive character of the earlier mark is medium. If I am wrong in this, the distinctive character of the earlier mark is still high for a significant proportion of consumers on the basis of its inherent characteristics.

Conclusions on likelihood of confusion

95. Making an assessment of the likelihood of confusion is a matter of considering the relevant factors from the viewpoint of the average consumer of the goods and services at issue and determining whether they are likely to be confused. When doing this, I am required to bear in mind that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely on the imperfect picture of them that they have in their mind. This means that the global assessment emulates what happens in the mind of the average consumer on encountering the later mark with an imperfect recollection of the earlier mark in mind. There is no law setting out precisely what weight should be attached to each of the factors or providing a formula that can be applied to any set of circumstances. However, I am required to take account of the interdependency principle, i.e. that a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and services or vice versa.

96. Earlier in my decision, I found that:

a) The parties' goods are identical or highly similar, and the contested services are similar to the earlier goods to a medium degree;

b) The average consumer of the goods and retail services is a member of the general public and the average consumer of the wholesale services is a business;

c) The average consumer will pay a degree of attention that is higher than medium when purchasing beds and mattresses, and a medium degree of attention when purchasing mattress toppers and choosing the retail services. The purchasing process is largely visual, although the consumer may also hear the marks spoken;

d) The level of attention paid by the average consumer of the wholesale services is slightly higher than medium. Again, the purchasing process will largely be visual, although there may be some aural aspects;

e) The dominant and distinctive element of the contested mark is the word "HYPNIA";

f) The marks are visually similar to a high degree and aurally similar to between a medium and high degree;

g) The average consumer is not likely to see any meaning in either mark and in that case there is no conceptual comparison to be made;

h) If the average consumer associates the word "HYPNOS" with "Hypnosis", the marks are conceptually dissimilar;

i) For the consumers in (g) above, the earlier mark has a high degree of inherent distinctive character which has been enhanced through use; and

j) For the consumers in (h) above, the earlier mark has a low to medium degree of inherent distinctive character which has been enhanced to a medium to high degree through use.

97. At this point, I need to address an issue raised by the proprietor, which, it submits, mitigates against the likelihood of confusion. It argues that the parties' respective goods occupy different parts of the market and are sold through different distribution channels. In *Devinlec Développement Innovation Leclerc SA v OHIM*, Case C-171/06 P, the CJEU said that:

"59. As regards the fact that the particular circumstances in which the goods in question were marketed were not taken into account, the Court of First

> Instance was fully entitled to hold that, since these may vary in time and depending on the wishes of the proprietors of the opposing marks, it is inappropriate to take those circumstances into account in the prospective analysis of the likelihood of confusion between those marks."

98. I am required to consider fair use of the mark, rather than how it might currently be used. The goods in respect of which the 629 mark is registered could be sold through any distribution channel and could be marketed towards the budget-conscious shopper or the seeker of luxury items. The same consideration applies in the case of the earlier mark. Therefore, this is not a line of argument that can help the proprietor.

99. The proprietor submits that there have been no instances of actual confusion, and that consumers are capable of distinguishing between the marks. It refers me to Exhibit SG20 which contains a selection of reviews and discussions from various websites. They show different people mentioning Hypnos and Hypnia mattresses. The only exception is a review of a Hypnia mattress on the Amazon website.[34] Mr Galloo says *"That the people on that forum must be reading one another's comments, but no-one posts about being confused."* This comment has no evidential value. It cannot be assumed that users of these forums read other users' comments before or after they have posted their own responses to any questions.

100. In *Maier & Anor v ASOS & Anor*, [2015] EWCA Civ 220, Kitchin LJ (as he then was) stated that:

> "80. … the likelihood of confusion must be assessed globally taking into account all relevant factors and having regard to the matters set out in *Specsavers* at paragraph [52] and repeated above. If the mark and the sign have both been used and there has been actual confusion between them, this may be powerful evidence that their similarity is such that there exists a likelihood of confusion. But conversely, the absence of actual confusion despite side by side use may be powerful evidence that they are not sufficiently similar to give rise to a likelihood of confusion. This may not always be so, however. The reason for the absence of confusion may be that the mark has only been used to a limited extent or in relation to only

[34] Page 160.

some of the goods or services for which it is registered, or in such a way that there has been no possibility of the one being taken for the other. So there may, in truth, have been limited opportunity for real confusion to occur."

101. I shall consider the proprietor's evidence of use in due course, but for now I note that the proprietor itself submitted that the parties' respective goods are sold through different distribution channels to different parts of the market, so it is not clear how, on the face of it, I can read much into the lack of evidence of actual confusion. Furthermore, as I have already noted, I am required to consider how the marks could fairly be used.

102. There are two types of confusion: direct and indirect. In *L.A. Sugar Limited v Back Beat Inc*, BL O/375/10, Mr Iain Purvis QC, sitting 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 recognised that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but analysed in formal terms, is something along the following lines: 'The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

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

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark

at all. This may apply even where the other elements of the later mark are quite distinctive in their own right ('26 RED TESCO' would no doubt be such a case).

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

(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)."

103. I must assess the likelihood of confusion from the perspective of the average consumer. In *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41, Kitchin LJ (as he then was) considered the characteristics of the average consumer. Although this was an infringement case, the principles apply equally under section 5(2)(b):

"34. … This court considered the characteristics of the average consumer at some length in *Interflora Inc v Marks and Spencer plc* [2015] EWCA Civ 1403, [2014] FSR 10 from [107] to [130]. The following general points emerge further to those set out above:

i) the average consumer is a hypothetical person or, as he has been called, a legal construct; he is a person who has been created to strike the right balance between the various competing interests including, on the one hand, the need to protect consumers and, on the other hand, the promotion of free trade in an openly competitive market, and also to provide a standard, defined in EU law, which national courts may then apply;

ii) the average consumer is not a statistical test; the national court must exercise its own judgment in accordance with the principle of proportionality and the principles explained by the Court of Justice to determine the perceptions of the average consumer in

any given case in the light of all the circumstances; the test provides the court with a perspective from which to assess the particular question it has to decide;

iii) in a case involving ordinary goods and services, the court may be able to put itself in the position of the average consumer without requiring evidence from consumers, still less expert evidence or a consumer survey. In such a case, the judge can make up his or her own mind about the particular issue he or she has to decide in the absence of evidence and using his or her own common sense and experience of the world. A judge may nevertheless decide that it is necessary to have recourse to an expert's opinion or a survey for the purpose of assisting the court to come to a conclusion as to whether there is a likelihood of deception;

iv) the issue of a trade mark's distinctiveness is intimately tied to the scope of the protection to which it is entitled. So, in assessing an allegation of infringement under Article 5(1)(b) of the Directive arising from the use of a similar sign, the court must take into account the distinctiveness of the trade mark, and there will be a greater likelihood of confusion where the trade mark has a highly distinctive character either per se or as a result of the use which has been made of it. It follows that the court must necessarily have regard to the impact of the accused sign on the proportion of consumers to whom the trade mark is particularly distinctive.

v) If, having regard to the perceptions and expectations of the average consumer, the court concludes that a significant proportion of the relevant public is likely to be confused such as to warrant the intervention of the court then it may properly find infringement."

104. I found that a significant proportion of consumers would not perceive the earlier mark as having any meaning and that consequently it was inherently highly distinctive.

I also found that the use that the applicant had made of the earlier mark had enhanced this inherent distinctiveness. Despite my finding that they would pay a degree of attention that is higher than medium when purchasing most of the goods or choosing the wholesale services, I consider that, given the identity or high degree of similarity between the goods and the medium degree of similarity between the earlier goods and the services together with the high degree of visual similarity between the marks in what would be a largely visual purchasing process, there is a likelihood that they will mistake one mark for the other and so be directly confused. In my view, the proportion of consumers who would be confused is sufficient to warrant the intervention of the tribunal.

105. I shall briefly mention indirect confusion but only to say that if the average consumer identifies the marks as being different, I see no reason why HYPNIA would be a logical sub-brand, brand extension or other mark of HYPNOS, or vice versa.

Statutory Acquiescence

106. Section 48(1) of the Act states that a party may not seek to invalidate a later mark if it has acquiesced in the use of the mark for a continuous period of five years. In *Budějovický Budvar Národní Podnik v Anheuser-Busch Inc*, Case C-482/09, the CJEU identified four conditions that must be met for the five-year period to start. It said:

> "54. First, since Article 9(1) refers to a 'later registered trade mark', registration of that mark in the Member State concerned constitutes a necessary condition. The period of limitation in consequence of acquiescence cannot therefore start to run from the date of mere use of a later trade mark, even if the proprietor of that mark subsequently has it registered.
>
> …
>
> 56. Second, the application for registration of the later trade mark must have been made by its proprietor in good faith.
>
> 57. Third, the proprietor of the later trade mark must use his trade mark in the Member State where it is registered.

> 58. Fourth, the proprietor of the earlier trade mark must be aware of the registration of the later trade mark and of the use of that trade mark after its registration."

107. In *Industrial Cleaning Equipment (Southampton) Limited v Intelligent Cleaning Equipment Holdings Co Ltd & Anor* [2023] EWCA Civ 1451, Arnold LJ held that the five-year period begins to run when the proprietor of the earlier trade mark becomes aware of the use of the later trade mark, whether or not it is aware of the registration of the later trade mark. In doing so, he concluded that the Court should depart from *Budvar* on this particular point.

108. The 629 mark is a registered mark and so the first condition is clearly met. I note that, while the applicant states that it does not accept that the application for the 629 mark was made in good faith, it does not pursue this point.[35] I understand that the applicant's position is that, while the 629 mark was applied for on 9 January 2009, the mark has not been used for the necessary five-year period and that the applicant only became aware of it in 2022.

109. The proprietor submits that it can be inferred that the applicant was aware of the use and that it would be strange for a company of the alleged size of the applicant not to be aware of other players in the market. However, in *Asolo Ltd v EUIPO*, Case T-150/17, the GC said that:

> "35. … the proprietor of a trade mark which is contested by way of an application for a declaration of invalidity cannot merely prove the potential awareness of the use of his trade mark by the proprietor of an earlier trade mark or establish consistent evidence giving rise to the presumption of the existence of such awareness (see, to that effect and by analogy, judgment of 20 April 2016, *SkyTec*, T-77/15, EU:T:2016:226, paragraph 34)."

110. It is necessary for the proprietor to prove the actual awareness of the use of that mark: see *Asolo*, paragraph 34. The proprietor has adduced no evidence to show that the applicant was aware of the use of the contested mark, and so the defence of statutory acquiescence fails.

[35] Written submissions of 3 July 2023 at [4.5].

Honest Concurrent Use

111. In *Budvar*, the CJEU held that:

> "74. In that context, it follows from the foregoing that Article 4(1)(a) of Directive 89/104 must be interpreted as meaning that a later registered trade mark is liable to be declared invalid where it is identical with an earlier trade mark, where the goods for which the trade mark was registered are identical with those for which the earlier trade mark is protected and where the use of the later trade mark has or is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods.
>
> 75. In the present case, it is to be noted that the use by Budvar of the Budweiser trade mark in the United Kingdom neither has nor is liable to have an adverse effect on the essential function of the Budweiser trade mark owned by Anheuser-Busch.
>
> 76. In that regard, it should be stressed that the circumstances which gave rise to the dispute in the main proceedings are exceptional.
>
> 77. First, the referring court states that Anheuser-Busch and Budvar have each been marketing their beers in the United Kingdom under the word sign 'Budweiser' or under a trade mark including that sign for almost 30 years prior to the registration of the marks concerned.
>
> 78. Second, Anheuser-Busch and Budvar were authorised to register jointly and concurrently their Budweiser trade marks following a judgment delivered by the Court of Appeal (England and Wales) (Civil Division) in February 2000.
>
> 79. Third, the order for reference also states that, while Anheuser-Busch submitted an application for registration of the word 'Budweiser' as a trade mark in the United Kingdom earlier than Budvar, both of those companies have from their beginning used their Budweiser trade marks in good faith.

> 80. Fourth, as was stated in paragraph 10 of this judgment, the referring court found that, although the names are identical, United Kingdom consumers are well aware of the difference between the beers of Budvar and those of Anheuser-Busch, since their tastes, prices and get-ups have always been different.
>
> 81. Fifth, it follows from the coexistence of those two trade marks on the United Kingdom market that, even though the trade marks were identical, the beers of Anheuser-Busch and Budvar were clearly identifiable as being produced by different companies.
>
> 82. Consequently, as correctly stated by the Commission in its written observations, Article 4(1)(a) of Directive 89/104 must be interpreted as meaning that, in circumstances such as those of the main proceedings, a long period of honest concurrent use of two identical trade marks designating identical products neither has nor is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods or services."

112. In *Match Group, LLC & Ors v Muzmatch Ltd & Anor* [2023] EWCA Civ 454 at paragraphs 115 to 117, Arnold LJ held that honest concurrent use is not a separate defence in a trade mark case, but a factor which can be taken into account in deciding whether use of the later mark will affect the functions of the earlier mark. A use which was initially infringing could eventually cease to be infringing if the trade mark proprietor took no action, there was substantial parallel trade for a long period, and as a result the trade marks came to be understood by the relevant class of consumers as denoting the goods or services or more than one trader. In that scenario, there would no longer be a likelihood of confusion. He said that, once a claimant has established a *prima facie* case of infringement, the burden shifts to the defendant to establish that, by virtue of its honest concurrent use, there is no longer an adverse effect on any of the functions of the earlier trade mark.

113. The *Budvar* case shows that honest concurrent use may also be relevant in trade mark opposition and cancellation proceedings. Consequently, the above guidance also applies to proceedings of this kind.

114. Mr Galloo explains that the HYPNIA mark was originally used by a Hong Kong company, 3am Ltd. The mark was assigned to the proprietor in April 2022. Phasis, Mr Galloo's company, is a wholly-owned subsidiary of the proprietor and, he states, an exclusive licensee of the proprietor.[36]

115. Mr Galloo has filed information that he claims shows sales of HYPNIA branded goods in the UK since 2009. The first of these is a spreadsheet, which he says was *"prepared by the Proprietor with the assistance of contacts at 3am Ltd (with whom they are still in touch …)"*.[37] According to his witness statement, this spreadsheet contains global and UK-specific turnover figures for sales of HYPNIA mattresses and related bedding products. However, only one figure is given for each year and the heading of the table states that these are for *"GLOBAL 3am Turnover on Hypnia"*. In paragraph 28 of his witness statement, Mr Galloo says that they were UK sales. I note that some of the sales are recorded as coming from UK websites and the figures are given in GBP, but this does not in itself mean that the sales were made in the UK. The location of these sales is therefore unclear.

116. Mr Galloo acknowledges that there are some problems with this data. In particular, he describes it as *"somewhat generic"* and explains that this is because the detailed data underpinning it remains with the original proprietor, 3am. This is not information to which the witness has had direct access. Mr Galloo says that the contents of the spreadsheet in Exhibit SG4 are corroborated by extracts from Excel spreadsheets showing Amazon sales between 2013 and 2022. These are contained in Exhibit SG5. However, only one of the sheets in question shows the location of any customers. This contains information relating to sales in January 2016.[38] There is also a sample of eBay invoices in Exhibit SG6, although there are only two, dated 31 March 2013 (for the sale of 1 mattress at £114.99) and 25 April 2013 (for the sale of 2 mattresses and a mattress topper for £312.94). Exhibit SG7 contains a note from the auditor of Phasis Web showing sales of HYPNIA-branded products in the UK between 1 May 2022 and 30 April 2023 (£719,549.59) and 1 May 2023 to 20 August 2023

[36] Paragraphs 8-21.
[37] Paragraph 27 and Exhibit SG4.
[38] Pages 59-60.

(£232,743.33). All the sales in the second of these periods were made after the application for invalidity had been filed.

117. Mr Galloo has admitted that he does not have access to the records pertaining to 3am's alleged use of the 629 mark. Hearsay evidence can be taken into account and given such weight as the Tribunal considers appropriate. What weight is to be attached to that evidence will depend upon a number of factors which are set out in section 4 of the Civil Evidence Act 1995, which is as follows:

> "(1) In estimating the weight (if any) to be given to hearsay evidence in civil proceedings the court shall have regard to any circumstances from which any inference can reasonably be drawn as to the reliability or otherwise of the evidence.
>
> (2) Regard may be had, in particular, to the following-
>
> (a) whether it would have been reasonable and practicable for the party by whom the evidence was adduced to have produced the maker of the original statement as a witness;
>
> (b) whether the original statement was made contemporaneously with the occurrence or existence of the matters stated;
>
> (c) whether the evidence involves multiple hearsay;
>
> (d) whether any person involved had any motive to conceal or misrepresent matters;
>
> (e) whether the original statement was an edited account, or was made in collaboration with another or for a particular purpose;
>
> (f) whether the circumstances in which the evidence is adduced as hearsay are such as to suggest an attempt to prevent proper evaluation of its weight."

118. In my view, it would have been reasonable for the proprietor to have produced a witness statement from someone at 3am who did have full access to the relevant records. The documents that Mr Galloo claims corroborate his witness statement do

not present a clear picture, and so I find that the evidence relating to sales does not assist the proprietor.

119. Mr Galloo then goes on to present exhibits that purport to show use of the mark on websites and in other promotional materials. A series of screenshots obtained via the Wayback Machine are dated between 2010 and 2012. They have been compressed so that each page of Exhibit SG9 contains three screenshots. As a result, they are not altogether easy to read. However, the mark can be seen as shown in the following example dated 8 February 2011:[39]

120. Exhibits SG10 and SG11 contain images that were either captured after the date of application for invalidity or are undated. They also show the mark in a different form:

HYPNIA

121. Exhibit SG12 contains screenshots from YouTube videos, along with the numbers of views. It appears from this exhibit that only three videos were posted, and these date from 11 or 12 years before the time when the screenshots were captured. They have received around 19k, 16k and 175k views respectively. Mr Galloo notes

[39] Page 86.

that the videos are in the English language and says that *"While YouTube is global and the views figures above are similarly global, a good number of those views over time will have come from the UK market, given the ads are clearly directed at that market."*[40] I cannot see anything in the exhibit that suggests that the videos were intended for the UK market. They may be in English, but that is a language widely spoken in many countries around the world. Mr Galloo says the third of the videos ("Hypnia Memory Foam Mattress Video including Mattress Tests") was shown on UK television in 2011. This is information relating to the period when the mark was owned by 3am, and Mr Galloo does not say where this information comes from. The exhibit he uses to support this statement contains an extract from the Internet Movie Database ("IMDb") does not say where the advert was shown. Consequently, I accord little weight to this evidence.

122. Mr Galloo adds that HYPNIA has had a presence on social media for some time. He states that the Facebook account has been active since at least October 2016 and presents a number of posts in Exhibit SG15. These date either from 1 October 2016 or 2022 and do not show the mark as registered. Indeed, the post reproduced below could suggest that there has been a period of inactivity:[41]

[40] Paragraph 47.
[41] Page 110.

123. Mr Galloo states that the account has 25k followers, but it is not clear how many followers it had on or before the date on which the application for invalidity was filed.

124. Exhibit SG26 shows the Twitter account, with an example of a single post from 2017. Again, the mark as registered is not shown. The account had 1309 followers at the time the screenshot was captured.

125. Mr Galloo says that the HYPNIA Instagram account has been active since at least 31 May 2022. This is barely six months before the date on which the application for invalidity of the 629 mark was filed. The mark as registered is not shown on the screenshots.

126. He also states that the HYPNIA brand and goods marketed under it have *"long been and are reported in the hard copy and online UK press"*.[42] Exhibit SG18 contains 12 examples and Exhibit SG19 two examples, many of which come from 2023. Of those that were posted before the invalidity application was filed, one is a review of the Hypnia Supreme Hybrid mattress, posted on 6 September 2022 on yours.co.uk, which shows the word "Hypnia" and the mark in the form shown in paragraph 120 above. There is also a question asked on the John Ryan by Design website ("Can you advise on Hypnia brand mattress?") on 16 September 2012. The final pre-2023 article is on the Little Big Bell website: it is entitled "Hypnia – The wonders of a Hybrid mattress for a better night's sleep" and is dated 27 July 2022. I have no information on the reach of these websites.

127. On the basis of the evidence before me, the extent of any parallel trading is unclear. I have found the evidence of sales to have little weight, given that it is hearsay and not clearly corroborated by documentary evidence. Furthermore, as I have already noted, I consider that it would have been reasonable to expect a witness statement from 3am, particularly as it is said that they assisted with the production of some of the financial information. There is some evidence of use on the website, but there is little social media, internet or press coverage to suggest that at the date of the application for invalidity there had been substantial parallel trade for a long period. For these reasons, the attempted reliance on the doctrine of honest concurrent use fails.

[42] Paragraph 54.

128. I pause at this point to note that the applicant has challenged the proprietor's claims that the use of the mark by Phasis has been under licence and therefore authorised by the proprietor. However, even taking Mr Galloo's evidence on this point at face value, I have rejected the claims of honest concurrent use.

129. The application to invalidate the 629 mark is successful under section 5(2)(b).

Section 5(3)

130. The conditions of section 5(3) are cumulative. First, the marks at issue must be identical or similar. Secondly, the applicant must satisfy me that the earlier mark has achieved a level of knowledge/reputation amongst a significant part of the relevant public. Thirdly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them, in the sense of the earlier mark being brought to mind by the application. Fourthly, assuming that the first three conditions have been met, section 5(3) requires that one or more of the three types of damage claimed will occur. It is unnecessary for the purposes of section 5(3) that the goods/services be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

131. The relevant case law can be found in the following judgments of the CJEU: *General Motors Corp v Yplon SA* (Case C-375/97), *Intel Corporation Inc v CPM United Kingdom Ltd* (Case C-252/07), *Adidas Salomon AG v Fitnessworld Trading Ltd* (Case C-408/01), *L'Oréal SA & Ors v Bellure & Ors* (Case C-487/07), *Interflora Inc & Anor v Marks and Spencer plc & Anor* (Case C-323/09) and *Environmental Manufacturing LLP v OHIM* (Case C-383/12 P). 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 Salomon*, 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 and/or services, the extent of the overlap between the relevant consumers for those goods and/or 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 that 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) The more immediately and strongly the earlier mark is brought to mind by the later mark, the greater the likelihood that use of the latter will take unfair advantage of, or will be detrimental to, the distinctive character or the repute of the earlier mark; *L'Oréal*, paragraph 44.

g) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods and/or 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 and/or services for which the earlier mark is registered, or a serious risk that this will happen in the future; *Intel*, paragraphs 76 and 77, and *Environmental Manufacturing*, paragraph 34.

h) 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.

i) 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 on the earlier mark; *L'Oréal*, paragraph 40.

j) 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; *Interflora*, paragraph 74, and the court's answer to question 1 in *L'Oréal.*

Reputation

132. In *General Motors Corp v Yplon SA*, Case C-375/97, the CJEU held that:

"24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or services marketed, either the public at large or a more specialised public, for example traders in a specific sector.

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."

133. The relevant public is the general public for all the goods and the retail services. For the wholesale services, the relevant public includes businesses in the hotel sector and bed and mattress retailers.

134. The factors that are relevant for an assessment of reputation are the same as those I was required to consider when deciding whether the inherent distinctive character of the earlier mark had been enhanced through use. My analysis can be found at [94] above. I am satisfied on the basis of the facts outlined there, that the earlier mark has a strong reputation for beds, bed bases and mattresses and that the reputation was one of high quality. This is attested to by the fact that the applicant had been given a Royal Warrant, which, as the proprietor has observed, is frequently shown alongside the earlier mark.

Link

135. In assessing whether the relevant public will make the required mental link between the marks, I must take account of all relevant factors, which were identified by the CJEU in paragraph 42 of its decision in *Intel*. I have already set out my findings on the strength of the reputation of the earlier mark. I shall now consider the remaining factors.

The degree of similarity between the conflicting marks

136. I adopt the findings I made under section 5(2)(b) that the marks are visually similar to a high degree and aurally similar to a medium to high degree, and that, for a significant proportion of consumers, there is no conceptual comparison to be made.

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

137. I adopt the findings I made under section 5(2)(b) that the goods are identical or highly similar and that the services of the 629 mark are similar to a medium degree to the goods for which the earlier mark has a reputation.

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

138. I adopt the findings I made under section 5(2)(b) that the earlier mark is inherently distinctive for a significant proportion of the relevant public and that this distinctive character has been enhanced through use.

Whether there is a likelihood of confusion

139. I found there to be a likelihood of confusion under section 5(2)(b). Where there is a likelihood of confusion, there is automatically a link created in the mind of the relevant public: see *Intel*, paragraph 57.

Damage

140. The proprietor submits that the applicant's claims of damage are the standard pleadings that would be expected in an opposition, where the contested mark has not yet been used. It argues that its own business has thrived and that the two parties occupy different parts of the market. However, when considering the claim to honest concurrent use, I found myself unable to draw such a conclusion from the evidence before me.

141. I shall deal first with the claim of unfair advantage. This means that consumers are more likely to purchase the goods and services of the proprietor than they would otherwise have been if they had not been reminded of the earlier mark. In *L'Oréal*, the CJEU said:

> "50. The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an advantage taken unfairly by that third party of

the distinctive character or the repute of that mark where that party seeks by that use to ride on the coat-tails of the mark with a reputation 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."

142. Earlier in the same decision, the CJEU also said:

> "41. As regards the concept of 'taking unfair advantage of the distinctive character or the repute of the trade mark', also referred to as 'parasitism' or 'free-riding', that concept relates not to the detriment caused to the mark but to the advantage taken by the third party as a result of the use of the identical or similar sign. It 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."

143. I found that the reputation of the earlier mark is for high quality beds, bed bases and mattresses. In my view, the 629 mark would gain a commercial advantage from the transfer of the image of the earlier mark to the later mark, particularly given the likelihood of direct confusion between them.

144. The application to invalidate the 629 mark is successful under section 5(3).

OUTCOME

145. The application for a declaration of invalidity against UKTM No. 2517629 is successful and the mark is invalidated.

146. The application for a declaration of invalidity against UKTM No. 916475841 has failed and the mark remains registered.

COSTS

147. The cancellation applicant has been successful in one of the invalidations and the proprietor has been successful in the other. Consequently, I award the applicant

the sum of £200 to cover the official fees for the successful application, but otherwise make no award of costs.

148. I therefore order Helios Web to pay Hypnos Limited the sum of £200. This sum is to be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 20th day of December 2024

Clare Boucher
For the Registrar,
Comptroller-General