

**DECISION OF THE CONTROLLER OF INTELLECTUAL PROPERTY  
IN PROCEEDINGS UNDER THE TRADE MARKS ACT, 1996**

In the matter of an application for registration of Trade Mark No. 257681 and in the matter of an opposition thereto.

**ALYSON SMALL**

**Applicant**

(Represented by MacLachlan & Donaldson)

**KING KOIL LICENSING COMPANY, INCORPORATED**

**Opponent**

(Represented by FRKelly)

**The Application**

1. On 31 October 2016, Alyson Small, of 57 Chancellors Road, Newry, United Kingdom made application (No. 2016/02299) under Section 37 of the Trade Marks Act, 1996 (“the Act”) to register “Royal Coil” in respect of the following goods:

**Class 20:** Furniture; Domestic furniture; Metal furniture; Household furniture; Furniture parts; Bedroom furniture; Fitted furniture; Seating furniture; Seats [furniture]; Stuffed furniture; Padded furniture; Upholstered furniture; Furniture chests; Wooden furniture; Furniture frames; Storage furniture; Recliners [furniture]; Dressers [furniture]; Slatted furniture; Furniture units; Units [furniture]; Cushions [furniture]; Furniture cabinets; Lounge furniture; Vanity units [furniture]; Storage modules [furniture]; Furniture for caravans; Living room furniture; Storage drawers [furniture]; Storage boxes [furniture]; Drawers [furniture parts]; Storage cupboards [furniture]; Cupboards being furniture; Furniture incorporating beds; Fitted bedroom furniture; Upholstered convertible furniture; Mattresses; Mattress toppers; Mattress pads; Mattress cushions; Mattress bases; Bed mattresses; Mattresses (Spring -); Spring mattresses; Air mattresses; Foam mattresses; Inner sprung mattresses; Futon mattresses [other than childbirth mattresses]; Mattresses [other than child birth mattresses]; Fire resistant mattresses; Sleeping mats for camping [mattresses]; Beds incorporating inner sprung mattresses; Mattresses made of flexible wood; Nap mats [cushions or mattresses]; Beds, bedding, mattresses, pillows and cushions; Spring assemblies (Non-metallic -) for incorporation into mattresses.

**Class 24:** Furniture coverings (unfitted); Velours for furniture; Coverings for furniture; Throws (furniture coverings); Loose furniture coverings; Coverings (Furniture -) of textile; Furniture

coverings of textile; Silk fabrics for furniture; Woven fabrics for furniture; Unfitted fabric furniture covers; Furniture coverings of plastic; Loose covers for furniture; Loose coverings for furniture; Covers [loose] for furniture; Furniture (Loose covers for -).

2. Following objections by a Trade Mark Examiner on a number of grounds, the application was ultimately accepted for publication on the basis that it was proceeding with the consent of the proprietor of European Union Trade Mark No. 015976665 and on the basis that the mark had been used honestly and concurrently in the Irish marketplace in parallel with Irish Trade Mark Number 105580 (KING KOIL). The application was accepted under number 257681 and advertised accordingly in Journal No. 2345 dated 1 November 2017.
3. A Notice of Opposition pursuant to Section 43 of the Act was filed on 7 December 2017 in the name of KING KOIL LICENSING COMPANY, INC of 7501 S. Quincy Street, Willowbrook, Illinois, United States of America. The Applicant filed a Counter Statement on 5 January 2018 and evidence was, in due course, filed by the parties under Rules 20, 21 and 22 of the Trade Mark Rules, 1996 (“the Rules”). Both parties elected to attend a Hearing on the matter on 31 October 2019.
4. Acting for the Controller, I decided to dismiss the opposition and to allow the application to proceed to registration. The parties were informed of my decision by way of letter dated 18 November, 2019. I now state the grounds of my decision and the materials used in arriving thereat in response to a request by the Opponent in that regard pursuant to Rule 27(2) of the Rules.

### **Grounds of the Opposition**

5. In its Notice of Opposition, the Opponent identifies itself as the proprietor of the following two Irish Trade Mark Registrations:

<b>Number</b>	<b>Trade Mark</b>	<b>Registration Date</b>	<b>Goods</b>
105580	KING KOIL	3/11/1981	Beds, sofa beds, mattresses and box springs for beds, in Class 20
246674	THE INCREDIBLE BED BY KING KOIL	9/2/2012	Beds, box springs and mattresses, in Class 20

The Opponent then raises objections under various Sections of the Act, which I summarise as follows:

- Section 10(2)(b) – *a likelihood of confusion on the part of the public, and the likelihood of association with the Opponent’s earlier marks.*
- Section 10(3) – *use of the mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or reputation of the Opponent’s earlier marks.*
- Section 10(4)(a) – *use of the mark applied for is prohibited by virtue of the law of passing off.*

### **Counter Statement**

6. In its Counter Statement the Applicant denies all the claims made in the Notice of Opposition. The Applicant claims its mark is not similar to the Opponent’s marks and that the goods covered by its application are neither identical nor similar to the goods covered by the Opponent’s registrations. The Applicant claims there is no likelihood of confusion or association and, as a result, the application does not fall foul of Section 10(2)(b).
7. The Applicant claims the lack of similarity between the marks means the application does not offend against Section 10(3) of the Act. As regards the ground of opposition based on Section 10(4)(a), the Applicant denies the Opponent enjoys earlier rights under the Opponent’s marks to the extent that these marks would prevent the Applicant from using the mark applied for by virtue of the law of passing off.

### **Rule 20 Evidence**

8. Evidence submitted by the Opponent under Rule 20 consists of a Statutory Declaration dated 4 April 2018 of David Moffitt and two accompanying exhibits labelled “A” and “B”, and a Statutory Declaration dated 23 April 2018 of David Mark Binke, Chief Executive Officer of the Opponent, and two accompanying exhibits labelled “DMB1” and “DMB2”.
9. For his part Mr Moffitt says he is the Chief Executive of Kayfoam Woolfson Unlimited Company (hereinafter “KW”), of Bluebell Avenue, Dublin 12, a licensee of the Opponent since 1982. Under the terms of the licence KW has full authority to use the trade marks KING KOIL and THE INCREDIDIBLE BED BY KING KOIL in both Ireland and the United Kingdom, which it commenced using in 1983.
10. Mr Moffitt says that initially use of the marks was on mattresses but, over time, that was extended to a wider range of products including bed bases, bed headboards, pillows, mattress

protectors and pillow protectors. He attaches at “Exhibit A” extracts from the KW website [www.kingkoil.ie](http://www.kingkoil.ie) which is used to promote products under the trade mark KING KOIL. He says products in the Spinal Care (6 models) and Pocket Spring (4 models) have been sold since the mid 1990’s and 2010 respectively, while products in the Extended Life (3 models) and Grand Luxury (4 models) ranges have been sold since 2013. The 5 models in the Visco Elastic range made been sold since 2017. All these products have been sold under the trade mark KING KOIL in Ireland.

11. Mr Moffitt states KW employs four full-time sales personnel and one sales manager to sell KING KOIL products in Ireland. The customer base is furniture retailers, bed retailers and the hospitality sector. There is a wide geographic spread of retailers with over 200 stockists including Harvey Norman, EZ Living Interiors, EZ Living Furniture, Arnotts and many independent retailers, including Casey’s in Cork, Meubles in Kilkenny and Galway and Murphys Furniture in Dublin, Kildare and Wexford. He says that since 1983 KW have sold KING KOIL branded products to hundreds of hotels, B&B’s and guesthouses throughout Ireland.
12. He provides turnover figures for the years 2009-2017 which are on an upward trajectory ranging from €4.7 million in 2009 to over €7 million in 2017. He states independent market data is not available but provides his own estimates for the KING KOIL share of the overall market and for the its share of the premium segment – the segment in which he claims KING KOIL branded bed and mattress products are the market leader.
13. Mr Moffitt says KW advertise and promote the trade mark KING KOIL, the bulk of which comprises point-of-sale material through its retail distribution network. He provided approximate figures in respect of the advertising spend between 2009 and 2017 which shows a typical annual spend of €100,000. To support these figures, he attaches at “Exhibit B” extracts from a number of trade publications (both furniture and hotel focused), newspapers, magazines and instore advertisements. He says the substantial use of the KING KOIL brand since 1983 points to the mark enjoying a reputation for beds, mattresses and related products in Ireland.
14. In his Statutory Declaration Mr Binke states he is the Chief Executive Officer of King Koil Licensing Company, Inc and confirms that his Company is the proprietor of the two marks upon

which the opposition is based. He attaches at “Exhibit DMB1” full particulars of these registrations by way of extracts from the Trade Marks Register.

15. He states the claim by the Applicant that there is no similarity between the goods is factually incorrect, as a comparison of the respective specifications shows there is identity between the goods.
16. Mr Binke states the Controller allowed the Application to proceed to advertisement by virtue of a claim to honest concurrent use. He attaches at “Exhibit DMB2” a copy of a letter from the Controller dated 3 October 2017 informing the Proprietor of the KING KOIL mark that during the examination of the Royal Coil application an objection, based on the KING KOIL mark, was taken against the application under Section 10(2)(b) of the Act, and that the Applicant was seeking to avail of the provisions of Section 12(1) of the Act to overcome that objection by claiming there was honest concurrent use of the Applicant’s mark with the KING KOIL mark. He states that he is advised that evidence filed to support the claim to honest concurrent use is not a matter of public record.
17. He states the Opponent has, through its Licensee Kayfoam Woolfson Unlimited Company, used its trade mark KING KOIL in Ireland since 1983. He says he has read the Statutory Declaration of David Moffitt of the Licensee, which was furnished at the request of the Opponent and it pertains to the substantial use leading to a reputation which the Opponent enjoys in Ireland under its KING KOIL trade mark.

### **Rule 21 Evidence**

18. Evidence submitted by the Applicant under Rule 21 consists of a Statutory Declaration, dated 9 November 2018, of Ms Alyson Small, the Opponent and a Director of TCS Imports Limited (hereinafter TCS) which uses the trade mark Royal Coil on her behalf, and 6 accompanying exhibits labelled “RC1” to “RC6”.
19. Ms Small states she has no knowledge of the accuracy or otherwise of the statements made by Mr Moffitt in his Statutory Declaration, particularly those relating to the claimed use of the Opponent’s marks on a wide variety of products. She says there is no indication of the portion of the Opponent’s turnover attributable to each product type and that the Opponent’s claimed market share is nothing other than guesswork.

20. Ms Small says the Opponent’s exhibits show that its mattresses appear to be all either coil or spring mattresses. She says the words king and koil are wholly descriptive of a king-size mattress which contains springs (as opposed to, for example, a memory foam mattress) and that the registration in respect of the Opponent’s KING KOIL trade mark contains a disclaimer of the words “KING” and “KOIL” separately. She states she is surprised the Opponent obtained registration for the trade mark for the combination of the two words.
21. Ms Small provides details of what a king size and queen size mattress are by way of Exhibit “RC 2”, which contains extracts from third party websites. This exhibit also contains details of third party use of the term COIL in Ireland in trade marks or descriptors relating to mattresses.
22. Ms Small states the Royal Coil trade mark has been used continuously in most cities and towns in Ireland in relation to mattresses since 2005. She provides a table showing approximate turnover achieved in respect of mattresses sold under the mark for the years 2012-2016 as follows:

<b>Year</b>	<b>Approximate Turnover</b>
2012	€ 29,407.53
2013	€ 460,521.00
2014	€1,002,135.00
2015	€ 570,939.00
2016	€2,054,934.00

23. Ms Small attaches at Exhibit “RC4” copies of invoices issued to customers in Ireland and Northern Ireland in respect of mattresses. She explains that while the invoices do not refer to Royal Coil, they do refer to “Regency” and “Opulence” which are models of mattresses sold under the trade mark Royal Coil. To support this, she also includes in that exhibit extracts from the retailers’ websites showing this to be the case.
24. Ms Small states the amount spent on advertising Royal Coil has been approximately €50,000 per annum, primarily spent in advertisements in publications such as FURNITURE NEWS and INTERIORS WEEKLY, in national and regional newspapers as well as flyers, the internet and social media. She attaches at Exhibit “RC 5” copies of an undated Royal Coil brochure (which she states dates from February 2013) and an undated Royal Coil pricelist (claimed to be from

March 2017), as well as two advertisements dated December 2013 showing the Royal Coil mark.

25. Ms Small states the parties respective trade marks have coexisted in the marketplace for many years and that to date she is unaware of any confusion. She attaches at Exhibit “RC 6” an extract from a retailer’s website showing the marks being used side-by-side in respect of mattresses.

### **Rule 22 Evidence**

26. Evidence filed under Rule 22 consists of a second Statutory Declaration, dated 8 May 2019 of David Moffit and a Statutory Declaration, also dated 8 May 2019, of Fiona Lambe, sales representative for KW and one accompanying exhibit labelled “FL1”.

27. For his part Mr Moffit states the disputed mark was allowed to proceed to advertisement by virtue of a claim to honest concurrent user. He states the Applicant did not furnish a copy of the Declaration or evidence used to persuade the Trade Mark Examiner to accept the application for advertisement. He says the acceptance was in respect of a broad range of goods, but in these proceedings, while there is some evidence of use of the disputed mark on mattresses, there is no evidence of use on any other goods in the broadly stated specification.

28. Mr Moffit notes that the claimed use of the trade mark Royal Coil is by TCS Imports Limited, but there is nothing to support the statement that use is on behalf of the Applicant, in particular, no licence or terms of any licence was exhibited by the Applicant.

29. As regards the Applicant’s request for clarity in respect of the estimation of market share identified in his first declaration, Mr Moffit says the figures are not guesswork on his behalf, but were calculated based on information from retailers, his sales representatives, investigations by other competitors and from other sources, including publicly available returns filed with the Companies Registration Office.

30. Mr Moffit presents argument about the use of the terms “King”, “Coil” and “Koil” in the mattress business, which I need not detail here.

31. He then turns to the turnover and advertising spend claimed by the Applicant. He states it is unclear whether the figures claimed pertain to Ireland and expresses his belief that they include sales in the United Kingdom, including Northern Ireland. He points to one of the six invoices

exhibited being in respect of a customer in Northern Ireland. He notes, furthermore, that the two named publications in which the Applicant claims to have advertised are UK trade magazines, but in any event not a single copy of a claimed advertisement was exhibited. He states the claimed annual advertising figure of €50,000 should have made it easy for such advertising to be exhibited and no explanation was provided for the absence of such material. He also states the claimed annual advertising budget of €50,000 is strange when compared to the total turnover figure for 2012 of only €29,407.53.

32. Mr Moffit concludes his declaration by stating it is conceivable that instances of confusion have arisen but have not come to the attention of either party. He says that it is only since learning of these opposition proceedings that he asked his company's employees to advise in the event that any instances of confusion come to their attention. He states that because of the difference in quality and price between the respective party's goods the trade channels through which they are sold are very different. He accepts there may be isolated instances where the respective mattresses would be sold through the same outlet, but this would be the exception rather than the rule. He says the parties are at different sectors of the mattress market, but nonetheless registration of the disputed mark would give the Applicant a statutory defence to infringement proceedings irrespective of the market segment in which the Applicant becomes engaged.
33. For her part Fiona Lambe states she is a sales representative with KW. She says that in July 2018 she had a discussion with Patrick Sherlock, a director of Beechmount Furniture, who has been selling mattresses supplied by KW under the trade mark KING KOIL in its Navan showrooms for more than ten years.
34. Ms Lambe states that Mr Sherlock told her he had a recent conversation with a potential customer who was interested in purchasing a KING KOIL mattress. Ms Lambe says that Mr Sherlock told her that the customer told him that she would be able to purchase the same mattress in another outlet for €400 cheaper than what Beechmount Furniture were offering. Ms Lambe states that Mr Sherlock told her that he informed the customer that he did not believe that this was possible. The potential customer promised to send him a photograph of the "cheaper" mattress. Ms Lambe received a copy of the photograph from Mr Sherlock which she attaches at Exhibit "FL1".



35. Ms Lambe concludes her declaration by stating that Mr Sherlock advised the potential customer that the mattress in the picture, was not a KING KOIL mattress. Nonetheless, the potential customer informed Mr Sherlock that given the price difference, she had already purchased the “cheaper” mattress.

### **The Hearing**

36. At the Hearing the Opponent was represented by Mr Shane Smyth, Trade Mark Attorney, of FRKelly and the Applicant by Mr Norman MacLachlan, Trade Mark Attorney of MacLachlan & Donaldson.

37. Mr Smyth began his oral submission by making a few observations. He pointed out that when examining the application for the disputed mark the Trade Mark Examiner formed a view that there was indeed a likelihood of confusion, within the meaning of Section 10(2)(b) of the Act, between the Applicant’s mark and the Opponent’s earlier KING KOIL mark. Accordingly, the Examiner raised an objection to the registration of the Applicant’s mark on that basis. To overcome the objection the Applicant persuaded the Examiner to allow the application to proceed to advertisement by claiming honest concurrent use under Section 12 of the Act.

38. This statutory provision exists to allow the Controller to exercise discretion and allow an application to proceed to advertisement despite the existence of a confusingly similar earlier trade mark. The Controller exercises this discretionary power when evidence submitted by an Applicant enables him to form a view that the Applicant is using its trade mark at such a level that, rather than refuse the application unilaterally, advertisement should be allowed in the knowledge that an opposition may arise, and the Controller will then have an opportunity to decide the opposition with the benefit of evidence from both parties. Allowing advertisement is not a determination on the issue of a likelihood or confusion. Nor is honest concurrent use a defence in opposition proceedings as there can be many reasons why concurrent user has taken place. Furthermore, even though an Applicant may have relied upon certain evidence to support its claim of honest concurrent user at examination stage there is no restriction on what evidence the Applicant can file in defence of their application during opposition proceedings. It can lodge more, less or the same evidence. However, whatever is filed during examination is a matter for the Controller and the Applicant alone – it is not a matter of public record.

39. Mr Smyth noted that this put the Opponent at a disadvantage and urged me not to have regard to the Section 12 evidence in these proceedings. However, he argued that if the Applicant relied on the same evidence at examination stage as it filed during these opposition proceedings, then it did not justify acceptance of the mark on the basis of a claim of honest concurrent user.
40. Mr Smyth then reiterated the scepticism voiced by Mr David Moffit in respect of the Applicant's evidence in relation to its claimed turnover and advertisement spend. He argued the figures do not stack up and clearly do not relate to Ireland alone. He stressed the Applicant had nothing to show for its claimed €50,000 annual advertising spend.

### **Honest Concurrent Use**

41. Before moving to consider the grounds of opposition under Sections 10(2)(b) and 10(3) I should comment on the relevance of honest concurrent user. During the examination of the disputed application objections raised were subsequently waived and the application was accepted for advertisement on the basis that evidence submitted by the Applicant demonstrated the mark had been used honestly and concurrently in the Irish marketplace with the Opponent's earlier KING KOIL mark. At the Hearing Mr Smyth adequately and eloquently summed up the relevant provisions, how the Controller may apply them and use his discretion to allow an application to be accepted for advertisement, when a refusal under subsections (1) to (3) of Section 10 is otherwise warranted. I do not have visibility of the evidence furnished by the Applicant during the examination of the application at issue, nor do I need to see it. However, at the Hearing Mr MacLachlan volunteered that the Applicant was relying on identical evidence in these opposition proceedings as was filed during the examination stage.
42. Other than that Mr MacLachlan did not raise or seek to rely on the honest concurrent user provisions. Nor was the evidence submitted by the Applicant under Rule 21 seeking to rely on the honest concurrent user to defend its application. Accordingly, it is not open to me to consider allowing the mark to proceed to registration on the basis of honest concurrent user at this stage of the proceedings.

### **Section 10(2)(b) – likelihood of confusion and association**

43. Turning to Section 10(2)(b) of the Act, Mr Smyth highlighted what he saw as the identity and high similarity between the respective marks and the goods upon which each mark is used. He argued the long-established and wide geographical use of the Opponent's KING KOIL marks endowed them with enhanced distinctiveness. He accepted that of the Opponent's two earlier

marks the strongest similarity is with the word trade mark KING KOIL. For simplicity sake, from hereon I will refer solely to that mark of the Opponent, as whatever finding I make in respect of it will be sufficient either way.

### **Comparison of the goods**

44. Mr Smyth argued that at least against some of the goods there is identity. While the Opponent's marks are not registered in respect of goods applied for in Class 24, he highlighted those that he considered to be similar to the goods for which the Opponent's marks are registered. During his oral submissions Mr MacLachlan did not offer any contrary opinion as regards the identity or similarity between the respective parties' goods.
45. It is clear the Applicant's goods in Class 20 include all manner of beds, which are identical to the beds for which the Opponent's marks are registered. The goods in Class 24 of the disputed application are either fabrics for furniture covers or furniture covers, all of which can be in respect of fabrics or covers for beds. Accordingly, I am satisfied that there is identity or similarity between the Applicant's and the Opponent's goods, save for the following in Class 20: *"Upholstered furniture; Furniture chests; Furniture cabinets; Storage cupboards [furniture]; Cupboards being furniture"*.

### **Comparison of the marks**

46. Mr Smyth was satisfied that the traditional way of assessing similarity of marks was appropriate in this case, that being to compare the marks from visual, phonetic and conceptual perspectives and then to look at other factors, including the distinctiveness of the earlier marks. He argued that in this instance perhaps the greatest similarity arises from the conceptual perspective. He claimed the conceptual comparison between KING KOIL and Royal Coil is very strong and in support of his claim he drew my attention to Sable<sup>1</sup> decision wherein at paragraph 24 the Court of Justice of the European Union (CJEU) stated:

*"In that perspective, the more distinctive the earlier mark, the greater will be the likelihood of confusion. It is therefore not impossible that the conceptual similarity resulting from the fact that two marks use images with analogous semantic content may give rise to a likelihood of confusion where the earlier mark has a particularly distinctive character, either per se or because of the reputation it enjoys with the public."*

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<sup>1</sup> SABEL BV and Puma AG, Rudolf Dassler Sport C-251/95

47. He argued the replacement of the “K” in “KOIL” with a “C” does almost nothing to alter the conceptual meaning, particularly when the marks are encountered aurally. He maintained it is not necessary for a word to be spelt correctly for its semantic content to be understood by the relevant public.
48. Mr Smyth argued the use of the word KING is to allude to nobility, while the word ROYAL is defined as belonging to a King or Queen or a member of their family. Therefore, a King is a royal and one is a subject of the other. Both words suggest grandeur. Therefore, he claimed there is a high level of conceptual similarity between the words.
49. He maintained that aurally the comparison resides in the identical pronunciation of the second words in both marks as the letters “C” and “K” are pronounced in the same way. Visually the marks are similar by virtue of the closeness of the second word in each.
50. On the other hand, Ms MacLachlan argued that visually the words ROYAL and KING are completely different, and the only visual similarity is that the second words in each end in the letters O-I-L. Phonetically he argued the marks are quite different in that there is absolutely no similarity between the words KING and ROYAL. The pronunciation of Royal Coil and KING KOIL are completely different and, bearing in mind that it is well established that consumers will focus on the first part of marks (ROYAL and KING) these distinguishing elements are absolutely clear from an aural perspective.
51. He stressed the only possible conceptual similarity between the marks resides in the use of the word COIL/KOIL although these are spelt differently. But these are only conceptually similar because they indicate a component of a sprung mattress. Furthermore, the word KING will conceptually be associated with the size of the mattress. Therefore, the word ROYAL has a completely different meaning and the concept of a Royal Coil is not the same as the concept of a KING KOIL.
52. Both parties referred to the disclaimers on the Registers in respect of the KING KOIL registration, namely that the Proprietor has no rights to the words KING or KOIL used separately. Mr Smyth argued that there is no disclaimer against the term KING KOIL and the combination of the two words has been held to be distinctive. It is the combination of the two words which leads to confusing similarity with Royal Coil, not each word individually.

53. Mr MacLachlan maintained the KING component is even more descriptive than the second because it refers to the size of a mattress, and it can also be assumed that a consumer who sets out to buy a mattress will be aware that KOIL has some significance in relation to it. He also pointed out that while the KING KOIL mark has been used there is no evidence the use of the word KING does not continue to play a descriptive role. The word KING denotes something larger than normal; for example, king prawns and king penguins. It is also used to denote the most respected member of a particular cohort; for example, the New King of Pop; or to denote the best or most favoured; for example, King of the Jungle, Cash is King.
54. Mr Smyth rejected the notion that the mark KING KOIL refers to the size of a mattress as factually incorrect. KING KOIL mattresses come in all sizes and consumers choose the size of KING KOIL mattress they want. He argued the Opponent’s use of KING alludes to nobility and not mattress size, and that it is highly unlikely the relevant purchaser would perceive the KING KOIL mark as conveying a message relating to any characteristic of the goods. Furthermore, the KING KOIL registration dates back to 1981 and by October 2016 it had achieved enhanced distinctiveness through use.
55. Mr Smyth also argued that both the KING KOIL and Royal Coil marks appear, at times, with a crown device, and this increases the level of similarity between them. I reject this argument. The marks at issue contain no figurative elements and all assessments for the purposes of these processing must be conducted on the basis of the earlier mark as registered and the later mark as filed.
56. When analysing the elements of the respective marks Mr Smyth argues the word “coil” is not used in Ireland when referring to mattresses, that the word “spring” is used. While the commonly used term may indeed be “spring” or “sprung”, that does not mean the word coil would be unknown or not understood in Ireland. When used in connection with mattresses its meaning would be obvious to all.
57. The relevant part of Section 10(2) insofar as the present application is concerned, reads as follows:

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

*(a) .....*

*(b) it is similar to an earlier trade mark and would 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 of the later trade mark with the earlier trade mark.*

58. As is evident from the wording of Section 10(2), the four basic requirements that must be met in order for an objection under it to succeed are that, (i) there must be “an earlier trade mark”, (ii) the goods of the application must be identical with or similar to those in respect of which the earlier trade mark is protected, (iii) the mark applied for must be similar to that earlier trade mark, and, (iv) there must be a resultant likelihood of confusion on the part of the public.
59. The first two of these conditions are clearly fulfilled in this case. The Opponent’s KING KOIL mark was registered as of 3 November, 1981 and by virtue of Section 11(1)(b) of the Act, it is an earlier trade mark for the purposes of Section 10. I have already found that many of the goods included in the application for registration are identical or highly similar to the goods for which the Opponent’s earlier trade marks are registered.
60. Turning now to the third condition – the similarity of the marks. I have compared the respective marks on the criteria of visual, aural and conceptual similarity and have attempted to make an overall assessment of the extent to which they should be regarded as similar or different. It is important to stress that this is an assessment of the overall impression the marks make on me, having put myself in the shoes of the average consumer of the goods for which the Applicant is seeking registration.
61. In comparing the Opponent’s earlier KING KOIL mark to the Applicant’s Royal Coil mark I find there is some visual and aural similarity, but this is confined to the words KOIL and Coil. There is no visual or aural similarity between KING and Royal. Notwithstanding this finding I am mindful that the CJEU has noted in *Sabel*<sup>2</sup> that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. For this reason, I must base the appreciation of the visual, aural and conceptual similarity of the marks on the overall impressions given by them. Having conducted the visual and aural comparison, I find the marks share a low level of visual similarity and a medium level of aural similarity.

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<sup>2</sup> *Sabel BV v Puma AG and Rudolf Dassler Sport Case C-251/95*

62. Turning now to the examination of the marks from a conceptual perspective. The Opponent's KING KOIL mark conveys three messages. The first is that of a koil/coil belonging to a monarch or head of a royal family. The second suggests a koil/coil that is superior to others and fit for a king. The third concerns use of the term in connection with a mattress, which conveys the message of a coil for a king-size bed.
63. Conceptually the disputed mark conveys two messages. The first concerns royalty, but not of a specific member of a royal household. It is much like DOG and DOBERMAN, in that a Doberman is a member of the dog family but the words cannot be considered conceptually identical to each other. The second suggests quality or superiority, in line with the Opponent's mark. There is no message in the Applicant's mark relating to the size of the bed associated with the coil. I find the marks are conceptually similar to a medium to high degree.
64. To sum up the results of my assessment of the verbal, visual and conceptual comparison of the respective marks, I find the Applicant's Royal Coil mark and the Opponent's KING KOIL mark share a medium overall level of similarity, but that there are significant differences between them.

### **Likelihood of confusion**

65. The question now is whether that similarity is sufficient to come within the meaning of Section 10(2)(b) of the Act? The criteria against which that assessment should be made have been enunciated in a number of decisions of the Court of Justice of the European Union<sup>3</sup> in this area, including the following:
- a. the more distinctive the earlier mark, the greater will be the likelihood of confusion;
  - b. in determining the distinctive character of the earlier mark, it is necessary to make an overall assessment of its capacity to identify the goods for which it is registered as coming from a particular undertaking and thus to distinguish those goods from the goods of other undertakings;
  - c. in making that assessment, account should be taken of the inherent characteristics of the mark; the market share held by it; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested in its promotion; the proportion of the relevant public which, because of the mark, identifies the goods as originating from a

- particular undertaking; and statements from chambers of commerce and industry and other trade and professional associations;
- d. a global appreciation of the likelihood of confusion must, as regards the visual, aural and conceptual similarity of the marks in question, be based on the overall impression created by them, and the importance to be attached to each of those elements must take account of the category of goods and the way in which they are marketed;
  - e. the assessment must be made from the perspective of the average consumer who is deemed to be reasonably well-informed, observant and circumspect but who rarely has the chance to make a direct comparison of the marks and must rely on the imperfect picture that he has of them in his mind;
  - f. the likelihood of confusion must be appreciated globally, taking into account all of the factors relevant to the circumstances of the case;
  - g. a lesser degree of similarity between the goods may be offset by a greater degree of similarity between the marks, and vice versa.

#### **Inherent distinctiveness of the earlier mark**

66. Looking at the Opponent's KING KOIL mark and its use on beds and mattresses, two things immediately strike me. First, the word KING relates to the size of a bed or mattress. Second, the word KOIL is a deliberate misspelling of the word COIL and the replacement of the letter "C" with a "K" serves two important purposes. It serves to provide a modicum of distance between the words KING COIL and KING KOIL, the former of which, in my opinion, is totally descriptive for beds and mattresses, and therefore has zero inherent distinctiveness. I find by changing the "C" to a "K" the Opponent's KING KOIL mark rises above the level of zero inherent distinctiveness. The second purpose of using the letter "K" instead of the letter "C" is significant in that it results in alliteration (each word in the mark starts with the letter K), which makes it memorable. Therefore, in my opinion, the "K" is very relevant in the context of these proceedings.

#### **Additional distinctiveness acquired through use**

67. Having started life as a weak trade mark with little inherent distinctiveness, the Opponent submitted evidence - including turnover, marketing and market share figures, it claimed demonstrated its KING KOIL mark had acquired significant additional distinctiveness through

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<sup>3</sup> Sabel BV –v- Puma AG and Rudolph Dassler Sport (Case C-251/95) [1998] 1 CMLR 445; Canon Kabushiki Kaisha –v- Metro-Goldwyn-Mayer Inc. (Case C-39/97) [1999] 1 CMLR 77; Lloyd Schuhfabrik Meyer & Co. GmbH –v- Klijsen Handel BV (Case C-342/97) [1999] 2 CMLR 1343



the use made of it. I fully accept that proposition and I am satisfied the KING KOIL mark is known in Ireland in respect of beds, mattresses and the like. At the relevant date the mark had the capacity to identify the goods for which it is registered as coming from the Opponent and thus to distinguish those goods from the goods of other traders.

### **Likelihood of confusion**

68. Having completed the academic comparison between the respective marks, in which I found the overall level of similarity to be medium, I must now take that finding and consider it in terms of the specifics of the bedding/mattress trade, bearing in mind in particular the behaviour of consumers of those goods.

69. From the evidence submitted by the parties it is clear the bedding/mattress industry frequently invokes royalty in its branding and model ranges. This is not surprising as two industry-standard bed sizes are king and queen, and novelty princess beds are marketing towards children. Words like monarch, majestic, regal, regency and princess are to be found on product ranges. Accordingly, in my opinion, consumers are well exposed to bed manufacturers' use of this practice and can discern one brand from another.

### **The average consumer and typical purchasing scenario**

70. The goods at issue are used every day but are very seldom purchased. Purchasers are typically adults and the level of research conducted prior to making a purchase varied depending on who will be using the bed or mattress and the budget available. Beds for domestic use by a couple in the master bedroom will require far more thought than a single bed in the spare room. Other factors that will come in play are the age, disabilities if any, and physical condition of the end-user when considering the size, height and the orthopaedic benefits of a particular bed/mattress. As will the number of years the bed/mattress is expected to last. Consumers in the hospitality sector are likely to be just as discerning when choosing a bed/mattress.

71. In my opinion, the general public purchase beds/mattresses very occasionally, only doing so every few years. While some consumers may purchase a bed/mattress with little thought and an air of casualness, in my opinion and in my own experience, most purchases are made having looked at a variety of offerings with full attention being paid to price, quality, longevity, back-support, height, size and the materials used in the construction. Furthermore, I am satisfied that most purchases are made in person and only after having consulted with a sales assistant in the

store or, if the consumer is in the hospitality sector, with a sales representative. Accordingly, I am satisfied that consumers rarely, if ever, purchase a bed/mattress without speaking to an expert, who as part of their job will point out all the differences between the various brands and models on offer, to allow consumers to make an informed decision.

72. I find the foregoing factors concerning the goods at issue and the way in which they are marketed are extremely important in these proceedings.
73. At the Hearing Mr MacLachlan argued the marks have co-existed for 25 years without confusion, but no evidence was submitted to suggest the Applicant's mark was in use in Ireland for that length of time. However, the Applicant submitted evidence of goods bearing the respective parties' marks being offered for sale in the same outlet. The Opponent may or may not be aware that its KING KOIL goods are being offered for sale side-by-side with the Royal Coil goods of the Applicant in the particular outlet, but I am sure the Opponent's dedicated team of sales representatives are constantly monitoring the competition and new entrants to the market.
74. The Opponent submitted evidence of a claimed instance of confusion, whereby a potential customer, interested in purchasing a KING KOIL mattress, approached a sales assistant in a KING KOIL stockist and claimed she could purchase a similar KING KOIL mattress for €400 less than the stockist was quoting. The KING KOIL stockist informed the potential customer that he did not believe that was possible. Having subsequently received a photograph of the "cheaper" mattress the stockist informed the potential customer that it was not a KING KOIL mattress. It transpired the mattress the potential customer had seen earlier was a Royal Coil mattress, which she subsequently purchased.
75. It appears to me the potential customer was simply browsing and comparing products and prices prior to making a purchase. She may have looked at a variety of mattresses in a number of retail outlets. She most certainly could not accurately recall the brands she has seen, of which there may have been many. She was, however, informed that the other mattress could not have been a KING KOIL product. She was not bothered by this and appears to have been satisfied with the Royal Coil mattress she ultimately settled for and the price she paid for it.
76. While the potential customer may have been "interested" in a KING KOIL mattress, there is no evidence to suggest the potential customer was specifically seeking a KING KOIL mattress, nor

anything to suggest she had purchased a KING KOIL mattress in the past and wanted to repeat the positive experience. The mattress in the photograph she took clearly bears the Royal Coil mark and is set into a striking Royal Coil advertising display. In my opinion, if the potential customer was really looking for a KING KOIL mattress, she would have paid extra attention and she would have noticed the obvious differences in the brand names. She most certainly would not have settled for the “cheaper” version.

77. While this evidence may be dismissed as mere hearsay, but taken at face value, the encounter confirms that consumers consult with sales staff when purchasing beds/mattresses and are given information and advice. It also shows that consumers of mattresses do not necessarily set out to buy a particular brand but are guided by what is on offer, the advice of experts and their own budget. Therefore, in my opinion, this encounter is not a case of actual confusion, it is more a case of the customer not paying reasonable attention.
78. I have already found that there is a low level of visual similarity between the marks. In my opinion, the goods at issue (beds/mattresses) are unlikely to be purchased without a visual inspection of the goods. Therefore, my earlier finding that there is a medium level of aural similarity between the marks does not have the same impact or import as would be the case where a medium level of aural similarity is present for goods that are typically purchased verbally.
79. However, I have also found there is a medium to high level of conceptual similarity between the marks. This relates to both parties’ marks being connected to royalty. Nonetheless, as already stated consumers are accustomed to the bedding industry’s use of brand names with such a connection. In these proceedings it is the deliberate misspelling of coil (KOIL) that gives the Opponent’s mark a level of distinctiveness. But this is not repeated in the Applicant’s mark.
80. The alliterative “K” in KOIL also gives it an edge and helps make the KING KOIL mark memorable. So much so that, in my opinion, consumers would instinctively understand the Royal Coil mark does not have any connection with the proprietor of the KING KOIL mark and that the undertakings offering goods under the two marks are not linked economically.
81. Accordingly, I find the Royal Coil mark is not likely to cause the confusion that Section 10(2)(b) of the Act seeks to avoid and I dismiss the opposition on this ground.

**Section 10(3) – takes unfair advantage of, or is detrimental to, the Opponent’s marks**

82. Section 10(3) of the Act provides as follows:

*“A trade mark which is identical with or similar to an earlier trade mark shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the State (or, in the case of a Community trade mark, in the Community) and the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or reputation of the earlier trade mark.”*

83. The purpose and effect of that provision is to afford an extra level of protection to marks that have a reputation over and above that which is given to other trade marks.

84. As is evident from the wording of the Section, there are a number of conditions that must be fulfilled in order for it to apply. Firstly, there must be identity or similarity of the marks at issue; secondly, the earlier mark(s) must have a reputation in the State; thirdly, the use of the later trade mark must be without due cause; and fourthly, that use must take unfair advantage of, or be detrimental to, the distinctive character or reputation of the earlier marks.

85. I have already found that there is a medium level of similarity with the Opponent’s marks, but that, in the context of the trade at issue, the overall impression is that the marks are different and can co-exist. I am satisfied the evidence submitted demonstrates the Opponent’s KING KOIL trade mark has some reputation in the State in respect of beds/mattresses. However, is that reputation entitled to protection under the Paris Convention as a well-known trade mark and does it enjoy the type of reputation that Section 10(3) seeks to protect? Such a reputation would be expected to extend beyond the limited class of consumers of the Opponent’s goods and to penetrate the consciousness of the wider public such that a substantial number of people would know and recognise the mark even if they had never used the Opponent’s goods. This is a high threshold to reach and there must be compelling evidence to support any such finding.

86. The evidence in this case does not enable me to reach such a conclusion. Claimed turnover figures were substantial but were not supported by a single sales invoice or delivery docket. All claimed advertising expenditure figures were given as annual estimates, but the advertising materials submitted go no way to even suggest such expenditure levels were reached. When submitting its evidence under Rule 21 the Applicant challenged the Opponent as to its claimed market share figures, which the Applicant suggested were pure guesswork. Replying under Rule

22 Mr Moffit said the figures were calculated based on information from retailers, his sales representatives, investigations by other competitors and from other sources, including publicly available returns filed with the Companies Registration Office. However, not a single piece of information from any of the quoted sources was provided to support such claims and I must view these annual market share figures as nothing other than the Opponent's own inventions.

87. Evidence submitted shows the KING KOIL trade mark in publications directed towards specific target audiences, such as readers of "Cabinet Maker" (dated 1991 and 1998) and "Bride and Groom" (dated 1982 and 1988) magazines, and the July 1988 edition of "The Interior Decorators Handbook of Ireland". All of these were published many years prior to the relevant date and no details of the circulation of these publications was given, though it strikes me these niche publications would have had very small readerships.

88. There are two items from the national press - one from the Irish Times (dated 1982, at about the time of the launch of the brand in Ireland) and the other from the Irish Independent (dated 1994). Both of these publications are circulated widely throughout Ireland. A photograph in the Evening Herald (dated 1982) taken as a goal is scored in the Ireland v. USA international soccer match, with an advertisement for KING KOIL in the background, may have been seen only by Dublin consumers, as that publication may not have been circulated nationally at that time. Nonetheless, the KING KOIL advertisement is clearly aimed at attendees at the venue, not at readers of the newspaper.

89. Everything submitted that is dated more recently than the year 2000 appears to be in respect of in-store advertising, brochures or is taken from the Opponent's own website.

90. I am satisfied the overall quality, quantity and probative value of the evidence submitted by the Opponent falls way short of that which would allow me to conclude the Opponent's KING KOIL brand is well-known and has been extensively used throughout Ireland. Therefore, the mark is not entitled to the additional protections afforded to well-known marks under Section 10(3) of the Act. Accordingly, the Opponent has failed to meet the second test required to substantiate its claim under Section 10(3) and I must dismiss the opposition on that ground.

**Section 10(4)(a) - use of mark is liable to be prevented by virtue of any rule of law**

91. The final ground of opposition that falls to be considered is under Section 10(4) of the Act, the relevant part of which reads as follows:

*“A trade mark shall not be registered if, or to the extent that, its use in the State is liable to be prevented – by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade,”*

92. Whether use of a mark should be prevented under the law of passing off is a matter for the Court to decide in a given case and, in so deciding, the Court is performing a different function to that performed by the Controller when considering an application for registration. Section 10(4)(a) is not concerned with whether passing off has actually taken place but with whether registration should be refused. It requires a determination by the Controller as to whether the fundamental ingredients of an action for passing off would exist if the disputed mark was used in the State by the Applicant.
93. There is ample case-law concerning passing off in trade disputes. The most oft quoted test is that laid down by Lord Oliver in *Reckitt & Colman Products Limited v. Borden Inc*<sup>4</sup>. (the so-called “*Jif Lemon*” case) as applied by Laffoy J in *Miss World Ltd v. Miss Ireland Beauty Pageant Ltd*<sup>5</sup> which reads as follows:

*“The law of passing off can be summarised in one short proposition, no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. Firstly, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying “get-up” (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get up is recognised by the public as distinctive specifically of the plaintiff’s goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff’s identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely on a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of*

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<sup>4</sup> [1990] 1 WLR 491, 499

*the proprietor of the brand name. Thirdly, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff."*

94. I am satisfied that the determination of the objection under this Section requires consideration of whether on 31 October, 2016 the Opponent would have been able to establish the basic elements required to be shown to ground an action for passing-off if the Applicant had used the mark on goods covered by the application.

95. Adopting Lord Oliver's test, and expressing it in the terms of this case, the questions to be considered may be put in the following terms:

- (i) Did the Opponent have a goodwill or reputation attached to goods which it supplied under the name KING KOIL?
- (ii) If so, would the sale by the Applicant under the mark applied for of any goods mentioned in the application for registration have constituted a misrepresentation leading or likely to lead the public to believe that those goods were the goods of the Opponent?
- (iii) If so, would the Opponent have suffered damage by reason of that erroneous belief?

96. In order to succeed in its opposition under this Section, the Opponent must establish that, at the relevant date, the use by the Applicant of the disputed mark in relation to the goods covered by the application would have constituted a misrepresentation that those goods were the goods of the Opponent and that such misrepresentation is calculated to damage the business, goodwill or reputation of the Opponent (in the sense that this is a reasonably foreseeable consequence) and that actual damage will be caused or, in a *quia timet* action, will probably be caused.

97. For his part, at the Hearing, Mr MacLachlan argued there was simply no merit in the Opponent's passing-off claim.

98. Mr Smyth relied on arguments he already made in respect of the likelihood of confusion and reputation. He argued that, as a consequence of these, there would be a diversion of business to a source of supply other than the Opponent. He returned to the Statutory Declarations of David Moffit and Fiona Lambe. Regarding the former, he argued that because of the price difference

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<sup>5</sup> [2004] 2 IR 394, 397-398

between the parties' respective products, they are unlikely to appear in the same outlet. In respect to the latter, he argued there already had been an instance of confusion.

99. I have dealt with the question of likelihood of confusion under Sections 10(2)(b) of the Act and found against the Opponent. It appears the Opponent is concerned that the Applicant's products (which the Opponent clearly views as cheaper and inferior - an opinion it is entitled to hold) might be sold in the same outlets and that this would result in a diversion of business away from the Opponent. Mr Smyth is suggesting the Controller should provide protection for the Opponent's business by refusing registration which will ensure the Applicant's "cheaper" alternatives are kept away from the Opponent's more expensive goods. The parties' respective mattresses have already been seen on offer in the same outlet and the instances of this may increase in the future, resulting in the very diversion the Opponent fears. But this would not be as a result of passing off. It is a feature of an open and competitive marketplace wherein new entrants always seek to draw customers away from existing suppliers by offering alternatives – be they cheaper or more expensive.
100. Mr Smyth also argued that if trade mark registration is achieved, then the Controller will in effect will be granting the Applicant a statutory defence to infringement because under Section 14(1) of the Act, if you use a trade mark corresponding to an Irish trade mark registration, you have a defence. This, he argued, means that although currently the actual likelihood of confusion might be at a low level because of different price levels, once registration is achieved the respective mattresses could sit cheek to jowl in the same store and the opponent could not take an infringement claim.
101. In terms of passing off this is an unsustainable line of argument. It seems Mr Smyth is suggesting that should the Controller find in favour of the Applicant then the Controller would be doing so unfairly, and the Opponent would be further penalised by being prohibited from taking any infringement action before the Courts. All successful trade mark applications are entitled to this defence. It is a feature of the trade mark registration system and is a legitimate right afforded to all trade mark owners who have attained registration in respect of marks for which the Controller deemed worthy of registration. The Controller cannot refuse to allow an application to proceed to registration on the basis that a competitor of the Applicant might wish to take an infringement action.



102. Returning to the specific tests, I am satisfied the Opponent has goodwill and a reputation in its KING KOIL marks. In order to succeed in its opposition under this Section, the Opponent must establish that the use by the Applicant of the said mark in relation to the goods covered by the application would, as of the relevant date, have constituted a misrepresentation that those goods were the goods of the Opponent and that such misrepresentation would have caused damage to the Opponent. However, no evidence has been advanced that points to the Applicant selecting the mark in an attempt to pass off or misrepresent his goods as those of the Opponent, or of it setting out with an intention to damage the Opponent's business as might be the case if the Applicant chose the mark "ROYAL KOIL". The Opponent is a legitimate competitor of the Opponent and is seeking registration of its trade mark with a view to protecting its intellectual property rights and establishing a foothold in the market.

103. In the absence, as I have found, of any likelihood of confusion or association between the respective marks, I cannot see how there could be any misrepresentation as to the provenance of the Applicant's goods by virtue of the use of the disputed trade mark and nor is it conceivable that the Opponent could suffer loss or damage if the Applicant's mark were used in a normal and fair manner as a trade mark for those goods. The basic ingredients of an action for passing off have not been established and I do not believe, therefore, that the use by the Applicant of the mark propounded for registration would have been liable to be prevented by the law of passing off. Accordingly, I dismiss the opposition under Section 10(4).

104. For the reasons outlined above, I have decided to dismiss the opposition and to allow the application to proceed to registration.

Dermot Doyle  
Acting for the Controller  
2 April, 2020