



Neutral Citation Number: [2024] EWCA Civ 29

Case No: CA-2023-001043

IN THE COURT OF APPEAL (CIVIL DIVISION)
ON APPEAL FROM THE HIGH COURT OF JUSTICE, BUSINESS AND PROPERTY
COURTS OF ENGLAND AND WALES, INTELLECTUAL PROPERTY LIST (ChD)

Mr Justice Miles
[2023] EWHC 706 (Ch)

Royal Courts of Justice
Strand, London, WC2A 2LL

Date: 26 January 2024

Before :

LADY JUSTICE KING
LORD JUSTICE ARNOLD
and
LORD JUSTICE BIRSS

Between :

ICONIX LUXEMBOURG HOLDINGS SARL

Claimant/
Appellant

- and -

(1) DREAM PAIRS EUROPE INC
(2) TOP GLORY TRADING GROUP INC

Defendants/
Respondents

Simon Malynicz KC and Thomas St Quintin (instructed by **Brandsmiths**) for the **Appellant**
Mark Vanhegan KC and Theo Barclay (instructed by **Stobbs (IP) Ltd**) for the **Respondents**

Hearing date : 16 January 2024

Approved Judgment

This judgment was handed down remotely at 10.30am on 26th January 2024 by circulation to the parties or their representatives by e-mail and by release to the National Archives.

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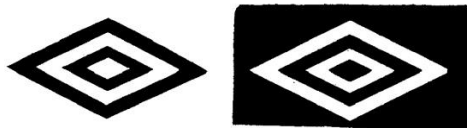
Lord Justice Arnold:

Introduction

1. This is a trade mark dispute about footwear logos. The Claimant (“Iconix”) owns the well-known Umbro sportswear brand, including United Kingdom Registered Trade Marks Numbers 991668 and 903266459 (“668” and “459” respectively, collectively “the Trade Marks”). Iconix contends that the Defendants (“Dream Pairs”) have infringed the Trade Marks by use of the Sign identified below in relation to footwear pursuant to section 10(2) of the Trade Marks Act 1994. Iconix also contends that two UK registered trade marks owned by Dream Pairs are invalid. It is common ground that Iconix’s attack on the validity of Dream Pairs’ registrations stands or falls with its infringement claim. Miles J dismissed Iconix’s claims for the reasons given in his judgment dated 28 March 2023 [2023] EWHC 706 (Ch). Iconix now appeals.

The Trade Marks

2. 668 is for the series of two devices shown below registered with effect from 5 May 1972 in respect of “articles of clothing for use in sports, athletics and gymnastics” in Class 25.



3. 449 is for the device shown below registered with effect from 10 July 2003 in respect of, *inter alia*, “articles of clothing, footwear and headgear” in Class 25.



4. Since the Trade Marks are registered in monochrome without any claim to colour, they cover use in any colour. On the appeal Iconix focussed its case on the left-hand (black on white) device in 668. Accordingly, when I refer to 668 in the remainder of this judgment I am referring solely to the left-hand device.

The Sign

5. The Sign (which the judge also referred to in places as “the DP logo”) is the device shown below.



6. It is important to appreciate that the graphic image shown above is taken from Dream Pairs' registrations. When affixed to footwear, the device is less crisp in its appearance, as can be seen from the two images shown below. The second image is also relevant for another reason, as I will explain.



Factual background

7. The judge set out the background to the dispute with care and in detail in his judgment. I shall take that account largely as read, and only note the following points which are relevant to the appeal.
8. The Trade Marks have been used on sportswear, and in particular football kit, in the UK since at least 1973 and on footwear, and in particular football boots, since 1987. Sales of goods bearing the Trade Marks in the UK with a value of more than US\$ 60 million were made in each of the years 2016 to 2018. Such goods have been extensively advertised and promoted.
9. Dream Pairs have used the Sign in the UK since December 2018 and started selling footwear under the Sign in the UK in about February 2019. Dream Pairs have done so almost exclusively through the Amazon UK website, although they have also made a small volume of sales through the eBay UK website. Dream Pairs frequently, but not always, uses the Sign in conjunction with the brand name DREAM PAIRS, which they also use on its own. Sales of goods bearing the Sign have been moderate: for example, between December 2018 and December 2022 Dream Pairs sold 4,802 pairs of adult football boots, 2,262 pairs of children's football boots, 2,844 pairs of children's trainers and 1,453 pairs of children's hiking sandals bearing the Sign.

The law

10. There is no dispute as to the applicable legal principles. The manner in which the requirement of a likelihood of confusion in section 10(2), and the corresponding relative ground of objection to registration, should be interpreted and applied has been considered by the Court of Justice of the European Union in a large number of decisions. In order to try to ensure consistency of decision making, a standard summary of the principles established by these authorities, expressed in terms referable to the registration context, has been adopted in this jurisdiction. The current version of this summary is as follows:

- “(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- (b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;
- (e) nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;
- (f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite 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.”
11. The same principles are applicable when considering infringement, although it is necessary for this purpose to consider the actual use of the sign complained of in the context in which the sign has been used: see *Specsavers International Healthcare Ltd v Asda Stores Ltd* [2012] EWCA Civ 24, [2012] FSR 19 at [45], [87] (Kitchin LJ).
12. It is well established that it can be relevant to take the post-sale context into account when considering trade mark issues, including likelihood of confusion: see *Montres Breguet SA v Samsung Electronics Co Ltd* [2023] EWCA Civ 1478 at [85] and the authorities cited there. Thus it is possible in an appropriate case for use of a sign to give rise to a likelihood of confusion as a result of post-sale confusion even if there is no likelihood of confusion at the point of sale.

The judge’s assessment

13. The judge’s assessment of the likelihood of confusion can summarised as follows.
14. *The average consumer.* It is common ground that the relevant public is the UK adult population. The judge found that the average consumer would exercise a moderate degree of attention.
15. *Similarity of goods.* It is common ground that Dream Pairs have used the Sign on goods which are identical to those for which 459 is registered and highly similar to those for which 668 is registered.
16. *Distinctiveness of the Trade Marks.* The judge found that the Trade Marks were inherently distinctive and had acquired a highly distinctive character through use.
17. *Comparison between the Trade Marks and the Sign.* Since the Trade Marks and the Sign are abstract devices, it is only necessary to assess the degree of visual similarity between them.
18. The judge began by comparing the Trade Marks and the Sign as graphic images:
- “132. As for a visual comparison, the Marks consist of two concentric parallelograms with a space between them. They have been described in the claimant’s internal marketing materials as the “double diamond”. This is doubtless because they are elongated. ... The corners of the diamonds are relatively sharp. The diamond sits side-ways, on one of its angles.

133. The claimant submitted that while many consumers will perceive the overall impression of the Marks as two concentric diamonds, wider than they are tall, a significant number of people with the characteristics of the average consumer will perceive the Marks as an isometric view of flat concentric squares. I do not agree. I consider that effectively all consumers would perceive the marks as flat, elongated, diamonds and not as tilted squares.
134. The Sign, considered as a two-dimensional graphic image, is a square shape with rounded corners, tilted through 45 degrees so that it sits on one of its corners. It has an outer element with a break in it. There is a line from the outer element to the inner, which has a closed loop. Together the line between the elements and the loop have the form of a 'P'. I do not think that the average consumer would necessarily see a 'D' in the outer shape; overall it is a broken square with a P-shape in the middle."
19. The judge went on to address Iconix's argument that the consumer would not always see the Sign square-on. Seen from other angles, the Sign would appear more elongated and the viewer would not necessarily see the break in the outer line or the P-like form in the middle, and thus there was a high degree of similarity with the Trade Marks:
- "138. I cannot accept this submission. It appears to me that even looking at the images most relied on by the claimant, the Sign presents as a tilted, broken, slightly rounded-off square with a P-like form in the middle. It hardly resembles (even in angled photos) a pair of sideways-sitting stretched-out diamonds. This is true even of the photos where the image is not square on and there is an element of perspective.
139. The claimant rested a good deal of its case on these angled images and the effect of perspective. But the set of images for each product includes in each case a square-on photo. I have summarised the presentation on the Amazon UK pages above. I find that an average consumer would review each of the images and would see the footwear from various angles including square-on. (I also repeat for emphasis the point made in the previous paragraph above that, even without these further images, even in the more angled photos where perspective plays some part there is only the faintest resemblance between the Sign and the Marks.)
140. I agree with the claimant that it is possible that for some presentations of the DP logo the consumer would not notice the break in the outer figure. I am unable to agree with the claimant however that the average consumer would not notice the P-like form in the middle of the DP logo. It is the distinctive and dominant element of the logo.

141. As to someone seeing the footwear itself being worn post-sale (in the street, on the football pitch or in the changing room) it appears to me that the Sign would again present as explained above; as a tilted, round-cornered, broken, square with P-form in the middle. It would not appear to a third party on a visual inspection as a pair of elongated sideways-sitting diamonds.
142. I do not however think that there is absolutely no similarity between the Marks and the Sign. They both involve rhomboid shapes with an outer and inner dominant element and both sit on one angle. But there are also multiple variances between the Marks and the Sign. I have reached the overall assessment (applying the average consumer perspective) that there is at most a very low degree of similarity between the Marks and the Signs - it is very faint indeed.”
20. *Context of use.* The judge recorded that Iconix’s case as presented to him was primarily concerned with Dream Pairs’ sales through Amazon UK. As he had already noted, the relevant webpages carried a large number of images of the relevant footwear showing it from several angles including square-on. The pages identified the brand as DREAM PAIRS and did not refer to Umbro. The judge held at [149] that these matters were “relevant context for assessing the question of confusion”, but went on to say that he would return to post-sale use later.
21. *Absence of evidence of actual confusion.* The judge found that no real weight could be given to examples said by Iconix to show actual confusion, but that the absence of evidence of actual confusion was to be given no real weight either as there was no reason to think that, had consumers been confused, this would have been recorded or reflected in the documents captured by disclosure.
22. *Global assessment.* The judge found that the identity/similarity of the goods tended to offset the lesser degree of similarity between the Trade Marks and the Sign, and that the distinctive character of the Trade Marks increased the likelihood of confusion, but that the very low degree of similarity between the Trade Marks and the Sign and the context of use on Amazon UK militated against confusion. His overall assessment was that there was no likelihood of confusion on the part of a significant proportion of the relevant public. He said that he would reach the same conclusion even ignoring the contextual information on the Amazon webpages and in relation to Iconix’s allegation of post-sale confusion, saying at [160] that “I do not think that there is a material difference between this case and the pre-sale presentation”.
23. The judge returned to the question of post-sale confusion at [162]:
- “The claimant contends that there is a likelihood of post-sale confusion. Consumers who saw people wearing Dream Pairs shoes would confuse them with Umbro shoes. The claimant accepts that the average consumer would have the same attentiveness as in the position where they were considering buying the goods. Therefore the only relevance of this point was that the context of the buying process (i.e. the various other images and other information on the relevant Amazon

page) would be absent. The claimant submitted that the court should consider how the shoes with the DP logo would look to other consumers in realistically likely situations. The claimant relies on an image where a boot was muddy and argues that this approach is permissible because football boots might well be seen on the pitch or the changing rooms covered in mud. I see the force of this argument in principle. However it must be remembered that the claimant has to show that it is the use of the Sign (rather than the shape of the boot or anything else) which leads to the relevant confusion. I do not consider that a significant proportion of the public (having the characteristics of the average consumer) would see the DP logo, even when muddy, as more than very faintly similar to the Marks. I do not consider that a significant proportion of the public would confuse the DP logo with the Marks. Carrying out the global assessment [I] reach the same conclusion for post-sale as for pre-sale confusion.”

The appeal

24. Since the judge’s conclusion that there was no likelihood of confusion involved a multi-factorial evaluation, this Court can only intervene if he erred in law or in principle: compare *Actavis Group PTC EHF v ICOS Corp* [2019] UKSC 15, [2019] Bus LR 1318 at [78]-[81] (Lord Hodge) and see *Re Sprintroom Ltd* [2019] EWCA Civ 932, [2019] BCC 1031 at [72]-[78] (McCombe, Leggatt and Rose LJ).
25. Iconix appeals on a number of grounds. Several of the grounds were rightly not pursued, or barely pursued, by counsel for Iconix in oral argument. Counsel for Iconix’s principal argument was that the judge had failed correctly to assess the likelihood of post-sale confusion, but he also pursued two related grounds concerning the judge’s assessment of the similarity between the Trade Marks and the Sign. It is convenient to consider those grounds before turning to the principal ground.
26. First, counsel for Iconix submitted that the judge was wrong to say at [140] that the P-like form in the middle of the Sign was “the distinctive and dominant element of the logo”. This was an error of principle because the Sign was not a composite sign consisting of a number of distinct elements: it was a single sign which the court was required to consider as a whole and without excision or distortion. Furthermore, this was a material error because it led to an undue focus upon what was different in the Sign compared to the Trade Marks. Counsel for Dream Pairs disputed that the judge had made any error.
27. In my judgment the judge did fall into error here for the reasons given by counsel for Iconix. Whether it would have been a sufficiently material error on its own to justify intervention by this Court is a nice question which it is unnecessary to resolve for the reasons that will appear.
28. Secondly, counsel for Iconix submitted that the judge’s conclusion that the similarity between the Trade Marks and the Sign was only “very faint indeed” was rationally insupportable. Particularly so far as the comparison between 668 and the Sign as

affixed to footwear was concerned, there was an obvious similarity between them even when viewed square-on, and even more so when viewed from other angles.

29. Counsel for Dream Pairs argued that it could not be said that the judge's view was rationally insupportable when both the Opposition Division and the Board of Appeal of the European Union Intellectual Property Office had held that there was no similarity between 459 and the Sign. This does not assist Dream Pairs because those tribunals were not considering 668, nor were they considering the Sign in the form affixed to footwear nor were they considering how the Sign would be perceived by consumers in the post-sale context.
30. In my view the judge's assessment is understandable so far as 459 and the Sign when considered as a graphic image are concerned. It is rationally supportable so far as 668 and the Sign when considered as a graphic image are concerned. I am doubtful whether it is rationally supportable so far as 668 and the Sign as affixed to footwear when viewed square-on are concerned, but even if it is I am driven to conclude that it is rationally insupportable so far as 668 and the Sign affixed to footwear when viewed from other angles are concerned. When that comparison is made there is plainly a higher degree of similarity between 668 and the Sign as explained in more detail below.
31. Turning to the principal ground of appeal, counsel for Iconix submitted that the judge had erred in principle when considering the post-sale context in two ways. First, he had fallen into the common trap in trade mark cases of allowing his eye to be conditioned by the side-by-side comparison of the Trade Marks and the Sign, and in particular the side-by-side comparison of the Trade Marks and the Sign as a graphic image. As a result he had failed properly to consider the impact of the Sign as affixed to footwear upon consumers who had never seen the graphical representation of the Sign, or even the images on the Amazon UK website, but who encountered the Sign for the first time in the post-sale context.
32. Secondly, the judge had failed to take into account the key aspect of the post-sale context, namely that the viewer would see the Sign as affixed to footwear looking down from head height at the feet of another person wearing the footwear. Thus the average consumer in the post-sale context would frequently see the Sign at an angle and not square-on.
33. Counsel for Dream Pairs disputed that the judge had made either error. He also suggested that the second point was a new argument which had not been advanced by Iconix before the judge, but this is incorrect. In paragraph 71.5 of Iconix's skeleton argument and written closing submissions at trial Iconix submitted:

“For consumers who see the products after they have been purchased and are in use, the Sign is also practicable indistinguishable from the Marks. Some examples from the bundle are the following:

71.5.1 [The second image I have reproduced under paragraph 6 above] gives a realistic perspective of a consumer seeing that shoe post-sale, looking down at the

vertically presented sign on the side of shoe on the wearer's foot. ...

71.5.2 [An image of a muddy football boot].”

34. In my judgment the judge did fall into error in these respects. It is telling that in [162] he discussed the muddy football boot example relied upon by Iconix in paragraph 71.5.2, but overlooked the much more important point made in paragraph 71.5.1. The average consumer encountering the Sign for the first time affixed to, say, a pair of football boots worn by someone else would not know what the Sign looked like when represented graphically (i.e. as shown in paragraph 5 above). Nor would they even necessarily know, or find out, what the Sign looked like when viewed square-on. They might well only see it looking down, and therefore at an angle. In those circumstances the appearance of the Sign would be foreshortened. Indeed, it could be more foreshortened than in the image relied on by Iconix. Furthermore, the viewer might well not see the Sign side-on, but only from the front or rear. In all of these circumstances the Sign would appear more like a double diamond, and therefore more similar to 668, than in the graphic image. There is nothing artificial or unrealistic about this comparison. On the contrary, it is a realistic and representative scenario for assessing the post-sale impact of the use of the Sign upon the perception of the average consumer.
35. It follows that it is necessary for this Court to re-evaluate the likelihood of confusion. There is no challenge by either side to the judge's conclusions as to the level of attention paid by the average consumer, the similarity of the goods, the distinctiveness of the Trade Marks and the immateriality of the absence of evidence of actual confusion, and I therefore proceed on the basis of those findings. As I have explained, Iconix's case on the appeal is focused on 668, the Sign as affixed to footwear and the post-sale context. In that context there is for the reasons explained above a moderately high level of similarity between 668 and the Sign, particularly once imperfect recollection of 668 is allowed for. In my judgment, taking all of these factors into account, there is a likelihood of confusion on the part of a significant proportion of consumers. It follows that Dream Pairs have infringed 668. It is unnecessary to decide whether they have also infringed 459.

Conclusion

36. For the reasons given above I would allow the appeal.

Lord Justice Birss:

37. I agree.

Lady Justice King:

38. I also agree.