

TRADE MARKS ACT 1994

IN THE MATTER OF:

APPLICATION No. 10027

IN THE NAME OF KANGOL LTD

FOR A DECLARATION OF INVALIDITY

IN RESPECT OF REGISTERED TRADE MARK No. 2104167

IN THE NAME OF KANGO PRODUCTS

DECISION

The Registration

The following sign was registered under number 2104167 as a trade mark for use in relation to “hair care products” in Class 3:



It was registered in the name of Kango Products (“the registered proprietor”) with effect from 2nd July 1996.

The Application

On 26th February 1998, Kangol Limited (“the applicant”) applied to the Registrar of Trade Marks for a declaration to the effect that trade mark number 2104167 was invalidly registered. The application was made under Section 47 of the Trade Marks Act 1994. Various grounds of invalidity were raised in the applicant’s pleadings. For present purposes it is only necessary to mention one of them: that the trade mark was invalidly registered having regard to the protection to which the applicant’s earlier registration of a series of two trade marks under number 1559818 was entitled under Section 5(2)(b) of the 1994 Act. The trade marks in the series were as follows:



They were registered for use in relation to “soaps; perfumery; essential oils, cosmetics, hair lotions; dentifrices; all included in Class 3”. The effective date of the registration was 21st January 1994.

The Applicant’s Evidence

The applicant adduced no evidence from which it could be concluded that the marks protected by its earlier registration number 1559818 had been used in the United Kingdom prior to 2nd July 1996 in relation to goods of the kind specified in that registration. The evidence provided by its United Kingdom trade mark attorney, Rachael Ambrose, was mainly directed to the proposition that the registered proprietor’s trade mark was registered in respect of goods that were “similar” to various other goods (not covered by registration number 1559818) for which the applicant’s marks had previously been used. That, together with the similarities between the marks in issue, was said to render the registration of the registered proprietor’s trade mark objectionable on the grounds raised in the application for a declaration of invalidity.

Emma Georgiou, the shopping/fashion editor of Select Magazine, and Shelly Vella, fashion director of Company Magazine, gave opinion evidence to the effect that the use of the registered proprietor’s trade mark would be likely to cause confusion. Philip Price, a service engineer who also works as a disk jockey, gave opinion evidence to the effect that “members of the public may be confused when making a purchase”. Debra Parsons, Alasdair MacQuarrie, Thomas Brand and Alistair Gay are trade mark agents and attorneys. They also gave opinion evidence to the effect that the registered proprietor’s

trade mark was unacceptable for registration in view of the prior registration and use of the applicant's marks.

In The European Ltd v. The Economist Newspaper Ltd [1998] FSR 283 (CA) at 291 Millett LJ. observed:

“The function of an expert witness is to instruct the judge of those matters which he would not otherwise know but which it is material for him to know in order to give an informed decision on the question which he is called on to determine. It is legitimate to call evidence from persons skilled in a particular market to explain any special features of that market of which the judge might otherwise be ignorant and which may be relevant to the likelihood of confusion. It is not legitimate to call such witnesses merely in order to give their opinions whether the two signs are confusingly similar. They are experts in the market, not on confusing similarity In the end the question of confusing similarity was one for the judge. He was bound to make up his own mind and not leave the decision to the opinion of the witnesses.”

I consider that the opinion evidence tendered on behalf of the applicant was entitled to no weight in the light of these observations.

The Registered Proprietor's Evidence

The registered proprietor adduced no evidence from which it could be concluded that the trade mark protected by registration number 2104167 had been used in the United Kingdom prior to 2nd July 1996.

The applicant's allegations of a likelihood of confusion were categorically rejected on the basis that they were unsubstantiated and incapable of substantiation.

The following points emerge from the Statutory Declaration of Jane Hunter, a director and the company secretary of Kango Products Ltd:

- (i) the registered proprietor's trade mark was developed to project an authentic Australian "outback" image because the KANGO product range contains Australian tea-tree essential oil;
- (ii) the stylised design of the kangaroo used in its KANGO trade mark was inspired by aboriginal drawings made centuries ago and "I have yet to find another kangaroo which is visually similar to that in the registered KANGO trade mark";
- (iii) the font/typography used in the KANGO trade mark is an original design drawn freehand to complement the stylised aboriginal images;
- (iv) KANGO is an abbreviation of the word "kangaroo" and it is used as such by various different companies in various different contexts;
- (v) the KANGO haircare range has been featured in magazine editorials and has been well represented in the media;
- (vi) no magazine editors or company buyers have ever queried "any supposed similarity" with the KANGOL name;

- (vii) Kango Products Ltd has not undertaken meaningful advertising and marketing during the pendency of the application for a declaration of invalidity;
- (viii) “the KANGO haircare range has been in the public domain for nearly four years and ... there is no evidence of confusion or association with ... the Kangol trade mark”.

The evidence filed on behalf of the registered proprietor lacks particularity as to the extent to which haircare products have actually been marketed in the United Kingdom under and by reference to the trade mark in question.

The Hearing Officer’s Decision

The application for a declaration of invalidity proceeded to a hearing before Mr. G.W. Salthouse, acting on behalf of the Registrar of Trade Marks, on 20th December 1999. The registered proprietor was not present or represented at the hearing.

In his decision issued on 7th February 2000 the Hearing Officer held that the registered proprietor’s trade mark was invalidly registered having regard to the protection to which the applicant’s earlier trade mark registration number 1559818 was entitled under Section 5(2)(b) of the 1994 Act. He granted a declaration of invalidity and ordered the registered proprietor to pay £635 as a contribution towards the applicant’s costs of the proceedings.

The Hearing Officer found that there was a considerable degree of similarity between the goods specified in trade mark registration number 2104167 and those

specified in the earlier trade mark registration number 1559818. He considered haircare products and hair lotions to be identical goods.

His assessment of the marks in issue was as follows:

“Visually, although the fonts used are different, the dominant features of [the marks] are the words KANGO and KANGOL. These differ only to the extent that the applicants’ mark has an “L” at the end. The device elements in the registered proprietor’s mark are stylised. Some people would recognise them as kangaroos, others would not. The fact that KANGO is similar to and, according to the proprietor’s witness, a shortened version of the word kangaroo would increase the likelihood of the devices being seen as such by the average consumer. The marks are visually similar.

Phonetically, the first syllables of the words are identical, the second syllables differ in that whereas the applicants’ mark ends with an “GOL” sound, the registered proprietor’s mark ends in a “GO” sound. It is accepted that the ends of words tend to be slurred, and that it is the beginnings of words which are the most important for the purposes of this kind of comparison. The marks are similar to the ear.

Conceptually the marks both have images of a kangaroo, and a word which reflects this imagery. The registered proprietor has made the point that whereas KANGO is a shortened version of the word kangaroo, the applicants’ trade mark, KANGOL, has no meaning. However, the applicants’ trade mark has a clear kangaroo device included within it and this sends out its own message which will condition the average consumers perception of the word KANGOL. The average consumer would, in my opinion, see the mark KANGOL as alluding to kangaroo (as KANGO does).

...

The conceptual similarity between the trade marks is an important factor in judging the likelihood of confusion through imperfect recollection, especially where, as in this case, there are also visual and phonetic similarities. The combined effect is that the marks convey a similar overall

impression. The relatively low cost of hair care products is another factor which points towards a likelihood of confusion as it suggests that marks on the products will not be subject to a detailed and careful scrutiny before they are purchased.

The marks are very similar and the goods are identical. When considering the question of the likelihood of confusion I conclude that: 1) there is a likelihood of the marks being confused in speech through the slurring of KANGOL or KANGO, and 2) there is a likelihood of confusion, visually and aurally through imperfect recollection.”

The Appeal

In March 2000 the registered proprietor gave notice of appeal to an Appointed Person under Section 76 of the 1994 Act. It was, in substance, contended that there was no or no sufficient evidential basis for the Hearing Officer’s conclusion that the registration of the registered proprietor’s trade mark was objectionable under Section 5(2)(b) of the Act and that the Hearing Officer ought to have held that the applicant had failed in its attempt to rebut the presumption of validity to which registration number 2104167 was entitled under Section 72 of the Act.

Section 5(2) of the 1994 Act

Section 5(2) of the 1994 Act (implementing Article 4(1)(b) of Council Directive No. 89/104/EEC of 21st December 1988) provides as follows:

“A trade mark shall not be registered if because –

- (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or
- (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.”

Objections under Section 5(2) are conceptually indistinguishable from actions under Section 10(2) of the Act (Article 5(1)(b) of the Directive). They serve to ensure that trade marks whose use could successfully be challenged before the courts are not registered: Case C-39/97 Canon Kabushiki Kaisha v. Metro-Goldwyn Mayer Inc [1998] ECR I – 5507 paragraph 21.

It was noted in the Opinion delivered by Advocate General Jacobs on 27th January 2000 in Case C-425/98 Marca Mode CV v. Adidas AG [2000] ETMR 561 that the objection set out above is differently expressed in different language versions of the Directive, with the English version referring to a “likelihood” of confusion, the Dutch version referring to the “possibility” of confusion and most other versions referring to the notion of a “risk” or “danger” of confusion. Nevertheless, for the reasons given in his Opinion, the Advocate General maintained that the objection could not succeed in the absence of a genuine and properly substantiated likelihood of confusion. That view of the matter was accepted by the European Court of Justice in paragraphs 33 et seq. of its Judgment delivered on 22nd June 2000.

I think it is clear from the case law of the European Court of Justice that an objection under Section 5(2) of the Act raises a single composite question: are there similarities (in terms of marks and goods or services) which would combine to create a likelihood of confusion if the “earlier trade mark” and the sign subsequently presented for registration were used concurrently in relation to the goods or services for which they are respectively registered and proposed to be registered?

The question falls to be answered in accordance with the detailed guidance provided by paragraphs 17 to 27 of the Judgment of the European Court of Justice in Case C-342/97 Lloyd Schuhfabrik Meyer GmbH v. Klijsen Handel BV [1999] ETMR 690. Those paragraphs confirm that an objection under Section 5(2) should be assessed with due regard to the commercial realities of the market place, bearing in mind that distinctiveness, resemblance and proximity of trading are matters of fact and degree which must be given such weight and priority as they deserve as part of the overall assessment.

There can be no objection under Section 5(2) where it does not appear that the public could believe that the goods or services supplied under the marks in contention come from the same undertaking or, as the case may be, from economically-linked undertakings: Canon paragraph 30. A belief in the existence of a licensing or joint venture arrangement would seem to satisfy this requirement: Case C-9/93 IHT Internationale Heiztechnik GmbH v. Ideal Standard GmbH [1994] ECR I-2789 paragraphs 34 and 37 to 39; Case C-63/97 Bayerische Motorenwerke AG (BMW) v. Ronald Karel Deenik [1999] ECR I-905 paragraph 51. However, the mere association

which the public might make between two trade marks as a result of their analogous semantic content is not in itself a sufficient ground for concluding that there is a likelihood of confusion, even if the earlier trade mark has a particularly distinctive character (either *per se* or because of the reputation it enjoys in the market place): Case C-251/95 Sabel BV v. Puma AG [1997] ECR I-6191, paragraph 27; Case C-425/98 Marca Mode CV v Adidas AG 22nd June 2000, paragraphs 37 to 41.

The earlier trade mark and the disputed registration are each entitled to the benefit of the presumption in Section 72 of the 1994 Act that “*In all legal proceedings relating to a registered trade mark the registration of a person as proprietor of a trade mark shall be prima facie evidence of the validity of the original registration and of any subsequent assignment or other transmission of it*”.

Article 13 of the Directive provides that:-

“Where grounds for refusal of registration or for revocation or invalidity of a trade mark exist in respect only of some of the goods or services for which that trade mark has been applied for or registered, refusal of registration or revocation or invalidity shall cover those goods or services only.”

Article 13 (as implemented by Section 47(5) of the Act) serves to confirm that no grounds for refusal of registration should exist in respect of any of the goods or services for which a trade mark is registered. It envisages that the coverage of a trade mark will be restricted to the extent necessary to confine it to goods or services for which the trade mark in question is fully registrable.

This makes it necessary, in order to determine an objection under Section 5(2) in the required manner, to assess the extent (if any) to which normal and fair use of the mark in question as a trade mark for goods or services of the kind specified would capture the distinctiveness of the earlier trade mark cited against it and give rise to the required likelihood of confusion. The assessment must be made from the perspective of “the average consumer” of the category of goods or services in question. For the purposes of the required global appreciation of the likelihood of confusion, the average consumer is “deemed to be reasonably well-informed and reasonably observant and circumspect”. It goes without saying that the relevant perspective is that of the average consumer who does not know that there is a question as to the existence or otherwise of a likelihood of confusion.

Decision

I now turn to assess the validity of the disputed registration in accordance with the considerations I have noted above.

I do not understand it to have been disputed before me that there is a considerable degree of similarity between the goods in issue and that haircare products and hair lotions are largely identical goods.

There is, as I have said, no evidence to suggest that the registered proprietor’s trade mark had been used before the relevant date (2nd July 1996) or that the applicant’s trade marks had been used in the United Kingdom before that date in relation to goods of

the kind specified in its earlier trade mark registration. In assessing whether the disputed registration was objectionable under Section 5(2)(b) I must consider the likely effect of normal and fair use of the relevant marks, concurrently, for the goods which they are respectively registered. The evidence of the parties sheds very little light on that issue. However, that cannot relieve me of the task of deciding (against the background of the presumption contained in Section 72 of the Act) whether the applicant's objection to the validity of the disputed registration is or is not well-founded.

It required a noticeable degree of effort on the part of all concerned to distinguish the word KANGOL from the word KANGO in the course of the oral submissions at the hearing before me. I do not doubt that concurrent use of the words KANGOL and KANGO as trade marks for goods of the kind specified in the registrations in issue would, at the relevant date, have given rise to an objectionable likelihood of confusion. The similarities between the relevant goods and the rival marks are, in my view, too great to admit of any other conclusion.

I am not prepared to say that concurrent use of the rival kangaroo devices (i.e. the images as they would appear in the absence of the words KANGOL and KANGO) as trade marks for goods of the kind specified in the registrations in issue would, at the relevant date, have given rise to a likelihood of confusion. The visual effect is, in my view, sufficiently different in each case to render the images distinguishable in the perceptions and recollections of the average consumer of the relevant goods.

However, it is not correct to dismember the rival marks into their constituent parts for the purpose of determining the question I have to decide. For that purpose I must consider the net effect of the similarities and differences between the rival marks as a whole. Approaching the matter in that way I am satisfied that they are device marks in which the words KANGOL and KANGO speak louder than the graphics of the marks in which they appear. In each case the words are presented to the eye of the observer with images designed to make them memorable as variations of the word “kangaroo”. That tends to make the words KANGOL and KANGO dominant for the purposes of identification and recognition. I think it is inevitable (and I think the nomenclature used in Ms Hunter’s Statutory Declaration confirms) that the rival marks will cause people to refer to the products which carry them as KANGOL and KANGO products. The visual differences between the marks are, in my view, insufficient to prevent a likelihood of confusion from arising: their significance is not as great as that of the similarities between the words KANGOL and KANGO in normal circumstances (i.e. in the absence of side-by-side comparison). My conclusion is that the verbal similarities outweigh the visual differences between the marks to an extent that would have been likely to cause confusion if they were used concurrently in relation to the goods for which they were respectively registered and proposed to be registered on 2nd July 1996.

The applicant does not have to show more than a likelihood of confusion in order to establish that the registered proprietor’s trade mark was invalidly registered. Moreover, the “absence of evidence of actual confusion is rarely significant, especially in a trade mark case where it may be due to differences extraneous to the plaintiff’s registered trade mark” The European Ltd v. The Economist Newspaper Ltd (above) at 291 per Millett LJ.

It does not appear from the evidence before me that there has been concurrent use of the registered proprietor's trade mark and the applicant's earlier trade marks in relation to goods of the kind for which they were respectively registered. I am left with the impression that the likelihood of confusion has yet to be tested in the marketplace for such goods in the United Kingdom. In the circumstances I do not accept that the applicant's objection to the registration of the registered proprietor's trade mark is unsustainable in the absence of evidence relating to the occurrence of actual confusion. If (which is not the case) I was unsure whether the applicant's objection was well-founded I would have given the disputed registration the benefit of the doubt under Section 72 of the Act. However, I am satisfied that the applicant's objection to the validity of registered trade mark number 2104167 can and should be upheld under Section 5(2)(b) of the Act on the basis of the similarities presented by the marks and goods in issue and the likely effect of such similarities upon the average consumer of such goods. I think that the Hearing Officer's assessment of the objection was, in substance, correct.

For these reasons the registered proprietor's appeal is dismissed. I direct the registered proprietor to pay the applicant £600 as a contribution towards its costs of the unsuccessful appeal. This is payable in addition to the sum of £635 payable under the Hearing Officer's decision in respect of the proceedings before him.

Geoffrey Hobbs Q.C.

6th September 2000

Mr. Jack and Ms. Hunter of Kango Products Ltd appeared on behalf of the registered proprietor (appellant).

Mr. Parker of Messrs. Clifford Chance appeared on behalf of the applicant (respondent).

Mr. Knight, Principal Hearing Officer, appeared on behalf of the Registrar.