

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2206670
BY MICHAEL JAMES POYZER AND SUSAN MARY POYZER T/A SUPERCYCLES
TO REGISTER THE TRADE MARK GUESS IN CLASS 12**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER No. 50656
BY GUESS? INC**

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**IN THE MATTER OF Application No. 2206670
by Michael James Poyzer and Susan Mary Poyzer t/a Supercycles
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**IN THE MATTER OF Opposition under No. 50656
by Guess? Inc**

Background

1. On 24 August 1999 Michael James Poyzer and Susan Mary Poyzer t/a Supercycles applied to register the mark GUESS for a specification of goods in Class 12 which reads:

“bicycles, parts and fittings thereof and accessories therefor”.

The application is numbered 2206670.

2. On 27 January 2000 Guess? Inc filed notice of opposition to this application. They say they have made extensive use of the marks GUESS, GUESS? and GUESS? within a triangle device in relation to various goods including clothing and have thereby acquired a substantial goodwill in the mark(s). On this basis they raise the following objection:

“Section 5(4)(a) – Use of the Trade Mark applied for is liable to be prevented by virtue of any rule of law protecting an unregistered Trade Mark, including an action for Passing Off based upon the Opponents’ reputation subsisting in the word GUESS”.

3. The opponents are also the proprietors of the various UK and CTM registrations and applications details of which appear in the Annex to this decision. On this basis it is said that:

“The opponents contend that Application No. 2206670 offends against the provisions of Section 5(3) of the 1994 Trade Marks Act”

4. This is based upon the goods applied for being dissimilar to those within the specifications of the opponents’ registrations and applications. The opponents claim their marks enjoy a reputation in the UK and use of the mark in suit without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the opponents’ earlier marks.

5. Objections were also raised under Sections 3(4), 3(6) and 56 of the Act but were withdrawn prior to the hearing.

6. The applicants filed a lengthy counterstatement denying the above grounds and putting the opponents to proof of their use and reputation. They refer in detail to the abandonment of a

number of the opponents' US trade marks (some jointly owned with a third party) for marks consisting of or incorporating the word GUESS in relation to Class 12 goods. It is said that abandonment arose as a result of failure to provide statements of use.

7. They also note that the opponents have not referred to a large number of other UK registrations that they own and suggest that these are indicative of the opponents' trading intentions. None of these relate to the goods of the application.

8. Both sides ask for an award of costs in their favour. I note that the applicants ask that this should be "on an indemnity basis because Applicants contend that the opposition is vexatious insofar as a large company is trying to interfere with the legitimate activities of a much smaller company without good cause, and further contend that the opposition was not filed in good faith."

9. Both sides filed evidence. The matter came to be heard on 22 April 2003 when the applicants were represented by Mr K J Loven of Loven & Co and the opponents by Mr M Hickey of Castles.

Opponents' evidence

10. The opponents filed a declaration by Timothy J Oswald, their General Counsel/Licensing. He says that the trade mark GUESS has been used in the United Kingdom since at least 1991 in relation to clothing. Since that date, further uses of GUESS have included GUESS?, GUESS? AND TRIANGLE DEVICE, BABY GUESS and GUESS KIDS all in relation to clothing, and use of GUESS, GUESS? and GUESS? AND TRIANGLE DEVICE has been made in relation to sunglasses and watches.

11. Turnover (not including the retail mark-up) in relation to apparel is given as follows:

Guess Corporate	1991	US\$118,774
	1992	US\$57,992
	1993	US\$85,508
	1994	US\$16,612
	1995	US\$167,328
	1996	US\$186,76
	1997	US\$219,153
	1998	US\$133,553
Maco (licensee)	1997	US\$1,662,310
	1998	US\$4,077,23
	1999	US\$2,289,895
Maco Kids (licensee)	1999	US\$157,060
Focus Europe (licensee)	1999	US\$166,234
	Jan-Apr 2000	US\$122,451
Guess Italia (licensee)	1999	US\$149,551
	Jan-Mar 2000	US\$4,989
Other Licensees	1991	US\$73,291

	1992	US\$16,738
	1993	US\$8,233
	1994	US\$196,265
	1995	US\$116,906
	1996	US\$54,887

Note: These are the figures as taken from Mr Oswald's declaration. An issue arising from certain of the figures is dealt with below.

12. In support of the above Mr Oswald exhibits:

- TJO 1 - copy invoices showing sales of products bearing the GUESS mark in the UK;
- TJO 2 - a list of stores in the UK selling GUESS products;
- TJO 3 - copies of magazine advertisements placed by the company's UK distributor.

13. The amount spent on advertising is given as follows:

YEAR	ADVERTISING EXPENDITURE US\$
1995	Approx. 72,552
1996	Approx. 168,422
1997	277,890
1998	194,573
1999	132,442

14. In addition to direct advertising, the trade mark is promoted by point of sale material. There were also **GUESS** free-standing stores in Brompton Road and New Bond Street in London and invitations to these stores were mailed and advertised. The stores are now closed (no dates are given).

15. Mr Oswald says that his company has on several occasions sponsored sporting and fitness events such as the Revlon walk/run fund raiser to find a cure for breast cancer, together with sporting events. Adverts showing products under the name GUESS are often placed in magazines for younger men and women such as *FHN* [FHM?] who would also carry advertisements for sports equipment and indeed cycling equipment.

16. A statutory declaration has also been filed on the opponents' behalf by David W Lake of Phoenix Global IP Services. However as this largely relates to one of the withdrawn grounds I need say no more about it.

Applicants' evidence

17. The following evidence has been filed in support of the applicants' position:

Affidavit by Keith James Loven (with Exhibit KJL 1-2)
Affidavit by Michael James Poyzer (with Exhibits MJP 1-3)
Affidavit by Jeremy Robert Goddin (with Exhibit JRG 1)
Affidavit by Keith James Loven
Witness Statement by Nigel Higley
Witness Statement by Mark Anthony Cavoto
Witness Statement by Stephen Fenton
Witness Statement by Ian Nigel Harold Allington
Witness Statement by Nicholas Alff.

18. Mr Loven is a partner at Loven & Co, the applicants' professional representatives in this matter. Insofar as is relevant to the remaining grounds he gives evidence as to the pre-filing searches undertaken on the applicants' behalf and the various other searches that are referred to in the counterstatement.

19. Mr Poyzer is one of the joint proprietors. He explains the nature of Supercycle's trade as follows:

“Supercycles manufacture, *inter alia* bicycles and parts, fittings and accessories for bicycles. Supercycles also have parts, fittings and accessories for bicycles manufactured by third parties to designs specified by Supercycles. Supercycles additionally buy very carefully selected bicycle parts fittings and accessories from other organisations, such selection being to ensure that they are of a character and quality approved by Supercycles.”

20. The nature of Supercycle's business is said to require the use of several different trade marks each of which is carefully selected to distinguish the various parts of the product range. Sales of bicycles, parts and fittings and accessories under the mark GUESS amounted to £68,855 prior to 24 May 2001. No breakdown is given so I am unable to say what the position was at the material date of 24 August 1999.

21. The remaining evidence (with the exception of Mr Goddin who deals with issues bearing on the now defunct grounds) are from individuals in the bicycle trade, mainly as retailers. They attest to their awareness of the applicants' mark including in advertisements. I find this part of the applicants' evidence to be of limited use for a number of reasons. The statements were made in July/August 2002 and do not make clear what the individuals' state of awareness was in August 1999. Nor is it clear on what basis the individuals have been chosen to give evidence and, in particular, whether they are retailers of the applicants' goods (and, therefore, can reasonably be expected to make the statements they do) or have some other connection with the applicants.

22. That completes my review of the evidence.

Section 5(3)

23. This Section reads:

“(3) A trade mark which -

- (a) is identical with or similar to an earlier trade mark, and
- (b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

24. The scope of the Section has been considered in a number of cases notably *General Motors Corp. v Yplon SA (Chevy)* [1999] ETMR 122 and [2000] RPC 572, *Premier Brands UK Limited v Typhoon Europe Limited (Typhoon)* [2000] FSR 767, *Daimler Chrysler v Alavi (Merc)* 2001 [RPC] 42, *C.A. Sheimer (M) Sdn Bhd's TM Application (Visa)* 2000 RPC 484 and *Valucci Designs Ltd v IPC Magazines, (Loaded)* O/455/00.

25. In *Loaded* Simon Thorley QC, sitting as the Appointed Person noted that in an attack under Section 5(3) it will be necessary for the tribunal to consider:

- “(i) whether the trade mark opposed is identical with or similar to the earlier trade mark
- (ii) whether the trade mark opposed is sought to be registered for goods or services which are not similar to those for which the earlier trade mark is protected
- (iii) whether, and to what extent, the earlier trade mark has a reputation in the United Kingdom
- (iv) whether the use of the later trade mark is “without due cause”
- (v) whether the use of the later trade mark
 - (a) takes unfair advantage of; and/or
 - (b) is detrimental to the distinctive character or the repute of the earlier mark.”

26. No issue arises in this case in relation to points (i) or (ii). It is accepted that identical and closely similar marks are involved and that the applied for goods are dissimilar to those of the opponents. Furthermore point (iv) only arises in the event that I find in other respects for the opponents but need to consider the effect of the saving provision.

27. The real issues before me, therefore, concern whether the opponents have established the necessary reputation (point (iii)) and if so in relation to what goods and whether any of the adverse consequences referred to in the Section have been established (point (v)). I will take these in turn.

28. The nature of the reputation that is required to found an action under Section 5(3) was the subject of the following guidance from the ECJ in the Chevy case:

“... It is only where there is a sufficient degree of knowledge of that mark that the public, when confronted by the later trade mark, may possibly make an association between the two trade marks, even when used for non-similar products or services, and that the earlier trade mark may consequently be damaged.

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

25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.”

29. The relevant date at which I must assess the opponents' reputation is 24 August 1999. For this purpose Mr Hickey relied on the opponents' use in relation to clothing. He was right to do so. The evidence also points to a trade in eyewear but it has not been substantiated beyond the invoice evidence and information on outlets in TJ02. It does not begin to establish a *Chevy* reputation in such goods. There are also two advertisements for watches bearing the mark but no evidence of sales or other substantiating material. Furthermore on my reading of the pleadings the opponents have only relied on their reputation in relation to Class 25 goods (although a number of their earlier trade marks cover other classes).

30. So far as clothing is concerned I have recorded above the turnover figures for Guess Corporate and the various licensees. I had noted that the 1996 figures for Guess Corporate and the 1998 figures for Maco may have been incorrectly recorded. As Mr Hickey placed some reliance on 1998 figures the latter is of some potential significance. It was confirmed that the figure should have read US\$ 4,077,230 and not US\$ 4,077,23. As this is the single largest

annual sales figure it seemed to me that it should be formally corrected not least for the benefit of any appeal tribunal should the matter go that far. Deborah S Siegel, Mr Oswald's successor as General Counsel of Guess? Inc subsequently filed a witness statement confirming that a typographical error had occurred and that the correct figure for 1998 should have been \$4,077,230.

31. Even with that clarificatory correction I find myself in some difficulty in assessing whether the opponents can claim the necessary reputation. Any use of a mark is likely to create some reputation but it is clear that the Section was not intended to give protection to all or any type of use. The test is whether the earlier mark is known by a significant part of the public concerned by the products concerned. Self evidently when the goods are clothing the market is a large one and there is nothing in the evidence that assists me by placing the use shown in context. Equally Mr Hickey quite properly reminded me that *Chevy* cautions against imposing a standardised test such as market share. In the absence of such information or other indicators such as press coverage, trade reports, or independent sources of information etc. I must make the best I can of the evidence filed.

32. From submissions at the hearing I understand that the opponents consider themselves to be targeting the top end of the fashion clothing market but falling short of what might be called high fashion. With the exception of one John Lewis Partnership store and two Selfridges outlets the list of retail stores were said to be in the nature of boutique outlets. That is consistent with the nature of the opponents' target market and probably with the price indications in the invoice evidence at TJ01. Even so Mr Oswald's invoice is far from forthcoming about the nature of the trade and the company's positioning within the clothing market. Arguably the submissions and explanations offered at the hearing go further than is justified by the evidence.

33. I am left with the position that turnover and advertising point to a not insignificant trade but one that is in all probability relatively modest within the clothing trade as a whole; that only some 35 retail outlets exist and that is the position at October 2000, a year after the material date; and that there has been advertising in a range of fashion related magazines such as Marie Claire, Arena, FHM, Elle, Vogue etc. Two free-standing GUESS stores in London, which might have further increased market awareness, have closed but I am not told when.

34. It must, of course, be remembered that knowledge of a mark may extend beyond, and sometimes well beyond, the category of persons who might be customers for the goods. In the clothing market I believe it would be reasonable to say that that is true of the reputation of some of the 'high fashion' houses. Also, as Mr Hickey submitted, in the context of high-end fashion, a degree of exclusivity is a key element in establishing the values that make the brand successful. It may, therefore, be the case that knowledge of the opponents' mark is disproportionate to the level of actual sales and advertising. But that is largely a matter of speculation. On the material before me I am not persuaded that the use shown is sufficient to claim a *Chevy* reputation.

35. In case I am wrong in the above view I propose to go on to consider the consequences of use of the later trade mark (point (v) above).

36. Mr Hickey put his case on the prejudicial effects of the use of the applied for mark on the following basis in his skeleton argument (and developed at the hearing):

- “(i) The trade mark GUESS is wholly distinctive in the context of both the opponents goods and those of the applicants – Ever Ready (1998 RPC 631).
- (ii) The goods are associated in that both are leisure purchases. Clothing, accessories and bicycles are all “lifestyle items” which are purchased by the public at large and therefore an association between the marks is possible with the possibility of actual confusion, the ultimate form of detriment or at the very least the dilution of the distinctive character of the opponent’s mark.
- (iii) Use in respect of mechanical apparatus such as a bicycle could lead to significant tarnishment of the opponent’s brand. If the bicycles were to be faulty or cause an accident through faulty parts, this would lead to the trademark used upon those products being linked in the mind of consumers to faulty products.”

37. I accept the first of these propositions that the mark GUESS is wholly distinctive in relation to both parties’ goods in the sense that the word has no obvious descriptive or allusive significance in relation to those goods.

38. Underpinning Mr Hickey’s submissions in relation to the nature of the association that would be made between the goods is the claim that clothing and bicycles are lifestyle items and that one may be considered to be a brand extension of the other. ‘Lifestyle’ claims are not infrequently made in relation to a range of goods and services. No doubt the term has certain desirable connotations from a promotional point of view. But, given that we all have somewhat different lifestyles, as a term it lacks specificity and is capable of application to a range of different age and interest groups. A claim that something is a lifestyle item seems to me to depend crucially on establishing what the nature of the particular lifestyle being referred to is, what its attributes, characteristics, values etc. are and, in the context of Section 5(3), what advantage will be taken or detriment caused by use of the mark in relation to the goods applied for. Apart from the inferences I have been able to draw from the evidence (see above) I note that Mr Oswald says:

“My Company has sponsored on several occasions sporting and fitness events such as the Revlon walk/run fund raiser to find a cure for breast cancer, together with sporting events. Adverts showing my Company’s products under the name GUESS are often placed in magazines for younger men and women such as *FHN* [FHM?] who would also carry advertisements for sports equipment and indeed cycling equipment.”

39. It would seem from this that the opponents regard themselves as targeting a younger generation of fashion conscious men and women and that ‘lifestyle’ is to be construed in this context. The type of magazines in which the opponents have advertised ranges from what I believe are commonly called lads’ culture magazines (FHM, Loaded), to more general fashion magazines (Vogue, Cosmopolitan), music magazines (Q) and others. The claim that any of the magazines concerned would carry advertisements for sports or cycling equipment is not wholly

implausible but has not been the subject of evidence to establish the fact or extent. The lifestyle claim, therefore, remains vague in nature and unsubstantiated in terms of meaningful detail.

40. I must return at this point to some of the principles that emerge from the reported cases referred to above. The Advocate General's opinion in the Chevy case has itself been reported in [1999] ETMR 122. He commented that:

“43. It is to be noted in particular that Article 5(2), in contrast to Article 5(1)(b), does not refer to a mere risk or likelihood of its conditions being fulfilled. The wording is more positive: “takes unfair advantage of, or is detrimental to” (emphasis added). Moreover, the taking of unfair advantage or the suffering of detriment must be properly substantiated, that is to say, properly established to the satisfaction of the national court: the national court must be satisfied by evidence of actual detriment, or of unfair advantage.”

41. In the Typhoon case Mr Justice Neuberger said this of the scope and intent of the equivalent provision in the Act that deals with infringement:

“... Section 10(3) is not intended to have the sweeping effect of preventing the use of any sign which is the same, or similar to, a registered trade mark with a reputation; nor is section 10(3) intended to enable the proprietor of a well known registered mark to be able to object as a matter of course to the use of a sign which may remind people of his mark. In at least three decisions in the Trade Mark Registry, it has been held that what section 10(3) is intended to prevent is the use of a sign which exploits the distinctive character or repute of an established trade mark in either or both of the ways contemplated in paragraphs (a) and (b) of that sub-section: see *AUDI-MED Trade Mark* [1998] RPC 863, *Oasis Stores Ltd's Trade Mark Application* [1998] RPC 631 and *VISA* (unreported, cited above)¹.”

42. In *Loaded* Mr Thorley QC commented on the relationship between the scope of an opponents' reputation and the ease or otherwise with which the public will make a connection with another party using an identical or similar mark on dissimilar goods:

“It is plain that the extent of the reputation is of particular significance when considering section 5(3) or section 10(3) since an analysis of the likelihood of unfair advantage and/or detriment must be dependent upon the magnitude of the reputation in the earlier mark. Where a mark has become a household word, there will plainly be a greater propensity for the public to associate a similar mark used on dissimilar goods with the mark enjoying the reputation than in cases where the reputation is of a less extensive nature.”

43. Mr Thorley also indicated that simply establishing that such an association is likely to be made is not in itself enough:

¹ Since reported at [2000] RPC 484

“... the requisite detriment/unfair advantage can be proved by satisfying the Tribunal that the public makes a connection between the later and the earlier mark and that that connection is prejudicial to the earlier mark.”

44. Mr Hickey’s submissions covered the three elements to his clients’ case that are outlined in the above passage from his skeleton argument, that is to say actual confusion, dilution of distinctive character and tarnishing of that character.

45. It is now well established that confusion is not a necessary requirement under Section 5(3) but, if present, can be taken into account. Where it exists the likelihood of prejudice is obvious (*see Loaded* at paragraph 19). In the opponents’ favour they have a mark with a strong distinctive character. Against that the reputation attaching to it (assuming for present purposes that it meets the threshold requirement of the Section) is of a less extensive nature and the respective sets of goods are some way apart. If there is a case to be made that bicycles may be seen as a brand extension product it has not been established on the evidence before me. In short I can see no conceivable basis for finding that confusion is likely if the mark GUESS is used on such disparate goods.

46. I understand that Mr Hickey considered his strongest case to be based on dilution of distinctive character by which he meant that use of the applied for mark would result in erosion of the uniqueness of the GUESS brand in the market place. In *Oasis Stores Ltd’s Trade Mark* application [1998] RPC 631 the Hearing Officer commented that:

“Any use of the same or a similar mark for dissimilar goods or services is liable, to some extent, to dilute the distinctiveness of the earlier mark. The provision is clearly not intended to have the sweeping effect of preventing the registration of any mark which is the same as, or similar to, a trade mark with a reputation. It therefore appears to be a matter of degree. In considering detriment under this heading it appears to me to be appropriate to consider:

1. The inherent distinctiveness of the earlier trade mark;
2. The extent of the reputation that the earlier mark enjoys;
3. The range of goods or services for which the earlier mark enjoys a reputation;
4. The uniqueness or otherwise of the mark in the market place;
5. Whether the respective goods/services, although dissimilar, are in some way related or likely to be sold through the same outlets;
6. Whether the earlier trade mark will be any less distinctive for the goods/services for which it has a reputation than it was before.”

47. Applying those considerations to the facts of the case before me I find that the opponents’ have an inherently strong mark; a limited reputation and one which relates to a narrow range of

goods; a mark which on the evidence is unique in the marketplace; but no obvious or established connection in terms of outlets, promotional mechanisms or other factors. The result is that I see no reason why the opponents' mark should be any less distinctive for the goods for which it has a reputation than it was before.

48. The final part of the Section 5(3) ground turns on the issue of damage to the reputation of the opponents' mark as a result of faulty products put out under the applicants' mark. It is clear from the reported cases referred to above which resulted in favourable outcomes for the opponents that the Appointed Persons identified specific ways in which the applied for mark in each case would be damaging to the reputation or distinctive character of the earlier trade mark. Thus in the *Visa* case it was held that registration of an identical mark for, inter alia, condoms and contraceptive devices would alter perceptions of the mark negatively from the point of view of Visa International's position as a provider of financial services in a retail environment. In *Loaded* Mr Thorley did not accept that clothing was widely regarded as a brand extension of magazines. There was, however, evidence that the magazine publisher had marketed clothing for promotional purposes. More importantly it was held that the widespread use of the trade mark on clothing could materially affect the ability of Loaded magazine (which it was accepted had a significant fashion content) to obtain advertisements from others for their clothing in the magazine (paragraphs 62 and 63). A further case relied on by the opponents, GALAXY Trade Mark, O/179/00, was decided in the opponents' favour on the basis of the clearly damaging association between the goods being on the one hand confectionery products and on the other preparations for killing weeds and destroying vermin.

49. I accept that some people who encountered the applicants' mark on bicycles having previously been familiar with the opponents' mark for clothing might make an association between them. I am very far from being satisfied that their willingness to purchase the opponents' goods would be in any way affected by an adverse experience in relation to the applicants' bicycles and related parts. The distance between the goods is simply too great and no evidence has been advanced to suggest why anything other than a casual and inconsequential association would be made. The fact that both sets of goods may be advertised in the same magazines is a tenuous connection that in any case lacks evidential support to enable me to judge the prevalence and circumstances of such an occurrence. Brief mention was made of the possibility that a connection might be made in the form of clothing for cyclists. That might appear to bridge the divide between the goods. However the opponents have no reputation in this area and the applicants have not sought coverage for such goods. The Section 5(3) objection fails in each of its forms.

Section 5(4)(a)

50. The Section reads as follows:

“5-(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

- (a) 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, or
- (b) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

51. The requirements for this ground of opposition have been restated many times and can be found in the decision of Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *WILD CHILD* Trade Mark [1998] RPC 455. Adapted to opposition proceedings, the three elements that must be present can be summarised as follows:

- (1) that the opponents’ goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the applicants (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the applicants are goods or services of the opponents, and
- (3) that the opponents have suffered or are likely to suffer damage as a result of the erroneous belief engendered by the applicants’ misrepresentation.

52. Further guidance is given in Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) in paragraphs 184 to 188. In paragraph 184 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that, a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

53. Although my primary finding under Section 5(3) is that the opponents have failed to establish a reputation within the terms of the guidance provided in *Chevy*, it does not follow that they will be unable to establish goodwill sufficient to satisfy the first leg of the passing off test. The tests are different in character. Very slight trading activities have been held to be sufficient to found an action for passing off (see *The Law of Passing off* by Christopher Wadlow at 2.25). I take the view that the opponents’ evidence here is sufficient to establish goodwill principally in their clothing business and possibly extending to glasses/sunglasses though the position in this latter respect is by no means a strong one.

54. The above guidance from Halsbury’s makes it clear that the issues of goodwill and deception or confusion whilst presented as separate factors ultimately give rise to a single question of fact. As actual confusion was part of the opponents’ case under Section 5(3) and my finding on that point went against them it seems unlikely that a different conclusion would emerge in relation to deception/confusion within the context of Section 5(4)(a). Applying points (a) to (e) above confirms that this is the case. My views on the opponents’ reputation (point (a)) are set out above. That reputation is mainly in the area of fashion clothing (and probably towards the top end of the popular fashion market) and to a lesser extent in eyewear. The closeness of the respective fields of activity was the key area of submissions at the hearing. In his skeleton argument Mr Loven, for the applicants, relied on *Alain Bernadine et Cie v Pavillion Properties Ltd* [1967] RPC 581 and *Athlete’s Foot Marketing v Cobra Sports* [1980] RPC 343 in support of the view that goodwill has a limited sphere of influence. He also relied on *McCulloch v Lewis A May Ltd* [1948] 65 RPC 58 and *Lynstad v Annabast Products Ltd* [1975] FSR488 in support of the proposition that a plaintiff and defendant must be employed in the same field of business in order for misrepresentation to be possible. I do not find these authorities to be helpful in dealing with the point at issue. The first two cases are concerned with territorial aspects of reputation. To the extent that the latter two cases suggest there needs to be a common

field of activity then that view has since been overtaken by *Lego v Lego M Lemelstrich* [1983] FSR 155, headnote (5) of which indicates that:

“ (5) In the law of passing off as it has recently developed, there was no limitation in respect to the parties’ fields of activity. Nonetheless, the proximity of the defendants’ field of activity to that of the plaintiffs would be relevant as to whether the acts complained of in a particular case amounted to a misrepresentation;”

55. Reference can also be made in this respect to Wadlow’s at 4.29.

56. The Lego case demonstrates that misrepresentation may be found even in cases where the parties’ goods are widely separated. Apart from the broad and unsubstantiated claim that clothing and eyewear on the one hand and bicycles on the other may be considered lifestyle items, I consider the respective goods to have little if anything in common and, indeed, to be some distance apart. I am not aware of any circumstances of trade (including brand extension) that might lead consumers to perceive a connection.

57. Point (c) is in the opponents’ favour as the marks are the same or closely similar. No particular issues have been brought to my attention under (d) to suggest that the applicants use or are likely to use their mark in a way that may give cause for complaint. Likewise under (e) there is nothing in the nature of the respective trades or the class of persons who it is alleged is likely to be deceived that points to a finding adverse to the applicants. The most that can be said is that there could conceivably be customer overlap. That is always possible with consumer goods where the target audience is the general public or a sub-set thereof. That is insufficient on its own to make a difference.

58. Mr Loven’s skeleton argument went too far, in my view, in suggesting that *Neutrogena Corporation & Another v Golden Ltd & Another* [1996] RPC 473 indicated that actual evidence of confusion is needed to satisfy the requirement of misrepresentation. That is not correct – if it were no quia timet action would ever be possible. The following passage from *Neutrogena* is, however, useful in establishing the correct legal principle (per Morritt LJ on appeal):

“As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd v Borden Inc.* [1990] RPC 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants’ [product] in the belief that it is the respondents’ [product]?””

59. On even the most generous reading of the opponents’ evidence and submissions I cannot see any basis for finding that a substantial number of members of the public will be misled here. The opposition fails under Section 5(4)(a) as well.

Costs


60. The applicants are entitled to a contribution towards their costs. I indicated at the close of the hearing that unless either side wished to make submissions to the contrary I proposed to base my award on the published scale in force at the time the opposition was filed. Neither side dissented from this approach. I, therefore, understand that the applicants' original request for costs on an indemnity basis is not being pursued. I order the opponents to pay the applicants the sum of £1400. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.


Dated this 09 day of May 2003

**M REYNOLDS
For the Registrar
the Comptroller-General**

ANNEX

Opponents' trade mark registrations and applications (only relevant goods shown):

No.	Mark	Class	Specification
1306333	GUESS	25	Jeans, shirts, jackets, vests, pants, sweaters, jumpsuits, shorts, hats, overalls, dresses, skirts, sweatshirts, T-shirts, sweatpants, neckties, brassieres, camisoles, bathing suits, sport coats, suits, robes, pyjamas, belts, briefs, coats, leotards, hosiery, gloves, pantyhose, scarves, ponchos, slippers, headbands for wear incorporating peaks, tights and footwear, all included in Class 25.
1185709	GUESS?	25	Articles of outerclothing; vests, underpants and footwear being articles of clothing.
1221198		25	Trousers and jump-suits, all for men and women; blouses and skirts, all for women; shorts, vests, jackets and dresses.
135681	GUESS	25	Articles of clothing; footwear; headgear; jeans, shirts, jackets, vests, pants, sweaters, jumpsuits, shorts, hats, overalls, caps, dresses, blouses, sweatshirts, t-shirts, sweatpants, neckties, brassieres, camisoles, bathing suits, sports coats, suits, robes, pyjamas, belts, briefs, coats, leotards, hosiery, gloves, pantyhose, scarves, ponchos, slippers, sun visors, tights, outerwear, underwear, skirts, headbands for wear incorporating peaks, tights and footwear, children's clothing; trousers, shoes, socks, suspenders, bibs, booties, coverups, jumpers; infants' and babies clothing;

			lingerie, swimwear.
135624	GUESS?	25	Articles of clothing; footwear; headgear; jeans, shirts, jackets, vests, pants, sweaters, jumpsuits, shorts, hats, overalls, caps, dresses, blouses, sweatshirts, t-shirts, sweatpants, neckties, brassieres, camisoles, bathing suits, sports coats, suits, robes, pyjamas, belts, briefs, coats, leotards, hosiery, gloves, pantyhose, scarves, ponchos, slippers, sun visors, tights, outerwear, underwear, skirts, headbands for wear incorporating peaks, tights and footwear, children's clothing; trousers, shoes, socks, suspenders, bibs, booties, coverups, jumpers; infants' and babies clothing; lingerie, swimwear.
135640		25	Articles of clothing; footwear; headgear; jeans, shirts, jackets, vests, pants, sweaters, jumpsuits, shorts, hats, overalls, caps, dresses, blouses, sweatshirts, t-shirts, sweatpants, neckties, brassieres, camisoles, bathing suits, sports coats, suits, robes, pyjamas, belts, briefs, coats, leotards, hosiery, gloves, pantyhose, scarves, ponchos, slippers, sun visors, tights, outerwear, underwear, skirts, headbands for wear incorporating peaks, tights and footwear, children's clothing; trousers, shoes, socks, suspenders, bibs, booties, coverups, jumpers; infants' and babies clothing; lingerie, swimwear.
948661	GUESS 2000	25	Men's, women's, children's and infant's clothing, footwear, headgear, outerwear, underwear, belts.