

O-350-03

**TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No 2286774
IN THE NAME OF ETHEL AUSTIN LIMITED**

AND

**IN THE MATTER OF
OPPOSITION THERETO UNDER NUMBER 91072
IN THE NAME OF INTERNATIONAL STARS S.A.**

Trade Marks Act 1994
In the matter of application No 2286774
in the name of Ethel Austin Limited

And

In the matter of opposition thereto
under number 91072 by International Stars S.A.

BACKGROUND

1. On 21 November 2001, Ethel Austin Limited applied to register ENRG as a trade mark in Class 25, and in respect of the following goods:

Articles of clothing; articles of outerclothing; articles of underclothing; footwear; headgear; caps and hats; children's wear; swimwear and beachwear; casualwear; leisurewear; articles of sports clothing; hosiery and lingerie; scarves; ties.

2. On 11 September 2002, International Stars S.A. filed notice of opposition, in which they say that they are the proprietors of four earlier marks, details of which are set out as an annex to this decision. The grounds on which the opposition is based are as follows:

Under Section 5(2)(b) because the mark applied for is a similar mark, sought to be registered for identical and similar goods, to those earlier marks and there exists a likelihood of confusion between the marks.

Under Section 5(4)(a) by virtue of the law of passing off.

3. The applicants filed a counterstatement in which they deny the grounds on which the opposition is based.

4. Both sides ask that an award of costs be made in their favour.

5. Only the opponents filed evidence in these proceedings, The matter came to be heard on 7 August 2003, when the applicants were represented by Mr James St Ville of Counsel, instructed by William A Shepherd & Son, their trade mark attorneys. The opponents were represented by Mr Keith Hodkinson of Marks & Clerk, their trade mark attorneys.

Opponents' evidence

6. This consists of three Witness Statements. The first is dated 13 February 2003, and comes from Renato Rossi, an Italian citizen and a Director of SIXTY S.p.A, an exclusive licensee of International Stars S.A. Mr Rossi confirms that he has been employed by SIXTY S.p.A. since 10 May 2001, and is fully acquainted with the business and the goods it manufactures and sells.

7. Mr Rossi refers to the earlier marks relied upon by the opponents, and to exhibit RR1 which consists of registration details for the same. He goes on to describe his company as manufacturers and merchants of items of clothing, clothing accessories and footwear, stating that they have a substantial level of trading activity, inter alia, in the United Kingdom, under the trade mark ENERGIE, and that this trade commenced in the UK in 1993.

8. Exhibit RR2 consists of samples of a swing tag and two sew-in labels. The swing tag and one label show the word ENERGIE presented with an arrowhead device in place of the second E. The other label shows the word ENERGIE with the arrowhead device placed above. Exhibit RR3 consists of a list detailing publicity expenditure in the UK for the years 1998 through to 2002. Exhibit RR4 consists of extracts from editions of a publication entitled Sportswear International, the earliest shown being edition 4, 1997. This refers to the opening of the first ENERGIE shop in Italy in May 1997, to be followed by stores in Florence, Paris Amsterdam and Lubiana. There is no mention of the UK, nor any indication that the publication was available in the UK, in fact, a later edition gives a cover price in US\$ and Canadian \$, which casts some doubt on this. An advertisement from the December 1998 edition of Bliss, showing a cover price in £ Sterling, depicts ENERGIE combat trousers. The exhibit also includes an extract from a publication entitled SURFACE, which although can be dated as being published around 1 January 2000, contains nothing that indicates it was available in the UK. An advertisement for ENERGIE Blue Jeans does give an address in the UK, but cannot be dated as being current at the relevant date.

9. Mr Rossi says that ENERGIE goods have been sold or supplied in various towns and cities throughout the UK, exhibit RR5 consisting of what he describes as a “selective list” of retail stores which exclusively sell ENERGIE branded goods. The list details two addresses in London but there is no indication of the trader, or when they commenced trade.

10. Mr Rossi goes on to list the approximate wholesale sales turnover of goods since 1993, which he also details in a table at exhibit RR6. The relevant figures are as follows:

Fall/Winter 1992	195,000,000 Italian Lire
Spring/Summer 1993	280,000,000 Italian Lire
Fall/Winter 1993/4	200,000,000 Italian Lire
Spring/Summer 1994	54,000 £ Sterling
Spring/Summer 1999	152,000,000 Italian Lire
Fall/Winter 1999/2000	34, 500 £ Sterling
Spring/Summer 2000	66,500 £ Sterling
Fall/Winter 2000/01	97,500 £ Sterling
Spring/Summer 2001	246,000 £ Sterling

11. The remaining figures are all after the relevant date and are of no consequence, other than to say that they show a significant year-on-year increase in sales. Mr Rossi does not give any details of the goods sold.

12. Exhibit RR7 consists of a floor plan for an exhibition held at Earls Court on 21-23 February 1999, ENERGIE being shown as an exhibitor. The plan shows the exhibition to have been organised by EMAP FASHION in London. Exhibit RR8 consists of a “selective list” of customers in the UK. The list gives details of retailers throughout the UK but no indication of when they began trading in ENERGIE goods, or what goods they may have sold.

13. Mr Rossi refers to exhibit RR9, which includes a number of advertisements and features relating to or depicting ENERGIE clothing, some of which can be dated as originating from before the relevant date, but apart from the following examples, cannot be seen to have been used or available within the UK:

June 2001 edition of the Express Magazine, referring to ENERGIE denim clothing,

25 May 2001 edition of OK Magazine, referring to ENERGIE jeans,

March and May 2001 editions of FHM Magazine, referring to ENERGIE denim clothing, and sweatshirt,

Spring/Summer 2001 edition of a publication entitled Lab, depicting ENERGIE jeans,

June 2001 edition of a publication entitled Later, depicting ENERGIE denim clothing,

June 2001 edition of a publication entitled Arena, depicting ENERGIE denim jeans, shirts and trousers,

January 2001 edition of Maxim, depicting an ENERGIE T-shirt,

27 March 2001 edition of a free publication entitled METRO, referring to the opening of the ENERGIE flagship store in Carnaby Street, referring to them as a retailer of denim clothing,

April 2001 editions of publications entitled Dazed Fashion, and i-D, referring to the opening of the ENERGIE flagship store in Carnaby Street, and an advertisement depicting ENERGIE menswear,

April 2001 edition of Esquire magazine, referring to the opening of the ENERGIE flagship store in Carnaby Street, referring to them as a menswear retailer,

April/May 2001 edition of a publication entitled FLUX, containing an advertisement for ENERGIE jeans and an article referring to the opening of the ENERGIE store in Carnaby Street,

May and October 2001 editions of a publication entitled The Face, and the May 2001 editions of Ministry and Loaded, referring or containing advertisements for ENERGIE jeans and trunks,

Autumn/Winter 2001 edition of the publication entitled SPRUCE, containing advertisements for ENERGIE jeans, hats and jumpers.

14. Exhibit RR10 consists of what Mr Rossi describes as “debit notes”, or invoices. The earliest dates from 18 September 1991 and relates to the supply of ENERGIE jeans, jackets and sweatshirts to a business named as Studio Massimo in London. The invoice has the name ENERGIE ROMA on the top. Later invoices make reference to Guibbino ENERGIE, Felpa ENERGIE, Gamice ENERGIE, Giubbini ENERGIE, Portafoglio ENERGIE, Maglie ENERGIE, Pantaloni ENERGIE, Gilet ENERGIE, Cinture ENERGIE, Cuanti ENERGIE, Cappelli ENERGIE, Zaino ENERGIE and Marsupio ENERGIE, but there is no indication that explains what these items are. The invoices also record the delivery of leather jackets, leather gilets, caps, shoes, T shirts, trousers, sweatshirts, cardigans, pullovers and knitwear, albeit in some cases after the relevant date.

15. The final two Witness Statements are both dated 14 February 2003, and come from Vincenzo Arno and M F Reis-Bonani, both officers of International Stars S.A., the registered proprietors of the ENERGIE trade mark registrations referred to in Mr Rossi’s Statement. Both Mr Arno and Mr Reis-Bonani confirm that their company has granted an exclusive licence to SIXTY S.p.A to manufacture and sell goods under the ENERGIE trade mark, and that all use within the UK has been with the consent of their company. They also confirm their agreement with, and corroborate the points made by Mr Rossi.

Decision

16. Turning first to the objection based on Section 5(2)(b) of the Act. That section reads as follows:

“5.-(2) A trade mark shall not be registered if because—

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

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

17. An earlier trade mark is defined in Section 6 of the Act as follows:

“6.- (1) In this Act an “earlier trade mark” means—

- (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,”

18. In a consideration of a likelihood of confusion or deception I must take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] 45 F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723. It is clear from these cases that:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*,
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, 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; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*,
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*,
- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*,
- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,
- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v Puma AG*,
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*,
- (h) further, 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; *Marca Mode CV v Adidas AG*,
- (i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*

19. The opponents rely on four registrations. Two, CTM 444026 and UK 2105374 consist of a word in what could be described as a form of Grecian text, and whilst it is submitted that these are for the word ENERGIE, the stylisation of the CTM mark is such that it is by no means certain that it will be seen as such by the consumer. The remaining two marks consist of the word ENERGIE, and ENERGY TOPDECKS, both in a plain block font. Setting aside my reservations on the effects of the stylisation, and accepting that all of the opponents' marks will be seen as the word ENERGIE, the question I will first determine is whether this word is similar to the mark applied for.

20. It was put to me that ENERGIE is the French word for ENERGY. I do not believe that whether this is, or is not the case will have much bearing on the outcome of this case, for the two are so close in sound, appearance and concept as to be all but indistinguishable. The real question is whether ENRG is similar to ENERGIE?

21. In the *REACT* trade mark case [2000] RPC 285 it was accepted that the selection of clothes is essentially a visual act, and I would say that that would also be the case for clothing accessories such as belts, handbags etc. However, whilst this suggests that in an assessment of a likelihood of confusion it is the visual similarity of the respective marks that is of primary importance, this does not mean I can disregard any oral, aural or conceptual similarities.

22. Insofar as ENERGIE (and ENERGY) contain the letters E, N, R and G, there is a modicum of visual similarity, but that is to compare part for whole, whereas the consideration is, having regard to any particularly distinctive or dominant elements, whether both marks, when taken as a whole, are similar. I see no logical reason why I should regard the letters E, N, R and G within the opponents' mark to have any more significance than the other letters of which the mark is composed. The opponents' say that their mark is a word, and in the absence of any factors to give these letters any particular significance, they are neither any more distinctive, nor dominant than the other letters of which the mark is composed.

23. Mr Hodkinson sought to persuade me that even though the mark applied for is composed of four letters, the "natural, obvious and fair way" of pronouncing it is going to be as the word ENERGY, but even if this was not the case, and people were taking the trouble to pronounce it as a four-syllable mark, it is still very close. Mr Hodkinson went on to suggest that ENRG "*is an obvious truncation of our (ENERGIE) mark in the sort of area one encounters frequently now of texting. These are marks which are classically targeted at the texting generation. It is a natural abbreviation*". Mr St Ville, quite correctly pointed out that there is no evidence that ENRG is in use as an abbreviation, in texting or otherwise, and drawing an analogy with the FCUK mark, went on to submit that whilst the consumer may run the E and N together and pronounce it as "N", the R and G will retain their individual identities as letters, and the mark pronounced as EN-R-G, in essence, as the three letters N, R and G. Apart from where the mark is pronounced as four distinct letters, it will, in my view, have some phonetic resemblance to the word ENERGY, but marginally less so in respect of the French word ENERGIE when pronounced correctly.

24. This leaves the question of whether there is any conceptual similarity. On seeing the mark applied for, ENRG, is the consumer likely to see the word ENERGY or ENERGIE? In answering this I am mindful of the words of Jacob J in *British Sugar Plc v James Robertson &*

Sons Ltd, [1996] RPC 281 (the *TREAT* case) where he said "...it is possible for the sign to be hidden or swamped. No-one but a crossword fanatic, for instance, would say that "treat" is present in "theatre atmosphere". In my view, the only person likely to see ENRG as the word ENERGY or ENERGIE will either be a trade mark practitioner in the trade mark world, or Jacob J's crossword fanatic.

25. Taken as a whole I would say that the dissimilarities in the respective marks far outweigh the similarities, and that I do not consider them to be similar marks.

26. There was a suggestion that in relation to clothing and clothing accessories, that the word ENERGIE or ENERGY was devoid of distinctive character. I do not see that; it has no reference to the character or quality of such goods, passing or otherwise, and as far as I am aware, and there is no evidence to the contrary, is not a word likely to be required, or already in use in the relevant industry. It should be regarded as possessing a distinctive character.

27. The opponents claim to have been using the mark ENERGIE, in the UK, since 1993, and have provided sales figures from "fall/winter 1992". Unfortunately some of the amounts have been presented in Italian Lira, and whilst Mr Hodkinson is correct when he says that there is no requirement that turnover figures be given in £ Sterling, I am left with the difficulty that I put to him at the hearing, namely, how do I know what the amounts represent, let alone put them into the context of the market for the goods in question? The simple answer is that I cannot. If an opponent seeks to establish that they have used a sign to an extent that their registration is deserving of a wide penumbra of protection, the onus rests firmly with them to provide cogent evidence in a usable form. The figures for some years have been given in £ Sterling, ranging from £54,000 to £246,000 for "spring/summer 2001", the rest being after the relevant date. If these figures are representative of the value of the figures given in Lira, and I see no reason why they should not be in the same ball park, then I would have to say that they are clearly not significant in relation to the overall size of the clothing, or clothing accessories market in the UK. There is also the matter that the evidence does not show use on anything other than items of clothing.

28. Although there are references in the evidence that indicate that the opponents' clothing is upper-end, albeit casual fashion wear, their registrations are not limited in any way. But in any event, the applicants' specification is not limited either and would notionally encompass clothing of all types, styles and price, etc. I must therefore assume that the applicants' goods are capable of sharing the same channels of trade, from manufacture to sale, and being ordinary items of clothing, likely to be purchased by the public at large, and also the same consumer.

29. In the Statement of Case, the opponents set out the goods covered by Classes 9, 18 and 25 (as appropriate) of their registrations that they consider either to be identical, or similar to those of the opposed application. The application covers all goods to be found in Class 25, and there can be no doubt that the goods covered by the corresponding class of the opponents' earlier marks are identical. This leaves the question as to whether the goods set out in Classes 9 and 18 of the opponents' earlier marks, and described as "clothing accessories" are similar. Collectively, the goods in these classes are:

Trunks, travelling bags, leather straps of shoulder bags, shoulder bags, gladstone bags, briefcases, portfolios, suitcases, carry-on bags, tote bags, handbags, purses, key cases, wallets, billfolds, wallets for keeping credit cards, passes and name cards, umbrellas, eye-glasses, sun-glasses and parts of eye-glasses and sun-glasses.

30. In his skeleton argument, Mr Hodkinson stated that he considered such goods to be similar to clothing, stating “they are luxury goods, aimed at the same consumers, sold in the same or similar outlets and are commonly offered by manufacturers and producers of goods in Class 25. The goods are also commonly moved through the same trade channels as clothing”.

31. On the question of whether the respective goods are similar I look to the guidance of Jacob J. in *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 and in the judgement of the European Court of Justice in *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C- 39/97 case. With these cases in mind I propose to consider the question of similarity by a consideration of the following factors:

- (a) The nature of the goods or services;
- (b) The end-users of the goods or services;
- (c) The way in which the goods or services are used;
- (d) Whether the respective goods or services are competitive or complementary. This may take into account how those in trade classify goods and the trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) In determining whether similarity between the goods or services covered by two trade marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account.

32. Clearly, whilst clothing and cases/bags may be made of the same material, fabric, leather or whatever, and likely to be used by the same end users, they are very different in the way they are used, one being for wear, the other for containing or transporting. They are not competitive, and with the exception of handbags, purses and wallets, which I am aware are sold to co-ordinate with items of clothing, would not be complementary. Although they may, as Mr Hodkinson suggests, be sold in the same retail outlets, other than bags forming part of a co-ordinated range, eg, with shoes, hats and coats, they would be displayed in separate areas. On this basis I do not consider trunks, travelling bags, leather straps of shoulder bags, gladstone bags, briefcases or portfolios to even come loosely within the description of a clothing accessory, and have no hesitation in determining such goods not to be similar to the goods of the application. However, in respect of handbags, purses and wallets, and also umbrellas, which although I have no evidence to assist me, I know to be sold by some traders

to match overcoats and hats. I consider such goods to be similar to clothing.

33. Eyewear is completely different in nature and use to clothing. I see no reason why the respective consumers should not be the same, but are clearly not competitive, and only complementary to the extent that both may be considered fashion items. Again I have no evidence relating to or from the trade, but apart from some high fashion labels, I am not aware of there being manufacturers of both clothing and eyewear under the same brand. They do appear in the same retail outlets but in discrete areas. I would not consider such goods to be similar.

34. Taking into account the opponents' reputation does not change my view on whether the goods in Classes 9 and 18 of their earlier marks are similar or not, to clothing.

35. Having regard to all of the above, and adopting the "global" approach advocated, I have little difficulty in coming to the view that although there are similarities, the differences far outweigh the similarities. I do not consider the respective marks to be similar, and even allowing for the possibility of imperfect recollection, and taking into account the opponents' reputation and the identity in the goods, I do not consider that a consumer will make any association between the marks that will lead them to wrongly believe that the respective goods come from the same or economically linked undertakings. I do not consider there to be a likelihood of confusion within the meaning of Section 5(2)(b), and the objection is dismissed.

36. This leaves the matter of the ground under Section 5(4)(a). That 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

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.”

37. Mr Geoffrey Hobbs QC sitting as the Appointed Person in the *Wild Child* case [1998] RPC 455 set out a summary of the elements of an action for passing off. The necessary elements are said to be as follows:

- (a) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (b) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- (c) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

38. To the above I add the comments of Pumfrey J in *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenmy Gary Stringer (a partnership)* case, [2002] RPC 19, in which he said:

“There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent’s reputation extends to the goods comprised in the applicant’s specification of goods. The requirement of the objection itself are considerably more stringent than the enquiry under Section 11 of the 1938 Act (See *Smith Hayden (OVAX)* (1946) 63 RPC 97 as qualified by *BALI* [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised the applicant must rebut the prima facie case. Obviously he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur.”

39. In his skeleton argument Mr St Ville made the following comment on the opponents’ claim to goodwill in their marks:

“They have brought forward insubstantial evidence of goodwill which amounts to no more than a modest trade.....What evidence there is points towards idiosyncratic uses of the French word ENERGIE in the very distinctive device marks....the distinguishing features to which any goodwill must have attached”.

40. So the applicants do not seem to dispute that the opponents have goodwill in the UK, only the extent of that goodwill, and the vehicle to which it is attached.

41. It is true that the opponents’ trade has not been massive, but it has been in respect of ENERGIE, both in a stylised and plain text form, and is a trade likely to have established a reputation and goodwill in that name. However, in my determination of the ground under Section 5(2)(b), I found the differences in the respective marks outweighed any similarities to an extent that they clearly tipped the balance to a finding that they are not similar. This being the case, I do not see how I can find the applicants’ use of ENRG to be a misrepresentation. The ground under Section 5(4)(a) is dismissed accordingly.

42. The opposition having failed on all grounds, I order that the opponents pay the applicants the sum of £2,000 as a contribution towards their costs. This sum 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 13th day of November 2003

**Mike Foley
for the Registrar
the Comptroller General**

(The Annex is not attached)