

O-100-05

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 2319932  
BY ALAN SUGARMAN TO REGISTER A TRADE MARK  
IN CLASSES 35 AND 41**

**AND**

**IN THE MATTER OF OPPOSITION No. 91717  
BY BEN SHERMAN GROUP LIMITED**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF Application No. 2319932  
by Alan Sugarman to register a Trade Mark in Classes 35 and 41**

**and**

**IN THE MATTER OF Opposition No. 91717  
by Ben Sherman Group Limited**

**BACKGROUND**

1. On 3 January 2003 Alan Sugarman applied to register the following mark:



in relation to the following services:

Class 35 - advertising; business management; business administration; office functions.

Class 41 - book and magazine publishing.

2. The application is numbered 2319932.
3. On 23 May 2003 Ben Sherman Group Limited (the Group) filed notice of opposition to this application. The Group is the proprietor of the registrations set out in the Annex to this decision.
4. The Group says that it operates a diversified business that now encompasses clothing, footwear, headgear and a range of fashion and household/interior design accessories. It says that it has used the trade mark BEN SHERMAN in the UK since the late 1950s/early 1960s and has established a reputation both in this country and internationally.

5. The Group says that the applied for mark is visually and phonetically similar to the trade mark BEN SHERMAN and covers the following services which would be deemed similar to the opponent's goods:

- advertising (Class 35)
- book and magazine publishing (Class 41)

6. The opponent claims that this will result in a likelihood of confusion contrary to Section 5(2)(b) of the Act. It is said that that likelihood is further increased by the fact that the application incorporates a photograph of Mr Ben Sherman (by reference to a copy of his passport photograph).

7. The Group further objects under Section 5(3) in respect of the following services which are considered to be not similar:

- business management, business administration and office functions (Class 35).

8. In the event that any of the other services are considered to be not similar then objection to them is also raised under Section 5(3).

9. The application is also said to be contrary to Section 5(4)(a) of the Act (and in particular the law of passing off) having regard to the Group's lengthy use. In this respect a short history of the Group is exhibited to the statement of grounds.

10. Finally the Group says that the application is contrary to Section 3(6) of the Act and was made in bad faith because the applicant knew full well that BEN SHERMAN is an established brand both in the UK and throughout the world. Reference is also made in this respect to a website [www.benshermanmerchandising.com](http://www.benshermanmerchandising.com) where, it is said, there is a suggestion of a collaboration between the parties which does not and has never existed.

11. The applicant filed a counterstatement. So far as I am aware Mr Sugarman has represented himself throughout the course of these proceedings. A number of the documents filed and statements made are, as a consequence, framed in somewhat unconventional terms. I think it will be best if I reproduce in full the text of Mr Sugarman's response to the opponent's claims:

“Counterstatement

Line 1. Page 3. of the opposition refers to Section 5(2)(b) of the Trade Marks act 1994 (SIMILAR MARK SIMILAR GOODS) the Photographic Device used in the Ben Sherman Merchandising Trade Mark is a studio portrait by a large American Corporation in the early fifties the personal property of the estate of the late Ben Sherman (Alan Sugarman full Brother Dan Sherman Sugarman eldest son Marty Sherman Sugarman son) not the B.S. Group (refer to Exhibit 1.name change document dated June 2<sup>nd</sup> 1959) we are all owners of Ben Sherman Merchandising the Website benshermanmerchandising.com (artwork by Dan Sherman Sugarman) Ben Sherman Publications trading in the United States are all trading in different areas and classes than those of the opposition

(SIMILAR MARK DISIMILAR GOODS) the goods and services of Ben Sherman Merchandising are of such a high calibre and quality this could enhance rather than damage the B.S. groups reputation with reference to (page 3.clause 5.the opposition refers to Section 5(4)(a) of the Trade Marks act 1994 (REPUTATION PASSING) the Ben Sherman Merchandising Trade Mark has always been the families personal property well before the B.S. Group were formed

(page 4.clause 6.) the opposition refers to Section 3(6) of the Trades Mark act 1994 (APPLICATION MADE IN BAD FAITH) benshermanmerchandising.com was formed personally including all artwork by Dan Sherman (eldest son of the late Ben Sherman) to date the website has not been used for any commercial use however the B.S. Group have been showing Sherman Sugarman personal photographs including that of the late Ben Sherman on their website without permission of Ben Sherman Merchandising (all family photographs including old passports are the personal property of that family) we are discusted with the B.S. Groups conduct however .....” (the counterstatement ends at this point).

12. Only the opponent has made a formal request for costs.

13. Both sides have filed evidence. It was suggested to the parties that, in view of the nature of the claims and issues in this case (particularly the claim under Section 3(6)) that the case might have benefited from submissions at a hearing. However, both sides indicated that they did not think a hearing was necessary. I, therefore, give this decision on the basis of the papers filed including written submissions filed by Mr Sugarman under cover of his letters of 19 October 2004, 14 March 2005 and 15 March 2005.

## **EVIDENCE**

### **Opponent’s evidence in chief**

14. Michael Lamont, the Group’s Finance Director has filed a witness statement which commences with a brief introduction to the history of the Group which can be traced back to at least the early 1960s. The Ben Sherman Company itself was founded in 1963 and commenced production of the button down oxford shirts which have been the foundation of its reputation. Various production units have been added over the years. At its peak in the period 1969/72 there were some 13 factories in Northern Ireland and two in England. The Group history records that the period 1972/75 saw further changes and Ben Sherman himself left the company he had founded. The company was at this point totally owned by the NIFC – the Ben Sherman Newsletter of December 1972 (contained in Exhibit ML2) reveals that NIFC is the Northern Ireland Finance Corporation.

15. There were further changes of ownership in the period 1976 to 1993. The Ben Sherman label eventually came into the ownership of Sherman Cooper Ltd with administration, warehousing and distribution in Lurgan and design, showroom and production planning in London.

16. Mr Lamont reiterates the claim made in the statement of grounds that the BEN SHERMAN brand is now used across a range of merchandise encompassing fashion accessories and household/interior design items.

UK turnover is given as follows:

<b>Year ending 30 June</b>	<b>Turnover</b>
1994	£11,788,000
1995	£15,951,000
1996	£24,256,000
1997	£37,662,000
1998	£58,891,000
1999	£78,471,000
2000	£81,820,000
2001 (10mths)	£72,470,000
2002	£83,290,000
2003	£90,124,000

17. There are approximately 1000 apparel and 350 footwear customers in the UK. The apparel customers have a total of around 1700 retail outlets in the UK and the footwear customers 720. The footwear products are also distributed through mail order catalogues.

18. Samples of promotional activity and advertising from 1993 to date are given in Exhibit ML2. Advertisements have appeared in a wide range of publications. Mr Lamont breaks these down into four groups – men’s, women’s, trade press and national press. Advertising expenditure is said to have been as follows:

<b>Year Ending</b>	<b>Advertising Expenditure in Sterling</b>
1998	£1,047,804
1999	£ 922,000
2000	£ 916,404
2001	£ 883,712
2002	£ 867,452
2003	£ 900,000

19. The trade mark BEN SHERMAN appears in many forms including:

- (i) as a textile back neck label;
- (ii) as a textile tab sewn in on a pocket or on footwear;
- (iii) in embroidered signature form;
- (iv) on embossed buttons;
- (v) engraved onto buckles on footwear;
- (vi) as a sewn in label on garments, such as denim trousers and jackets;
- (vii) as branding and labelling on men’s toiletries and related packaging;
- (viii) engraved onto the metal buckles of leather belts;

- (ix) as branding and labelling on bags;
- (x) engraved onto men's jewellery such as bracelets and cufflinks; and
- (xi) engraved or embossed onto the dials of men's watches.

20. Samples of headed notepaper, compliment slips, business cards, swing labels and packaging are shown at Exhibit ML3.

21. I note that a website extract ([www.benshermanusa.com](http://www.benshermanusa.com)) included in Exhibit ML2 claims that BEN SHERMAN "dominates the men's branded apparel market being the 4<sup>th</sup> largest casual wear brand in the UK".

22. The remainder of Mr Lamot's witness statement consists largely of submissions. I bear these points in mind and will take them into account in reaching my decision below.

### **Mr Sugarman's evidence**

23. Mr Sugarman is the brother of the late Ben Sherman. The evidence is that a number of members of the Sherman Sugarman family changed their name to Sherman in 1959. It appears that Ben Sherman was a member of that family.

24. Mr Sugarman's evidence repeatedly refers to the Ben Sherman Trust and it seems that the intention is to transfer the applied for mark to the Trust. However, the documentary evidence, which I will go on to briefly describe, is generally couched in terms of what is planned or anticipated rather than what has actually happened. A number of the documents are unsatisfactory and of little, if any, evidential value. Again I will identify my concerns where appropriate in what follows.

25. Mr Sugarman's witness statement of 2 April 2004 refers to the following Exhibits:

- Exhibit 1 - Mr Sugarman describes this document as showing his intention to the Ben Sherman Group. It is in effect an offer to the latter to take a license in respect of the applied for mark. I will return to the text of the letter in due course.
- Exhibit 2 - a copy of Ben Sherman Group Ltd's reply declining Mr Sugarman's invitation.
- Exhibit 3 - described as a declaration from Martin Sherman (Ben Sherman's son). It is in fact a copy of an undated/unheaded "To whom it may concern" letter which commences "As the trustor of the Sherman Design Center Irrevocable Trust I have chosen to change the name to "Ben Sherman Merchandising ....." The letter goes on to say that he has been advised to "postpone any change in operating basis until all the legal details are settled".

It appears that the information contained in this document should have been put into proper evidential form. I can give it little weight as it

stands. In any case it leaves many questions unanswered (notably the status and identity of the Sherman Design Centre Irrevocable Trust and its relationship with Mr Sugarman). It does not appear to advance the case for registration of the applied for mark.

- Exhibit 4 - a change of name document for members of the Sherman Sugarman family. Its relevance to the proceedings is not clear.
- Exhibit 5 - described as a draft page from the Ben Sherman Trust showing the intentions of the Trust to protect the Ben Sherman Group in all areas of commerce. Again I find this document to be of limited value. It is a draft and only the first page has been exhibited.

I note that Mr Sugarman says the Trust is now up and running with documents being held by a firm of solicitors/lawyers. There is no documentary evidence to support this claim.

- Exhibit 6 - Mr Sugarman's annotation of an entry in the 'Short History of the Ben Sherman Label' document. He is of the view that one of the early dates is wrong. This appears to have little bearing on subsequent events and the history of the Group.
- Exhibit 7 - a document entitled 'Additional evidence' which contains commentary on the draft Trust document, and on the use by the opponent of a photograph of Ben Sherman (which is said to be the property of the Sherman Sugarman family).
- Exhibit 8 - a copy of an entry from Ben Sherman's passport.

26. Both sides have filed further witness statements – 2 by Nicola Shackleton of Page, White & Farrer on behalf of the Group and one by Mr Sugarman. In general the further material supplied and submissions made do not greatly assist in determining the issues before me. Where relevant matters do emerge I will deal with them in my decision below.

## **DECISION**

27. I should preface what follows by saying that it is by no means clear from Mr Sugarman's counterstatement that the opponent's claims are expressly denied. However, I bear in mind that Mr Sugarman is a private litigant and has represented himself during the pendency of these proceedings. Furthermore, the case appears to have been conducted throughout on the basis of an implicit assumption that each of the claims is denied. I am not aware that the opponent has sought to have a summary judgment as a result of any deficiency in the defence as pleaded. Rather, the matter has progressed through the evidence rounds on the basis that the opponent's claims are being fully contested. I, therefore, go on to deal with the objections in the order that they have been raised.

### **Section 5(2)(b)**

28. The relevant part of the statute reads:

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

- (a) .....
- (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.”

29. I take into account the well established guidance provided by the European Court of Justice (ECJ) in *Sabel BV v. Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* [2000] 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*, paragraph 22;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v. Puma AG*, paragraph 23, 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.* paragraph 27;
- (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*, paragraph 23;
- (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*, paragraph 23;
- (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*, paragraph 17;
- (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*, paragraph 24;
- (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*, paragraph 26;



- (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*, paragraph 41;
- (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*, paragraph 29.

30. The respective marks are those shown in the Annex to this decision and the mark applied for. The opponent's earlier trade marks are either for the words BEN SHERMAN or those words in signature form or with other non-distinctive matter (the word JEANSWEAR). The applied for mark consists of a portrait of the late Ben Sherman and the words BEN SHERMAN MERCHANDISING written in cursive script form. The name is very clearly legible and not so very different from the signature form appearing in the opponent's marks. The words and photograph are, of course, mutually reinforcing in the sense that the words are intended to inform the viewer of the identity of the individual portrayed. Mr Sugarman's counterstatement does not expressly deny similarity but comments instead on the ownership of the photograph and copyright issues arising therefrom. I comment in passing that these issues are not before me in these opposition proceedings.

31. Both sides' marks would be seen and referred to as Ben Sherman marks. They are clearly similar to a high degree. The impact of the photograph, which dominates the surface area of the applied for mark, must not be discounted but, as I have said, it merely serves to reinforce the words.

32. Turning to the respective goods and services the opponent claims that advertising services in Class 35 and book and magazine publishing in Class 41 are similar to its own goods. It concedes that the remaining services are not similar.

33. In relation to the advertising services in Class 35 the opponent has not said which of its goods it considers similar. I can see no obvious synergy between any of the goods of the opponent's earlier trade marks (including those for which it enjoys a considerable reputation) and advertising services per se. It is true that all or any of the goods listed may be the subject of advertising, but then so can any goods or services. The process of advertising clothing or other goods for sale is an activity in support of the trade in goods, it is not the offering of the service of advertising. I do not accept that the opponent has established any basis for saying there is similarity between Mr Sugarman's advertising services and any of its own goods. In the absence of such similarity the Section 5(2)(b) case cannot succeed against advertising.

34. So far as the Class 41 services are concerned the opponent's Community Trade Mark No 1066679 appears to offer it the best chance of success including as it does goods in Class 16 and, most notably, printed matter. As a matter of plain language the latter term would include, inter alia, books and magazines. On that basis the comparison is between such goods and book and magazine publishing. Whilst I accept that someone taking advantage of a publishing service would not do so lightly and can be expected to be reasonably circumspect and knowledgeable, there is a considerable similarity between the service and the goods produced or offered as a result of the service.

35. Determining whether there is a likelihood of confusion requires me to consider the net effect of the similarities and differences between the marks and the goods and services. In so far as the opponent's Community Trade Mark 1066679 covers Class 16 goods, I treat it as an unused mark there being no separately identifiable evidence of use in relation to books, magazines or other Class 16 goods. Based on its inherent characteristics I take it to be possessed of at least a reasonable degree of distinctive character.

36. I also need to consider the relevant consumer for the respective goods and services. In relation to the opponent's goods I consider it would include both the public at large and traders and licensees who might buy such items for their professional needs. The Class 41 publishing services are more likely to be directed at the needs of commercial organisations but may also be sought out by private individuals. Weighing these factors in the balance and particularly the undeniably close similarity between the marks, I find that there is a likelihood of confusion and the opposition should succeed under Section 5(2)(b) in so far as it is directed at book and magazine publishing.

### **Section 5(3)**

37. In its original form the Section reads:

“5.-(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.”

38. By virtue of regulation 7 of the Trade Mark (Proof of use, etc) Regulations 2004, Section 5(3)(b) has now been repealed. The equivalent provision in Section 10 of the Act dealing with infringement has also been amended. As the explanatory note indicates:-

“These amendments implement the decision of the European Court of Justice in *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd* of 9 January 2003 (C-292/00) which was confirmed by its decision in *Adidas-Saloman AG and Adidas Benelux v Fitnessworld Trading Limited* of 23 October 2003 (C-408/01). Those decisions determined that Article 5(2) of the Directive, which on the face of it, grants a right to the proprietor of a trade mark to prevent third parties from using an identical or similar trade mark in relation to goods or services which are not similar where the earlier trade mark has a reputation and use of that sign takes unfair advantage or is detrimental to the distinctive character of that earlier trade mark, also applies to goods or services which are similar or identical to those for which the earlier trade mark is registered.”

39. Notwithstanding the broader interpretation of Section 5(3) (Article 5(2)) that has now been confirmed by the ECJ, the opponent's claim here is based on the fact that the respective goods and services are dissimilar. The claim as framed covered "business management, business administration and office functions" in Class 35. As a result of my finding under Section 5(2)(b), "advertising" in Class 35 must be added to the list and has been properly provided for by way of an alternative pleading in the opponent's statement of grounds (paragraph 3).

40. 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] RPC 767, *Daimler Chrysler v Alavi (Merc)* [2001] [RPC] 42, *C A Sheimer (M) Sdn Bhd's Trade Mark Application (Visa)* [2000] RPC 484 *Valucci Designs Ltd v IPC Magazines (Loaded)* BL O/455/00 and, more recently *Mastercard International Inc and Hitachi Credit (UK) Plc* [2004] EWHC 1623 (Ch) and *Electrocoin Automatics Limited and Coinworld Limited & others* [2004] EWHC 1498 (Ch).

41. In the *Merc* case Pumphrey J took as his starting point the following:

"In my view, the best approach is just to follow the section remembering Jacobs AG's warning that it is concerned with actual effects, not risks or likelihoods. The enquiry is as follows. (1) Does the proprietor's mark have a reputation? If so, (2) is the defendant's sign sufficiently similar to it that the public are either deceived into the belief that the goods are associated with the proprietor so that the use of the sign takes unfair advantage of the mark, or alternatively causes detriment in their minds to either (a) the repute or (b) the distinctive character of the mark, or (3) even if they are not confused, does use of the sign nonetheless have this effect, and (4) is the use complained of nonetheless with due cause."

42. The first matter to consider is whether the opponent can claim the requisite underpinning reputation.

43. I have recorded above Mr Lamont's evidence as to the nature and extent of the opponent's trade. There can be little doubt the Ben Sherman Group has a long trading history and is now of significant size with turnover ranging from £58 million to £83 million in the five years preceding the relevant date in these proceedings.

44. It is equally clear from the bulk of the material submitted (notably ML2) that that trade has been founded on shirts. It would seem that shirts still dominate the business. There has, nevertheless, been some diversification or extension of the business into other areas of the clothing market. The precise duration and extent of this is not entirely clear as no breakdown of turnover is given. However, from the material in ML2 I note the following:

- reference in a document entitled "The attitude of Ben Sherman" to shirts, T-shirts, knitwear, jackets, coats, suits, jeans, trousers, ties and shoes". The document is dated 23 April 1996;
- the Autumn/Winter 1998 advertising campaign material shows inter alia knitwear, jeans and jackets;

- a Sunday Telegraph magazine advertisement dated September 1998 shows a shirt from a ladies' range;
- a Sportswear International advertisement (Issue 5/98) shows a Ben Sherman sweater;
- there are numerous footwear advertisements but they cannot be clearly dated.

45. There is thus evidence to support the Group's claim in relation to a wider cross section of clothing from at least 1996, but I can see nothing in the evidence that substantiates Mr Lamont's claim to a trade in fashion accessories and household/interior design.

46. I conclude that the Group has a substantial reputation in relation to the business of supplying clothing and most particularly shirts. There can be no doubt that these goods are dissimilar to the services identified above (in terms of the pleaded case).

47. Pumphrey J's approach in the *Merc* case takes together the issues of whether the public would be deceived into believing that the applicant's services are associated with the proprietor and the possible adverse consequences of such a belief. The point about a connection being made can be dealt with fairly shortly. It is implicit in the applicant's counterstatement and evidence that public confusion between the respective marks is an issue that needs to be addressed. I have already found in relation to Section 5(2)(b) that the respective marks are closely similar. Most of the Group's use in relation to shirts and other clothing items is of the signature form mark which is also the form (or slight variant thereof) appearing in the applied for mark. I have no doubt that consumers of the applicant's services (which for this purpose I take to be mainly business users) would consider that the services in question were associated with the well known BEN SHERMAN clothing business. The next question is what is the consequence of such a connection being made. Would it result in unfair advantage or detriment within the terms of the Act?

48. The applied for mark contains the word MERCHANDISING. That is, it seems to me, calculated to engender the belief that the activities in which the applicant intends to engage are connected with the BEN SHERMAN business that is well known. Mr Sugarman's application is not restricted in terms of the market to which his services will be addressed. I believe that I am entitled to consider what the effect would be if, say, the services in question were offered to businesses in the clothing or fashion goods trade. In fact as matters stand there would be nothing to prevent Mr Sugarman offering those business support services to the Ben Sherman Group's own suppliers, wholesalers, distributors, retailers or other traders with whom the Group may have dealings. It seems to me to be inconceivable that those third parties would not assume that the Ben Sherman Group was behind the services thus offered and that this represented an extension of the latter's trade or at the very least that these wider activities were being conducted with the approval of, or under the control of, the Ben Sherman Group. The significant reputation enjoyed by the latter would, in my view, result in the applicant benefiting to a material extent from such an association. In short the applicant would gain unfair advantage from the erroneous belief that would be engendered by use of the applied for mark.

49. Subject to any claim that the applicant might have that his actions are not without due cause this finding is sufficient for the opponent to succeed under Section 5(3). Is the with due cause defence available to the applicant?

50. Two points can be gleaned from the applicant's counterstatement and evidence that might be said to have a bearing on this issue. The first is the fact that the photograph appearing in the mark is said to be in the ownership of members of the Sherman Sugarman family. Firstly, I do not regard such a state of affairs as having been formally established by the evidence. But, accepting for present purposes that it is the case, I am not persuaded that this entitles Mr Sugarman or other members of the family to use the photograph in combination with other matter and in relation to the services in question in a way that would lead the relevant public to believe that there was a connection with the long established business of the Ben Sherman Group.

51. The other matter that might be thought to give some legitimacy to the application are the statements of intent regarding the steps to be taken to avoid public confusion with the Group and its activities. The problem with this is that, even if it was capable of achieving this end, the evidence does not disclose any formalised document giving effect to the applicant's intentions. It follows also that the Group has not been in a position to react to any such document let alone signify its approval or disapproval. Meantime, Exhibit NS1 suggests that the applicant is willing to sell or license the mark. It is true that the Exhibit in question expressly disclaims any connection with the Ben Sherman Group of companies but there is no guarantee that such a disclaimer will always be present. In all the circumstances I can see no basis for finding that there are circumstances which mitigate against the above findings. The opposition succeeds in relation to the balance of the applied for specifications (that is to say the Class 35 services) under Section 5(3).

52. I should just add that Mr Sugarman has referred to two examples of identical or similar trade marks co-existing in respect of different goods or services. One involves a mark (Rocko's) belonging to another member of the Sugarman family but no further information is given as to the circumstances of the case. The other is the mark Nationwide which is said to be used by an air systems company in Sussex as well as the well known building society. Again there is insufficient information on which to comment. These precedents do not therefore assist and as always each case must be determined on its merits.

#### **Section 5(4)(a)**

53. Although the combined effects of my findings under Sections 5(2) and 5(3) decide the matter in the opponent's favour I propose to deal with the remaining grounds for Mr Sugarman's benefit as he is a private litigant and also in case the matter goes to appeal. In relation to Section 5(4) the relevant part of the statute reads as follows:

“(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) .....

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.”

54. The requirements for this ground of opposition can be found in the decision of Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *WILD CHILD Trade Mark* [1998] RPC 455. The three elements that must be present can be summarised as follows:

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

55. For the reasons given earlier in considering the opponent's position under Section 5(3), I consider that the Group has a substantial reputation and goodwill in relation to the business of supplying shirts from at least the 1960s and, more recently, a wider trade in clothing.

56. Turning to the issue of misrepresentation I bear in mind that the services in respect of which the applied for mark is intended to be used would appear, on the face of it to be some distance away from the goods on which the opponent's goodwill is based.

57. However, it is well established that it is not necessary for the parties to a passing off action to be in the same area of trade or even a related area of trade. The point can be supported by reference to the following passage from Millet L.J.'s judgment in *Harrods Ltd v Harrodian School Ltd* [1996] RPC 697:

“There is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any natural extension of the plaintiff's business. The expression “common field of activity” was coined by Wynn-Parry J. in *McCulloch v. May* (1948) 65 R.P.C. 58, when he dismissed the plaintiff's claim for want of this factor. This was contrary to numerous previous authorities (see, for example, *Eastman Photographic Materials Co. Ltd. V. John Griffiths Cycle Corporation Ltd.* (1898) 15 R.P.C. 105 (cameras and bicycles); *Walter v. Ashton* [1902] 2 Ch. 282 (The Times newspaper and bicycles) and is now discredited. In the *Advocaat* case Lord Diplock expressly recognised that an action for passing off would lie although “the plaintiff and the defendant were not competing traders in the same line of business”. In the *Lego* case Falconer J. acted on evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into the manufacture of plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.

The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration

“... whether there is any kind of association, or could be in the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant”:

*Annabel’s (Berkeley Square) Ltd v. G. Schock (trading as Annabel’s Escort Agency)* [1972] R.P.C. 838 at page 844 per Russell L.J.”

58. In an earlier passage in the same judgment Millett L.J. also said this in relation to the nature of any connection that is made:

“It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant’s goods or services.”

59. Finally, in relation to the guiding principles which I am required to follow, I bear in mind that, whilst an opponent’s case is strengthened if the applicant’s motive is shown to be fraudulent, fraudulent intent is not essential to the action:

“[T]he falsity of a representation does not depend (at any rate in the absence of fraud) on the meaning which the maker of the representation intended or believed it to have or upon the construction which the court itself puts upon it, but upon the way in which it would reasonably be understood by the persons to whom it is addressed. In this respect there is no difference between the law in passing-off actions and the law in any other action based on misrepresentation.”  
(per Lord Devlin in *Parker-Knoll Ltd v Knoll International Ltd* [1962] RPC 265, 289, HL).

60. The opponent’s sign for the purposes of comparison is the words BEN SHERMAN but predominantly used in signature or script form. It is said to be based on Ben Sherman’s actual signature. In fact there have been slightly variant forms over the years though the differences are not particularly marked and nothing seems to turn on this point. Although the sign is based on a signature it is presented in a nearly copperplate and highly legible form. For convenience I reproduce below the form of the mark that features most commonly in the opponent’s evidence of use (in fact it corresponds to registration No. 2106199):



*Ben Sherman*

61. It will be apparent from the mark applied for that it too contains the words BEN SHERMAN in what would be taken to be script or signature form. Whilst side by side comparison with the sign used by the opponent reveals some slight stylistic differences they are not such as, in my view, to impact on consumers.

62. The applied for sign has other elements. The words in the mark overlay a photograph of Ben Sherman. It would be a natural and correct assumption of anyone encountering the mark that the photograph was of the individual whose name appears across it. There is also the word MERCHANDISING which is again presented in cursive script form. I will return to this latter element below.

63. Suffice to say that I have no doubt that anyone familiar with the opponent's sign would on encountering the applicant's mark make an immediate connection between them. Moreover, as I have already suggested, I believe it is implicit in Mr Sugarman's evidence that he too accepts or anticipates that this will be the case.

64. The issue, therefore, is what the nature of that connection is and whether it would lead the public to suppose that the Ben Sherman Group had made itself responsible for the applicant's services. Mr Sugarman himself has suggested that the two trade marks "are doing very different jobs" by which I take him to mean they are used or intended to be used in different areas of trade. Nevertheless, this did not stop him approaching the Ben Sherman Group with a view to entering into a licensing arrangement. Why make that approach if he felt that the services of his application were so outwith the Group's area of possible interest or future development that it would be of no conceivable interest to it?

65. In addition the mark contains the word MERCHANDISING. That is, it seems to me, calculated to engender the belief that the activities in which the applicant intends to engage emanate from or are associated with the well known BEN SHERMAN business and that the latter has made itself responsible for the quality of the services in question (paragraph 48 above explains why I think this will be the case). That would constitute a clear misrepresentation.

66. The third element of the tort is damage. As this is in the nature of a quia timet action (the applicant having yet to commence trade) there is no actual evidence of damage by the material date.

67. This is, therefore, an action based on fear of damage. It was held in *Stringfellow v McCain Foods (GB)Ltd*, [1984] RPC 501 (per Slade LJ) that:

"..... the speeches of Lord Diplock and Lord Fraser in the *Advocaat* case (supra) in my opinion make it clear that if an action is to be based on mere fear of damage, it is not enough that the fear should exist; it must be based on substantial grounds. Lord Fraser (at page 756) said that it is essential for the plaintiff in a passing off action to show (*inter alia*) that

"..... he has suffered, or is really likely to suffer, substantial damage to the property in the goodwill by reason of the defendants selling goods which are falsely described by the trade name to which the goodwill is attached"."

68. The *Stringfellow* case illustrates the point that damage cannot simply be inferred simply because of the existence of goodwill and a misrepresentation. I note that it was further held in that case that:

"Nevertheless, even if it considers that there is a limited risk of confusion of this nature, the court should not, in my opinion, readily infer the likelihood of resulting



damage to the plaintiffs, as against an innocent defendant in a completely different line of business. In such a case the onus falling on plaintiffs to show that damage to their business reputation is in truth likely to ensue and to cause them more than a minimal loss is in my opinion a heavy one.”

69. The circumstances of the case before me are, of course, quite different to those in *Stringfellow* but the distance between the respective goods and services suggests that I should be slow to infer damage.

70. The opponent, for its part, has not identified any specific head(s) of damage. This is not a case where the most obvious form of damage, direct loss of sales, will necessarily arise. Nor is it obvious that the opponent is likely to suffer any future loss of licensing income or opportunities, there being no history of such activities let alone in the area of the applicant’s proposed services.

71. Nevertheless, as I have indicated above, the nature of the applicant’s advertising and business management services etc is such that they could be offered to businesses in any area of trade. That might be the fashion goods and clothing areas and include traders who have dealings with or knowledge of the Ben Sherman Group. That seems to me to open up the prospect of damage through injurious association or damage to the Group’s reputation within the trade. The opponent would in effect be placing its reputation in the defendant’s hands.

72. In relation to injurious association, The Law of Passing-Off by Christopher Wadlow (at 4-29) acknowledges that a claimant may find damage more difficult to establish where the parties are not in direct competition but refers to the following passage from *Ewing v Buttercup Margarine Co Ltd*, 34 RPC 232 to show that it does not follow that there can be no damage:

“To induce the belief that my business is a branch of another man’s business may do that other man damage in all kinds of ways. The quality of goods I sell; the kind of business I do; the credit or otherwise which I might enjoy – all those things may immensely injure the other man who is assumed wrongly to be associated with me.”

Wadlows goes on to say at 4-30

“For the claimant to succeed under this head it is necessary to bring the case within one of the following examples:

1. The defendant’s business may be of a sort which is generally held in low regard, in which case the claimant’s reputation is likely to suffer whether or not the defendant himself deserves the public’s disapproval;
2. Conversely, although the defendant’s chosen trade may be reputable, the defendant personally may have, and perhaps deserve a bad reputation for other reasons;
3. In particular, the defendant may provide goods or services of poor quality;
4. Or may break the law;

5. There may be a real likelihood of the defendant's business failing or getting into difficulties with consequent damage to the claimant's own credit.

Under the last head one has to consider the nature and seriousness of the risks to which the claimant is allegedly being exposed and how probable it is that those risks will become reality. If the worst happens to the defendant, then what sector of the public, in terms of numbers and importance, will visit the defendant's misfortunes on the claimant, and with what consequences? The issue partly depends on whether deception is a remote possibility or a virtual certainty." (footnotes omitted).

73. It seems to me that there are difficulties in applying these principles to this case because Mr Sugarman is not yet trading and I am not in a position to comment on the way he might conduct his business or the likelihood of that business failing in circumstances which might damage the opponent.

74. However, it is not in my view fanciful to suppose that Mr Sugarman might elect to seek customers in an area of trade (the clothing field say) where the Group has a long established trade and a strong reputation and where the name Ben Sherman will command instant recognition. Arguably, that is where a receptive audience is most likely to be found. Not only would that give rise to confusion per se but it would expose the Group to possible damage to their reputation within the trade through injurious association with the applicant. In this latter respect I allow for the possibility that the applicant's trade could include dealings with suppliers, distributors, retailers etc of the Group's own goods.

75. That damage to a party's goodwill with its suppliers, for instance, can be a form of damage is apparent from *Chelsea Man Menswear v Chelsea Girl* [1987] RPC 189 albeit that the goods at issue in that case were the same or overlapping.

76. Without going on to consider other possible heads of damage such as loss of exclusivity or dilution I am of the view there is at least a strongly arguable case that the Group will be exposed to a risk of significant damage. However, in view of the fact that I have not had the benefit of submissions on the point and the opponent has achieved complete success as a result of my findings under the other relative grounds heads it is not necessary that I reach a concluded view on the passing off ground.

### **Section 3(6)**

77. This reads:

"3(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith."

The Act is to be construed consistently with the corresponding provision, Article 3(2)(d) in First Council Directive 89/104.

78. There is as yet no formal guidance from the European Court of Justice on what constitutes bad faith but I derive assistance from two cases that have come before the UK Courts. The first is *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 where Lindsay J. said:

“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context: how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.”

79. More recently the matter has been considered in the Court of Appeal in *Harrison’s Trade Mark Application* [2005] FSR 177. Sir William Aldous’ judgment in *Harrison* also considers the relevance of a further case, *Twinsectra Ltd v Yardley*, [2002] UKHL 12; [2002] 2 A.C. 164, which had been before The House of Lords. Consideration was given to the nature of the test to be applied in considering matters of dishonesty. I will quote the relevant passage in full:

“23 In *Twinsectra*, the courts had had to consider whether a solicitor had acted dishonestly. Although the question for decision in that case was different, the reasoning in the speeches is relevant. The leading speech was made by Lord Hutton. At [27] he said:

“27 .... There are three possible standards which can be applied to determine whether a person has acted dishonestly. There is a purely subjective standard, whereby a person is only regarded as dishonest if he transgresses his own standard of honesty, even if that standard is contrary to that of reasonable and honest people. This has been termed the ‘Robin Hood test’ and has been rejected by the courts. As Sir Christopher Slade stated in *Walker v Stones* [2000] Lloyds Rep PN 864, 877 para. 164:

‘A person may in some cases act dishonestly, according to the ordinary use of language, even though he genuinely believes that his action is morally justified. The penniless thief, for example, who picks the pocket of the multi-millionaire is dishonest even though he genuinely considers that theft is morally justified as a fair redistribution of wealth and that he is not therefore being dishonest.’

Secondly, there is a purely objective standard whereby a person acts dishonestly if his conduct is dishonest by the ordinary standards of reasonable and honest people, even if he does not realise this. Thirdly, there is a standard which combines an objective test and a subjective test, and which requires that before there can be a finding of dishonesty it must be established that the defendant’s conduct was dishonest by the ordinary standards of reasonable and honest people and that he himself realised that by those standards his conduct was dishonest. I will term this ‘the combined test’.”

24 Clearly the court, when considering bad faith, cannot apply a purely subjective test, called by Lord Hutton “the Robin Hood test”. The dishonest person or one with low standards cannot be permitted to obtain trade mark registrations in circumstances where a person abiding by a reasonable standard would not. The registration of a trade mark is designed to enable bona fide proprietors to protect their proprietary rights without having to prove unfair trading. Registration is not provided to help those with low moral standards.

25 Lord Hutton went on to conclude that the true test for dishonesty was the combined test. He said:

“36. ... Therefore I consider ... that your Lordships should state that dishonesty requires knowledge by the defendant that what he was doing would be regarded as dishonest by honest people, although he should not escape a finding of dishonesty because he sets his own standards of honesty and does not regard as dishonest what he knows would offend the normally accepted standards of honest conduct.”

26 For my part, I would accept the reasoning of Lord Hutton as applying to considerations of bad faith. The words “bad faith” suggest a mental state. Clearly when considering the question of whether an application to register is made in bad faith all the circumstances will be relevant. However the court must decide whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as in bad faith by persons adopting proper standards.”

80. The final paragraph of the passage quoted above indicates the Court considered that ‘bad faith’ was suggestive of a mental state and that the knowledge of the applicant was relevant to the question of whether his decision to apply for registration would be regarded as in bad faith by persons adopting proper standards.

81. That may at first glance suggest that an applicant must have been positively aware that his actions would fall below the requisite standard. However, on the facts and circumstances of the Harrison case that would appear to be too restrictive an interpretation.

82. The position is best considered on the basis of a brief review of the facts in that case. These can conveniently be taken from the following extract from the headnotes to the case:

“The applicant had applied to register the mark “CHINAWHITE” in Classes 32 and 33. The opponent was the owner of a nightclub called “Chinawhite”. In August 1998, the opponent instructed its bar manager [a Mr Rymer] and assistant bar manager to develop a recipe for a cocktail to be called “Chinawhite” – it was to be white in colour and oriental in flavour. A number of the opponent’s staff collaborated in the development and all signed confidentiality agreements relating to the development of the cocktail. In November 1998, the applicant was approached by the opponent’s bar manager who said he had developed a premium cocktail called “China White”, that a derivative of the new drink was to be served at a new venue called “Chinawhite” to be opened in December 1998 and that he was not bound by the terms

of any formal contract. He prepared the drink for the applicant to taste at the end of November 1998. The opponent opposed registration of the mark on the ground that it was applied for in bad faith contrary to s.3(6) of the Trade Marks Act 1994 and that its use was liable to be restrained by an action for passing off such that the mark offended against s.5(4)(a) of the 1994 Act.”

83. Thus, in making the application, the applicant had acted on the belief that Mr Rymer, the bar manager, was the sole proprietor of the recipe and name of the drink and that he (Mr Rymer) was not bound by any formal contract in respect thereof. Sir William Aldous says in his judgment:

“37 I accept that there was no evidence that the applicant deliberately avoided asking questions, in the sense of considering and rejecting asking questions, nor that if he had Mr Rymer would have told him the truth. However it would be wrong to view those statements by the hearing officer as being the basis upon which he decided the case. He decided, taking into account the belief of the applicant and the surrounding facts, that bad faith had been established. That bad faith was the result of all the facts and because the applicant made no further enquiries. I believe that the hearing officer was right to come to that conclusion.”

84. It is also clear from an earlier passage in the judgment that Counsel for each side had adjusted their position during the course of submissions. In particular:

“[Counsel for the appellant/applicant] accepted that despite his client’s belief as to what he had been told by Mr Rymer, the applications would have been made in bad faith if the circumstances were such that an honest person would not have applied for registration without further enquiries. [Counsel for the respondent/opponent] also modified his basic submission during argument. He accepted that an application would be made in bad faith if the applicant knew or ought to have known that somebody else had a better claim. If when he said “ought to have known” he had in mind that the standard was that of persons adopting proper standards, then there may be little of importance between that and the combined test that I have set out above.”

85. The conclusion I draw from this case is that it is not essential to a finding of bad faith that an applicant must be shown to have known that his decision to apply would be regarded as in bad faith judged against the standards of reasonable and honest people. It may be enough that an applicant, as in the *Harrison* case, acted without making further enquiries. In other words that he failed to put himself in the state of knowledge that a reasonable and experienced businessman would have expected to be in before deciding to enter upon a given course of action.

86. Business does not operate in a vacuum. A businessman entering into a transaction may be assumed to have satisfied himself as to the legality and commercial probity of what he is about to do. Thus, in the case of an application to register a trade mark an applicant may not escape an allegation of bad faith if, in all the circumstances of the case, he has failed to have proper regard for the rights of another party being aware of that other party’s trade and notwithstanding that he may have considered his action was justified.

87. Finally, I should say that it is also clear from the following passage from the *Harrison* case that outright dishonesty is not a necessary ingredient:

[Counsel for the applicant] submitted that the words “made in bad faith” required that the application should be made “dishonestly”. I reject that submission. If dishonesty was the test then that word would have been used in the 1994 Act and in the Directive. No doubt an application made dishonestly will be made in bad faith, but it does not follow that if dishonesty is not established, bad faith cannot have existed.”

88. Against that background I go on to consider the facts of this case.

89. Mr Sugarman’s evidence is not particularly forthcoming about his plans for the mark and the nature of any existing activities save for what can be gleaned about the Trust to which it appears to be the intention to assign the mark.

90. I note that a letter received by the Office on 19 October 2004 contains what I take to be written submissions. It says “We are advertising our wares on the world markets with a full explanation of operating roles and conditions together with business class categories (UK Classes 35 & 41) when and if demanded or required by the public”. That contrasts with the findings of the investigators’ report commissioned by the opponent (and dated 18 September 2003), but may simply reflect the fact that the applicant’s plans were further advanced a year or so later. Even so it is notably short of any illuminating detail as to the nature of the business or the way in which it is to be conducted.

91. In view of the absence of evidence about any actual trade conducted by the applicant it is appropriate to look at what Mr Sugarman has said about the planned activities of the Ben Sherman Trust. The following is an extract from his letter (undated but probably from about December 2003/January 2004) to the Group enquiring as to the Group’s possible interest in a license (Exhibit AS1):

“Would your Company be interested in licensing the Ben Sherman Merchandising TM from the Ben Sherman Trust (to be formed shortly) for the pacific [sic] purposes to publish Books magazines and films about Ben Sherman and other purposes (terms to be negotiated) this would allow your Company to take control and regulate the growth of Ben Sherman Merchandising and for your Company to put their own best interests and that of the general public first we would lay down strict business procedures on all future Licences issued by us and include any reasonable recommendations of your Company in the legal rules of the Trust and if any of this was abused such Licences would be revoked immediately such legal provisions will be compulsory to all Trustees and beneficiaries of the Ben Sherman Trust”.

92. Exhibit AS5 is a draft page from the Trust document which puts the position as follows:

**“ALL TRUSTEES AND BENEFICIARIES FOR THE DURATION OF THE TRUST MUST PRETECT (sic) AND ASSIST THE FINANCIAL GROWTH OF THE BEN SHERMAN GROUP IN THE BEN SHERMAN GROUPS AREAS OF COMMERCE AND CLASSES OF THEIR REGISTRATION THE TRUSTEES AND BENEFICIARIES MUST PRETECT THE BEN SHERMAN GROUP IN THEIR FINANCIAL EXECUTION OF LICENSING USE OF THE BEN SHERMAN MERCHANDISING TRADE MARK.**

ALL TRUSTEES AND BENEFICIARIES FOR THE DURATION OF THE TRUST CANNOT SELL ONLY LICENSE THE BEN SHERMAN MERCHANDISING TRADE MARK.”

93. There is no documentary evidence to suggest that the Trust Deed was ever executed or, if it was, whether it was in the same terms as the draft.

94. The opponent has filed evidence in the form of a webpage advertisement suggesting that the applied for mark is for sale or available for licensing (Exhibit NS1 to a witness statement by Nicola Shackleton of Page White & Farrer). Beneath a depiction of the mark (or a very closely similar mark) is the text:

**“My Marketing Matters**

The Ben Sherman Merchandising trademark is for sale or licensing

**For inquiries please send fax to this number in England: 44-0-1273-299236**

Ben Sherman Merchandising has no connection with the Ben Sherman Group of companies trading in shirts, clothing and other goods.

Pictures are property of the Sherman Family.  
All rights reserved worldwide.”

95. The conclusions I draw from the evidence before me are as follows:

- (i) Mr Sugarman is a member of the Sherman Sugarman family and will have been well aware of the activities of the Ben Sherman Group. That is not to suggest that he would have been privy to precise details of their turnover and trading activities but it is reasonable to infer that he would have been aware in general terms of the Group’s area of trade and the fact that it is a company of some substance. Exhibit NS1 acknowledges the Group’s trade in “shirts, clothing and other goods”;
- (ii) as Mr Sugarman initiated the approach to the Group on the subject of possible licensing he clearly considered the Group might have an interest in such an arrangement;
- (iii) Exhibits AS1 and 5 contain various references to the need to control and regulate the activities of Ben Sherman merchandising in such a way as to protect the Ben Sherman Group and to avoid public confusion (as regards the latter see the letter at Exhibit AS1 and paragraph 1b of Mr Sugarman’s witness statement of 9 August 2004);
- (iv) no concluded Trust document has been filed so the claims made by Mr Sugarman in relation to the activities of, and control over, the Trust remain matters of mere assertion;
- (v) no mention is made of approaches to specific companies other than the Ben Sherman Group;

- (vi) the advertisement at NS1 exhibited by Ms Shackleton suggests that the mark at issue is now for sale or licensing;
- (vii) apart from a suggestion in Exhibit AS1 that any licensing arrangement might be directed at publishing books and films about Ben Sherman no explanation has been offered as to why Mr Sugarman chose to apply for the services in question which on the face of it are not the most obvious candidates for licensing/merchandising deals.

96. As there has been no hearing in this case and no cross-examination it has not been possible to explore the issues raised by the evidence in this case. I should, however, record Mr Sugarman's expressed wish as regards the activities of the Ben Sherman Group and the business to be conducted under the applied for mark. The following is from Exhibit AS1:

“I would like to see Ben Sherman Merchandising as a new business run by his brother and children and completely separate from your company where practical and running along side trading on their own reputation but in mutual respect of each other.”

97. His belief that the two businesses would be operating in different areas of trade also finds expression in paragraph 4 of his 9 August 2004 witness statement. It is also his position that the photograph of Ben Sherman appearing in the mark is the property of the family (as I have said strictly there is no evidence on the point but it is not, I think, disputed by the Group).

98. Mr Sugarman's underlying beliefs and motives have not been tested in cross-examination. I can only take at face value the claims he has made. I am, however, obliged to consider all the circumstances of the case in reaching a view.

99. It is clear from the Harrison case that a belief that one is doing nothing wrong, if based on a failure to make the sort of enquiries that reasonable and honest people would expect to make, is not a defence against a claim of bad faith.

100. I have found in relation to the passing off claim and for the reasons given in respect of that claim that the BEN SHERMAN brand enjoys a high reputation certainly in relation to shirts and increasingly in relation to other items of apparel. Although the applied for mark is tendered for registration in respect of services that are not directly related to those goods I have little doubt that the applicant was fully aware that a connection would be made with the Group. Hence the disclaimer of any such connection in NS1 and the references elsewhere in the evidence to steps that might need to be taken to avoid public confusion.

101. It is also to be noted that the applied for mark contains not just the words BEN SHERMAN (in script or signature form) but also the word MERCHANDISING. The latter seems to me to be calculated to convey the impression that the organisation behind the mark is a merchandising arm of the well known BEN SHERMAN brand.

102. It should, therefore, have been apparent to Mr Sugarman that use of the applied for mark in relation to the services in question had the clear potential to impact adversely on the opponent's long established business.



103. In all the circumstances I consider that Mr Sugarman's action in applying for the mark fell short of the standards of acceptable commercial behaviour that were to be expected. In reaching that decision I am not imputing any conscious impropriety and I accept too that Mr Sugarman may not have taken professional advice about the course on which he had embarked. But I am of the view that, knowing what he did, he should have made further enquiries of the Ben Sherman Group prior to filing his trade mark application and that his failure to do so resulted in his behaviour falling short of the standards that would be observed by reasonable and experienced men. The opposition succeeds under Section 3(6).



#### **COSTS**

104. The opposition has been successful. The opponent is entitled to a contribution to its costs. I order the applicant to pay the opponent the sum of £1600. 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 the case if any appeal against the decision is unsuccessful.

**Dated this 18<sup>th</sup> day of April 2005**

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

Details of Ben Sherman Group Limited's registrations:

No.	Mark	Class	Specification
946853		25	Shirts and beachwear being articles of clothing, all for men and boys.
948647	BEN SHERMAN	25	Shirts and beachwear being articles of clothing, all for men and boys.
2106199		25	Footwear, including sports shoes, boots and slippers for men, women and children.
2296568	BEN SHERMAN JEANSWEAR	25	Clothing; footwear; headgear.
1089886	BEN SHERMAN	25	Shirts, blouses, beachwear (being articles of clothing) and shorts, all for men and women; ties and sailing wear, all being articles of clothing, dressing gowns, jackets and pyjamas, all for men and boys.
398354 (CTM)	BEN SHERMAN	25	Clothing, footwear and headgear.
1066679 (CTM)	BEN SHERMAN	03  16	Perfumery, essential oils, cosmetics, hair lotions; soaps; dentifrices.  Paper, cardboard and goods made from these materials; printed matter; photographs; stationery;

		24	plastic materials for packaging. Textiles and textile goods; bed and table covers.
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