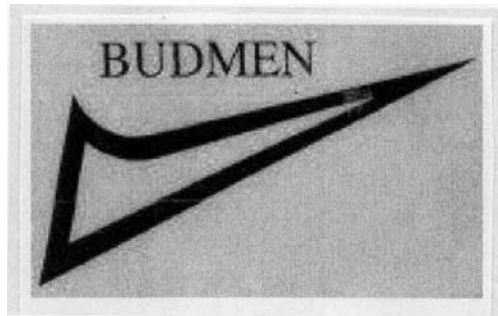


O-352-07

**TRADE MARKS ACT 1994**

**IN THE MATTER OF INTERNATIONAL REGISTRATION NO 838883  
IN THE NAME OF  
JOSE ALEJANDRO SL  
OF THE TRADE MARK:**



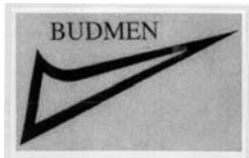
**IN CLASSES 18 AND 25**

**AND**

**THE OPPOSITION THERETO  
UNDER NO 71205  
BY NIKE INTERNATIONAL LTD**

## Trade Marks Act 1994

**In the matter of  
international registration no 838883  
in the name of Jose Alejandro SL  
of the trade mark:**



**in classes 18 and 25  
and the opposition  
thereto under no 71205  
by Nike International Ltd**

### Introduction and evidence

1) Jose Alejandro SL, which I will refer to as JA, is the holder of the above international registration. Protection in the United Kingdom for the registration is sought from 6 July 2004. The request for protection was published, for opposition purposes, in *The Trade Marks Journal* on 11 March 2005. Protection is sought in respect of the following goods:

*leather and imitation leather, goods made from these materials and not included in other classes; skins, hides and pelts, satchels, handbags, purses, rucksacks, pouches, day packs, change purses, billfolds, coin purses, document holders, suitcases of leather and hide; umbrellas, parasols and walking sticks;*

*clothing, footwear, headgear.*

The above goods are in classes 18 and 25 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

2) On the 13 June 2005 Nike International Ltd, which I will refer to as NIL, filed a notice of opposition. Nike's opposition is based upon sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (the Act).

3) NIL bases its claims under section 5(2)(b) and 5(3) on 13 and 12 trade mark registrations respectively; 10 of these registrations had been registered for more than 5 years at the date of the publication of the international registration. JA required proof of use of these 10 trade mark registrations<sup>i</sup>. Two of the trade mark registrations are composite trade marks consisting of a device and the word NIKE, the other trade mark registrations are device only trade marks. (If NIL cannot succeed in relation to the device only trade marks, I cannot see that it can succeed in relation to the word and

device trade marks.) The trade marks are what NIL describes in its catalogues as a swoosh. Swoosh is a verb meaning to make or cause swirling sound or a noun that means a swirling sound or movement. Consequently, it does not define a particular shape in any way and so is neutral in referring to the trade marks of NIL. This is of relevance as one of the battle lines that has been drawn up relates to the description of NIL's trade mark as a tick, which clearly does have some indication of a form. I will, therefore, refer to the device trade marks of NIL as swooshes.

4) NIL's evidence of use is supplied by Nike (UK) Limited's trade mark manager, Ms Christine Ray. Ms Ray includes in her evidence various catalogues; she states that they date from 2003 but in fact one of them has a printing date of January 2002. These catalogues give sizes for the United Kingdom, the United States of America and Europe. The turnover figures for goods bearing the swoosh in the United Kingdom are enormous, ranging from £270,285,000 in 1999 to £449,070,000 in 2004. The advertising expenditure is also very large, at its lowest, in 1999, it is £9,793,000 and at its highest, in 2002, £22,941,000. Ms Ray advises that the swoosh appears on clothing and kit supplied to high profile sportsmen. Tiger Woods has been sponsored by NIL since 1997 and a £300,000,000 deal was signed with Manchester United in 2000; in its submissions JA comments that NIL has shown no evidence of this particular use. This is not in fact the case as the catalogues show various goods bearing the Manchester United crest and the swoosh. Pictures of the Manchester United team can also be seen in an autumn 2003 catalogue, the swoosh can clearly be seen on the breasts of their jerseys. This evidence also shows Mr Woods and part of the exhibited material includes a part of a catalogue devoted to Tiger Woods clothing, the majority of these goods bear the swoosh. (The evidence shows various high profile sporting teams, including pictures of the World Cup winning Brazilian football team, Valencia and Inter Milan, upon whose jerseys the swoosh can be seen.) Even if this were not the case, if JA wished to challenge the evidence of Ms Ray it should have done so by means of cross-examination and/or requests for disclosure and/or filing contradictory evidence; this is not a matter that can be left to submissions after the evidence rounds have been closed<sup>ii</sup>. In its submissions JA also criticises the evidence of Ms Ray on the basis that there is no documentary evidence of the sales to which Ms Ray refers. Again if JA wished to challenge this evidence it should have done so in the manner referred to above, it is crying foul after the final whistle has been blown.

5) Ms Ray has produced a series of catalogues in her evidence. As is common practice nowadays trade marks appear on the exterior of the goods; the trade mark which is relied upon by far the most is the swoosh. This is often used on its own, being the only exterior indication of origin. It is also used in relation to various football club crests eg Manchester United, Barcelona and Arsenal; on various products bearing these crests it is clearly acting as an indicator of origin, as identifying the goods as emanating from NIL. From the use shown in the catalogue, it is the swoosh that is used as the primary exterior trade mark of NIL; it is the trade mark which is displayed to the world. Those people who wish to show their affiliation to some of the most well-known football clubs in the world by purchasing bags or clothing bearing the club crest also advertise the NIL brand. Those who watch golf or football will also see the swoosh owing to the sponsorship of Mr Woods and Manchester United; I consider that it is a notorious fact that Mr Woods is

one of the most famous sportsmen in the world and Manchester United one of the most famous football clubs in the world. The sponsorship of that gentleman and that club brings the swoosh to the attention of millions of television viewers on a regular basis. (One could hardly imagine that NIL would be paying Manchester United £300,000,000 if this was not the case.) As noted above, the swoosh has also appeared on the shirts of the World Cup winning Brazilian football team; from the presence of Ronaldo and Rivaldo in the pictures this appears to be the 2002 team.

6) The trade mark registrations upon which NIL relies encompass five types of swoosh. If one compares the trade marks as registered forensically there are differences between them. The device is closer to the horizontal in some and more angular and tick like in others. However, when looked at in use, in the catalogues, the differences become very difficult to see, as used on goods the swoosh may move closer from or further to the horizontal. It also appears that the various types of swoosh have been used in the relevant five year period. The “less tick like swoosh” can be seen, for example, at the beginning of the material exhibited at CR1 on headbands and bags and socks. In *Il Ponte Finanziaria SpA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case C-234/06 P the European Court of Justice (ECJ) stated:

“86 In any event, while it is possible, as a result of the provisions referred to in paragraphs 81 and 82 of the present judgment, to consider a registered trade mark as used where proof is provided of use of that mark in a slightly different form from that in which it was registered, it is not possible to extend, by means of proof of use, the protection enjoyed by a registered trade mark to another registered mark, the use of which has not been established, on the ground that the latter is merely a slight variation on the former.”

So I am mindful that I cannot consider use of one registered trade mark as use of another registered trade mark on the basis that its use is in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered. I do not consider that this is the case here. The use has to be considered on the basis of how the average consumer would perceive it, and that perception will depend, amongst other things, upon how the trade mark is applied to the goods<sup>iii</sup>. In *Il Ponte Finanziaria SpA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* the differences between the trade marks were such that the average consumer would, with little doubt, have perceived them differently, so, the facts of that case were very different; of course, I have to hold to the principle expounded by the ECJ.

7) The catalogues show the diversity of products that bear the swoosh. The evidence does not show sales turnover in respect of particular goods. However, this is not a case of one isolated catalogue, it is not the case of a small turnover. In considering whether there has been genuine use of trade mark, as per the judgment of the European Court of Justice (ECJ) in *Ajax Brandbeveiliging BV v Ansul BV* Case C-40/01 [2003] ETMR 85<sup>iv</sup>, it is necessary to make a global appreciation<sup>v</sup>. Taking into account all the evidence furnished by NIL, I consider that it has shown use of the swoosh in relation, inter alia, to sports and leisure shoes, sports and leisure clothing for men, women and children, sports bras,

bodies, bags of all sorts both for sports and for general purposes, handbags, purses, wallets, key rings and wallets. There is also, as far as I can see, one umbrella, bearing the swoosh and the Juventus crest; I do not consider that this would justify accepting that their use had been shown in respect of umbrellas.

8) Two of the swoosh only trade mark registrations are not subject to the proof of use requirement; United Kingdom registration nos 2318472 and 2231195. The former is registered for *bags* and the latter for *bags adapted for holding sporting article; gymnastic and sporting articles, games and toys*. United Kingdom registration no 1101896 is registered for *bags* and use is claimed in respect of such goods. I consider that a fair specification<sup>vi</sup> for this trade mark would be *bags*. United Kingdom registration nos 1035366 and 1021357 are registered for *articles of sports clothing* and use is claimed in respect of such goods. I consider that a fair specification would be *articles of sports clothing*. United Kingdom registration no 1110110 is registered for *bags adapted for holding sporting articles; gymnastic and sporting (other than clothing) [sic]; toys and playthings*. Use is claimed in respect of all the goods with the exception of *toys and playthings*. I consider that use has only been established in respect of *bags adapted for holding sporting articles* and that this term represents a fair description of the goods. United Kingdom registration nos 1101896 and 1093758 are registered for *bags*, use is claimed in respect of these goods; I consider that this represents a fair description of the goods. United Kingdom registration no 2008517 is registered for *articles of leisure clothing*, use is claimed in respect of these goods; I consider that this represents a fair description of the goods. United Kingdom registration no 1363284 is registered for *footwear, all being sports clothing and leisurewear*, use is claimed in respect of these goods; I consider that this represents a fair description of the goods. Community trade mark registration nos 277517 and 277632 are subject to proof of use. The evidence of NIL only effectively deals with use in the United Kingdom. There is no authority as to whether use in one member state represents genuine use of a Community trade mark. *The Opposition Guidelines*, 3.2, of the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) state that use in one single member state or part thereof is sufficient use of a Community trade mark; however, this is not based upon any legal authority. This pronouncement seems to sit ill with Article 108 2(a) of Council Regulation 40/94 of December 20, 1993 which states that conversion shall not take place:

“(a) where the rights of the proprietor of the Community trade mark have been revoked on the grounds of non-use, unless in the Member State for which conversion is requested the Community trade mark has been put to use which would be considered to be genuine use under the laws of that Member State”.

In the absence of a judgment in relation to this matter from the Court of First Instance (CFI), the ECJ or a Community trade mark court, I would be loath to make any decision in relation to this matter. (A matter made even the more difficult as this matter has not been addressed by either party.) Fortunately, I do not consider that I need to in this case, as I consider that, taking into account the use shown and the trade marks and specifications of the United Kingdom registrations, NIL will not be in a better position in relation to these two trade marks than with its United Kingdom registrations.

9) In relation to section 5(3) of the Act NIL claims a reputation for some goods which are not encompassed by the registrations eg United Kingdom registration no 1093758 is registered for *bags* but a reputation is claimed in respect, inter alia, of sunglasses and MP3 players. NIL may have such a reputation but the parameters of section 5(3) of the Act cannot be extended beyond the goods for which the trade mark(s) is registered. NIL claims a reputation under section 5(3) of the Act for *bags, clothing, footwear, headgear*; this can form a basis for a claim under section 5(3) of the Act in respect of various trade mark registrations eg *bags* for registration no 1093758 and *articles of leisure clothing* for United Kingdom registration no 2008517. NIL has claimed a reputation in respect of section 5(3) in relation to Community trade mark registration nos 277889 and 277517. I do not consider that the evidence of NIL goes towards establishing a reputation in the European Union, it is focused on the United Kingdom, and so in respect of these two Community trade marks this claim must fail<sup>vii</sup>. There is a lack of specificity in relation to identifying turnover figures with specific goods. However, on the basis of clothing bearing the swoosh worn by famous sporting teams, the use on replica team clothing and the use on bags and the like bearing the crests of well-known teams and taking into account the large turnover and promotional budget, I consider that NIL's swooshes are known by "a significant part of the public concerned by the products or services covered<sup>viii</sup>" in relation to the following goods:

*bags* (registration no 1093758), *articles of sports clothing* (registration no 1021357), *articles of leisure clothing* (registration no 2008517), *bags adapted for holding sporting articles* (registration no 2231195), *footwear, all being sports clothing and leisurewear* (registration no 1363284), *bags* (registration no 2318472), *articles of sports clothing* (registration no 1035366), *bags adapted for holding sporting articles* (registration no 1110110) and *bags* (registration no 1101896).

NIL has, consequently, the requisite reputation for the purposes of section 5(3) of the Act in relation to the trade marks the subject of the above registrations for the goods indicated.

10) In its counterstatement JA has latched onto the description of the swoosh given in two Community trade mark registrations. In response to this NIL has filed evidence to establish that the swoosh is also referred to as a tick. It also has filed evidence to show the variety of forms of ticks. The descriptions of Community trade mark registrations have no effect on the rights which they engender. I have to consider the trade marks as they appear before me, not the description of particular registrations, as the public would. The evidence of Ms Ray clearly establishes that the swoosh is also referred to as a tick by the public and press. Of course, the description of the swoosh as a tick is potentially indicative of how the average consumer perceives it.

11) JA has filed evidence relating to two Spanish decisions. It considers that these should be taken into account, in support of this it refers to the judgment of the Court of Appeal in *Koninklijke Philips NV v Remington Consumer Products Ltd* [2006] FSR 30. *Koninklijke Philips NV v Remington Consumer Products Ltd* dealt with a shape mark; consequently, the objections to it would be the same in any country of the European Union. This case is

not about an absolute ground, it is about a relative ground. The position must be based on the position in the United Kingdom on the basis of the evidence and facts before me. JA seems to be arguing that there is some form of estoppel; otherwise I cannot see what it is arguing. There is clearly no form of estoppel. This was a matter that was dealt with by Mr Geoffrey Hobbs QC, sitting as the appointed person, in *Zurich Private Banking* BL 0/201/04<sup>ix</sup>. It is also an argument that is raised time and time again before the CFI, in relation to Council Regulation 40/94 of December 20, 1993 rather than First Council Directive 89/104 of December 21, 1988, and time and time again the CFI has stated that the judgments of national courts or the decisions of the OHIM Boards of Appeal do not have a bearing upon its findings. I have read the decisions referred to by JA and cannot see that they spread any light upon the case before me. NIL tried to bring in a decision of the Danish Patent and Trade Marks Office with its written submissions. The decision has not been filed as evidence. If it had been filed in the proper manner as additional evidence I would have refused to allow it into the proceedings, quite simply because, like the Spanish decisions, it would not have had a bearing upon my decision.

12) JA also filed a copy of a decision from the Opposition Division of OHIM. It relies on the statement in the decision that “it must be taken into account that the use of figurative elements like stripes is very common in the specific market sector”. The market sector in question is clothing. The relevant territories for the opposition did not include the United Kingdom and so the comments cannot reflect upon the position in the United Kingdom. The trade marks in question here are not stripes. The comment made by the examiner is totally unsupported by evidence, as far as one can see. (A bold statement of the well-known fact variety was made by OHIM in *Koipe Corporación SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-363/04* and came rather a cropper before the CFI). Again, does JA consider that some form of estoppel arises from a non-persuasive decision? I note the comments of OHIM but take no regard of them. I will consider the matters before me based on the evidence and the position as I understand it in the United Kingdom.

13) JA filed state of the register evidence. State of the register evidence does not show what is happening in the market place, that is what is key. The relevance of state of the register evidence has been dismissed by the registrar time after time, by the appointed persons, by the High Court and the CFI<sup>x</sup>. I take no cognisance of the state of the register evidence.

14) JA exhibits material downloaded from the Internet between 19 April 2006 and 24 May 2006. This shows various running shoes made by Brooks, these show what is referred to in the Registry as a flash device on the shoes. Valsport football boots are shown, again they show a flash device, the two sides of which appear to be equal. A Clarks shoe is shown, this has what may be considered to be a flash device on the side of the shoe, but could just be seen as part of the construction of the shoe. A Puma shoe is shown, a curve can be seen at the rear of the shoe, whether this has trade mark significance or is simply decoration is impossible to say; I, without education, would not see it as having trade mark significance. A further Puma shoe is shown. This has a design upon it which consists of two long lines and a shorter line; again there is no

indication that this has trade mark significance, a Ferrari badge and a bounding feline do appear upon the shoe. A Dunlop shoe is shown, this shows a two tone flash upon the side of the shoe, whether it is a device or a decoration is not clear. Finally various items of running clothing from Asics are shown. These show various geometric patterns, which might be decoration rather than having trade mark significance. The material all emanates from after the date from which protection in the United Kingdom is sought. Assuming that the goods were available at the date from which protection is sought, I come to several conclusions. Despite the comments of JA, there is not a plethora of goods bearing flashes or geometrical patterns. On many of the goods it is not clear if the flashes or geometrical patterns have any trade mark significance or would be seen as trade marks<sup>xi</sup>. None of the signs (or decorations) that are shown are on a par with the trade marks in question in this case. The only sign that comes close is that on Brooks' shoes; that, sign, however, has significant differences to the trade marks I have to consider. If JA had shown use of identical or virtually identical trade marks in the market place, this could indicate that the public had become used to distinguishing between such trade marks by reference to some other element of the trade marks. JA has not shown identical or nearly identical trade marks being used in the market place. It is not even certain if some of the designs relied upon are trade marks or are for adornment. In the case of NIL's swoosh on its own, there is no other matter with which the public can use to distinguish the goods of NIL from those of other undertakings. It seems to me that the basic premises of JA's arguments are flawed as is the evidence upon which it relies. I do not consider that the evidence of use of various signs/decorations has any significance in my reaching a decision as to whether there is a likelihood of confusion.

15) NIL has filed printouts of five Spanish trade mark registrations of JA. One of these is the base registration for the international registration under consideration here. Three of the trade marks are in the following form:



The final trade mark included two devices, a little like spear heads, crossing each other. If NIL is trying to establish a pattern of behaviour that shows the intention of JA this appears to go to an accusation of bad faith, which is not a pleaded ground of opposition. Under the law of passing-off if a defendant deliberately seeks to take the benefit of the plaintiff's goodwill for himself, the court will not "be astute to say that he cannot succeed in doing that which he is straining every nerve to do"<sup>xii</sup>. There is no evidence that this is the case here. I cannot see that the Spanish registrations indicate that JA is trying to take advantage of the reputation of NIL. Nor can I see that the Spanish registrations of JA suggest anything untoward in its behaviour. I cannot see that the Spanish registrations of JA have any bearing upon this case.

**Section 5(2)(b) of the Act – likelihood of confusion**



16) According to section 5(2)(b) of the Act a trade mark shall not be registered if because:

“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.”

The trade marks upon which NIL rely are earlier trade marks as per section 6(1)(a) of the Act<sup>xiii</sup>. I have decided what fair specifications are for the United Kingdom trade marks of NIL, where they are subject to the proof of use requirement.

### **Average Consumer**

17) With the exception of *leather and imitation leather, skins, hides and pelts*, the average consumer for the goods of the international registration is the public at large. In my experience there is a good deal of brand awareness in relation to these goods so that even for cheap goods there will be a reasonably careful purchasing decision. However, the purchasing decision will be a long way from the type of careful and educated decision that will be involved in purchasing such things as white goods and computers. The nature of the goods and the purchasing process is not such that small differences in the trade marks will mitigate against confusion or make the consumer less subject to the effects of imperfect recollection. It is, of course necessary to take into account that the average consumer “is deemed to be reasonably well informed and reasonably circumspect and observant”<sup>xiv</sup>. The case law holds that in relation to clothing it is the visual impression of the trade mark that is important<sup>xv</sup>. *Leather and imitation leather, skins, hides and pelts* are products that will normally be bought by manufacturers of finished goods rather than the public at large. There is likely to be a careful and educated decision in the purchase, which will mitigate the potential effects of confusion through imperfect recollection.

**Similarity of trade marks**

18) The trade marks to be compared are:

**Trade marks of NIL:**

**Trade mark of JA**

1



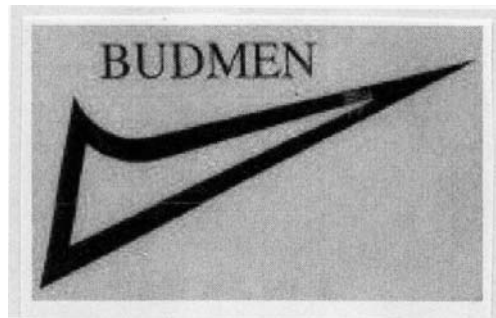
2 and 3

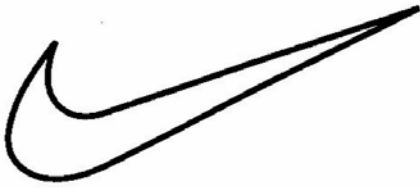


4



5





19) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details<sup>xvi</sup>. 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<sup>xvii</sup>. Consequently, I must not indulge in an artificial dissection of the trade marks, although I need to take into account any distinctive and dominant components. The average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind and he/she is deemed to be reasonably well informed and reasonably circumspect and observant<sup>xviii</sup>. The assessment of the similarity of the trade marks must be made by reference to the perception of the relevant public<sup>xix</sup>.

20) In use, it is at times very difficult to distinguish between the various swoosh trade marks. However, I have to consider the trade marks as registered and make separate comparisons; I cannot turn the various trade marks of NIL into one portmanteau trade mark.

21) Trade mark no 1, for which there are two registrations – Community trade mark registration no 277889 and United Kingdom registration no 1397016 – includes the swoosh of trade mark no 5. There are five registrations for trade mark no 5 – United Kingdom trade mark registration nos 1363284, 2008517, 2231195 and 2318472 and Community trade mark registration no 277517. The last trade mark registration is subject to proof of use requirement, which gives rise to the problem referred to above in that it is a Community trade mark. However, taking into account the extent of the attack in class 18 and the coverage of the United Kingdom trade mark registrations I can put this trade mark registration to one side. There is only one element of trade mark no 5, the device, this must be the distinctive and dominant element. Trade mark no 1 includes the word NIKE. NIKE is the goddess of victory in Greek mythology; I do not consider that this word is in any way descriptive or allusive of goods in classes 18 and 25. Owing to its size and position and because it is not in any way allusive or descriptive of the goods, I consider that NIKE is a distinctive element and the dominant element. However, the swoosh is still a distinctive element, if not the dominant element. In JA's trade mark the device is proportionately a good deal larger than the word BUDMEN. NIL has argued that BUDMEN is of low distinctiveness as it consists of 'bud', a colloquial term of direct address to a man or boy, and 'men', being descriptive of clothes suitable for men. The premise is first based upon the theory that the average consumer indulges in the philological analysis of trade marks rather than considering them in their entirety. This may be what trade mark professionals do, it is not what the average consumer does. (I note that in the context of an opposition based upon the trade mark BUD - *José Alejandro*

*SL v Office for Harmonization in the Internal Market(Trade Marks and Designs), Anheuser-Busch Inc Intervening* (Case T-129/01) the CFI considered that the ‘men’ element would be seen as referring to goods for men; that finding has to be considered within the context of an attack based upon the presence of the ‘bud’ element.) Even if the average consumer did indulge in this dissection, that ‘bud’ is a term of address to males does not make it allusive or descriptive of the goods. In my experience the word, in this context, usually occurs in old American films. I have certainly never heard it used in this context in the United Kingdom and it is not an association that I make with the trade mark. I cannot see how bud is descriptive or allusive to the goods of the international registration. I consider that BUDMEN is a distinctive element in JA’s trade mark. However, taking into account its relative size, I consider that the device element is also a distinctive element of the trade mark. I am of the view that the average consumer viewing the trade mark of JA will see two discrete elements, which are both distinctive and neither of which can be considered, at least visually, to dominate the trade mark. As far as trade mark no 1 is concerned, NIKE is totally alien to the trade mark of JA. The swoosh of NIL has straight edges on the top and bottom which emanate from a point. However the end of the swoosh is curved whilst the end of the device in JA’s trade mark is angular for the most part, although the top line does curve slightly to its point. The swoosh is of a blocked colour whilst the device of JA’s trade mark is composed of a thick outline which is not blocked in. Analysis of a device in words, or any picture, serves a limited function, the key question is how the devices strike the eye; does the eye find them similar? The swoosh of trade marks nos 1 and 5 is like a tick, the evidence of NIL suggests that this is how the public will perceive the swoosh. I do not consider that the device element of JA’s trade mark has the appearance of a tick. In considering the similarity of the trade marks I take into account that the respective trade marks could be used on goods that could dictate that they are used on a small scale, such as shoes. If there is any similarity between the swoosh and the device of JA’s trade mark it is very limited and not such that, even if everything else is in favour of NIL, that would give rise to a likelihood of confusion. Trade mark no 1, having NIKE in it, is even further away from the trade mark of JA, in my view. Of course, in considering the trade marks I bear in mind the word element of JA’s trade mark which is totally alien to trade mark nos 2 and 3.

22) Trade mark nos 2 and 3 are series of trade marks registered in the United Kingdom under nos 1035366, 1101896 and 1110110. They are very similar to trade mark no 5. Trade mark no 3 differs in that the tail seems more flat than sharp. Trade marks 2 and 3 seem slightly more curved than trade mark no 5 and so further away from the device element of the trade mark of JA. However, they do not give me the impression of a tick, as with the swoosh of trade mark no 5; they are too close to the horizontal to give the impression of a tick. Each of the trade marks is of blocked colour. Overall, I consider that I have to come to the same conclusion as to similarity that I did in relation to trade mark no 5. Of course, in considering the trade marks I bear in mind the word element of JA’s trade mark which is totally alien to trade mark nos 2 and 3.

23) The shape of trade mark no 4 seems very similar to that of trade mark no 2, and so it does not give me the impression of a tick. A difference arises in that in trade mark no 4

the swoosh consists of an outline in which there is a blank space; as is the case of the device of JA's trade mark. However, the nature of the outline differs in that it is not thick like that of JA's trade mark. The overall impression of the swoosh is of a curved figure, whilst the overall impression of JA's device is of a very angular figure. Again I consider that the overall impression is such, taking into account potential use on the goods and the perception of the average consumer, that if there is any similarity it is not such that, even if every other factor is in favour of NIL, it will give rise to a likelihood of confusion. Of course, in considering the trade marks I bear in mind the word element of JA's trade mark which is totally alien to trade mark nos 2 and 3.

24) Trade mark no 6 is like trade mark no 5 except that the colour is not blocked in. However, the outline of the swoosh is not thick like that of the device of JA's trade mark. Again it gives the impression of a tick, which the device element of JA's trade mark does not have. In my view this is the trade mark of NIL that is the closest to that of JA but it is still a long way from it and, if there is a similarity, it is so limited that it will not give rise to a likelihood of confusion even if everything else is in favour of NIL.

25) NIL has furnished evidence showing a variety of ticks (exhibit VIC3); there is nothing that strikes me as being close to JA's trade mark, although, no doubt as NIL's swoosh appears therein, it would argue that it is similar to JA's trade mark. I find it difficult to envisage that the shape of the device of JA's trade mark would be perceived or described as a tick.

### **Similarity of goods**

26) In assessing the similarity of goods it is necessary to take into account, inter alia, their nature, their intended purpose<sup>xx</sup>, their method of use and whether they are in competition with each other or are complementary<sup>xxi</sup>. In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J also gave guidance as to how similarity should be assessed<sup>xxii</sup>.

27) In "construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade"<sup>xxiii</sup>. Words should be given their natural meaning within the context in which they are used, they cannot be given an unnaturally narrow meaning<sup>xxiv</sup>. The class of the goods in which they are placed is relevant in determining the nature of the goods<sup>xxv</sup>. Consideration should be given as to how the average consumer would view the goods<sup>xxvi</sup>.

28) In considering the similarity of the goods I have to consider the individual goods specified; unless the same ground of refusal applies to a category or group of goods, then I can use a general reasoning for all of the goods or services concerned<sup>xxvii</sup>.

29) The goods of the international registration are:

*leather and imitation leather, goods made from these materials and not included in other classes; skins, hides and pelts, satchels, handbags, purses, rucksacks, pouches, day*

*packs, change purses, billfolds, coin purses, document holders, suitcases of leather and hide; umbrellas, parasols and walking sticks;*

*clothing, footwear, headgear.*

30) United Kingdom registration nos 1363284, 2008517, 2231195 and 2318472 are for trade mark no 5. The specification of Registration no 2231195 is for *bags adapted for holding sporting articles; gymnastic and sporting articles, games and toys*, in class 28. The specification for registration no 2318472 is for *bags*, in class 18. I have decided that a fair specification for United Kingdom registration no 1363284 is *footwear, all being sports clothing and leisurewear*, in class 25. I have decided that a fair specification for United Kingdom registration no 2008517 is *articles of leisure clothing*, in class 25. On the basis of registration nos 1363284 and 2008517 NIL attacks all of the class 25 goods of the international registration. In relation to registration nos 2318472 and 2231195 NIL attacks the following goods.

*goods made from leather and imitation leather; satchels, handbags, purses, rucksacks, pouches, day packs, change purses, billfolds, coin purses, document holders, suitcases of leather and hide.*

*Goods made from leather and imitation leather; satchels, handbags, rucksacks, pouches, day packs, suitcases of leather and hide* would all include bags. *Clothing, footwear* would encompass *articles of leisure clothing* and *footwear, all being sports clothing and leisurewear*. “Goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application”<sup>xxviii</sup>. Consequently, I must deem the goods of the international trade mark rehearsed in this paragraph identical to the goods of the earlier trade marks. Having reached this conclusion, there is no need to consider the class 28 goods of registration no 2231195.

31) *Purses, change purses, billfolds, coin purses, document holders* could readily be of the same material as *bags* eg of leather and plastic, therefore, they have the same nature. Both sets of goods are used to hold and carry objects, therefore, they share a common intended purpose. Both sets of goods could be found in the same shops or in the same areas of shops in department stores, the leather goods areas; they share a common channel of trade. Both sets of goods could be sold as sets or sold in the same style, they share a common aesthetic function<sup>xxix</sup> and so can be considered to be complementary goods. Taking into account the various similarities between the respective goods I consider that *bags* are similar to a high degree to *purses, change purses, billfolds, coin purses, document holders*.

32) A relevant consideration, in my view, in considering *headgear* is that the terminology emanates from the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. The class heading for class 25 is clothing, footwear and headgear; in the

context of this use it must be presumed that clothing and headgear are separate, that they do not encompass the same goods.

33) *Articles of leisure clothing and headgear* are all for wear, they have this in common and have, consequently, the same basic intended purpose and method of use, even if on a fairly general level. I do not consider that one would readily substitute one set of the goods for another set of goods and so cannot see that they are in competition. The goods could be made of the same materials but many goods are made of leather or fabric and so I do not consider that this in itself tells a great deal. In my experience it is not uncommon for *leisure clothing* and *headgear* to be sold in the same outlets and so to have the same distribution channels<sup>xxx</sup>. The CFI has held that goods may be considered complementary if they “have a common aesthetic function by jointly contributing to the external image (‘look’) of the consumer concerned”<sup>xxxii</sup>. The CFI went on to state:

“50 The perception of the connections between them must therefore be assessed by taking account of any attempt at coordinating presentation of that look, that is to say coordination of its various components at the design stage or when they are purchased. That coordination may exist in particular between clothing, footwear and headgear in class 25 and the various clothing accessories which complement them such as handbags in class 18. Any such coordination depends on the consumer concerned, the type of activity for which that look is put together (work, sport or leisure in particular), or the marketing strategies of the businesses in the sector. Furthermore, the fact that the goods are often sold in the same specialist sales outlets is likely to facilitate the perception by the relevant consumer of the close connections between them and strengthen the perception that the same undertaking is responsible for the production of those goods.”

*Headgear* could well be purchased to coordinate with items of *leisure clothing*; one often sees this in relation to clothing which is both for casual wear and potentially for sports wear eg trainers, tracksuits and various hats. I consider that the respective goods are complementary. Taking into account the nature of the trade and various other points of conjunction, I consider that there is a high degree of similarity between *leisure clothing* and *headgear*.

34) Community trade mark registration no 277517 is also for trade mark no 5. The parameters of attack under section 5(2)(b) are the same as those for the other registrations of trade mark no 5. The claimed use is for *handbags, bags, travelling bags, clothing, footwear and headgear* (the actual specification in class 25 is for *clothes, shoes, hats*.) If use were proved the position in relation to the class 18 goods of the international registration would be the same as for the other trade mark no 5 registrations. The class 25 goods would all be identical, rather than identical for *clothing* and highly similar for the other goods. In the global appreciation of a likelihood of confusion nothing turns upon this identity of goods in relation to the other class 25 goods of the international registration. So, as I have indicated above, there is no need for me to consider WHAT might or might not constitute genuine use of a Community trade mark.

35) United Kingdom trade mark registration nos 1021357, 1035366, 1093758, 1110110 and 1101896 are for trade marks nos 2, 3 and 4. Owing to the great deal of similarity between these trade marks I consider that they can be considered together in relation to similarity of goods, as what differences there are will not have any effect in the global appreciation of the likelihood of confusion. The parameters of attack are the same as those for United Kingdom registration nos 1363284, 2008517, 2231195 and 2318472. In relation to the class 18 attack the same goods are involved and the same arguments apply; so the respective goods are either identical or highly similar goods. Registration nos 1021357 and 1035366 are for *articles of sports clothing*, and I have accepted that use for such goods has been established. *Articles of sports clothing* will be encompassed by the term *clothing* of the international registration and so these goods must be deemed to be identical. Nowadays there is often little differentiation between items of *sports clothing* and *casual clothing*; track suits, football and rugby jerseys and the like are worn both on and off the sports field. Consequently, I consider that the arguments in relation to the similarity between *leisure clothing* and *headgear* apply in relation to *sports clothing*, the same line of argument will also relate to *footwear*. Consequently the class 25 goods of the international registration are either identical or highly similar to the goods of the earlier registrations.

36) United Kingdom trade mark registration no 1397016 and Community trade mark registration no 277889 are for trade mark no 1. As all of the goods of registration no 1397016 are encompassed by registration no 277889 the former registration can be put to one side. The parameters of attack are the same as referred to above, however, in this case the class 18 and 25 specifications are for, respectively:

*leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; handbags and bags, trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery;*

*clothing, footwear, headgear.*

All of the goods of the international registration which are under attack are encompassed by the above goods, so all of the goods under attack are identical.

37) Community trade mark registration no 227632 is for trade mark no 6. The parameters of attack are the same as above and the specification is the same as for Community trade mark registration no 277517, as is the claimed use. The same analysis of the similarity of the goods must apply as for registration no 277517. The trade mark the subject of registration no 277632 is one of a kind. However, I do not consider that the position in relation to this trade mark would be different to that of the other trade marks upon which NIL relies in relation to the global appreciation of a likelihood of confusion. Consequently, as indicated above, I will decline to decide what constitutes genuine use of a Community trade mark.



## Conclusion

38) In considering whether there is a likelihood of confusion various factors have to be taken into account. There is the interdependency principle – a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods, and vice versa<sup>xxxii</sup>. In this case the respective goods are either identical or highly similar. It is necessary to consider the distinctive character of the earlier trade marks; the more distinctive the earlier trade marks (either by nature or nurture) the greater the likelihood of confusion<sup>xxxiii</sup>. The distinctive character of a trade mark can be appraised only, first, by reference to the goods or services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public<sup>xxxiv</sup>. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the mark to identify the goods for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings<sup>xxxv</sup>. In considering the likelihood of confusion I have to bear in mind the nature of the goods, the purchasing process and the average consumer, which has been dealt with above. It is necessary to consider what is the relative importance that phonetic and visual similarities have in relation to the goods<sup>xxxvi</sup>; as stated above, at least in relation to clothing the visual similarity is of primary importance. I do not need to consider the inherent distinctiveness of NIL's swoosh, owing to the extent and nature of its use it enjoys a very high degree of distinctiveness. I have to take into account the nature of the purchasing decision, how the goods will be picked and the effects of imperfect recollection. JA's trade mark has two distinct parts, the word and the device, and each of them, in my view has an "an independent distinctive role"<sup>xxxvii</sup>. A sufficient similarity between the device element of JA's trade mark and the devices of NIL's trade marks could give rise to a likelihood of confusion. In this case the factors of distinctiveness, through use, and proximity of goods are in favour of NIL, as is the nature of the purchasing process, to some extent. However, the differences between the device element of JA's trade mark and the devices and device elements of NIL's trade marks are such that I do not consider that there is any likelihood of confusion. **The grounds of opposition under section 5(2)(b) of the Act are, therefore dismissed.**

39) (I note that NIL in its submissions looks to *Arsenal Football Club Plc v Reed* [2003] RPC 39 to support its case. I do not consider that that case is of assistance in this case. *Arsenal Football Club Plc v Reed* was dealing with the equivalent to section 5(1) and not section 5(2), so it is dangerous to draw any conclusions in relation to section 5(2). In his judgment Aldous LJ states that the issue is whether the use of the sign by Mr Reed is likely to jeopardise the guarantee of origin which constitutes the essential function of the trade mark rights. Owing to the differences in the trade marks in this case, I do not consider that there is any likelihood of this. NIL's application of *Arsenal Football Club Plc v Reed* also seems contradictory to the judgments of the CFI and ECJ and the opinion of the Advocate General in *Succession Picasso v OAMI - DaimlerChrysler (PICARO)*<sup>xxxviii</sup>; I note that Kitchin J in *Julius Sämann Ltd and others v Tetrosyl Limited* [2006] FSR 42 seemed to consider that post-sales confusion could be relevant.)

### Section 5(3) of the Act

40) Section 5(3) of the Act reads:

“(3) A trade mark which is identical with or similar to an earlier trade mark, 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.”

NIL relies upon the same trade mark registrations under section 5(3) of the Act as it does under section 5(2)(b) of the Act, with the exception of Community trade mark registration no 277632. I have dealt with the issue of reputation above.

41) Likelihood of confusion is not a requirement in respect of section 5(3) of the Act<sup>xxxix</sup>. However as with likelihood of confusion it is necessary to make a global appreciation<sup>xl</sup>. In order to succeed under section 5(3) it is necessary to establish that the relevant section of the public would make a link between the earlier trade mark and the later trade mark<sup>xli</sup>. It needs to be a link that affects economic behaviour<sup>xlii</sup>. The damage or advantage must be more than a mere hypothetical possibility<sup>xliii</sup>. The Court of Appeal has referred various questions in relation to Section 5(3), or its equivalent, to the ECJ in *Intel Corp Inc v CPM United Kingdom Ltd* [2007] RPC 35 and *L’Oreal SA and others v Bellure NV and others* [2007] EWCA Civ 968. On the basis of the facts of this case I do not consider that it is necessary to be troubled by these references. Taking into account all the factors that need to be considered in the global appreciation,<sup>xliv</sup> I consider that owing to the differences in the respective trade marks, as discussed in relation to likelihood of confusion, that the relevant public will not make a link between goods sold under the JA’s trade mark and goods sold under NIL’s trade marks; even if such a link was so tenuous to be a mere bringing to mind. **Consequently, the grounds of opposition under section 5(3) of the Act must be dismissed.**

### Protection of well-known trade marks

42) NIL has claimed that the swoosh is a well-known trade mark in respect of various goods. As NIL has the swoosh registered in several forms and for a variety of goods, it already has earlier trade marks as per section 6(1)(a) of the Act and so its position will not be improved from having earlier trade marks as per section 6(1)(c)<sup>xlv</sup> of the Act. Consequently, I do not consider that considering this claim can add anything to NIL’s case.

**Section 5(4)(a) of the Act – passing-off**

43) Section 5(4)(a) of the Act states:

“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,”

NIL relies upon the same trade marks for the purposes of passing-off as it does for the grounds of opposition under section 5(2)(b) of the Act.

44) To succeed under the law of passing-off NIL has to establish a goodwill/reputation in the signs upon which it relies, that there would be deception or confusion and damage. There is no doubt that NIL has a goodwill, and an extensive one, in relation to the signs upon which it relies. However, the nature of the difference between the signs of NIL and JA’s trade mark means that there could not be deception/confusion. **Consequently, the ground of opposition under section 5(4)(a) are dismissed.**

## **Costs**

45) *Rizla Ltd's Application* [1993] RPC 365 confirms that in the matter of costs the registrar has a wide discretion. In its counterstatement JA demanded proof of use of all of NIL's trade marks in respect of all of the goods for which it was claimed that there had been use. It also required proof of reputation in respect of both sections 5(3) and 5(4)(a) of the Act. It may have been reasonable to require proof of use in respect of some of the goods and some of the trade marks. It may have been reasonable to require proof of reputation on a similarly partial basis. However, JA should have been aware of the use and reputation in respect of at least some of NIL's trade marks in respect of at least some of the goods. It seems to me that the blanket demand for proof of use and reputation was at the very least frivolous; the fame of NIL's swoosh in the United Kingdom for certain goods is a notorious fact. In the event, the nature of the evidence filed by NIL would not have required a great deal of work, and I take this into account in the award of costs. I also take into account that JA's evidence had no effect upon the proceedings and parts of it were bound to have no effect upon the proceedings, ie decisions from other jurisdictions and state of the register evidence. Consequently, NIL would have been put to fruitless effort in relation to the evidence of JA. Taking these factors into account, I have decided that although JA is successful that it should not receive an award of costs.

**Dated this 30<sup>th</sup> day of November 2007**

**David Landau**  
**For the Registrar**  
**the Comptroller-General**

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<sup>i</sup> Article 10C (2) of The Trade Marks (International Registration) Order 1996 (as amended) states:

“(2) Section 6A (raising of relative grounds in opposition proceedings in case of non-use) and rules 13B, 13C, 14 (decision of registrar in opposition proceedings), 36 (case management conference) and 37 (pre-hearing review) shall apply to the proceedings relating to the opposition to the conferring of protection as they apply to proceedings relating to opposition to an application for registration, but with the following modifications –

- (a) any reference to the applicant shall be construed as a reference to the holder;
- (b) any reference to the person opposing the registration shall be construed as a reference to the person opposing the conferring of protection;
- (c) any references to registration shall be construed as a reference to the conferring of protection;
- (d) any reference to the publication of the application shall be construed as a reference to publication of the notice under article 10(1);

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(e) any reference to an application for registration being deemed or treated as withdrawn shall be construed as meaning that the registrar shall notify the International Bureau that the provisional refusal has been upheld."

Section 6A of the Act reads:

"(1) This section applies where –

- (a) an application for registration of a trade mark has been published,
- (b) there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
- (c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

- (a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or
- (b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes –

- (a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and
- (b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(7) Nothing in this section affects –

- (a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4) (relative grounds of refusal on the basis of an earlier right), or
- (b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration)."

Under Section 100 of the Act the onus is upon the proprietor of the earlier trade mark(s) to show genuine use:

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“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

<sup>ii</sup> The weight of unchallenged evidence in witness statements has been dealt with by Mr Richard Arnold QC, sitting as the appointed person in *Tripp Limited v Pan World Brands Limited* BL O/161/07:

“36. Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness’s evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness’s evidence.”

It was also dealt with by Mr Geoffrey Hobbs QC, sitting as the appointed person, in *Condé Nast Publications Limited v United Toiletries & Cosmetics Limited* BL O/154/07:

“The evidence that was before him was, as I have already indicated, in all material respects uncontradicted. It was not challenged by cross-examination or put to the test of an order for production of documents. In the circumstances the Hearing Officer had no alternative but to accept the evidence and assess it for what it was worth, bearing in mind the criticisms which the Applicant had made of it. That is what he did. As I pointed out in the WILD CHILD case, the Registrar is often required to act upon evidence that might be regarded as less than perfect when judged by the standard applied in High Court proceedings. That is also on a daily basis the position in civil tribunals up and down the country. It does not follow that assertions without any real substantiation must be accepted as sufficient to support the contentions of those who put them forward. It is none the less necessary to assess the evidence that has been presented and decide whether it is or is not sufficient to enable the decision-taker to reach a conclusion on the civil standard as to what the outcome should be. Moreover, as confirmed by the Court of Appeal in *Stephens v Cannon* [2005] EWCA Civ 222 (14th March 2005), a decision-taker should not resort to the burden of proof for the purpose of determining the rights of the parties in civil proceedings unless he or she cannot reasonably make a finding in relation to the disputed issue or issues on the basis of the available evidence, notwithstanding that he or she has striven to do so.”

<sup>iii</sup> *Budejovicky Budvar Narodni Podnik v Anheuser-Busch Inc* [2003] RPC 25, Lord Walker:

“44 The distinctive character of a trade mark (what makes it in some degree striking and memorable) is not likely to be analysed by the average consumer, but is nevertheless capable of analysis. The same is true of any striking and memorable line of poetry:

"Bare ruin'd choirs, where late the sweet birds sang"

is effective whether or not the reader is familiar with Empson's commentary pointing out its rich associations (including early music, vault-like trees in winter, and the dissolution of the monasteries).

45 Because distinctive character is seldom analysed by the average consumer but is capable of analysis, I do not think that the issue of "whose eyes?-- registrar or ordinary consumer?" is a direct conflict. It is for the registrar, through the hearing officer's specialised experience and judgment, to analyse the "visual, aural and conceptual" qualities of a mark and make a "global appreciation" of its likely impact on the average consumer, who:

"normally perceives a mark as a whole and does not proceed to analyse its various details."

The quotations are from para.[26] of the judgment of the Court of Justice in Case C-342/97 *Lloyd Schuhfabrik Meyer GmbH v Klijsen Handel BV* [1999] E.C.R. I-3819; the passage is dealing with the likelihood of confusion (rather than use of a variant mark) but both sides accepted its relevance.”

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<sup>iv</sup> “1. Article 12(1) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that there is genuine use of a trade mark where the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the mark. When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, particularly whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark, the nature of the goods or services at issue, the characteristics of the market and the scale and frequency of use of the mark. The fact that a mark that is not used for goods newly available on the market but for goods that were sold in the past does not mean that its use is not genuine, if the proprietor makes actual use of the same mark for component parts that are integral to the make-up or structure of such goods, or for goods or services directly connected with the goods previously sold and intended to meet the needs of customers of those goods.”

<sup>v</sup> “53 For the interpretation of the notion of genuine use, account must be taken of the fact that the ratio legis of the requirement that the earlier mark must have been put to genuine use if it is to be capable of being used in opposition to a Community trade mark application is to restrict the number of conflicts between two marks, in so far as there is no sound economic reason resulting from an actual function of the mark on the market (Case T-174/01 *Goulbourn v OHIM – Redcats (Silk Cocoon)* [2003] ECR II-789, paragraph 38). However, the purpose of that provision is not to assess commercial success or to review the economic strategy of an undertaking, nor is it intended to restrict trade-mark protection to the case where large-scale commercial use has been made of the marks (*VITAFRUIT*, cited above at paragraph 51, paragraph 38, and Case T-334/01 *MFE Marienfelde v OHIM – Vétquinol (HIPOVITON)* [2004] ECR II-2787, paragraph 32).”

“57 To examine whether an earlier trade mark has been put to genuine use, an overall assessment must be carried out, which takes into account all the relevant factors of the particular case. That assessment entails a degree of interdependence between the factors taken into account. Thus, the fact that commercial volume achieved under the mark was not high may be offset by the fact that use of the mark was extensive or very regular, and vice versa. In addition, the turnover and the volume of sales of the product under the earlier trade mark cannot be assessed in absolute terms but must be looked at in relation to other relevant factors, such as the volume of business, production or marketing capacity or the degree of diversification of the undertaking using the trade mark and the characteristics of the products or services on the relevant market. As a result, the Court has stated that use of the earlier mark need not always be quantitatively significant in order to be deemed genuine. Even minimal use can therefore be sufficient to be deemed genuine, provided that it is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark (*Ansul*, cited above at paragraph 38, paragraph 39, and the order in *La Mer Technology*, cited above at paragraph 45, paragraph 21; *VITAFRUIT*, cited above at paragraph 51, paragraph 42, and *HIPOVITON*, cited above at paragraph 53, paragraph 36).”

<sup>vi</sup> The following case law gives the principles that are to be applied in deciding upon a fair specification based upon use:

*Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32:

“29 I have no doubt that Pumfrey J. was correct to reject the approach advocated in the Premier Brands case. His reasoning in paras [22] and [24] of his judgment is correct. Because of s.10(2), fairness to the proprietor does not require a wide specification of goods or services nor the incentive to apply for a general description of goods and services. As Mr Bloch pointed out, to continue to allow a wide specification can impinge unfairly upon the rights of the public. Take, for instance, a registration for "motor vehicles" only used by the proprietor for motor cars. The registration would provide a right against a user of the trade mark for motor bikes under s.10(1). That might be understandable having regard to the similarity of goods.

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However, the vice of allowing such a wide specification becomes apparent when it is envisaged that the proprietor seeks to enforce his trade mark against use in relation to pedal cycles. His chances of success under s.10(2) would be considerably increased if the specification of goods included both motor cars and motor bicycles. That would be unfair when the only use was in relation to motor cars. In my view the court is required in the words of Jacob J. to "dig deeper". But the crucial question is--how deep?

30 Pumfrey J. was, I believe, correct that the starting point must be for the court to find as a fact what use has been made of the trade mark. The next task is to decide how the goods or services should be described. For example, if the trade mark has only been used in relation to a specific variety of apples, say Cox's Orange Pippins, should the registration be for fruit, apples, eating apples, or Cox's Orange Pippins?

31 Pumfrey J. in *Decon* suggested that the court's task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under s.10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use."

*Reckitt Benckiser (España), SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-126/03:

"42 The Court observes that the purpose of the requirement that the earlier mark must have been put to genuine use is to limit the likelihood of conflict between two marks by protecting only trade marks which have actually been used, in so far as there is no sound economic reason for them not having been used. That interpretation is borne out by the ninth recital in the preamble to Regulation No 40/94, which expressly refers to that objective (see, to that effect, *Silk Cocoon*, cited at paragraph 27 above, paragraph 38). However, the purpose of Article 43(2) and (3) of Regulation No 40/94 is not to assess commercial success or to review the economic strategy of an undertaking, nor is it to restrict trade-mark protection to the case where large-scale commercial use has been made of the marks (Case T-334/01 *MFE Marienfelde v OHIM – Vétoquinol (HIPOVITON)* [2004] ECR II-0000, paragraph 32, and Case T-203/02 *Sunrider v OHIM – Espadafor Caba (VITAFRUIT)* [2004] ECR II-0000, paragraph 38).

43 Therefore, the objective pursued by the requirement is not so much to determine precisely the extent of the protection afforded to the earlier trade mark by reference to the actual goods or services using the mark at a given time as to ensure more generally that the earlier mark was actually used for the goods or services in respect of which it was registered.

44 With that in mind, it is necessary to interpret the last sentence of Article 43(2) of Regulation No 40/94 and Article 43(3), which applies Article 43(2) to earlier national marks, as seeking to prevent a trade mark which has been used in relation to part of the goods or services for which it is registered being afforded extensive protection merely because it has been registered for a wide range of goods or services. Thus, when those provisions are applied, it is necessary to take account of the breadth of the categories of goods or services for which the earlier mark was registered, in particular the extent to which the categories concerned are described in general terms for registration purposes, and to do this in the light of the goods or services in respect of which genuine use has, of necessity, actually been established.

45 It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition proceedings, only for the sub-category or sub-categories relating to which the goods or services for which the trade mark has actually been used actually belong. However, if a trade mark has been registered for goods or services defined so



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precisely and narrowly that it is not possible to make any significant sub-divisions within the category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.

46 Although the principle of partial use operates to ensure that trade marks which have not been used for a given category of goods are not rendered unavailable, it must not, however, result in the proprietor of the earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner. The Court observes in that regard that in practice it is impossible for the proprietor of a trade mark to prove that the mark has been used for all conceivable variations of the goods concerned by the registration. Consequently, the concept of 'part of the goods or services' cannot be taken to mean all the commercial variations of similar goods or services but merely goods or services which are sufficiently distinct to constitute coherent categories or sub-categories."

"53 First, although the last sentence of Article 43(2) of Regulation No 40/94 is indeed intended to prevent artificial conflicts between an earlier trade mark and a mark for which registration is sought, it must also be observed that the pursuit of that legitimate objective must not result in an unjustified limitation on the scope of the protection conferred by the earlier trade mark where the goods or services to which the registration relates represent, as in this instance, a sufficiently restricted category."

*Animal Trade Mark* [2004] FSR 19:

"20 The reason for bringing the public perception in this way is because it is the public which uses and relies upon trade marks. I do not think there is anything technical about this: the consumer is not expected to think in a pedantic way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. Thus, for instance, if there has only been use for three-holed razor blades imported from Venezuela (Mr T.A. Blanco White's brilliant and memorable example of a narrow specification) "three-holed razor blades imported from Venezuela" is an accurate description of the goods. But it is not one which an average consumer would pick for trade mark purposes. He would surely say "razor blades" or just "razors". Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods--are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made."

<sup>vii</sup> See the decision of Mr Richard Arnold QC, sitting as the appointed person, in *Mobis Trade Mark* BL O/020/07:

"30. The opponent contends that, where an opponent relies upon a Community trade mark, it is sufficient for the purposes of section 5(3) to show that it has a reputation in the United Kingdom and that the hearing officer was wrong in law to hold that it was required to show a reputation in the Community.

31. I am unable to accept this argument. Section 5(3) on its face expressly distinguishes between what is required in the case of an earlier national mark, namely "a reputation in the United Kingdom", and what is required in the case of an earlier Community trade mark, namely "a reputation ... in the European Community". This distinction reflects the difference between Article 4(4)(a) of the Directive, which requires that "the earlier [national] trade mark has a reputation in the Member State concerned", and Article 4(3), which requires that "the earlier Community trade mark has a reputation in the Community". The same distinction is also to be found in Article 5(5) of Council Regulation 30/94 of 20 December 1993 on the Community trade mark. I cannot see any basis on which the Act, the Directive and the Regulation can be

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interpreted as merely requiring that the Community trade mark relied upon should have a reputation in the Member State in question. Nor did the opponent's attorney cite any authority or commentary to support such an interpretation. Furthermore, as the applicant's attorney pointed out, the judgment of the ECJ in Case C-375/97 *General Motors Corp v Yplon SA* [1999] ECR I-5421 at [25]-[29], while not directly on point, tends to support the opposite interpretation.

32. It follows that the hearing officer did not make the error of law alleged.”

<sup>viii</sup> *General Motors Corporation v Yplon SA* Case C-375/97 [2000] RPC 572.

<sup>ix</sup> “Finally, it must be appreciated that all assertions of inconsistency between acceptances and refusals within a national Registry and all assertions of inconsistency between acceptances and refusals in different registries are, by their very nature, question-begging as to the correctness of each of the various acceptances and refusals that are brought into contention.

However, the position as between different national registries and the Community Trade Marks Office is that they are not competent to adjudicate on the correctness of each other's determinations and, as a corollary of that, not required to treat each other's determinations as binding upon them in the independent exercise of their own powers. That is not to say that each of them should or will simply ignore determinations of the others. The general principle is that each of them should give determinations of the others such weight (if any) as they might fairly and properly be said to bear in the decision-taking processes they are required to undertake independently of one another.”

<sup>x</sup> See *GfK AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-135/04 and *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281.

<sup>xi</sup> See the judgment of the ECJ in *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* Case C-408/01 re embellishments and also *Adidas-Salomon AG v Nike International Ltd and Nike Retail BV* [2005] ETMR 91 where the Regional Court of Köln stated:

“Moreover, it has to be assumed that the concerned public will recognise the two-stripe get-up in dispute as a marking and not only as a purely ornamental element. Because of the high degree of notoriety of the claimant's markings and of the trade mark practice of the claimant, the concerned public is used to seeing an indication of origin in the get-up, being of concern here of contrasting stripes along the side seams of articles of sports clothing, so that normally such a get-up is regarded by the concerned public as an indication of origin.”

<sup>xii</sup> *Slazenger & Sons v Feltham & Co* (1889) 6 RPC 531 at page 538 per Lindley LJ.

<sup>xiii</sup> Section 6(1)(a) of the Act defines an earlier trade mark as:

“a registered trade mark, international trade mark (UK), Community trade mark or international trade mark (EC) 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”.

<sup>xiv</sup> *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [2000] FSR 77.

<sup>xv</sup> See *Société provençale d'achat and de gestion (SPAG) SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-57/03 and *React Trade Mark* [2000] RPC 285.

<sup>xvi</sup> *Sabel BV v Puma AG* [1998] RPC 199.

<sup>xvii</sup> *Sabel BV v Puma AG* [1998] RPC 199.

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<sup>xviii</sup> *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77.

<sup>xix</sup> *Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02.

<sup>xx</sup> The earlier incorrect translation of ‘Verwendungszweck’ in the English version of the judgment has now been corrected.

<sup>xxi</sup> *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117.

<sup>xxii</sup> He considered that the following should be taken into account when assessing the similarity of goods and/or services:

- “(a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective 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) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

<sup>xxiii</sup> *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281.

<sup>xxiv</sup> *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267.

<sup>xxv</sup> *Altecnic Ltd's Trade Mark Application* [2002] RPC 34.

<sup>xxvi</sup> *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 dealt with a non-use issue but are still pertinent to the consideration of the meaning and effect of specifications:

“In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under section 10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use.”

<sup>xxvii</sup> *BVBA Management, Training en Consultancy v Benelux-Merkenbureau* C- 239/05.

<sup>xxviii</sup> *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-133/05. This was also the position of Professor Annand, sitting as the appointed person in *Galileo International Technology LLC v Galileo Brand Architecture Limited* BL 0/269/04.

<sup>xxix</sup> The Court of First Instance (CFI) in *El Corte Inglés SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T- 443/05 held that goods may be considered complementary if they “have a common aesthetic function by jointly contributing to the external image (‘look’) of the consumer concerned”. (Also see *Mülhens GmbH & Co KG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T- 150/04.

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<sup>xxx</sup> *El Corte Inglés SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T- 443/05:*

“37 In assessing the similarity of the goods, all the relevant factors relating to those goods should be taken into account, including, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary (*Canon*, paragraph 35 above, paragraph 23). Other factors may also be taken into account such as, for example the distribution channels of the goods concerned (Case T-164/03 *Ampafrance v OHIM – Johnson & Johnson (monBeBé)* [2005] ECR II-1401, paragraph 53).”

<sup>xxxi</sup> *El Corte Inglés SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T- 443/05.*

<sup>xxxii</sup> *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117.

<sup>xxxiii</sup> *Sabel BV v Puma AG* [1998] RPC 199.

<sup>xxxiv</sup> *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91.

<sup>xxxv</sup> *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

<sup>xxxvi</sup> See *NV Marly SA c Office de l’harmonisation dans le marché intérieur (marques, dessins et modèles) (OHMI) Case T-57/06* and *New Look Ltd v Office for the Harmonization in the Internal Market (Trade Marks and Designs) Joined Cases T-117/03 to T-119/03 and T-171/03.*

<sup>xxxvii</sup> See *Medion AG v Thomson multimedia Sales Germany & Austria GmbH* Case C-120/04 where the ECJ stated:

“29 In the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see *Matratzen Concord*, paragraph 32).

30 However, beyond the usual case where the average consumer perceives a mark as a whole, and notwithstanding that the overall impression may be dominated by one or more components of a composite mark, it is quite possible that in a particular case an earlier mark used by a third party in a composite sign including the name of the company of the third party still has an independent distinctive role in the composite sign, without necessarily constituting the dominant element.

31 In such a case the overall impression produced by the composite sign may lead the public to believe that the goods or services at issue derive, at the very least, from companies which are linked economically, in which case the likelihood of confusion must be held to be established.

32 The finding that there is a likelihood of confusion should not be subject to the condition that the overall impression produced by the composite sign be dominated by the part of it which is represented by the earlier mark.

33 If such a condition were imposed, the owner of the earlier mark would be deprived of the exclusive right conferred by Article 5(1) of the directive even where the mark retained an independent distinctive role in the composite sign but that role was not dominant.

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34 This would be the case where, for example, the owner of a widely-known mark makes use of a composite sign juxtaposing this mark and an earlier mark which is not itself widely known. It would also be the case if the composite sign was made up of the earlier mark and a widely-known commercial name. In fact, the overall impression would be, most often, dominated by the widely-known mark or commercial name included in the composite sign.

35 Thus, contrary to the intention of the Community legislator expressed in the 10th recital in the preamble to the directive, the guarantee of the earlier mark as an indication of origin would not be assured, even though it still had an independent distinctive role in the composite sign.

36 It must therefore be accepted that, in order to establish the likelihood of confusion, it suffices that, because the earlier mark still has an independent distinctive role, the origin of the goods or services covered by the composite sign is attributed by the public also to the owner of that mark.

37 Accordingly, the reply to the question posed must be that Article 5(1)(b) of the directive is to be interpreted as meaning that where the goods or services are identical there may be a likelihood of confusion on the part of the public where the contested sign is composed by juxtaposing the company name of another party and a registered mark which has normal distinctiveness and which, without alone determining the overall impression conveyed by the composite sign, still has an independent distinctive role therein.”

xxxviii *Succession Picasso v OHMI - DaimlerChrysler (PICARO) Case T-185/02:*

“59 In the context of the global assessment of the likelihood of confusion, it must also be taken into account that, in view of the nature of the goods concerned and in particular their price and their highly technological character, the degree of attention of the relevant public at the time of purchase is particularly high. The possibility raised by the applicants that members of the relevant public may also perceive the goods concerned in situations in which they do not pay such attention does not prevent that degree of attention from being taken into account. A refusal to register a trade mark because of the likelihood of confusion with an earlier mark is justified on the ground that such confusion is liable to have an undue influence on the consumers concerned when they make a choice with respect to the goods or services in question. It follows that account must be taken, for the purposes of assessing the likelihood of confusion, of the level of attention of the average consumer at the time when he prepares and makes his choice between different goods or services within the category for which the mark is registered.

60 It should be added that the question of the degree of attention of the relevant public to be taken into account for assessing the likelihood of confusion is different from the question whether circumstances subsequent to the purchase situation may be relevant for assessing whether there has been a breach of trade mark rights, as was accepted, in the case of the use of a sign identical to the trade mark, in *Arsenal Football Club* (cited in paragraph 40 above), relied on by the applicants.”

*Succession Picasso v OAMI - DaimlerChrysler (PICARO) C-361/04, opinion of Advocate General:*

“54 As OHIM notes in its response, the Court simply used the post-sale confusion argument to confirm that there was a breach of trade mark rights, notwithstanding the wording that Mr Reed displayed on his stall stating that the goods did not come from Arsenal FC. Furthermore, most writers do not accept that post-sale confusion is relevant when analysing the likelihood of confusion.”

*Succession Picasso v OAMI - DaimlerChrysler (PICARO) C-361/04, judgment of ECJ:*

“40 Where it is established in fact that the objective characteristics of a given product mean that the average consumer purchases it only after a particularly careful examination, it is important in law to take into account that such a fact may reduce the likelihood of confusion between marks relating to such goods at the crucial moment when the choice between those goods and marks is made.

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41 As to the fact that the relevant public is also likely to perceive such goods and the marks relating to them in circumstances unconnected with any act of purchase and to display, where appropriate, a lower level of attention on such occasions, the Court of First Instance was also fully entitled to observe, again in paragraph 59 of the judgment under appeal, that the existence of such a possibility does not prevent the taking into account of the particularly high level of attention exhibited by the average consumer when he prepares and makes his choice between different goods in the category concerned.

42 First, it is clear that, whatever the goods and marks at issue, there will always be situations in which the public faced with them will grant them only a low degree of attention. However, to require that account be taken of the lowest degree of attention which the public is capable of displaying when faced with a product and a mark would amount to denying all relevance, for the purpose of an assessment of the likelihood of confusion, to the criterion relating to the variable level of attention according to the category of goods, noted in paragraph 38 of this judgment.

43 Second, as observed by OHIM, the authority called upon to assess whether there is a likelihood of confusion cannot reasonably be required to establish, for each category of goods, the consumer's average amount of attention on the basis of the level of attention which he is capable of displaying in different situations.

44 Nor does *Arsenal Football Club* militate against the foregoing analysis.

45 It must be noted that in that judgment the Court was called upon to rule on whether Article 5(1)(a) of Directive 89/104 was to be interpreted as precluding the sale and offer for sale of goods when they were marked with a sign identical to a mark registered by a third party in respect of the same goods.

46 After concluding that that was indeed the case, the Court stated that the fact that a sign to be found at the place of sale of the goods at issue drew consumers' attention to the fact that those goods did not come from the proprietor of the mark did not affect such a conclusion. It is against that particular background that the Court, in paragraph 57 of *Arsenal Football Club*, referred in particular to the fact that even on the assumption that that type of notice may be relied upon by the interested party as a defence, it was possible, in the case which gave rise to that judgment, that some consumers, in particular if they came across the goods after they had been sold and taken away from the place of sale, might interpret the sign affixed to those goods as designating the proprietor of the mark concerned as the undertaking of origin of the goods.

47 In doing so, the Court did not in any way express a general rule from which it could be inferred that, for the purposes of an assessment of the likelihood of confusion within the meaning of Article 5(1)(b) of Directive 89/104 or Article 8(1)(b) of Regulation No 40/94, there is no need to refer specifically to the particularly high level of attention displayed by consumers when purchasing a certain category of goods.

48 Finally, it must be stated that, by asserting in paragraph 60 of the judgment under appeal that the question of the degree of attention of the relevant public to be taken into account for assessing the likelihood of confusion is different from the question whether circumstances subsequent to the purchase situation may be relevant for assessing whether there has been a breach of trade mark rights, as was accepted, as regards the use of a sign identical to the trade mark, in *Arsenal Football Club*, the Court of First Instance did not, contrary to the appellants' submission, in any way hold that the concept of likelihood of confusion under Articles 8(1)(b) and 9(1)(b) of Regulation No 40/94 must be interpreted differently."

<sup>xxxix</sup> *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* Case C-408/01 [2004] ETMR 10.

<sup>xl</sup> *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* Case C-408/01 [2004] ETMR 10.

<sup>xli</sup> *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* Case C-408/01 [2004] ETMR 10.

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<sup>xlii</sup> *L'Oreal SA and others v Bellure NV and others* [2007] EWCA Civ 968 Jacob LJ:

“So the question of "similar to" has been glossed into asking whether a "link" is established for the relevant section of the public. As I pointed out in the *Intel* case reference [2007] ETMR 59 (where the marks were the same, but the goods/services dissimilar) the English cases have considered that it is not enough merely that the defendant's mark "calls to mind" the registered mark. There must be at least some effect on the economic behaviour of consumers. That makes sense: for unless there is, there is no reason why trade mark law should get involved. A mere "bringing to mind" having no other effect in the long or short term, ought to go untouched by trade mark law.”

<sup>xliii</sup> *Mastercard International v Hitachi Credit (UK) Plc* [2005] ETMR 10, *esure Insurance Limited v Direct Line Insurance plc* [2007] EWHC 1557 (Ch), *Antartica Srl v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-47/06*, *Spa Monopole v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-67/04* and *Intel Corporation Inc v CPM United Kingdom Ltd* [2006] ETMR 90.

<sup>xliv</sup> A very helpful summary of the factors to be considered was given by the First Board of Appeal in *Mango Sport System SRL Socio Unico Mangone Antonio Vincenzo v Diknah SL* (Case R 308/2003-1) [2005] ETMR 5:

“13 The infringements referred to in that article, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them. The protection conferred thereby is not conditional on a finding of a degree of similarity between the mark with a reputation and the sign such that there exists a likelihood of confusion between them on the part of the relevant section of the public. It is sufficient for the degree of similarity between the mark with a reputation and the sign to have the effect that the relevant section of the public establishes a link between the sign and the mark (see, to that effect, *ADIDAS*, at [29] and [30] and Case C-375/97 *General Motors* [1999] E.C.R. I-5421, at [23]).

14 The existence of such a link must, just like a likelihood of confusion, be appreciated globally, taking into account all factors relevant to the circumstances of the case (see, to that effect, *ADIDAS*, at [30]).

15 The condition of similarity between the mark and the sign, referred to in the above article, requires the existence, in particular, of elements of visual, aural or conceptual similarity (see, to that effect, judgment of the Court of 23 October 2003 *Adidas Salomon AG and Adidas Benelux BV v Fitnessworld Training Ltd* in Case R C-408/01 " *ADIDAS*", at [28]).

16 A knowledge threshold is implied in the above provision as regards both the public concerned and the territory concerned. The degree of knowledge must be considered when the earlier mark is known by a significant part of the public concerned, either the public at large or a more specialised public depending on the product or service marketed and covered by that mark. Territorially, the knowledge condition is fulfilled where the trade mark has reputation in a substantial part of the territory of the Member State in question (see, to that effect, judgment of the Court of 14 September 1999 in Case C-375/97 *General Motors Corp v Yplon SA* ("Chevy") [1999] E.C.R. I-5421, at [22] to [28]).

17 If the condition as to the existence of reputation is fulfilled as regards both the public concerned and the territory in question, it must next be examined whether use without due cause of the trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

18 The requirements of the latter condition are not cumulative. It is sufficient that the mark applied for would either take unfair advantage of the distinctive character or the repute of the earlier trade mark, or that the mark applied for would be detrimental to the distinctive character or the repute of the earlier trade mark.

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19 As to unfair advantage, which is in issue here since that was the condition for the rejection of the mark applied for, that is taken when another undertaking exploits the distinctive character or repute of the earlier mark to the benefit of its own marketing efforts. In that situation that undertaking effectively uses the renowned mark as a vehicle for generating consumer interest in its own products. The advantage for the third party arises in the substantial saving on investment in promotion and publicity for its own goods, since it is able to "free ride" on that already undertaken by the earlier reputed mark. It is unfair since the reward for the costs of promoting, maintaining and enhancing a particular trade mark should belong to the owner of the earlier trade mark in question (see, to that effect, decisions of the First Board of Appeal of 8 February 2002 in Case R 472/2001-1-- BIBA/BIBA (fig. MARK), First Board of 20 October 2003 in Case 2003-R 1004/2000-1-- KINDERCARE (fig. MARK)/kinder et al., at [26], and of the Fourth Board of Appeal of 26 July 2001 in Case R 552/2000-4 COSMOPOLITAN COSMETICS/COSMOPOLITAN).

20 In that regard, it should be observed that the stronger the earlier mark's distinctive character and reputation the easier it will be to accept that unfair advantage has been taken or detriment has been caused (see, to that effect, judgment of the Court of 14 September 1999 in Case C-375/97 General Motors Corp v Yplon SA ("Chevy") [1999] E.C.R. I-5421, at [30]).

21 Furthermore, the closer the similarity between the marks the greater is the risk that unfair advantage will be taken. An identity or a very high degree of similarity is a factor of particular importance in establishing if an unfair advantage will be taken (see KINDERCARE (fig. MARK)/kinder et al., and Decision of the Second Board of Appeal of 8 November 2001 in Case R 303/2000-2-- Magefesa (fig. MARK)/ Magefesa (fig. MARK), at [21] and [23]).

22 The greater the proximity between the goods and the circumstances in which they are marketed, the greater the risk that the public in question will make a link between the mark and the sign in question. The existence of the similarity of the goods may be taken into account to the extent that the greater the similarity between the goods in question, the greater the risk that unfair advantage will be taken of the earlier mark (see decision of the Third Board of 25 April 2001 in Case R 283/1999-3 HOLLYWOOD/HOLLYWOOD)."

It is to be noted that in *L'Oreal SA and others v Bellure NV and others* Jacob LJ expresses some doubts about the parameters of "free riding".

xlv "c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark."