

O-258-13

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2569771
BY THE BRITISH SHORINJI KEMPO FEDERATION
TO REGISTER THE TRADE MARK**



**IN CLASSES 26, 35 AND 41
AND**

**IN THE MATTER OF OPPOSITION
THERE TO UNDER No. 102471 BY
SHORINJI KEMPO UNITY**

BACKGROUND

1) On 21 January 2011, the British Shorinji Kempo Federation (hereinafter the applicant) applied to register the trade mark shown above in respect of the following goods and services:

In Class 26: Embroidered badges; badges of textile materials.

In Class 35: Advertising, management, administration, office functions.

In Class 41: Teaching of martial arts, training in martial arts, instruction in martial arts.

2) The application was examined and accepted, and subsequently published for opposition purposes on 1 July 2011 in Trade Marks Journal No.6894.

3) On 30 September 2011 Shorinji Kempo Unity (hereinafter the opponent) filed a notice of opposition. The grounds of opposition are in summary:

a) The opponent is the proprietor of the following trade mark:

| Mark | Number | Date of application / date of registration | Class | Specification |
|---|---------|--|-------|---|
| SHORINJI KEMPO 少林寺拳法 LIMITATION: The transliteration of the Japanese characters appearing in the mark is Shorinji Kempo which denotes the applicants own school of philosophy and martial arts, and has no general meaning in ordinary language. | 1283894 | 01 October 1986 / 11 August 1989 | 41 | Organising, refereeing and officiating services all relating to sporting events and to sporting competitions; educational services for the provision of courses of instruction and teaching and training services all relating to sports; teaching services relating to massage therapy and to finger-pressure therapy; services for the publication of leaflets, booklets and of books, other than publicity or advertising texts, all relating to training for sports; all included in Class 4. |
| SHORINJI KEMPO 少林寺拳法 LIMITATION: The transliteration of the Japanese characters appearing in the mark | 1353715 | 03 August 1988 / 24 July 1992 | 16 | Printed matter, newspapers, periodicals, books; all included in Class 16. |
| | | | 35 | Business management services all relating to sports establishments; promotional services all relating to massage |

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| <p>is "Shorinji kempo" which denotes the applicant's own school of philosophy and martial arts and has no general meaning in ordinary language.</p> | | | | therapy, finger pressure therapy and religious and philosophical training and instruction; all included in Class 35. |
| | | | 37 | Maintenance of sports establishments included in Class 37. |
| | | | 41 | Religious and philosophical instruction and training; publication of leaflets and books relating to religious and philosophical instruction and training; all included in Class 41. |
| <p>SHORINJI KEMPO <small>少林寺拳法</small></p> | <p>CTM 1283555</p> | <p>19 August 1999 / 11 June 2001</p> | 41 | <p>Education; providing of training; entertainment; sporting and cultural activities; education, instructing and/or training relating to martial arts; education, instructing and/or training relating to sports; physical education, providing education information relating to martial arts; correspondence courses relating to martial arts; educational examination of martial arts; rental of suits and/or uniforms for sports and/or martial arts; rental of sports equipment and/or equipment for use with martial arts (except vehicles); training camp services; arranging and conducting of seminars, workshops (training), symposiums and/or conferences; planning, management and/or organization of sports events and sports competitions; providing sports facilities, stadium facilities and/or drill (exercise) halls for martial arts; rental of sports facilities, stadium facilities and/or drill (exercise) halls for martial arts;</p> |

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| | | | | <p>instructing massotherapy and finger-pressure therapy; instructing meditation (Zen); education, instructing and/or training relating to mental cultivation (mental training); religious education, publication of printed matter, periodicals and books; publication of texts (other than publicity texts); video tape editing; video tape film production; presentation of video tape films and cine-films; rental of video tapes and cine-films; rental of sound recording; lending libraries relating to sports and/or martial arts; and organization of exhibitions for cultural or educational purposes.</p> |
| <p>SHORINJI KEMPO 少林寺拳法</p> | <p>CTM 4019634</p> | <p>06 September 2004 / 04 November 2005</p> | 14 | <p>Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery; precious stones; horological and chronometric instruments; clocks, watches; clocks and watches, electric; alarm clocks; chronographs (watches); wristwatches; ornaments (jewellery); trinkets (jewellery); necklaces (jewellery); rings (jewellery); bracelets (jewellery); brooches (jewellery); chains (jewellery); cuff links; pins (jewellery); badges of precious metal; coins; medals.</p> |
| | | | 16 | <p>Paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials;</p> |

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| | | | <p>paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers' type; printing blocks; envelopes (stationery); writing pads; writing implements (writing instruments); school supplies (stationery); stamps (seals); calendars; tickets; books; comic books; booklets; catalogues; handbooks (manuals); pamphlets; albums; almanacs; bookmarkers; paintings (pictures), framed or unframed; packaging containers of paper; paperboard boxes; paper bags and sacks; corrugated cardboard boxes; cardboard articles; wrapping paper; bags (envelopes, pouches) of paper or plastics, for packaging; boxes of cardboard or paper.</p> |
| | | | <p>25 Clothing; footwear; headgear; outer wear; underwear; sportswear (other than golf gloves or helmets); sports uniforms (other than golf gloves or helmets); articles of clothing for martial arts; sports jerseys; tee-shirts; sports shoes.</p> |
| | | | <p>28 Games and playthings; gymnastic and sporting articles not included in other classes; machines for physical exercises; body-training apparatus; protective articles for use in martial arts (adapted); knee guards (sports articles); shin guards (sports articles); face guard masks for protecting the face (sporting apparatus); abdomen protectors (sports</p> |

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| | | | | articles); gloves for games. |
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b) The opponent contends that the mark in suit is similar to its marks and that the goods and services of the two parties are also identical and/or similar. The mark in suit therefore offends against Section 5(2)(b) of the Act. The opponent also contended in its original statement of grounds that the mark applied for offended against Section 5(3) and 5(4)(a). However, both these grounds were withdrawn by the opponent's representatives in a letter dated 27 April 2012.

4) On 24 December 2011, the applicant filed a counterstatement (subsequently amended) denying that the marks are similar. They contend that the words "shorinji kempo" refer to the style of martial art or activity, so that one practices shorinji kempo; one is not a member of shorinji kempo. They state that they have been active in the UK under the mark in suit since 1974. They state that the opponent has not used its marks in the UK and they put the opponent to proof of use of its marks on all the goods and services for which they are registered.

5) Both sides filed evidence. Both parties seek an award of costs in their favour. Neither side wished to be heard. The opponent filed written submissions which referred to the opposition under Section 5(3) and 5(4)(a) despite their having been withdrawn in 2012. I shall ignore the submissions relating to withdrawn grounds.

OPPONENT'S EVIDENCE

6) The opponent filed a witness statement, dated 25 July 2012, by Tsunehiro Arai the Board Chair Person of the World Shorinji Kempo Organisation (WSKO), a position he has held since 2002, having previously been the secretary of the organisation for 18 months. He is also the President of the Shorinji Kempo Federation (SKF) a position he has held for two years having previously been the secretary of the organisation for five years. He does not explain his relationship to the opponent but states that he is authorised to make the statement by the opponent and WSKO and SKF. He states that he has access to the records of all three organisations and that he is conversant with the English language.

7) Mr Arai states that the organisation of the Shorinji Kempo Group is made up of five corporate entities whom he names as Kongo-zen Sohon-zan Shorinji (a religious entity); Shorinji Kempo Foundation federation (a foundation entity); Zenrin Gakuen College (an educational entity); WSKO (a global entity) and Shorinji Kempo Unity (SKU: an intellectual property entity). He states that:

"The relationship between these five entities is very close, partly because of the unique fusion of religion, *budo* (martial arts) and education that makes up the philosophy and discipline known as SHORINJI KEMPO."

8) Mr Arai provides a history of the organisation and also the techniques of Shorinji Kempo. He states that in the sixty years since its inception WSKO has given permission

for branches to be opened in 36 countries. He states that WSKO ensures that the martial art is taught correctly and that standards are maintained. He states that WSKO is authorised by SKU to use and to authorise the use of the Shorinji Kempo name and trade marks by national federations and branches. He also points out that the national federations have constitutions which bind the federation to WSKO e.g. certain grades of competency can only be awarded in Japan. He states that if a federation is not linked to WSKO they cannot use the name Shorinji Kempo or purchase uniforms or teaching equipment. Mr Arai states that the use of the opponent's marks in the UK by the applicant was under the authority of, and with the consent of, SKU and as such all goodwill accrued to SKU. When the applicant split from the opponent, WSKO formed a new organisation to teach Shorinji Kempo in the UK, known as United Kingdom Shorinji Kempo Federation (UKSKF). This has been active for approximately two years. Mr Arai states that only members of WSKO are permitted to purchase Shorinji Kempo branded goods which are available from two suppliers in Japan and can be ordered on-line. Individuals are not encouraged to order themselves but instead the chief teacher in each branch is encouraged to co-ordinate purchases. He also provides the following exhibits:

- TA1-7: These contain a history of the martial art, the organisation and include its statutes. Also included are the names of some expelled members and also pictures of members being graded at the organisations HQ in Japan.
- TA8: This is a list of training events which took place in the UK over the years 1983-2011, mostly under the auspices of the British Shorinji Kempo Federation (BSKF). No actual evidence is provided as to what, if any, trade mark was used at these events.
- TA9: This purports to be an application to establish the BSKF. However, it is in Japanese. Parts have been translated into English and written on the document in pencil. It is not clear who carried out the translation or their qualification for carrying out this task.
- TA10: This consists of a copy of the constitution of the BSKF which states as its main objective:

“2.2 To foster, develop, control and administer the practice and development of Shorinji Kempo in Great Britain and Northern Ireland.”

This also states that full members (there is a probationary period of six months) have to have a WSKO membership card in order to vote at general meetings of the organisation. If the federation expels a member it informs the international body (WSKO). There are other references to liaising with the WSKO.

- TA11: Extracts from the website of UKSKF which provides the history of the martial art and is similar in content to earlier exhibits.

- TA12: extracts from the website archive of WSKO which show that Shorinji Kempo tournaments were held in London, but there are no details as to what, if any, trade marks were used, although Mr Arai claims that the marks would have been visible on banners, clothing and training devices.
- TA13: Further extracts from the WSKO website archive. This lists contributors to WSKO newsletters over the years. There are a number of UK based contributors. It is claimed that the opponent's trade marks appeared in the newsletters, although no examples of the newsletter are provided, or details of their distribution, frequency, numbers etc.
- TA14: This consists of lists from the WSKO archive which show that there were a number of events held in the UK during the years 2000-2011. However, no details are provided as to trade marks used for these events.
- TA15-17: Copies of events lists and reports from the WSKO website which includes details on events in the UK such as new branches opening and training events taking place. The documents do not show what, if any, trade marks were used at any events, although in some of the pictures a large device element is visible upon the clothing worn by participants and it does not correspond to any of the opponent's registered trade marks.
- TA18: This consists of an application form for a training seminar in the UK in July 2012. It asks for the applicant's WSKO number but does not display any of the opponent's trade marks relied upon in the instant case.
- TA19: This is a copy of the brochure issued by the BSKF on the occasion of their twentieth anniversary (1994) when they held a celebratory event. The brochure has a number of advertisements and testimonials in it, but it does not display any of the opponent's trade marks upon it and there is only a single instance where the mark applied for can be seen in a photograph as part of a banner under what seems to be a judges table.
- TA20: This is a copy of the brochure issued by the BSKF on the occasion of their thirtieth anniversary (2004) when they held a celebratory event. The brochure has a number of testimonials in it, but it does not display any of the opponent's trade marks upon it. It does refer to the role of the WSKO in acting as a governing body that produces the same quality of instruction around the world.
- TA21: This consists of copies of pages from the WSKO newsletters dated between January 1995 and February 2000. These have a number of stories regarding events in the UK. However, the newsletters do not have any examples of the registered marks upon them. They are headed "Shorinji Kempo" in plain type. No details as to numbers printed, distribution etc are provided.

- TA22: This consists of various promotional material issued by UKSKF. Only one item is dated, 28 March 2012, and shows details of a payment relating to the hiring of a hall. This and the other items all have the words “Shorinji Kempo” alongside or underneath a large device mark. Also included are Japanese characters which appear to be identical to those on the registered trade marks. However, the positioning of these characters is different to that in the registered marks, with the characters alongside the words “Shorinji Kempo” or underneath the words but in a central position not off to one side as in the registered marks.
- TA23: Consists of a copy of a brochure from one of the suppliers in Japan. It shows various items of clothing and equipment typical of those in martial arts. Most appear to have a large device element and the word Shorinji Kempo although these words are difficult to make out in a number of the photographs. I also note that on many of the items of clothing the purchaser is given the option of specifying which font type with choices between “English language, Katakana or Kanji. There is no sign of the Japanese characters which form part of the registered trade marks anywhere in the brochure. The brochure is described as being the 2012 version although it is claimed that it is similar if not identical to brochures which have offered such goods for sale for a number of years.
- TA24: A copy of the brochure from the second Japanese supplier. This is almost completely in Japanese. It also shows most of the goods with a large device element and the word Shorinji Kempo although these words are difficult to make out in a number of the photographs. There is no sign of the Japanese characters which form part of the registered trade marks anywhere in the brochure. This appears to be dated 2008, although Mr Arai states that the goods continued to be available from the supplier in subsequent years.
- TA25: This consists of invoices from WSKO to BSKF for goods with, what Mr Arai describes as “the Shorinji kempo brand” upon them. The years are handwritten upon them and they range from 2006 – 2009. They are all in Japanese Yen and for items which have very broad descriptions such as “bags”, “badges”, “DVDs”, “scrolls”, “mesh bags”, “text books” and “business cards”. There are no images of precisely what was used as a trade mark on these goods.
- TA26 & 27: These exhibits are being treated as confidential as they contain personal details of individuals in the UK who purchased goods such as clothing from the two suppliers in Japan. They show purchases being made during the period January 2007- October 2009 of goods from the catalogues shown at exhibits 23 & 24 above, i.e. belts, clothing, bags, towels, equipment, key rings and pens.
- TA28: This consists of pages from the WSKO website which offers items for sale. The website states that goods cannot be ordered by individuals but only by the main instructor. These appear to be dated 2003 and it is not clear how they fit in

with the goods on offer by the two Japanese suppliers whose brochures are at exhibits 23 & 24 above as they appear to offer the same types of items.

APPLICANT'S EVIDENCE

9) The applicant filed a witness statement, dated 27 November 2012, by David Dunn a member of BSKF who is authorised to make the statement and has access to the records of BSKF. He states that the first Shorinji kempo branch in the UK was opened in 1974 and by the early 1980s there were approximately twelve UK branches. He points out that the BSKF was until 1990 known as the British Shorinji Kempo Association (BSKA) and that the organisation had been in existence for over six years in the UK using the words Shorinji Kempo before they applied to join the WSKO and had achieved significant goodwill in the UK in the mark British Shorinji Kempo Association. He provides details of the activities over the ensuing years and it is clear that the Federation has, since 1990, been active in promoting the martial art of Shoinji Kempo in the UK under a number of marks, the mark applied for being one of them (exhibit DCD14 refers). On 14 March 2012 the unincorporated BSKF became a limited liability company and the goodwill was part of the assets assigned to the new body (exhibit DCD13).

10) Mr Dunn points out that the words "shorinji kempo" are both generic words which have been in use for hundreds of years. At exhibit DCD15 he provides extracts from various sources which appear to back up this contention. Exhibit DCD16 shows that various other martial arts groups include the words "SHORINJI KEMPO" in their names. At exhibit DCD17 he provides extracts from a book written by the founder of the opponent in which he describes shorinji kempo as an art originating in the 6th century in China and the words are used to describe the art form itself not a particular organisation. Mr Dunn states that the opponent sought to stop an organisation using the name "Fudozen Shorinji Kempo". He states that the Osaka District Court found against the opponent and the appeal was also unsuccessful. At exhibit DCD18 he provides a translated transcript which shows that the court considered the words to be generic relating to the martial arts originating at the Shaolin temple in Hunan province, China.

11) Mr Dunn points out that having been in existence for six years prior to seeking WSKO membership, the BSKF was a distinct entity and did not give up any rights by its association with WSKO. He states that membership of BSKF did not automatically lead to membership of WSKO as WSKO rules require a branch to have at least ten members in order to join the WSKO. Therefore UK branches of BSKF can and do exist for some time before they are eligible to apply for associate membership to WSKO. He provides information regarding the breakdown of the relationship between BSKF and WSKO some of which are not relevant to my decision, but I note that it was only in 2005 that WSKO, under SKF, designed a new trade mark (not one of those relied upon in the instant case) which featured a large device element. WSKO stated that use of this new trade mark was under the express permission of WSKO and they also brought in new rules regarding clothing to be worn at training which now had to be imported from Japan at considerable expense. There was no mention of any issues surrounding the use of

the applicant's mark. Indeed the decree from WSKO stated that "use of the words "Shorinji Kempo" within the context of an ordinary passage of text is free and will not infringe trade mark law". The daughter of the founder of WSKO declared herself to be "the supreme leader of the human development and happiness movement" and granted herself the power to "have the supreme right to interpret everything about Shorinji Kempo". The upshot of discussions between BSKF and WSKO regarding these changes was the expulsion of BSKF from WSKO. WSKO also sent out a letter to all branches worldwide stating that BSKF had been dissolved.

OPPONENT'S EVIDENCE IN REPLY

12) The opponent filed a second witness statement by Mr Arai, dated 7 February 2013. He firstly questions why Mr Mizuno who started the BSKA (predecessor of BSKF) in the UK in 1974 did not give evidence. He also points out that Mr Mizuno was trained in shorinji kempo in Japan and "would have been fully aware of the importance of being positively aligned to and supported by the WSKO". He states that Mr Mizuno was in contact with WSKO during the period 1974 -1980 and that Mr Mizuno's efforts in the UK were partly aimed at obtaining the official endorsement and approval of WSKO in Japan. He then states:

"8. None of the actions taken by Mr Mizuno in the UK, at any time, were intended to establish goodwill in the Shorinji Kempo name and trade marks separately and apart from the well established and recognised proprietary rights and interests of the WSKO.

9. Consequently, all goodwill established in the UK through the use of the name and trade mark Shorinji Kempo has accrued to the sole benefit of WSKO and SKU."

13) He states that Mr Dunn applied to be graded as a 4th Dan in Japan and as part of his application form signed a statement that included the words "I promise to abide by all the instructions and rules of the World Shorinji Kempo Organisation, and never to use the name of "shorinji Kempo", not to teach its techniques to any non-members, without authorisation by the WSKO." Mr Arai claims that any use of the words Shorinji Kempo in the UK was effectively under licence from WSKO. He disputes that the words SHORINJI KEMPO are generic and refers me to websites for further information but does not produce them as exhibits. He also states that Mr Dunn's version of the Japanese court case is incorrect. It would appear that the court allowed the defendant to continue using the mark on the basis of honest concurrent use, but only for his lifetime and only in Osaka.

14) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

15) The only ground of opposition is based on section 5(2)(b) which reads:

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

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

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

16) An “earlier trade mark” is defined in section 6, the relevant part of which states:

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

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

17) The opponent is relying upon its trade marks listed in paragraph 3 above which are clearly earlier trade marks. The applicant requested that the opponent provide proof of use. Given the interplay between the date that the opponent’s marks were registered and the date that the applicant’s mark was published it is entitled to request such proof as per The Trade Marks (Proof of Use, etc) Regulations 2004, paragraph six of which states:

“6A Raising of relative grounds in opposition proceedings in cases of non-use.

(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).”

18) I must first consider whether the opponent has fulfilled the requirement to show that genuine use of its marks has been made. In the instant case the publication date of the application was 1 July 2011, therefore the relevant period for the proof of use is 5 June 2006 – 1 July 2011. The requirements for “genuine use” have been set out by the Court of Justice of the European Union (CJEU) in its judgments in *Ansul BV v Ajax Brandbeveiliging BV*, Case C-40/01 [2003] RPC 40 and *Silberquelle GmbH v Maselli-Strickmode GmbH* Case C495/07, [2009] ETMR 28 and by the Court of Appeal in the UK in *LABORATOIRE DE LA MER Trade Mark* [2006] FSR 5. The principles established in these judgments have been conveniently summarised by Ms Anna Carboni, sitting as the Appointed person O-371-09 *SANT AMBROEUS*:

“(a) Genuine use means actual use of the mark by the proprietor or a third party with authority to use the mark: *Ansul*, [35] and [37].

(b) The use must be more than merely “token”, which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(c) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Silberquelle*, [17].

(d) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(i) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(ii) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(e) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22] - [23].

(f) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no *de minimis* rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25].”

19) I must now consider the evidence filed and determine a fair specification for use in the comparison test. In determining a fair specification I take into account the approach

set out by Mr Richard Arnold QC (as he was then) acting as the Appointed Person in O/262/06 (*NIRVANA*) where he said:

“58. I derive the following propositions from the case law reviewed above:

(1) The tribunal’s first task is to find as a fact what goods or services there has been genuine use of the trade mark in relation to during the relevant period: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [30].

(2) Next the tribunal must arrive at a fair specification having regard to the use made: *Decon v Fred Baker* at [23]; *Thomson v Norwegian* at [31].

(3) In arriving at a fair specification, the tribunal is not constrained by the existing wording of the specification of goods or services, and in particular is not constrained to adopt a blue-pencil approach to that wording: *MINERVA* at 738; *Decon v Fred Baker* at [21]; *Thomson v Norwegian* at [29].

(4) In arriving at a fair specification, the tribunal should strike a balance between the respective interests of the proprietor, other traders and the public having regard to the protection afforded by a registered trade mark: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [29]; *ANIMAL* at [20].

(5) In order to decide what is a fair specification, the tribunal should inform itself about the relevant trade and then decide how the average consumer would fairly describe the goods or services in relation to which the trade mark has been used: *Thomson v Norwegian* at [31]; *West v Fuller* at [53].

(6) In deciding what is a fair description, the average consumer must be taken to know the purpose of the description: *ANIMAL* at [20].



(7) What is a fair description will depend on the nature of the goods, the circumstances of the trade and the breadth of use proved: *West v Fuller* at [58]; *ANIMAL* at [20].

(8) The exercise of framing a fair specification is a value judgment: *ANIMAL* at [20].”

20) The opponent has claimed that it has used its marks on all the goods and services for which they are registered. It effectively relies upon the use of the words Shorinji Kempo by the applicant which it claims was acting as a licensee of the opponent. The only use of the opponent’s registered marks is provided at exhibit TA22 which is dated 28 March 2012 and is after the relevant date. I disregard the evidence of clothing being ordered from two Japanese suppliers as it is clear that neither business actually targeted UK customers. Instead, WSKO members were ordered, on pain of expulsion, to purchase clothing from these suppliers. One can only assume that WSKO received a commission on these goods, as they appear to be regarded, by the purchasers, as

being significantly over priced. The Japanese companies did not seek out custom from the UK; UK consumers were forced to go to these companies despite the problems of dealing with companies which did not make any real concessions to non-Japanese speaking clients.

21) There has clearly been use of the words “shorinji Kempo” in the UK during the relevant period by the applicant. However, all the use would appear to have been as part of the mark now sought to be registered by the applicant. For ease of use this is reproduced below, in addition to the opponent’s mark. I refer to the opponent’s mark in the singular as all four registrations feature the same mark.

| Applicant’s mark | Opponent’s mark |
|---|---|
|  <p>The applicant's mark consists of the word "BRITISH" in a small, spaced-out font at the top. Below it is a thick horizontal line. Underneath the line, the words "SHORINJI KEMPO" are written in a large, bold, serif font. Another thick horizontal line is below "SHORINJI KEMPO", and at the bottom, the word "FEDERATION" is written in a smaller, spaced-out font.</p> |  <p>The opponent's mark features the words "SHORINJI KEMPO" in a large, bold, sans-serif font. Below this, the Japanese characters "少林寺拳法" (Shorinji Kempo) are written in a smaller, black, sans-serif font.</p> |

22) I have to considered whether use of the applicant’s mark can be considered to be use of a variant form of the opponent’s mark. In considering this question I look to the comments of the European Court of Justice (ECJ) in the *LTJ Diffusion S.A. v Sadas Vertbaudet S.A.* (case C-291/00) [2003] FSR 34 where at paragraphs 49-54 they stated:

“52. However, the perception of identity between the sign and the trade mark must be assessed globally with respect to an average consumer who is deemed to be reasonably well informed, reasonably observant and circumspect. The sign produces an overall impression on such a consumer. That consumer only rarely has the chance to make a direct comparison between signs and trade marks and must place his trust in the imperfect picture of them that he has kept in his mind. Moreover, his level of attention is likely to vary according to the category of goods or services in question (see, to that effect, Case C-342/97 Lloyd Schuhfabrik Meyer [1999] ECR I-3819, paragraph 26).

53. Since the perception of identity between the sign and the trade mark is not the result of a direct comparison of all the characteristics of the elements compared, insignificant differences between the sign and the trade mark may go unnoticed by the average consumer.

54. In those circumstances, the answer to the question referred must be that Article 5(1)(a) of the directive must be interpreted as meaning that a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.”

23) I also look to the judgement of the Court of Appeal in *BUD / BUDWEISER BUDBRAU* [2003] RPC 24. In particular, I refer to the comments of Lord Walker at paragraphs 43-45 where he stated:

“43. The first part of the necessary inquiry is, what are the points of difference between the mark as used and the mark as registered? Once those differences have been identified, the second part of the inquiry is, do they alter the distinctive character of the mark as registered?”

24) I also take into account the ECJ decisions in Case C-171/06P *Devinlec Developpement Innovation Leclerc SA v Office for Harmonisation in the Internal Market* [2007] ECR I-41, Case C-131/06P *Castellblanch SA v Office for Harmonisation in the Internal Market* [2007] ECR I-63 and Case C-234/06P *Il Ponte Finanziaria SpA v Office for Harmonisation in the Internal Market* [2008] ETMR 13. I also note the comments of Mr Arnold Q.C. (as he was then) acting as the Appointed Person in O/061/08 *Remus* at paragraphs 45-50 when he said:

“45. In *Nestlé v Mars* Nestlé applied to register the sign HAVE A BREAK as a trade mark. The application was opposed by Mars. The Court of Appeal upheld findings of the tribunals below that the sign was devoid of distinctive character. Accordingly the issue was whether it had acquired a distinctive character. Nestlé argued that the sign had acquired distinctive character as a result of the use of the expression HAVE A BREAK ... HAVE A KIT-KAT, which was already registered as a trade mark. Mars disputed this. The Court of Appeal referred to the Court of Justice the following question:

May the distinctive character of a mark referred to in Article 3(3) of Directive 89/104 and Article 7(3) of Regulation 40/94 be acquired following or in consequence of the use of that mark as part of or in conjunction with another mark?

46. Advocate General Kokott advised the Court to answer the question in the affirmative. In the course of her Opinion she observed:

23. Article 3(3) of Directive 89/104 permits registration of a mark if, following the use made thereof, *it* has acquired distinctive character. Mars and the Commission infer from this wording that use as an element of another mark may not be invoked as evidence of distinctive character for the purposes of Article 3(3) of Directive 89/104. This view of the matter does not carry conviction since, as the Irish Government as well observes, use of a mark literally means both its independent use and its use as part of another composite mark.

24. Nor, contrary to the view of the United Kingdom Government, can any other inference be drawn from Article 10 of Directive 89/104. Article 10 et seq. concerns the loss of trade-mark protection as a result of non-use. A

proprietor of a mark can, as a matter of trade mark law, reserve certain signs for his exclusive use only if he actually uses them. Structurally it would surely be wrong to recognise use for the acquisition of distinctive character but not to allow it to suffice in order to prevent the loss of trademark protection. Indeed, it is not precluded that use of a mark as part of another mark may also suffice in the context of Article 10. Under Article 10(2)(a) it also constitutes use if the trade mark is used in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered. Use of a sign as part of a principal mark also comes within that definition. That part would indeed be registered not only as a part of the principal mark but also alone without the other elements of the principal mark though use of the principal mark would only differ in elements from the mark registered in respect of the part. Distinctiveness of that part would not be affected if, as a result of such use, it acquired distinctive character prior to its registration.

47. In its judgment the Court ruled that the distinctive character of a mark may be acquired in consequence of the use of that mark as part of or in conjunction with a registered trade mark. It did not refer to the point made by the Advocate General in paragraph 24 of her Opinion.

48. As noted above, one of the proprietor's arguments advanced in support of the appeal is that the hearing officer failed to appreciate the significance of *Nestlé v Mars*. The proprietor argues that this supports its contention that use of labels such as that discussed above constituted use of the registered trade mark.

49. Prior to the hearing before me, the Registrar understood the proprietor to be arguing that, even if there was no use of a mark differing in elements which did not alter the distinctive character of the registered trade mark within section 46(2) as interpreted in *BUD*, use of a composite mark of which the registered trade mark formed an independently distinctive part could constitute genuine use of the latter within section 46(1). The Registrar submitted that, if that argument became material, it would raise an important point of law which ought either to be referred to the High Court under section 76(3) of the 1994 Act or referred to the ECJ under Article 234 EC. At the hearing, however, the proprietor's advocate clarified that the proprietor was not raising that argument, but on contrary was relying upon section 46(2) as interpreted in *BUD*. Having regard to that clarification and also to my conclusion with regard to section 46(2), it is unnecessary for me to reach any conclusion with regard to the argument anticipated by the Registrar. It will be appreciated, however, that my comments in paragraph 43 above are relevant to that issue.

50. The argument which the proprietor actually advanced was to the effect that, when applying section 46(2) as interpreted in *BUD*, the tribunal should in the light of *Nestlé v Mars* take a flexible view as to what constitutes use which does not alter the distinctive character of the mark. In the present case, however, I do not consider that this adds anything to the analysis set out in paragraph 42 above."

25) Clearly the applicant's mark has the word "British" and a line above the words "shorinji kempo" and a line and the word "Federation" after them. Although the applicant's mark also has a device element where the letter "K" in "Kempo" extends into the line below it, I do not believe that the average UK consumer would take much note of this device element. To my mind, what is absent is perhaps as crucial. Namely the Japanese characters which are under the words "Shorinji Kempo" in the opponent's mark. I accept that in the registration there is a limitation which states that these characters translate as "Shorinji Kempo" but even if the consumer was aware of this, and it would have to be explained to them, the presence of these characters lends a Japanese air to the mark as a whole. The words "Shorinji Kempo" simply identify the type of martial art and differentiate it from other forms such as taekwondo, karate or judo. Thus, there is a considerable difference in the conceptual view of a "Japanese" mark and one which states it's Britishness. The visual, aural and conceptual differences are such that the distinctive character of the opponent's mark is altered.

26) Even if I did not reach the above conclusion I would have to consider whether the applicant could be said to have been acting as a licensee, using the opponent's mark. I note firstly that there is no written agreement to this effect between the parties, as if such agreement existed, it would surely have been filed. The applicant was in existence for six years prior to seeking affiliation to the opponent. Those who started the sport in the UK had themselves been trained in Japan by the opponent and had achieved a high standard but not the ultimate status. It was recognised that whilst they could train UK consumers to a certain level, they were not capable of going beyond their own levels and that to achieve higher status the participants had to be examined by those who had achieved the higher grading. Further, the opponent was the recognised authority for the sport and affiliation to the governing body was required to enter into international competition in much the same way that the Football Association in England runs the game in England but is affiliated to FIFA allowing it to participate in international competitions. The governing body also sets out international rules and standards which affiliated organisations are expected to adopt. Such an affiliation is quite different to being a licensee. Presumably this is why the applicant immediately adopted its own trade mark, initially being the British Shorinji Kempo Association and then amending the word Association to Federation. I also believe that the average UK consumer will be well aware of disagreements within sports that lead to splits and the formation of different governing bodies. The first such instance was when rugby league was formed, but recently there have been well publicised splits in darts, cricket and most notoriously boxing where the number of different champions is baffling.

27) To my mind the opponent has not demonstrated any use of its marks in the UK during the relevant period and so its opposition under Section 5(2)(b) fails at the first hurdle.

CONCLUSION

28) The opponent has failed under Section 5(2)(b), having earlier withdrawn its opposition under Section 5(3) and 5(4(a)).

COSTS

29) As the applicant has been successful it is entitled to a contribution towards its costs.

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|--|------|
| Preparing a statement and considering the other side's statement | £200 |
| Considering the evidence of the other side and filing its own evidence | £700 |
| TOTAL | £900 |

30) I order Shorinji Kempo Unity to pay the British Shorinji Kempo Federation the sum of £900. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 20th day of June 2013

**George W Salthouse
For the Registrar,
the Comptroller-General**