

O-400-14

TRADE MARK ACT 1994

TRADE MARK APPLICATION No. 2630204

BY MILLENNIUM JEANS LIMITED

TO REGISTER 'ZICO1973' IN CLASS 25

AND

OPPOSITION No. 104219

BY ZECO LIMITED

Background and pleadings

1. This is a fairly typical trade mark opposition that has become more complicated than necessary.

2. The opponent is Zeco Limited, a small clothing company based in Essex. The applicant is Millennium Jeans Limited, another small clothing company, based in Blackburn.

3. The issue at the heart of the opposition is whether the applicant's ZICO1973 trade mark is too similar to the opponent's ZECO trade mark to be registered for identical goods (clothing, head gear and footwear) without a likelihood of confusion on the part of the public. The opponent claims that there is a likelihood of confusion and that registration should therefore be refused under section 5(2)(b) of the Trade Marks Act 1994 ("the Act"). The applicant denies this. The opponent has two earlier registrations for ZECO, the latest in time of these being in the form 'Zeco'. One of the few things the parties can agree about is that, for the purposes of this opposition, there no difference between ZECO and Zeco.

4. The applicant's mark was filed on 31 July 2012 ("the relevant date") and published for opposition purposes on 2 November 2012. It covers "*clothing, footwear, headgear*" in class 25. The opponent's earlier trade mark No.1498372 – ZECO ("the 372 mark") was registered on 3 September 1993. It covers a limited list of clothing, namely "*Jeans, trousers, shirts and tops; all included in Class 25*". The opponent's other earlier mark No.2608701 – Zeco ("the 701 mark") was not included in the original notice of opposition, but was added as a further basis for the grounds of opposition before any evidence was filed. The 701 mark was filed on 30 January 2012. It was registered on 13 July 2012. It covers exactly the same goods as the applicant's mark.

5. According to section 6A of the Trade Marks Act 1994 ("the Act") the 372 mark can only be relied on in these opposition proceedings subject to proof of genuine use of the mark in the five years preceding 2 November 2012. However, because the 701 mark was entered in the register much more recently than five years before the date of publication of the applicant's mark, it is not subject to the proof of use requirements. It also covers a much broader list of goods than the 372 mark, and no application has been made to invalidate the 701 mark. Consequently, the 701 mark represents the opponent's best chance of success in these proceedings. Or to put it another way, if the opponent cannot succeed on the basis of the 701 mark it cannot possibly succeed (or succeed to any greater extent) on the basis of the 372 mark. The opponent's earlier 372 mark is therefore really irrelevant to the outcome of these proceedings. Nevertheless, the applicant put the opponent to proof of use of the 372 mark and the opponent responded to this by showing use of that mark on various items of clothing. This led to (pointless) written arguments about whether or not the

evidence showed that the 372 mark had been used for all the goods for which it was registered.

6. The opponent also relies on section 5(4)(a) of the Act claiming to have common law rights to the word ZECO for *clothing, footwear and headgear*, and also to have common law rights (for the same goods) under this earlier mark.



7. I will call this mark “the ZECO logo”. Ordinarily there is little to be gained from an opponent relying on unregistered rights in the same mark in which it has registered rights for the same goods or services. This is because if there is a likelihood of confusion, the opponent will succeed under section 5(2). And if there is not, it is very unlikely that the use of the applicant’s mark will constitute a misrepresentation to the public, which is an essential requirement to establish a passing off right for the purposes of section 5(4)(a). However, establishing a passing off right requires evidence of goodwill and reputation, which is likely to add significantly to the length and cost of opposition proceedings. Indeed the high cost of establishing a passing off right is one of the most frequently cited reasons for registering marks. Consequently, where the mark is registered, potential opponents would be well advised to think carefully before adding a second ground of opposition under section 5(4)(a) based simply on the use of the registered mark in relation to the goods/services for which it is registered.

8. In this case, the opponent thought that it might have a better case under section 5(4)(a) based on the ZECO logo because it includes a date (1976), which it considered was similar to the number 1973 in the applicant’s mark, and therefore made the ZECO logo sound more similar to the applicant’s mark than the registered mark ZECO (alone). The applicant’s mark certainly doesn’t look any more similar to the ZECO logo as a whole than it does to the word ZECO alone. And I find it most unlikely that the public would verbalise ‘est’ and ‘1976’ on the banner in the ZECO logo when referring to that mark. This is partly because ‘est’ and ‘1976’ are quite small parts of the logo, but mainly because that, in context, ‘est’ is obviously a shortening of ‘established’ and ‘1976’ is plainly the year of establishment of a business. These are clearly not elements with trade mark character and, for that reason, no one would say them when making oral use of the ZECO logo, particularly as it is so much easier to use the more prominent and distinctive word ZECO. This means that the ZECO logo mark does not sound more similar to the applicant’s mark

than the word ZECO alone. Consequently, the opponent has not benefitted from bringing additional grounds of opposition under section 5(4)(a).

9. This does not necessarily mean that the opponent wasted the time and money it spent trying to show that it had a reputation under ZECO. This is because it is now well established that the level of distinct character of the earlier trade mark is a relevant factor (amongst quite a number of other factors, as described below) when it comes to assessing the likelihood of confusion with a later mark. Generally, the more distinctive a trade mark is, the greater the likelihood of confusion with a later similar mark. Consequently, the evidence filed to establish the reputation of the ZECO mark might have resulted in a finding of enhanced distinctiveness, which could have improved the opponent's case under its principal section 5(2)(b) ground.

10. In fact, as I shall explain in more detail below, the opponent's evidence shows no more than that it has used its earlier mark on a normal scale: the scale of use one might expect from a relatively small business. As the proof of use provisions do not apply, I am required to assume normal and fair use of the 701 mark for the goods for which it is registered, even without any evidence. If that were not so there could never be a likelihood of public confusion between that mark and any other trade mark. So the opponent's evidence of use of ZECO has not made any difference. The opponent is not really adversely affected by this. This is because ZECO is an invented word and as such is, by its very nature, of above average distinctiveness as a trade mark for clothing.

11. Prior to accepting and publishing the applicant's mark, the examiner was initially minded to refuse the application. This was because he was concerned that ZICO1973 might be seen as the a reference to a highly gifted Brazilian footballer from the 1970s, known as Zico, and therefore the sort of sign that might be expected to appeal to fans of the Brazilian football team and adorn replica football shirts and the like. The examiner was therefore concerned that the mark was descriptive of a type of clothing, or was otherwise non-distinctive as a trade mark for clothing etc. The applicant overcame the examiner's concerns by arguing that Zico (the footballer) was not well known in 2012 to the average UK consumers of clothing, and that 1973 had no particular significance in that context, for example, as the year of the footballer's debut for Brazil.

12. Faced with opposition from the opponent however, the applicant changed its position arguing that the respective marks were conceptually distinct because ZICO1973 would be seen by a significant section of the relevant UK public as a reference to the "*famous Brazilian footballer*", which was reinforced by the number '1973' because this was a year around the time when the footballer was playing international football. This and other factors, such as differences in the length and sound of the respective marks were pleaded as reasons why there was no likelihood of confusion or misrepresentation. Additionally, the applicant pleaded that:

- As the applicant in fact specialises in “*high fashion clothing for adults only*” and the opponent uses its mark for “*school uniforms and clothing, plimssoles and clothing accessories for children of school age*”, the respective goods are not identical, or even similar.
- The opponent is “*wholesale only*” whereas the applicant sells to the public. Therefore the respective consumers are different. Further, the opponent’s consumers are business purchasers who exercise a great deal of care when purchasing stock and are therefore unlikely to confuse the marks at issue.
- The applicant’s mark has co-existed with the opponent’s mark for at least 3 years without any known instances of confusion; therefore there is no likelihood of confusion or misrepresentation.
- The applicant has prior goodwill under its mark in relation to adult clothing.
- The opponent’s ZECO mark co-exists on the UK and Community trade mark registers with various other similar marks and is not, therefore, particularly distinctive.

13. The applicant also put the opponent to proof of its claimed goodwill and reputation under ZECO and denied that the opponent had any goodwill or reputation under the ZECO logo.

14. When the opponent later discovered how the applicant had argued its case before the examiner prior to the acceptance of the mark, it sought to add further grounds of opposition under section 3(1)(b) and (c) of the Act. This was on the basis that the mark was descriptive and/or non-distinctive for the goods covered by the application. Further, the opponent requested leave to add a further ground under section 3(6) because the application has been prosecuted in bad faith.

15. At the same time, the opponent decided to abandon a further ground of opposition it had originally run under section 5(3) of the Act on the basis that the opponent’s ZECO mark had a reputation with the public and the applicant’s mark took unfair advantage and/or was detrimental to the distinctive character or repute of that mark, without due cause. The reasoning for this ground appears to have been, in part, a duplication of the case under section 5(2)(b), i.e. a likelihood of confusion, and, in part, based on a claim that the opponent has a reputation outside the UK, which is irrelevant for present purposes. The s.5(3) ground was therefore rightly dropped.

16. The request to add additional grounds of opposition led to a case management conference (“CMC”) on 7 February 2014. At that CMC, I rejected the application to add a ground of opposition under section 3(6) of the Act because it was misconceived. It depended on the applicant having acted in bad faith in relation to events after the filing date of the application, whereas bad faith for the purposes of section 3(6) must be assessed as at the date of application¹. I gave the opponent leave to add the additional grounds of opposition under section 3(1)(b) and (c) of the Act because the applicant itself had brought the factual matter on which the opponent sought to rely into play.

17. This amendment led to further evidence from both parties, which inevitably delayed matters and added further cost.

The hearing

18. A hearing took place on 21 August 2014 at which the applicant was represented by Ms Katherine McCormack, a Trade Mark Attorney at Trade Mark Direct, and the opponent was represented Richard Hiddleston of Elkington and Fife LLP, who is a Solicitor and the opponent’s Trade Mark Attorney

The evidence

19. The opponent’s evidence consists of witness statements by:

- i) Ajay Taheam, who is Director of Zeco Ltd. Mr Taheam’s evidence goes mainly to the opponent’s use of the ZECO mark. He also provides some evidence about how the applicant’s mark is sometimes used, showing that an internet seller called Jeaneus listed them as just ZICO, i.e. without the number 1973.
- ii) Bashir Khamboo, a sole trader who has run a clothes shop in London since 1993. Mr Khamboo’s evidence is that since that date he has purchased school wear, jeans wear and casual wear from the opponent under the mark ZECO.
- iii) Arvind Shah, who is also a clothing retailer based in London and has been selling ZECO jeans “*and other affiliated garments*” for over 13 years. Mr Shah’s evidence is that when a customer informed him about jeans being sold under the mark ZICO, he initially assumed that it was a sub-brand of ZECO.

¹ Case C- 529/07, *Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* CJEU

- iv) Terence Carpenter, another clothing retailer, based in Stevenage, who stocks ZECO school wear. Mr Carpenter's evidence is that his customers ask for ZECO clothing by name.
- v) Winstone Rankine, another clothing trader based in London who trades as Kenzie Schoolwear. Mr Rankine stocks ZECO clothing, which he purchases directly from the opponent. His evidence is that when he came across ZICO jeans on the internet he *"was very close to purchasing these jeans based on the assumption that this was a new style and division operated by Zeco"*. However, he subsequently contacted the opponent and found out that they were not connected to ZICO products.
- vi) Navid Afzal, who is a Director of Fashion Shop Ltd, a London-based clothing retailer which trades predominantly in school wear, but also stocks denim and children's clothing. Mr Afzal's evidence is that *"Zeco has a substantial reputation in my local area"*.
- v) Mr Richard Hiddleston made two statements. The first addressed the point made in the applicant's counterstatement about the existence of various other registered mark similar to ZECO. The applicant had filed no evidence that any of these marks were in use in the UK so Mr Hiddleston conducted his own internet research which showed that two of the marks identified by the opponent were in use in the UK. However, the first mark, ZICAC, was less similar to ZECO than the applicant's mark. The second mark, '472 Zicco', appeared to be mainly directed at the market for jeans in Germany or the USA, and that mark was used as part of the longer mark 'Picaldi 472 Zicco'.
- vii) Mr Hiddleston's second statement was filed after additional grounds of opposition under s.3(1)(b) and (c) were added to the opposition. This statement provides the results of internet searches he conducted on the terms, 'ZICO' and 'ZICO footballer'. It also provides bibliographical information about the Brazilian footballer called Zico and information about another non-league footballer called Ryan-Zico Black² who, as committed followers of Guernsey F.C. may already know, appears to have been named (twenty or so years ago) after the Brazilian. Mr Hiddleston's evidence is that he also conducted searches on ZICO 1973, but those searches did not reveal any specific connection between the Brazilian footballer and the year, other than that Zico was playing international football at that time.

² See exhibit RMH 2 for all the information described in this paragraph

20. The applicant's evidence is contained in three witness statements from Ilyas Patel, who is a Director of Millennium Jeans Ltd (the opponent), and a witness statement from Mr Babar Khan of Angel Retailers Ltd, which has sold the applicant's goods for 3 years. Mr Patel also provided two letters. One is from Mr Ramzan of Jean Junction, another retail buyer of ZICO1973 jeans. He says that his business has stocked these jeans for 3 years. The second letter is from Mr Hakeem of Mansworld UK Ltd, which distributes and wholesales menswear. Mr Hakeem says that his business has been distributing ZICO1973 jeans/denim to over 50 menswear retailers in London, the South East and the South Coast for 4 years.

21. The key points that emerge from Mr Patel's evidence are that:

- i) The applicant has been using ZICO1973 in various formats for a few years prior to the relevant date. In his first statement Mr Patel says "from 2009"³ and "from 2010"⁴, but in his third witness statement he provides copies of invoices for ZICO 1973 jeans going back to 2008⁵.
- ii) There is a copy of a "statement showing significant sales of ZICO 1973 branded clothing by the applicant to the company D2 Trading Ltd from 2008 to 2012" is provided⁶, which is said to show "that the applicant has been using the contested mark for over 6 years in the UK".
- iii) The opponent's business is 'wholesale only' whereas the applicant is both a wholesaler and a retailer.
- iv) 1973 is a significant date because it was the year the Brazilian footballer known as Zico made his international debut [per Patel 2, before the s.3(1) grounds of opposition were added].
- v) 1973 is not a significant date because the Brazilian footballer known as Zico made his international debut in 1972 before playing for Brazil in the World Cups of 1978, 1982 and 1986 [per Patel 3⁷, filed after the s.3(1) grounds were added].
- vi) The applicant always uses the mark in the form applied for⁸. The applicant is not responsible for third parties listing the products as just ZICO.

³ Paragraph 3, Patel 1

⁴ Paragraph 11, Patel 1

⁵ See exhibit 13 to Patel 3

⁶ As exhibit 14 to Patel 3

⁷ See also exhibit 12 to Patel 3

⁸ See paragraph 9 of Patel 1 and exhibits 1-4 to that statement

- vii) Apart from selling blazers, the opponent's evidence only shows use of ZECO in relation to school wear. The opponent's own website describes it as "*The schoolwear specialists*"⁹.

22. Mr Khan's evidence is that his company sells the applicant's jeans to "*young lads aged 18 years plus*" and that he has "*never come across the ZECO brand in denim wear or any young fashion wear*".

Findings of fact on the parties' prior use of their marks

23. According to Mr Taheam, the opponent has used ZECO in the UK since 1976 in relation to a range of clothing, including clothing for adult men and women, as well as children's fashion clothing. Mr Taheam says that "*over the years the business has expanded into school wear, footwear, headgear, accessories for clothing, hair accessories, sports equipment, high visibility jackets, fleece jackets, jeans, polo t-shirts etc.*" Mr Taheam provides sales figures for goods sold in the UK under the mark ZECO for the years 2009 to 2013. These show that the opponent's annual UK turnover is in the region of £4 to £5.25m. The opponent does not advertise its goods on a substantial scale. Only about £20k per annum is spent on promotion. The promotion that has taken place appears to have been mainly directed at the retail trade¹⁰. This is consistent with the opponent's status as a wholesaler. However, ZECO goods are sold on to the public throughout the UK.

24. Mr Taheam provides a copy of his company's stationery¹¹, from which I note that the opponent describes itself as "*schoolwear specialists*". This is confirmed by the contents of the price lists in Mr Taheam's evidence¹². However, the opponent also sells some products for adults.

25. There is nothing in the evidence to show that the opponent's mark has a reputation for clothing on a scale that would have enhanced the inherent distinctiveness of its mark at the relevant date. The bulk of the opponent's sales under the mark ZECO appear to have been in relation to school wear. The high point of the opponent's case could therefore have been that its mark is particularly distinctive in the niche market for school wear. However, the opponent does not put its case like this, and even if it had, the level of sales does not suggest that it has a significant part of the (probably huge) UK market for school wear. This and the fact that the opponent barely advertises its mark to the general public leads me to the conclusion that the opponent's use of ZECO has not been on a scale that it is likely to have nurtured its distinctiveness amongst relevant average consumers of school

⁹ See also exhibits 9, 10 and 14 to the statement of Mr Taheam, which similarly focus on school wear

¹⁰ See exhibits AT5, AT 6 and AT9 to Taheam

¹¹ See exhibit AT3 to Taheam

¹² See exhibit AT4 to Taheam

wear to a level higher than the 'above average' level of distinctiveness it enjoys because of the nature of the mark.

27. Mr Hiddleston drew my attention to the fact that the opponent's ZECO goods had been shown in an article on Mail Online on 7 March 2013¹³. However, this is after the relevant date and the article itself does not mention ZECO at all. I therefore fail to understand how this can be said to recognise or add to the distinctiveness of the ZECO mark at the relevant date in 2012.

28. I should add that, at the hearing, the applicant offered unconditionally to exclude school wear and children's clothing from its list of goods, i.e. the only goods for which the opponent's mark could have become more distinctive than it looks and sounds. So even if I had found that the opponent's mark has an enhanced level of distinctiveness for school wear, it probably wouldn't have made any difference.

29. The applicant claims to have been selling substantial volumes of "*high end fashion clothing*", particularly jeans, for a number of years prior to the relevant date. As indicated in my summary of Mr Patel's evidence, he is not consistent as to when this use began. However, I am prepared to accept that the applicant was using the mark ZICO1973 for 3/4 years prior to the relevant date. The scale of that use is unclear. Ms McCormack was highly critical about the adequacy of Mr Taheam's evidence on behalf of the opponent setting out its use of ZECO, but Mr Patel does not provide any sales figures for goods sold by the applicant.

30. Mr Patel does provide copies of invoices sent to retailers showing that the applicant sold around £6k worth of ZICO1973 jeans to a handful to retailers in 2009, and sales of around £8k worth of jeans the previous year. The invoices show that the wholesale price for the applicant's jeans is around £10. These invoices therefore account for around 700 pairs of jeans per annum. This is tiny fraction of the UK market for jeans. Ms McCormack sought to bolster the deficiency in Mr Patel's evidence in two ways. Firstly, she sought to rely on the letter from Mr Hakeem to show that the applicant's business was more substantial than it appeared just from what Mr Patel had said. However, Mr Hakeem's letter is not a witness statement and does not include a statement of truth. It must therefore be treated as hearsay evidence and given whatever weight it deserves. I afford it some weight as showing that the applicant's use of ZICO1973 has been more extensive than is apparent just from Mr Patel's evidence. However, I find it odd that the applicant is relying on a third party to establish the size of its business when it would have been so much easier for Mr Patel to have given this evidence himself. I do not, therefore, find that the letter from Mr Hakeem establishes any particular level of sales of ZICO1973 jeans. Secondly, Ms McCormack sought to rely on Mr Patel's evidence that there had been substantial sales to D2 Trading Ltd. However, the statement attached to Mr Patel's

¹³ See exhibit AT10 to Taheam

witness statement “*showing significant sales of ZICO 1973 branded clothing by the applicant to the company D2 Trading Ltd*” shows no such thing. The mark ZICO1973 does not appear anywhere in that statement¹⁴. Ms McCormack submitted that it should be inferred that the sales shown in this statement relate to ZICO1973 goods. I reject that submission. It would have been simple for Mr Patel to say that the goods covered by the statement were ZICO1973 jeans. He did not do so. In these circumstances, I see no reason to read more into his words than he actually says.

31. I conclude that the applicant had been selling ZICO1973 jeans for 3/4 years prior to the relevant date, but the scale of that use is unclear and appears to have been modest. However, as will be apparent from my findings below about the lack of significance of the limited co-existence which has been shown, it would not have made any difference even if I had accepted that the applicant made more substantial use of its ZICO1973 mark over the 6 years prior to the relevant date.

Section 5(2)(b)

Matters which are wholly irrelevant or are of no weight

32. The applicant appears to rely on the fact that it is retailer as well as a wholesaler, whereas the opponent is just a wholesaler. However, In *O2 Holdings Limited, O2 (UK) Limited v Hutchison 3G UK Limited*¹⁵, the Court of Justice of the European Union (“CJEU”) stated at paragraph 66 of its judgment that when assessing the likelihood of confusion under Section 5(2) it is necessary to consider all the circumstances in which the mark applied for might be used if it were registered. The same must apply to future uses of the opponent’s mark. Indeed in *Devinlec Développement Innovation Leclerc SA v OHIM*¹⁶, the CJEU stated that:

“59. As regards the fact that the particular circumstances in which the goods in question were marketed were not taken into account, the Court of First Instance was fully entitled to hold that, since these may vary in time and depending on the wishes of the proprietors of the opposing marks, it is inappropriate to take those circumstances into account in the prospective analysis of the likelihood of confusion between those marks.”

33. Therefore the partly different trade channels through which the parties’ goods currently reach their ultimate consumers is, in principle, irrelevant to the likelihood of confusion.

34. The arguments about what the parties’ actual goods are, and whether they are identical, similar or dissimilar, is likewise irrelevant as a matter of principle. This is

¹⁴ See exhibit 14 to Patel 3

¹⁵ Case C-533/06

¹⁶ Case C-171/06P

because the list of goods for which the opponent's 701 mark is registered is literally identical to the applicant's list of goods. That would not change as a result of the applicant's offer to restrict its list of goods because all the goods in the restricted list would still be identical to goods covered by the terms in the opponent's broader list of goods. The opponent's list of goods therefore covers adult fashion clothing, including jeans. The opponent says that it sells jeans, but until the 701 mark becomes subject to the proof of use provisions, it does not really matter whether or not that is so. Consequently, in this case, the degree of similarity between the goods for which the respective marks have so far been used is really irrelevant.

35. The applicant argues that the opponent's mark has been used in forms which alter its distinctive character. This is also irrelevant. For the reasons I have already explained, it would not make any difference if the 701 mark had not been used at all.

36. The applicant also seeks to rely on the existence of other similar marks on the UK or EU trade mark registers in order to show that such marks can co-exist without a likelihood of confusion. However, in the absence of evidence that such marks are in use, this sort of evidence has always been given short shrift. There is ample national authority to justify that approach¹⁷. In *Il Ponte Finanziaria SpA v OHIM*¹⁸, the CJEU considered the opposite argument: that a number of registrations of similar marks in the name of the same opponent *increased* the likelihood of confusion. The court rejected that saying that:

“62. While it is true that, in the case of opposition to an application for registration of a Community trade mark based on the existence of only one earlier trade mark that is not yet subject to an obligation of use, the assessment of the likelihood of confusion is to be carried out by comparing the two marks as they were registered, the same does not apply where the opposition is based on the existence of several trade marks possessing common characteristics which make it possible for them to be regarded as part of a ‘family’ or ‘series’ of marks.

63 The risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 (see *Alcon v OHIM*, paragraph 55, and, to that effect, *Canon*, paragraph 29). Where there is a ‘family’ or ‘series’ of trade marks, the likelihood of confusion results more specifically from the possibility that the consumer may be mistaken as to the provenance or origin of goods or services covered by the trade mark applied for or considers erroneously that that trade mark is part of that family or series of marks.

64 As the Advocate General stated at paragraph 101 of her Opinion, no consumer can be expected, in the absence of use of a sufficient number of

¹⁷ See, for example, TREAT [1996] RPC 281

¹⁸ Case C-234/06

trade marks capable of constituting a family or a series, to detect a common element in such a family or series and/or to associate with that family or series another trade mark containing the same common element. Accordingly, in order for there to be a likelihood that the public may be mistaken as to whether the trade mark applied for belongs to a 'family' or 'series', the earlier trade marks which are part of that 'family' or 'series' must be present on the market (emphasis added).

37. It is therefore well established that the mere existence of similar marks on trade mark registers neither increases nor decreases the likelihood of confusion between one such mark and another trade mark in a different ownership. The 'state of the register' evidence is therefore of no weight.

38. Ms McCormack also relied on various other decisions of the Registrar or other tribunals or courts to show that no likelihood of confusion had been found in cases which she considered were comparable with those in these proceedings. It is not permissible to argue that there is, or is not, a likelihood of confusion by analogy with other cases involving different trade marks. This is because each case turns on its own facts. For example, one of the 10 cases cited by Ms McCormack involved the marks TEAM and TEAM2012, but as the written decision makes clear, the decision maker regarded the word TEAM as being of low distinctiveness. By contrast, I regard ZECO (and ZICO) as being of above average distinctiveness. So the comparison is false. In another case involving the marks DA VINCI and VINCI, the decision maker noted that the goods are "*similar, at best, to a very low degree*". In this case the goods are identical. None of the examples are on all fours with the facts in this case. Even if they had been, I must make my own decision on the basis of the marks and evidence before me. This kind of 'advocacy by analogy' is therefore unhelpful.

39. The opponent's evidence includes a number of statements of opinion from the opponent's retail customers as to the likelihood of confusion amongst their customers. At the hearing, Mr Hiddleston acknowledged that recent case law suggested that such evidence should be given little weight. In fact the case law has not changed in this respect. In *The European Ltd v The Economist Newspaper Ltd*¹⁹, Millett L.J. (with whom Hobhouse L.J. and Otton L.J. agreed) said:

"The evidence of confusion or no confusion consisted of (i) evidence of witnesses purporting to testify to actual confusion; (ii) evidence of witnesses who had responded to a survey carried out on behalf of the plaintiff; and (iii) evidence of trade witnesses who gave their opinion of the likelihood of confusion. I agree with the judge that the last category of evidence was almost entirely inadmissible on the present issue. The function of an expert witness is to instruct the judge of those matters which he would not otherwise know but which it is material for him to know in order to give an informed

¹⁹ [1998] E.T.M.R 307

decision on the question which he is called on to determine. It is legitimate to call evidence from persons skilled in a particular market to explain any special features of that market of which the judge may otherwise be ignorant and which may be relevant to the likelihood of confusion. It is not legitimate to call such witnesses merely in order to give their opinions whether the two signs are confusingly similar. They are experts in the market, not on confusing similarity.

40. Clothing is not a specialist product about which the Registrar might require evidence in order to understand how the goods are bought and sold in the relevant market. Therefore this sort of opinion evidence has no evidential weight. Having dealt with the many points that are irrelevant and/or of no weight, I turn to the matters that are relevant to the s.5(2)(b) ground, including the few remaining potentially relevant facts from the evidence.

41. Sections 5(2)(b) of the Act is as follows:

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

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, or there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark”.

42. In *Specsavers International Healthcare Limited & Others v Asda Stores Limited* [2012] EWCA Civ 24 para 51 et seq, the Court of Appeal approved the following principles gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95 [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97 [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98 [2000] E.T.M.R. 723, *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* Case C-334/05P.

The principles

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely

upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods

43. As noted above, the goods covered by the 701 mark are identical to the applicant's goods (and would remain so even if the applicant's goods were restricted so as to exclude school wear and children's clothing).

Comparison of marks

44. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. It would be wrong, therefore, to artificially dissect the trade marks,

although, it is necessary to take into account any distinctive and dominant components and give due weight to any other features which are not negligible. The respective trade marks are shown below:

ZECO	ZICO1973
Earlier trade mark	Applicant's trade mark

45. The applicant points out that its mark is twice the length of the opponent's mark, which changes the way it looks and sounds. That is plainly so, but it does not follow that the public will attribute equal weight and significance to the ZICO and 1973 elements of the applicant's mark.

46. The applicant submits that ZICO1973 may be seen either as a foreign word or name conjoined with the number 1973, or as the name of a famous Brazilian footballer conjoined with the number 1973. In the first instance, the applicant accepts that the mark would have no strong conceptual meaning so far as the relevant UK consumer is concerned. In the second instance, the applicant says that the concept of the Brazilian footballer will further help to distinguish the marks because ZECO has no conceptual meaning²⁰.

47. Neither side now seriously contends that 1973 has any specific significance so far as the Brazilian footballer connection is concerned, beyond the fact that Zico was playing football at this time. Ms McCormack did weakly suggest that as football is very popular in the UK, consumers of clothing may know that this was the year that Zico signed for a particular football team in Brazil. That seems to be the sort of detailed knowledge that a suitable contestant on the T.V. show Mastermind might possess, but I doubt very much whether the average consumer of clothing in the UK would know the playing history of a Brazilian footballer in this level of detail.

48. So far as the footballer himself is concerned, the only evidence that the applicant has filed which shows that he is known to anyone is a copy of an entry for Zico on Wikipedia. This was filed as exhibit 12 to Mr Patel's third statement, i.e. after the opponent added the section 3(1) grounds of opposition. Therefore up until that time there was no evidence to support the applicant's assertion that Zico the footballer was known in the UK to any significant section of the relevant public. Therefore the applicant's argument that there is a conceptual difference between the marks would have had to have been quickly dismissed.

²⁰ As per *The Picasso Estate v OHIM*, Case C-361/04 P

49. The applicant's evidence of an entry in Wikipedia cannot by itself establish that Zico is well known in the UK. Indeed, Ms McCormack did not rely on it heavily. Instead she relied mainly on the internet search results in Mr Hiddleston's second witness statement filed on behalf of the opponent to support the applicant's submission that Zico is well known in the UK. Mr Hiddleston's primary position at the hearing was that Zico is not well known in the UK, but that if he is then his evidence supports the grounds of opposition under section 3(1)(b) and (c). Mr Hiddleston therefore submitted that ZICO1973 had no conceptual meaning to the average UK consumer of the goods at issue. Ms McCormack submitted that Mr Hiddleston's evidence showed that Zico was well known to a significant section of the UK public, and that amongst this section of the public there was a conceptual difference between the marks.

50. There is no evidence that Zico played football in the UK. His exposure to the UK public is therefore likely to have been as a result of playing for Brazil in three World Cups, the last of which was in 1986. That was 26 years before the relevant date in these proceedings. Therefore few in the UK under the age of 30-35 will remember seeing Zico play. Mr Hiddleston's internet searches were conducted in 2014, the year of another World Cup. The search on ZICO shows a number of hits relating to the footballer, but some of those were in articles linked to the 2014 World Cup. The level of discussion on the internet about Zico (the footballer) is likely to be at a higher level at the time of a World Cup than at other times. In any event, as Mr Hiddleston pointed out at the hearing, his search on ZICO retrieved more hits for ZICO branded coconut water than for Zico the footballer. As one would expect, searching on ZICO FOOTBALLER retrieved more relevant hits. I have no doubt that Zico is remembered by those with an historical interest in football, especially those over 35 years old. However, the evidence is not sufficient, in my judgment, to show that the footballer called Zico would come to mind if the average UK consumer encountered the mark ZICO1973 in relation to clothing in 2012. In this connection, I recall that Mr Khan's evidence, on behalf of the applicant, is that he sells the applicant's jeans to "*young lads aged 18 years plus*". I think it very unlikely that consumers in that age range would think of ZICO as being a Brazilian footballer.

51. I find that the relevant average consumer would attach no conceptual meaning to ZICO. If it is not recognised as the name of the Brazilian footballer, I see no reason why it would be recognised as a name at all. It will either be seen as a foreign word with no discernible meaning, or as a made up word, like ZECO. This means that ZICO has an above average level of distinctiveness for clothing.

52. The opponent argues that 1973 is low in distinctive character because it is recognisable as a year and likely to be taken as the year of establishment of the business trading under ZICO. I accept that it will probably be taken as a reference to the year 1973, but I do not accept the second part of this submission. Unlike the

ZECO logo, where 'est' and '1976' are plainly used to show the year of establishment of a business, the year 1973 in the applicant's mark has no specific meaning. Numbers corresponding to years are not usually recognised as trade marks. For example, I doubt whether 2006 would be seen as a trade mark for clothing without the public having been educated to see it that way through use. 1973 is not as recent as 2006, but neither is it obviously fanciful, such as 1635. I therefore find that the 1973 element of the applicant's mark is low in distinctive character.

53. The relatively higher level of distinctiveness of ZICO compared to 1973 will colour the impression that ZICO1973 makes on the consumer. Further, as the General Court noted in *El Corte Inglés, SA v OHIM*²¹, the beginnings of marks tend to have more visual and aural impact than the ends. Therefore, although 1973 is not negligible in the applicant's mark, it will not make as much of an impression as ZICO, particularly if the applicant's mark is used as ZICO 1973, which Ms McCormack accepted is normal and fair use of the applicant's mark. She had to accept that because the evidence shows that this is the way the applicant generally uses the mark (although, oddly, she refused to accept that the use of 1973 below ZICO also counted as normal and fair use of the mark, even though Mr Patel puts such use forward as another example of the applicant's use of the mark applied for).

54. Although ZECO and ZICO are short words, the visual difference between the vowels E and I is quite low in the context of two meaningless words. I therefore find that the applicant's mark as a whole (including the 1973 element) is quite highly visually similar to ZECO.

55. Ms McCormack submitted that ZICO in the applicant's mark would be pronounced Z-EYE-CO, whereas the opponent's mark would be pronounced ZEE-CO. However, as Mr Hiddleston correctly pointed out, Mr Patel offers no evidence as to how the applicant's mark is actually pronounced in use. I am therefore left to make my own assessment.

56. Mr Hiddleston submitted that both words could be pronounced as ZEE-CO. In this connection, he pointed to other similar English words, including the second letter 'i' in the word Millennium (i.e. the applicant's name) which is pronounced with an EE sound. I find that ZICO is likely to be pronounced by some average consumers as ZEE-CO and by others as Z-EYE-CO. If it is pronounced in the first way, the word in the applicant's mark will be aurally indistinguishable from the opponent's mark. Otherwise ZICO will sound just similar to ZECO. Overall (and again not overlooking the difference arising from the sound that 1973 will make, if it is spoken), I find that the marks are quite highly similar to the ear.

²¹ Cases T-183/02 and T-184/02

57. As I have found that neither mark has any conceptual identity, there is no conceptual similarity or dissimilarity which bears on the likelihood of confusion.

Average consumer and the purchasing act

58. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question²².

59. The applicant originally argued that the relevant consumers were different because the opponent is only a wholesaler. However, I think Ms McCormack accepted at the hearing that, as the goods are identical, it must follow that the consumers are too. In any event, I find that is so. The relevant consumer is composed mainly of end consumers, who are members of the general public, but also of trade buyers, such as Mr Khan.

60. An average member of the general public is likely to pay an average level of attention when selecting clothing. A trade buyer is likely to pay an above average level of attention because they buy in greater volumes and the transaction is therefore usually more economically significant to them than it is for the general public. Also the trade buyer's business depends on the products he or she sells, and therefore there is a risk to their livelihood if they select the wrong products.

61. The parties also disagree about the importance of aural similarity. In *New Look Limited v OHIM*²³, the General Court stated that:

“50..... Generally in clothes shops customers can themselves either choose the clothes they wish to buy or be assisted by the sales staff. Whilst oral communication in respect of the product and the trade mark is not excluded, the choice of the item of clothing is generally made visually. Therefore, the visual perception of the marks in question will generally take place prior to purchase. Accordingly the visual aspect plays a greater role in the global assessment of the likelihood of confusion.”

62. I find that consumers normally select clothing, headgear and footwear by visual means, or at least that there is a chance to see the mark before the goods are selected. Therefore, the visual similarities and differences are of greater importance than the aural similarities and differences. That is not to say that the aural similarity between the marks is unimportant, particularly as there is evidence²⁴ that some customers ask for ZECO goods by name.

²² Per the CJEU in *Lloyd Schuhfabrik Meyer*

²³ joined cases T-117/03 to T-119/03 and T-171/03

²⁴ From Mr Carpenter

Distinctive character of the earlier trade mark

63. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*²⁵, the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services 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 (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

64. The earlier mark is not in any way descriptive of the goods at issue. Although it is a short word it also appears to be an invented word, which is usually considered to be the strongest type of trade mark. I therefore find that it has an above average level of inherent distinctiveness. For the reasons given above, the opponent’s use of the mark has not enhanced that level of distinctiveness.

Absence of evidence of confusion

65. The applicant relies on the absence of evidence of confusion to date as meaning that there is no likelihood of confusion. In *The European Limited v The Economist Newspaper Ltd* [1998] FSR 283 Millett L.J. stated that:

“Absence of evidence of actual confusion is rarely significant, especially in a trade mark case where it may be due to differences extraneous to the plaintiff’s registered trade mark.””

66. In this case the absence of evidence of confusion could be because, as the applicant itself points out, the marks have so far been used mainly in relation to the parties’ core goods, which are different. Further, to the extent that the respective

²⁵ Case C-342/97

goods overlap, e.g. jeans, the extent of the concurrent trade under the marks has been on a relatively small and/or uncertain scale, and for only 3 to 4 years. In these circumstances the absence of evidence of confusion to date is of little evidential weight.

67. In any event, the opponent says that there has in fact been confusion. In this respect, Mr Haheam says that he received an email from a customer trading as KINDAS asking whether his company and ZICO were the same company, but with a typo, or whether they were separate businesses²⁶. I accept that this shows that a trade buyer was in doubt as to whether the applicant and the opponent were connected, which is not quite the same as saying that he was confused. The person responsible for this email has not provided a witness statement. However, another of the opponent's other retail customers – Mr Rankine - who has provided a statement, gives similar evidence of near confusion on his part. The fact that even trade customers, who are less likely to be confused than the general public, were almost confused by the applicant's mark points, if anything, towards a likelihood of public confusion. Ms McCormack submitted that this evidence was irrelevant because the events in question occurred after the relevant date. However, as I endeavoured to explain to her at the hearing, all things being equal, examples of confusion (or near confusion) occurring after the relevant date are capable of shedding light backwards on the likelihood of (future) confusion as things stood at the relevant date.

Likelihood of confusion

68. Taking account of the quite high level of visual and aural similarity between the marks, that the goods are identical and selected with an average degree of attention, I find that there is a likelihood of confusion, at least amongst end consumers of the parties' goods. In particular, I find that there is a significant risk of confusion through imperfect recollection, i.e. that ZICO will be recalled as ZECO (or vice versa) and the inclusion (or omission) of 1973 will be insufficient to prevent consumers assuming that they are marks of the same business, or related businesses.

69. There was some debate during the written stages of the proceedings and at the hearing as to whether the evidence of the applicant's mark being reproduced by resellers as just ZICO made it permissible to assume that 1973 would sometimes be dropped altogether when the applicant's mark is re-produced by intermediaries. I do not need to decide that point because I have found that there is a likelihood of confusion even when 1973 is included. The undisputed fact that a third party – Jeaneus - omitted the number 1973 when selling the applicant's ZICO jeans simply confirms to me that ZICO is the more distinctive and dominant element of the applicant's mark.

²⁶ The email makes up exhibit AT18

70. I find that the section 5(2)(b) ground of opposition succeeds against all the goods covered by the application.

The other grounds

71. As my finding on the earlier 701 trade mark means that the opposition is successful in its entirety, there is strictly no need for me to consider the remaining grounds of opposition. I will therefore limit myself to the following comments, just in case the matter goes further.

72. I have already explained why the grounds of opposition under section 5(4)(a) of the Act would have added nothing to the grounds under section 5(2)(b).

73. In relation to the grounds of opposition under section 3(1)(b) and (c), Ms McCormack offered, if necessary, to exclude sports clothing from the applicant's specification in order to avoid an adverse finding on these grounds. That prompted Mr Hiddleston to make a submission in which he tried to give oral evidence about a footballer (David Beckham) who is also associated with fashion clothing. It is, of course, impermissible to give evidence in this manner. In any event, the fact that one footballer has acquired a reputation for fashion clothing is nowhere near enough to establish that the public now regards the names of footballers as descriptive of non-sports clothing. Accordingly, even if I had accepted that there was any merit in the section 3(1)(b) and (c) grounds, the applicant's offer to exclude sports clothing would have overcome those grounds.

Costs

74. The applicant asked for costs above the usual scale. However, as it has lost, I find that it is inappropriate to award the applicant any costs, which in the absence of good reason, follow the event. I see no good reason to depart from the usual scale.

75. Mr Hiddleston did not mention costs in his skeleton argument and I was therefore surprised when at one stage of the hearing he also appeared to ask for off scale costs. In the end he accepted that, in the absence of notice, submissions about scale costs were more appropriate.

76. I therefore order Millennium Jeans Ltd to pay Zeco Ltd the sum of £2800 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

£800 for filing the notice of opposition and considering the applicant's counterstatement (which includes the official fee of £200).

£300 for filing the opponent's evidence.

£1000 for considering the applicant's evidence.

£1000 for attending the hearing, including the skeleton argument.

Minus £300 for causing the applicant the work involved in dealing with two additions to the grounds of opposition.

77. In the absence of an appeal, the above sum should be paid within seven days of the expiry of the appeal period.

Dated this 10th day of September 2014

**Allan James
For the Registrar**