

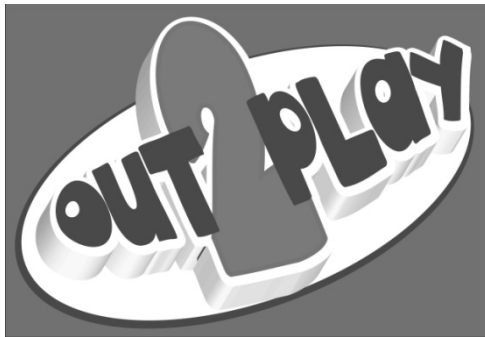
O-162-15

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 3029785
BY HY-PRO INTERNATIONAL LIMITED
TO REGISTER THE SERIES OF TWO TRADE MARKS:**



&



**IN CLASSES 27 & 28
AND**

**IN THE MATTER OF OPPOSITION
THERE TO UNDER No. 401964 BY
THE WORKS STORES LIMITED**

BACKGROUND

1) On 7 November 2013, Hy-PRO International Limited (hereinafter the applicant) applied to register the series of two trade marks shown on the above page in respect of the following goods:


In Class 27: Play Mats; Play mats for the purpose of putting together puzzles.

In Class 28: Children's toys; Inflatable Toys; Play Tents; Bouncing Toys.

2) The application was examined and accepted, and subsequently published for opposition purposes on 3 January 2014 in Trade Marks Journal No.2014/001.

3) On 3 April 2014 The Works Stores Limited (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 / registration	Class	Specification
	2459853	20.06.07 07.12.07	28	Games, children's games.

b) The opponent contends that the mark in suit is confusingly similar to its registered trade mark. It states that the goods applied for in the mark in suit are similar or identical to those in class 28 for which its mark is registered. Although registered for other classes the opponent relies solely upon its class 28 goods. It contends that the goods of the two parties share the same trade channels and would be sold in close proximity on "market shelves". The mark in suit therefore offends against section 5(2)(b) of the Act.

c) The opponent contends that it has used its registered mark, the mark OUT2PLAY and also the mark shown at annex 1 on toys, play tents, water guns, games & children's games since 2007 in the UK and has achieved significant reputation and goodwill in its mark. Use of the mark in suit will result in a loss of sales and damage to the opponent's reputation. The mark in suit therefore offends against section 5(4)(a) of the Act.

4) On 14 July 2014, the applicant filed a counterstatement. Although it admits that the class 28 goods of the two parties are similar it denies any similarity between its class 27 goods and the class 28 goods of the opponent. The applicant also admits that there is a degree of similarity between the marks of the two parties, but claims that they are distinguishable. The applicant further contends that the opponent's mark only achieved registration because of its styling. The applicant contends that the average consumer would not regard the words "OUT2PLAY" to be a mark of origin, but would instead rely upon the whole of the mark, in particular the styling, and so would not be confused or form an association. The applicant therefore denies all grounds. The applicant puts the opponent to strict proof of use of its registered mark. The applicant notes that mark no. 2459853 was assigned to the opponent on 2 May 2008 from The Works Retail Ltd. The applicant requests proof that the assignment was valid.

5) Only the opponent filed evidence. Both parties seek an award of costs in their favour. Neither side wished to be heard although both sides provided written submissions which I shall take into account as and when they are relevant.

OPPONENT'S EVIDENCE

6) The opponent filed a witness statement, dated 20 October 2014, by Vicky Norrish the Finance Director of The Works Stores Ltd. She states that she has been employed by the company since 2007 and that she has full access to the records of her company. She states that the opponent is a retailer with 309 retail outlets throughout the UK which primarily sell books, arts and crafts products, stationery, toys and games directly to the general public. She states that the opponent sells over one million products every week and more than 40,000 different products every year. She states that the opponent has used the mark OUT2PLAY in relation to a range of children's goods including but not limited to, toys, play tents, water guns and games since at least as early as 2009. Annual sales in relation to the mark OUT2PLAY increased from £602,534 in financial year 2010/2011 to £920,467 in financial year 2012/2013. She provides the following exhibits:

- VN1: A map of the retail stores locations which shows them spread throughout the UK. The map is undated.
- VN2: consists of a list of goods sold under the OUT2PLAY mark and includes, inter alia, the following toys: marbles, skipping ropes, water guns, golf sets, bats and balls, buckets, tents, balloons and Frisbees.
- VN3: Individual sales figures related to the list of goods provided at VN2. These show sales of approximately £100,000 in FY 10/11, £260,000 in FY 11/12 and £39,000 in FY 12/13.
- VN4: Examples of the packaging used on the various toys. This shows use of the mark at annex 2, where the oval device is in purple, the words "OUT" and "PLAY" are in red and the number "2" in yellow (see annex 2).
- VN5: Examples of point of sale material which shows use of the same mark as in exhibit VN4.

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

DECISION

8) In its counterstatement the applicant raised the issue of the assignment of the opponent's mark. The opponent did not address the issue in its evidence. However, as the applicant did not raise the issue in its submissions the opponent may have believed that the matter had abated. In any event, the assignment was accepted at the time by the Registry and occurred in 2008 which is prior to the claims of use relied upon by the opponent. As such I do not consider this aspect to be relevant to the outcome of the decision. I first turn to the ground of opposition 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.”

9) 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.”

10) The opponent is relying upon its trade mark listed in paragraph 3 above which is clearly an earlier trade mark. The mark relied upon has been put to strict proof of use by the applicant. Section six of the Act 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).”

11) I must first consider whether the opponent has fulfilled the requirement to show that genuine use of the mark has been made. In the instant case the publication date of the application was 3 January 2014, therefore the relevant period for the proof of use is 4 January 2009 – 3 January 2014. In *Stichting BDO v BDO Unibank, Inc.*, [2013] F.S.R. 35 (HC), Arnold J. stated as follows:

“51. Genuine use. In *Pasticceria e Confetteria Sant Ambroeo Srl v G & D Restaurant Associates Ltd* (SANT AMBROEUS Trade Mark) [2010] R.P.C. 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in *Ansul BV v Ajax Brandbeveiliging BV* (C-40/01) [2003] E.C.R. I-2439; [2003] R.P.C. 40 ; *La Mer Technology Inc v Laboratoires Goemar SA* (C-259/02) [2004] E.C.R. I-1159; [2004] F.S.R. 38 and *Silberquelle GmbH v Maselli-Strickmode GmbH* (C-495/07) [2009] E.C.R. I-2759; [2009] E.T.M.R. 28 (to which I have added references to *Sunrider v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM) (C-416/04 P) [2006] E.C.R. I-4237):

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

(2) 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].

(3) 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]; *Sunrider* [70]; *Silberquelle*, [17].

(4) 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].

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

(b) 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].

(5) 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]; *Sunrider*, [70]–[71].

(6) 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]; *Sunrider*, [72]”.

12) Although minimal use may qualify as genuine use, the CJEU stated in Case C-141/13 P, *Reber Holding GmbH & Co. KG v OHIM* (in paragraph 32 of its judgment), that “*not every proven commercial use may automatically be deemed to constitute genuine use of the trade mark in question*”. The factors identified in point (5) above must therefore be applied in order to assess whether minimal use of the mark qualifies as genuine use.

13) The opponent’s mark is registered for “Games, children’s games” in Class 28. In the evidence summarised at paragraph 6 above it is clear that the opponent has sold a reasonable number of toys and games throughout the UK under the mark shown at annex 2. However, I note that the mark actually used differs from that registered. I must therefore determine whether the mark used is a variation of the mark registered which does not alter the registered marks distinctive character. In *Nirvana Trade Mark*, BL O/262/06, Mr Richard Arnold Q.C. (as he then was) as the Appointed Person summarised the test under section 46(2) of the Act as follows:

"33. The first question [in a case of this kind] is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period...

34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter’s distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all."

14) I also take into account the comments in *Remus Trade Mark* – BL O/061/08 (Appointed Person) & *OAO Alfa-Bank v Alpha Bank A.E.* - 2011 EWHC 2021 (Ch) and *Orient Express Trade Mark* - BL O/299/08 (Appointed Person). Although these cases were decided before the judgment of the Court of Justice of the European Union (“CJEU”) in *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, they remain sound law so far as the question is whether the use of a mark in a different form constitutes genuine use of the mark as registered. The later judgment of the CJEU must also be taken into account where the mark is used as registered, but as part of a composite mark.

15) In *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, which concerned the use of one mark with, or as part of, another mark, the Court of Justice of the European Union found that:

“31. It is true that the ‘use’ through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas ‘genuine use’, within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, ‘use’ within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish ‘use’ within the meaning of Article 15(1) for the purpose of preserving the rights of the proprietor of the registered trade mark.

32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestlé*, the ‘use’ of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition by a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

35 Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term ‘genuine use’ within the meaning of Article 15(1)”. (emphasis added)

16) In *Castellblanch SA v OHIM, Champagne Louis Roederer SA* [2006] ETMR 61 (General Court) is an acceptable example of a registered mark being used in conjunction with another mark. The two marks are:

Registered mark	Mark as used
	

17) The applicant contends that the words used in the opponent’s marks, registered or not, are “entirely descriptive in relation to the relevant goods and therefore non-distinctive”. It contends that the mark as registered is only distinctive in its stylisation. However, it does not provide any reasons why the words are not distinctive. I must therefore attempt to define what the applicant meant. The applicant also contends that the images at exhibit 4 of the opponent’s evidence are merely “mock-ups and not images of the products themselves. However I note that Ms Norrish in her evidence refers to exhibit VN4 as examples of packaging used on the various toys. Indeed the same mark appears in

exhibit VN5 on point of sale material. I note that the applicant did not challenge this evidence and therefore rely upon the comments of Mr Arnold Q.C (as he was) when acting as the Appointed Person in *Extreme* BL/161/07 where he commented on the issue of unchallenged evidence and cross examination:

“Unchallenged evidence

33. *Phipson on Evidence* (16th ed) states at paragraph 12-12:

In general a party is required to challenge in cross-examination the evidence of any witness of the opposing party if he wishes to submit to the court that the evidence should not be accepted on that point. The rule applies in civil cases as it does in criminal. In general the CPR does not alter that position.

This rules [sic] serves the important function of giving the witness the opportunity of explaining any contradiction or alleged problem with his evidence. If a party has decided not to cross-examine on a particular important point, he will be in difficult in submitting that the evidence should be rejected.

However the rule is not an inflexible one...

34. The authority cited in support of this statement of the law is the decision of the House of Lords in *Browne v Dunn* (1894) 6 R 67. The relevant passages from the speeches are set out in the judgment of Hunt J in *Allied Pastoral Holdings v Federal Commissioner of Taxation* (1983) 44 ALR 607, the material parts of which are quoted in the judgment of the Court of Appeal in *Markem Corp v Zipher Ltd* [2005] EWCA Civ 267, [2005] RPC 31 at [59]-[60].

35. In my judgment the learned editors of *Phipson* are correct to say that the rule is not an inflexible one. There are at least two well-established exceptions to it. The first is that, as the speech of Lord Herschell LC in *Browne v Dunn* makes clear, it may not be necessary to cross-examine on a point if the witness has been given full notice of it before making his statement. As I pointed out in *BRUTT Trade Marks* [2007] RPC 19 at [23], this may be significant in registry proceedings where evidence is given sequentially. The second is that a court is not obliged to accept a witness's evidence in the absence of cross-examination if it is obviously incredible: see *National Westminster Bank plc v Daniel* [1993] 1 WLR 1453.

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

37. Despite this, it is not an uncommon experience to find parties in registry hearings making submissions about such unchallenged evidence which amount to cross-examination of the witness in his absence and an invitation to the hearing officer to disbelieve or discount his evidence. There have been a number of cases in which appeals have been allowed against the decisions of hearing officers who have accepted such submissions. Two recent examples where this appears to have happened which were cited by counsel for the proprietor are *Score Draw Ltd v Finch* [2007] EWHC 462 (Ch), [2007] BusLR 864 and *EINSTEIN Trade Mark* (O/068/07). Another recent example is *Scholl Ltd's Application* (O/199/06). I consider that hearing officers

should guard themselves against being beguiled by such submissions (which is not, of course, to say that they should assess evidence uncritically).”

18) I do not accept the applicant’s contention that the exhibits do not show the packaging actually used but instead is merely a mock up. Ms Norrish is clear in her statement that this is the way the mark has been presented to the public and there is no reason for me to disbelieve her. If the applicant wished to challenge the evidence it should have done so either in the evidence rounds or by seeking to cross examine the witness, it did neither. As to the contention that the word/number combination is not distinctive, I accept that when used on children’s toys and games it clearly alludes to going out to play, but this is not actually descriptive of the goods themselves. It merely creates a mental image of children playing outdoors, not the items that they might use, if anything, given that a number of games require no equipment whatsoever. I therefore reject the contention by the applicant that the opponent’s registered mark is only distinctive because of its stylisation. To my mind the stylisation is clearly part of the overall mark but the word/number element is the distinctive and dominant aspect of the mark.

19) There are obvious differences between the marks. The words OUT2PLAY are in a single colour in the registered mark, whilst the number “2” in the mark used is in yellow with the words being in red. The “shadow around the words and number is in white in the registered mark whereas the shadow effect is in yellow in the mark used. The backgrounds are obviously different as anyone with the gift of sight will appreciate. However, I note that no claim to colour is made in respect of the registered mark and as such the colour of the letters/number and background could be in any combination. The main difference is the absence of the lawn effect/ sunray background in the registered mark compared to the ellipse with a lawn and rising sun in the mark as used. To my mind the differences are minor and do not detract from the distinctive character which is clearly the words and number OUT2PLAY which resonates from both marks. I therefore regard the mark actually used as being a variation of the registered mark which does not alter its distinctive character.

20) In considering the issue of a fair specification I take into account the comments of Mr Justice Arnold (as he now is) in his judgments as The Appointed Person in *Nirvana Trade Mark BL O-262-06* and *Extreme Trade Mark BL O-161-07* where he comprehensively examined the case law in this area. His conclusion in *Nirvana* was that:

“(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].”

21) I also take into account the comments in *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, where Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

22) Given the evidence filed at paragraph 6 above I consider that a fair specification for the purposes of a comparison of the goods of the two parties is “Games, children’s games”.

23) When considering the issue under section 5(2)(b) I take into account the following principles which are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *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, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

(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 be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(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;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(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.

The average consumer and the nature of the purchasing decision

24) As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods; I must then determine the manner in which these goods are likely to be selected by the average consumer in the course of trade. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

25) The applicant's specification is for “Play mats; play mats for the purposes of putting together puzzles” in class 27 and “Children's toys; inflatable toys; play tents; bouncing toys” in class 28 whereas the opponent has “Games, children's games” in class 28. In its submissions the applicant contends that its class 27 goods are dissimilar to the opponent's goods in class 28 but again gives no reasons why. To my mind they are all very similar and would be purchased either by children themselves using their pocket money or by adults as a gift. Play mats may be slightly more expensive than a basic ball but it would depend upon the size, construction etc. I am aware, from my own experience, that a yoga mat, which could be considered a play mat, can be purchased for as little as £5, and that a water pistol can cost far more than this. Both specifications can vary somewhat in their prices but neither would be considered to be complex or expensive. In my view, and in the absence of any evidence or submissions on the issue, toys and games tend, for the most part, to be purchased in shops or online. In shops and online they will be self selected and the visual aspect will be the most important element. When purchasing in a shop or if ordering by telephone aural considerations must

be considered, but the initial choice will still be made visually. Retailers will also be customers but I believe that they will make their choices in a similar way, be it from the internet, a brochure or the shelves in a cash and carry. They may also order via the telephone or in person. Effectively they have the same issues as the general public and I regard them to be the same. Whilst I accept that the average consumer is reasonably circumspect and observant I believe that the goods of both parties will be purchased or selected with only a modicum of care.

Comparison of goods

26) In the judgment of the CJEU in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

27) The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

- a) The respective users of the respective goods or services;
- b) The physical nature of the goods or acts of services;
- c) The respective trade channels through which the goods or services reach the market;
- d) In the case of self serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- e) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

28) For ease of reference the goods of the two parties are as follows:

Applicant's goods	Opponent's goods
In Class 27: Play Mats; Play mats for the purpose of putting together puzzles.	In Class 28: Games, Children's games.
In Class 28: Children's toys; Inflatable Toys; Play Tents; Bouncing Toys.	

29) The applicant accepts that the goods of the two parties in class 28 are similar but it considers its goods in class 27 to be different to the opponent's class 28 goods but does not provide any reasons why they are different. To my mind the respective uses of all the goods are very similar in that they are all items for children to play with, in or on. The physical nature of "games" and toys can vary enormously and so this aspect is probably best left to one side. No evidence has been provided regarding trade channels but given the nature of the items I consider it highly unlikely that they are different. The goods will be found in the same area or shelf in stores and are in competition with each

other. **Considering the matter in the round it is my opinion that in respect of the goods in class 28 there is a high degree of similarity whilst in relation to the applicant's class 27 goods there is at least a medium degree of similarity with the opponent's goods in class 28.**

Comparison of trade marks

30) In *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, Mr Iain Purvis Q.C. as the Appointed Person pointed out that the level of 'distinctive character' is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar. He said:

"38. The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that 'the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion'. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it.'

40. In other words, simply considering the level of distinctive character possessed by the earlier mark is not enough. It is important to ask 'in what does the distinctive character of the earlier mark lie?' Only after that has been done can a proper assessment of the likelihood of confusion be carried out".

31) However the independent and distinctive element does not need to be identical. In *Bimbo SA v OHIM*, Case T-569/10, the General Court held that:

"96. According to the case-law, where goods or services are identical there may be a likelihood of confusion on the part of the public where the contested sign is composed by juxtaposing the company name of another party and a registered mark which has normal distinctiveness and which, without alone determining the overall impression conveyed by the composite sign, still has an independent distinctive role therein (Case C-120/04 *Medion* [2005] ECR I-8551, paragraph 37). There may also be a likelihood of confusion in a case in which the earlier mark is not reproduced identically in the later mark (see, to that effect, Joined Cases T-5/08 to T-7/08 *Nestlé v OHIM – Master Beverage Industries (Golden Eagle and Golden Eagle Deluxe)* [2010] ECR II-1177, paragraph 60)."

32) In *Aveda Corp v Dabur India Ltd* [2013] EWHC 589 (Ch), Arnold J. stated that:

"47. In my view the principle which I have attempted to articulate in [45] above is capable of applying where the consumer perceives one of the constituent parts to have significance independently of the whole, but is mistaken as to that significance. Thus in *Bulova Accutron* the earlier trade mark was ACCURIST and the composite sign was BULOVA ACCUTRON. Stamp J. held that consumers familiar with the trade mark would be likely to be confused by the composite sign because they would perceive ACCUTRON to have significance independently of the whole and would confuse it with ACCURIST.

48. On that basis, I consider that the hearing officer failed correctly to apply *Medion v Thomson*. He failed to ask himself whether the average consumer would perceive UVEDA to

have significance independently of DABUR UVEDA as a whole and whether that would lead to a likelihood of confusion.”

33) The trade marks to be compared are:

Opponent's trade mark	Applicant's trade marks
	

34) The applicant's series of two marks are identical other than one is in colour and the other is a black and white version. Given that no colour claim has been made for the mark I shall make the comparison using the black and white version only. Clearly the marks of the two parties contain the identical word/number message OUT2PLAY. The opponent's mark is all in upper case whereas the applicant's mark has a mix of upper and lower case. The fonts used in both are stylistic and different. Both have a shadow effect in white around the central message. Equally obvious is that the backgrounds of the two marks are completely different. Visually there are similarities and differences however they must be regarded as being highly similar. Aurally the marks are identical. Conceptually the marks are identical as the backgrounds are, conceptually, nondescript and convey no message. The only message conveyed is that of the word/number combination which will provide the same image to each consumer.

Distinctive character of the earlier trade mark

35) In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 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).”

36) Consisting as it does of the word/number combination and a colourful background the opponent's mark clearly alludes to the fact that games and toys can be played with outside but the distinctive aspect is undoubtedly the word/number combination OUT2PLAY. The device element, although highly colourful is simply a background for the words/number. It has a medium degree of inherent distinctiveness despite the applicant contending, sans reasons, that the mark was not distinctive. The opponent has filed evidence of the use it has made of its earlier trade mark in the UK. Whilst sales have not been huge they have been significant, however as the opponent did not provide evidence of its market share or the size of the total market for games and toys in the UK I cannot regard the use made of its mark by the opponent to be sufficient to enable it to benefit from enhanced distinctiveness.

Likelihood of confusion

37) In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of the opponent's trade mark as the more distinctive this trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind. Earlier in this decision, I concluded that:

- the opponent has made genuine use of its trade mark in relation to “games, children's games”;
- the average consumer is a member of the general public, who will select the goods by predominantly visual means and who will pay only a modicum of care when doing so;
- the competing goods in class 28 are highly similar whilst the applicant's in class 27 goods have at least a medium degree of similarity with the opponent's goods in class 28.
- the competing trade marks are aurally and conceptually identical, whilst visually the marks are highly similar as the distinctive elements of both marks are identical.
- the opponent's earlier trade mark has a medium degree of inherent distinctiveness but cannot benefit from an enhanced distinctiveness resulting from the use made of it in the United Kingdom.

38) In view of the above and allowing for the concept of imperfect recollection, there is a likelihood of consumers being confused into believing that the goods provided by the applicant are those of the opponent or provided by some undertaking linked to them. **The opposition under Section 5(2) (b) therefore succeeds in total.**

39) Lastly, I turn to the ground of opposition under Section 5(4)(a) which reads:

“5. (4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

40) In deciding whether the marks in question offend against this section, I intend to adopt the guidance given by Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 which provides the following analysis of the law of passing off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

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

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.”

41) Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances."

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."

42) The earlier use by the opponent must relate to the use of the sign for the purposes of distinguishing goods or services. For example, merely decorative use of a sign on a T-shirt cannot found a passing off claim: *Wild Child Trade Mark* [1998] RPC 455 (AP)

43) First I must determine the date at which the opponent's claim is to be assessed; this is known as the relevant date. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC as the Appointed Person considered the relevant date for the purposes of s.5(4)(a) of the Act and concluded as follows:

"39. In *Last Minute*, the General Court....said:

'50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights

over its non-registered national mark before the date of filing, in this case 11 March 2000.'

40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd* O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the *prima facie* date for determination of the opponent's goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom's TM* [2005] RPC 2 at [46] (omitting case references):

- (a) The right to protection conferred upon senior users at common law;
- (b) The common law rule that the legitimacy of the junior user's mark in issue must normally be determined as of the date of its inception;
- (c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: "date of commencement of the conduct complained of". If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar summarised the position in s.5(4)(a) proceedings as follows:

'Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.'

44) The applicant has not provided any evidence of use and so the matter must be determined as at the date of application, 7 November 2013.

45) The onus is upon the opponent to show that it has goodwill in its mark. I take note of the comments of Pumfrey J in *South Cone Incorporated v JackBessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* case, in which he said:

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

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

46) I must also keep in mind the comments of Mr Justice Floyd in *Minimax GMBH & Co KG and Chubb Fire Limited [2008] EWHC 1960 (Pat)* in which he says of the above:

“Those observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent’s reputation extends to the goods comprised in the application in the applicant’s specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

47) The opponent contends that it has used the mark OUT2PLAY and also the mark shown at annex 1 below. I found earlier that the opponent had used the mark shown at annex 2 which is the same as that shown at annex 1. The use has been reasonable without being huge. The opponent has provided sales figures which even if I accept only those at exhibit VN3, said to relate only to the list of goods at exhibit VN2, show an average of over £130,000 per annum in the period 2010-2013. Earlier in this decision I found that the dominant and distinctive element of the opponent’s mark was the word/number combination of OUT2PLAY. To my mind the opponent has shown that it has reputation in the mark shown at annex 1 & 2 and also the sign OUT2PLAY. Earlier in this decision I point out that the opponent’s evidence was unchallenged and again rely upon this absence of challenge to what is an entirely believable statement. In the instant case the evidence is not overly compelling and it could have benefitted from further corroboration. However, the exhibits support what is a cogent narrative from the finance director of the opponent company who is in an excellent position to provide such evidence. **I conclude that the opponent has shown that, at the relevant date, it has goodwill under the mark OUT2PLAY and also the device mark at annex 1 in respect of a games, children’s games.**

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

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

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

49) Also:

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

50) And:

“Passing off is a wrongful invasion of a right of property vested in the plaintiff, but the property which is protected in an action for passing off is not the plaintiff's proprietary right in the name or get-up which the defendant has misappropriated but the goodwill and reputation of the business which is likely to be harmed by the defendant's misrepresentations.”

51) I also take into account the comments of Morritt L J in the Court of Appeal in *Neutrogena Corporation and Another. v Golden Limited and Another* [1996] RPC 473, when he said, in effect, that the correct test on the issue of deception or confusion was whether, on the balance of probabilities, a substantial number of members of the public would be misled into purchasing the applicant's products/goods in the belief that they were economically connected to the opponent's goods.

52) I further note that in the Court of Appeal in *Marks and Spencer PLC v Interflora*, Lewinson L.J. cast doubt on whether the test for misrepresentation for passing off purposes came to the same thing as the test for a likelihood of confusion under trade mark law. He pointed out that it is sufficient for passing off purposes that “a substantial number” of the relevant public are deceived, which might not mean that the average consumer is confused. However, as both tests are intended to be partly qualitative measures intended to exclude those who are unusually careful or careless, it is doubtful whether the difference between the legal tests will often result in different outcomes.

53) The opponent's goodwill under its marks is in respect of "games, children's games". The applicant has, broadly speaking, applied for registration in respect of "toys and play mats" under its mark shown at paragraph 33 above. Earlier in this decision (paragraph 29 I found that the competing goods in class 28 are highly similar whilst the applicant's in class 27 goods have at least a medium degree of similarity with the opponent's goods in class 28. I also found that the competing trade marks are aurally and conceptually identical, whilst visually the marks are highly similar, with the distinctive elements of both marks being identical. Given these findings I believe that a substantial number of the relevant public (businesses and the general public), on the balance of probabilities, would be misled into believing that the goods of the applicant are connected to the opponent's. **Use of the mark in suit on the goods applied for, will lead to misrepresentation.**

54) I must now go on to consider if the opponent has suffered, or is likely to suffer, damage as a result of this misrepresentation. Lord Fraser in *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1980] RPC 31 HL, stated that the opponent must show that "he has suffered, or is really likely to suffer, substantial damage to his property in the goodwill".

55) In a *quia timet* action it is clearly not possible to show that damage has been suffered. In *Draper v Trist and Trisbestos Brake Linings Ltd* 56 RPC 429 Goddard L.J. stated:

"But in passing-off cases, the true basis of the action is that the passing-off by the defendant of his goods as the goods of the plaintiff injures the right of property in the plaintiff, that right of property being his right to the goodwill of his business. The law assumes, or presumes, that if the goodwill of a man's business has been interfered with by the passing-off of goods, damage results therefrom. He need not wait to show that damage has resulted, he can bring his action as soon as he can prove passing-off; because it is one of the class of cases in which the law presumes that the Plaintiff has suffered damage. It is in fact, I think, in the same category in this respect as an action for libel. We know that for written defamation a plaintiff need prove no actual damage. He proves his defamation. So, with a trader; the law has always been particularly tender to the reputation and goodwill of traders. If a trader is slandered in the way of his business, an action lies without proof of damage."

56) Consequently in the instant case as the opponent has established a goodwill and shown misrepresentation then damage can be considered as the automatic sequitur and the three elements of the classic trinity of passing-off have been established. **The consequence of my findings is that the opposition under Section 5(4) (a) of the Act is successful in relation to all the goods applied for by the applicant.**

CONCLUSION

57) The opponent has been successful in its opposition under Section 5(2)(b) and 5(4)(a).

COSTS

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

Expenses	£200
Preparing a statement and considering the other side's statement	£200
Preparing evidence	£500
Preparing submissions	£400
TOTAL	£1,300

59) I order Hy-Pro International Ltd to pay The Works Stores Ltd the sum of £1,300. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 13th day of April 2015

George W Salthouse
For the Registrar,
the Comptroller-General

ANNEX 1

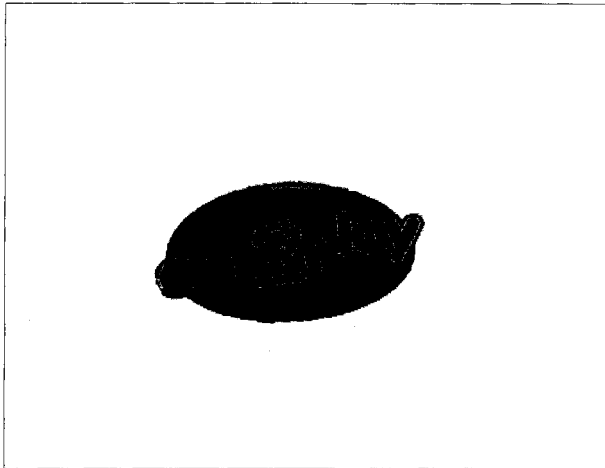
SECTION C: Opposition is based on Section 5(4)(a) of the Trade Marks Act, where the use of the applicant's trade mark would be contrary to law, in particular, the law of passing off.

You must use a separate sheet for each earlier mark, so copy this sheet as many times as you need.

ABOUT THE EARLIER UNREGISTERED TRADE MARK

Representation of your trade mark

Enter your trade mark in the space provided - use a continuation sheet if necessary.



Q1. When and where was the earlier right first used in the UK?

Date used:
Enter date of first use

AT LEAST AT
EARLY AS 2007

Where used:
Enter name of city/region or specify
throughout UK if used nationally

THROUGHOUT UK

TM7

ANNEX 2

