

O/721/19

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO. 3325698
BY SHANGHAI WARRIOR SHOES CO., LTD
TO REGISTER:



AS A TRADE MARK IN CLASS 25
AND
IN THE MATTER OF THE OPPOSITION THERETO
UNDER NO. 414246
BY PUMA SE

Background and pleadings

1. Shanghai Warrior Shoes Co., Ltd (“the applicant”) applied to register the following trade mark in the United Kingdom on 19 July 2018:



2. The application was published in the Trade Marks Journal on 5 October 2018 in respect of the following goods:

Class 25: *Footwear, sports shoes, boots, clothing, waterproof clothing, hats, hosiery, gloves, neckties, mantillas, bathing trunks, trouser straps, gymnastic shoes.*

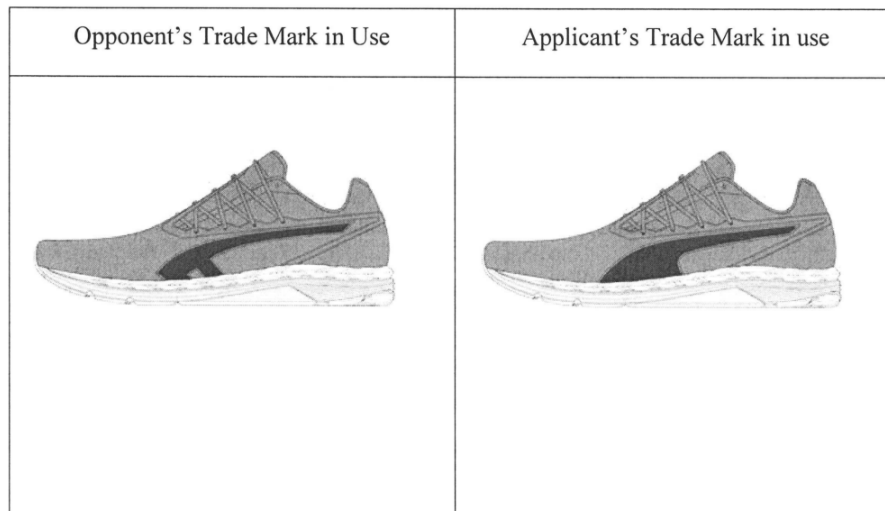
3. The application was opposed by PUMA SE (“the opponent”) on 31 October 2018. The opposition is based upon Sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”) and concerns all the applied for goods.

4. The Section 5(2) and Section 5(3) grounds are based on the opponent’s earlier European Union Trade Mark (EUTM) 12697066, for the mark shown below which was applied for on 12 March 2014 and which was entered in the register on 7 October 2014:



5. With regards to its claim based upon Section 5(2)(b), the opponent indicates that it relies upon some of the goods for which the earlier mark is registered, namely *Apparel, footwear, headgear* in class 25. The earlier mark is also registered for a range of goods in classes 18 and 28. The opponent relies on the registration of the earlier mark for all these goods for the purpose of its claim based on Section 5(3). However, for reasons which will become apparent, it will only be necessary to consider the goods in class 25.

6. The opponent claims that the marks are similar and that the goods covered by the applicant's specification are identical or similar to those for which the earlier mark is registered, leading to a likelihood of confusion on the part of the public. Therefore, registration of the applicant's mark should be refused under Section 5(2)(b) of the Act. The opponent also submits that the risk of confusion is evident when comparing the marks in use and adduces the following images:



7. Additionally, the opponent claims that the earlier mark has acquired an international reputation as a result of the use made of it since 1958. It also claims that the earlier mark is associated with some of the most famous athletes, celebrities and teams in the world and is one of the most recognised brands in the UK and internationally. Consequently, use of the contested mark would, without due cause, take unfair advantage of, or be detrimental to, the reputation or distinctive character of the earlier mark and registration should be refused under Section 5(3) of the Act. I note that the only head of damage specifically identified for the purposes of the Section 5(3) ground is that the association created with the opponent's business will result in the dilution of the rights established by the opponent through registration and use.

8. Under section 5(4)(a) of the Act, the opponent claims that it has acquired goodwill in the UK as a result of the use of the following sign since 1958 in relation to *apparel, footwear and headgear*:



9. The opponent claims that use of the contested mark would constitute a misrepresentation to the public as a result of which the opponent would suffer damage in terms of loss of sales, reputational damage and dilution of its established rights. Consequently, use of the contested mark would be contrary to the law of passing off. The applicant filed a counterstatement denying the grounds.

10. The opponent filed evidence and the applicant filed written submissions dated 15 July 2019. I will refer to these to the extent that I consider it necessary.

11. The applicant is represented by Bailey Walsh & Co LLP. The opponent is represented by Urquhart-Dykes & Lord LLP. A hearing took place via telephone-conference on 18 October 2019 at which the opponent was represented by Mr Alan Fiddes for Urquhart-Dykes & Lord LLP. The applicant did not attend the hearing, but it did file some written submissions in lieu of attendance.

The evidence

12. The opponent's evidence comes from Mr Alan Fiddes, a partner of Urquhart Dykes & Lord LLP. It is dated 7 May 2019.

13. Mr Fiddes states that the opponent is a German company, originally established in 1948 and is the third largest sportswear brand in the world. The opponent's global turnover was €4.1 billion in 2017, a fact confirmed by the opponent's Annual Report (Exhibit 1).

14. Mr Fiddes describes the opponent's mark as the "form-strip" mark and says that it was first used in 1958 and has been in use in the UK ever since. According to Mr Fiddes the form-strip mark was used originally both as part of a logo applied to the products and as part of word marks, to reinforce the message that it was an indication of origin:

PUMA *form-strip*



15. Mr Fiddes says that the form-strip mark *“is described as an ever-expanding band of colour that extended from the heel of the shoe, before dividing into the soles along the side”*. However, it is noted that the mark relied upon in these proceedings is a figurative mark, not a position mark.

16. In the years between 2012 and 2017, yearly UK sales of products bearing the form-strip mark increased from £33 million to £69 million, with the number of units sold each year being between 2 and 3.5 million.

17. Mr Fiddes says that the opponent has put significant effort in marketing the form-strip mark. Specific details of marketing campaigns for the period 2015-2017 are provided as follows:

- In 2015 the opponent run a UK brand awareness campaign featuring the form-strip mark which costed approximately €783,000. In addition to this, the opponent continued to sponsor a number of leading sport teams, the cost of which was about €270,000. It also run other advertising campaigns for running shoes and fitness products which featured athlete Usain Bolt and singer Rihanna (Exhibit 2);
- In 2016, a UK brand awareness campaign featuring the form-strip costed about €178,000. Specific campaigns involving Rihanna and Kylie Jenner had a UK costs of over €50,000 each. Worldwide costs of a campaign targeting the market for running shoes and featuring runners Usain Bolt and Jenna Prandini were nearly €2.3 million. Other sponsorship costs amounted to about €568,000 (Exhibit 3);
- In 2017 the opponent run two campaigns to promote the products to which the form-strip mark is applied. The UK costs of these campaigns were about

€227,000 (PUMA ONE) and €92,000 (Velvet Rope). Global marketing costs for products featuring the form-strip mark were over €3,3 million.

18. In addition, the opponent uses well-known sports personalities as brand ambassadors to increase consumers' awareness of the opponent's brands, including the form-strip mark (Exhibit 4). The opponent also sponsors numerous sport teams and organisations (Exhibit 5). Most of the material exhibited at Exhibits 2-4 shows the form-strip mark being applied to sport shoes which are marketed under the brand PUMA. Some examples are reproduced below:



19. The rest of the evidence (Exhibit 6) consists of a selection of previous decisions from European tribunals, a number of which confirm the enhanced distinctiveness of variant marks incorporating the basic features of the form-strip mark.

DECISION

SECTION 5(2)(b)

20. Section 5(2)(b) of the Act reads:

“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,

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

21. Given its date of filing, the opponent’s trade mark qualifies as an earlier mark in accordance with Section 6 of the Act. As the opponent’s earlier mark had not completed its registration process more than 5 years before the publication of the applicant’s mark, it is not subject to the proof of use provisions contained in Section 6A of the Act.

22. The following principles 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 greater 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 might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods

23. The competing goods are as follows:

The applicant’s goods	The opponent’s goods
<p><u>Class 25:</u> <i>Footwear, sports shoes, boots, clothing, waterproof clothing, hats, hosiery, gloves, neckties, mantillas, bathing trunks, trouser straps, gymnastic shoes.</i></p>	<p><u>Class 25:</u> <i>Apparel, footwear, headgear</i></p>

24. In *Gérard Meric v OHIM*, Case T- 133/05, the General Court (GC) stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut for Lernsysteme v OHIM – Educational Services* (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”

25. The applied for goods fall within the opponent's broad terms *apparel, footwear and headgear*¹. These goods can, therefore, be considered identical on the principle outlined in *Meric*.

The average consumer and the nature of the purchasing act

26. As the case law above indicates, it is necessary for me to determine who the average consumer is for the goods at issue; I must then determine the manner in which these goods will be selected 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.”

27. The average consumer of the goods at issue is a member of the general public. The average consumer's level of attention will vary considerably depending on the cost and nature of the item at issue. However, to my mind even when selecting routine inexpensive items for personal use such as socks/slippers/caps, the average consumer will pay attention to considerations such as size, colour, fabric and cost, all of which suggest a medium degree of attention. The purchase is likely to be primarily visual² as it is likely to be made from a physical store, a catalogue or from a website.

¹ The applicant also accepts at paragraph 4 of its submissions in lieu that the goods are identical or highly similar.

² See *New Look Limited v OHIM*, Joined cases T-117/03 to T-119/03 and T-171/03, paragraph 50

Distinctive character of earlier mark

28. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*²⁶, 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).”

29. The records show that the trade mark was inherently non-distinctive, but evidence was submitted to show that, by the date of application, the mark has in fact acquired a distinctive character as a result of the use made of it. Furthermore, the evidence filed in these proceedings shows long-standing use in relation to sport footwear and significant marketing and sale figures. There is no evidence of use on any other type of apparel, footwear or headgear. Although in its written submissions the applicant denies that the opponent has established a reputation and/or goodwill, it later accepts, at paragraph 8 of its submissions in lieu, that the form-strip mark has acquired a reputation in relation to sport footwear. It states:

“The applicant submits that the opponent has established a reputation of the form-strip mark in relation to footwear, as that is how it has been used on the side of trainers and other sport footwear”.

30. In BL-O-393-19, *CX02 Trade Mark*, Professor Phillip Johnson, sitting as the Appointed Person stated:

“39. Before looking at the issue relevant to this case, I will make a comment on this passage. I agree with the Hearing Officer that reputation in itself does not make a mark highly distinctive. However, while distinctiveness and reputation are different, the nature, factors, and evidence used to prove enhanced distinctiveness are the same as for reputation. Furthermore, reputation for the purposes of section 5(3) is a higher threshold than for acquired distinctiveness. In other words, if there is a reputation then distinctiveness should be enhanced. Where it fits on the distinctiveness scale after this enhancement is a question of fact in each individual case.”

31. Taking account of all this, I consider that the distinctiveness of the earlier mark has been enhanced through use to a high level in relation to sports footwear.



Comparison of marks

32. 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 them, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall

impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

33. It would be wrong therefore artificially to dissect the marks, although it is necessary to take into account their distinctive and dominant components and to give due weight to any other features, (which are not negligible) and therefore contribute to the overall impressions created by them. The marks to be compared are:

The applicant's mark	The opponent's mark
	

34. The opponent's mark consists of a black stripe which slopes backwards in a diagonal direction. It sits on a large horizontal line which becomes gradually narrower and bends whilst ascending diagonally from the bottom-left to the top-right, terminating in a thinner straight line cut perpendicularly. As average consumers normally perceive marks as a whole and do not proceed to analyse their various details, the mark will strike them as a device consisting of a single graphic element with no meaning.

35. The applicant's mark consists of two parallel vertical stripes joined by a diagonal stripe. The vertical stripes are thick and slightly oblique. The diagonal stripe is thick and travels from the base of the first vertical stripe up to the right-hand side, cutting through the second vertical stripe. This makes the device look like a capital letter 'F' laid horizontally with the main stroke of the letter F curved and lifted up on the right. The mark also contains two Chinese characters. Although they are more than negligible, they make only a small impact, which means that the device is the dominant and distinctive element of the applicant's mark.

36. The applicant submits that the marks are different because the applied for mark *“does not become substantially thicker as it travels down, and the most striking feature is the two parallel near vertical lines that depend from the bottom left portion of the line. The bottom right of the mark also include two Chinese characters”*. The opponent

merely argued that the marks are similar, however it did not carry out any specific examination of the degree of similarity of the marks.

37. In *Ravensburger AG v OHIM*³ the GC held that:

“27. It is appropriate at the outset to reject that complaint as unfounded. The reputation of an earlier mark or its particular distinctive character must be taken into consideration for the purposes of assessing the likelihood of confusion, and not for the purposes of assessing the similarity of the marks in question, which is an assessment made prior to that of the likelihood of confusion (see, to that effect, judgment of 27 November 2007 in Case T-434/05 *Gateway v OHIM – Fujitsu Siemens Computers (ACTIVY Media Gateway)*, not published in the ECR, paragraphs 50 and 51).”

38. Consequently, even if the earlier mark had a relevant reputation at the relevant date, it is not relevant to the similarity between the marks. Leaving the claimed reputation of the earlier mark to one side, I find that the applicant’s mark as a whole is not similar to the opponent’s mark. In particular from a visual standpoint, the marks will be perceived as depicting two abstract devices with the characteristics described above. Even if, in both devices, the curvature of the main stripe follows a diagonal direction, in the applicant’s mark the slope increases with the stripe travelling up (concavely upwards) whereas in the opponent’s mark the slope increases with the stripe travelling down (concavely downwards). Further, the additional vertical stripes in the applicant’s mark and the width of the horizontal line in the form-strip mark, create a quite noticeable difference and I find that overall, there is no similarity, even faint, between those marks.

39. Turning to the aural comparison, in *Dosenbach-Ochsner AG Schuhe und Sport v OHIM*, T- 424/10, the GC stated:

“46. A figurative mark without word elements cannot, by definition, be pronounced. At the very most, its visual or conceptual content can be described

³ Case T-243/08

orally. Such a description, however, necessarily coincides with either the visual perception or the conceptual perception of the mark in question. Consequently, it is not necessary to examine separately the phonetic perception of a figurative mark lacking word elements and to compare it with the phonetic perception of other marks.”

40. In view of the above, it is not necessary for me to consider any aural similarity between the marks. Conceptually, neither device has any concept which is discernible just from its inherent qualities and a conceptual comparison is not possible either.

41. Even if the applicant’s mark contains two Chinese characters, I have no submissions from either the applicant or the opponent on how they will be perceived by the relevant public. In my view, most consumers will take those characters as they see them, without neither understanding nor pronouncing them.

42. There is no overall similarity between the marks.

Likelihood of confusion

43. A pre-requisite for the existence of a likelihood of confusion is that there is at least some similarity between the marks.

44. The Court of Appeal held in *J.W. Spear & Sons Ltd & others v. Zynga Inc* [2015] EWCA Civ 290 (Floyd LJ giving judgment) that where there is no overall similarity between the competing marks, there is justification for not going any further in assessing whether there is a likelihood of confusion:

“58. Thus I do not consider that any of these cases provides direct authority which suggests that there is a minimum threshold of similarity. The cases suggest instead that overall similarity is a binary question. Where there is some overall similarity, even faint, then it is necessary to carry out the global assessment, taking account of all relevant circumstances. Moreover, in such cases, the enhanced distinctive character of the mark may play a role in increasing the likelihood of confusion.

59. On the other hand the cases do show that the General Court has said that where there is (a) average visual and phonetic similarity, but no conceptual similarity (*Wesergold*), or (b) a number of visual and phonetic features which precluded the signs from being perceived as similar (*Ferrero*), or (c) no visual or phonetic similarity but a low degree of conceptual similarity (*Lufthansa*), or (d) a common suffix (*Kaul*), there may yet be no similarity overall between mark and sign. I have no difficulty with these conclusions: it is only overall similarity which counts.

60. Thus I would summarise the position in the following way: i) The court should assess the phonetic, visual and conceptual similarity of mark and sign and decide whether, overall, mark and sign would be perceived as having any similarity by the average consumer.



ii) If no overall similarity at all would be perceived, the court would be justified in declining to go on and consider the likelihood of confusion applying the global appreciation test, as Article 9(1)(b) is conditional on the existence of some similarity. Such situations are not likely to occur often in contested litigation, but where they do occur, it is not legitimate to take account of any enhanced reputation or recognition of the mark.

iii) Where the average consumer would perceive some overall similarity, however faint, the court must go on to conduct the global appreciation test for the likelihood of confusion, taking account where appropriate of any enhanced reputation or recognition of the mark.

iv) In conducting the global appreciation test the court must take forward its assessment of the degree of similarity perceived by the average consumer between mark and sign.”

45. In relation to the evaluation of the overall similarity between the marks at issue, I found that there is no conceptual or phonetic similarity. As regards the visual similarity, the opponent argues that the marks are confusingly similar “*particularly when taking*

into consideration the way the marks would be seen in use” as depicted in paragraph 6 above. The difficulty with this argument is that it attempts to include the whole of the opponent’s shoe, as the relevant sign for comparative purposes. However, the relevant marks for comparison are that chosen by the applicant in its application for registration and that registered by the opponent. Furthermore, the opponent has reversed the applicant’s mark and has also altered the gradient of curvature within the mark in a way which liken it further to its own mark. In addition, the opponent has positioned the mark of the side of a shoe in a manner whereby the two vertical stripes have nearly disappeared and has removed completely the two Chinese characters contained within the mark. As such, the version produced by the opponent is not a fair representation of how the applicant’s mark would look in terms of use as it can be seen from the table below:

Applied for mark	Opponent’s version of the applied for mark in actual use
	

46. Whilst the case-law allows the proprietor of the mark, in the commercial exploitation of the sign, to make variations in the sign, which, without altering its distinctive character, enable it to be better adapted to the marketing and promotion requirements of the goods or services concerned, the changes made by the opponent for the purpose of the comparison go beyond the permissible variations of the applicant’s mark.

47. I therefore conclude that even considering the marks in the context of their use, i.e. on the outer side of sport shoes, the devices alone (in the form as applied for and as registered) look starkly different.

48. At this point I should mention that in its submissions in lieu the applicant also submitted its own images displaying third party branded trainers. This was aimed to

support the argument that brand recognition in the sport shoes market is informed to a significant degree by the patterns of lines or stripes manufacturers display on the sides of their shoes and that customers are used to distinguishing between different brands by these elements. However, the applicant did not make any request to file late evidence and I consider that material (which is evidence) not to be admissible.

49. Although it is not necessary for me, in the light of my finding that there is no similarity between the marks in issue, to consider the likelihood of confusion, I will nonetheless consider briefly whether there would be any likelihood of confusion if the marks were similar to any degree. In my view, if there is any similarity between the marks it must come down to the fact that the marks are abstract devices which include diagonal curved stripes. However, these elements present different features in the marks, on account of their difference in shape, and the presence of two vertical stripes (as well as two Chinese characters) in the applicant's mark, which have no counterpart in the opponent's mark. This means that, realistically, the marks as wholes cannot have more than a very low degree of visual similarity.

50. In those circumstances, my conclusion is that even factoring in the effects of imperfect recollection and the identity of the goods, it is not enough to overcome the differences between the marks, even for the goods in relation to which the opponent's mark has a high degree of distinctive character, i.e. sport footwear. Indeed, the position is even worse in relation to the remaining goods for which the opponent has not used the mark⁴.

SECTION 5(4)(a)

51. Section 5(4)(a) states:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

⁴ See BL- O- 016-10 *DOVE TRADE MARK*, paragraph 8, in which the Appointed Person stated: “It seems to me that any increase in the likelihood of confusion as a result of enhanced distinctiveness through reputation inevitably diminishes as one moves away from the core products in relation to which the mark has been used.”

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

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

52. The requirements to succeed in a passing off action are well established and are as follows:

- (a) the claimant’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing features;
- (b) there is a misrepresentation by the defendant (whether or not intentional) which is likely to deceive the public into believing that the defendant’s goods or services are those of the claimant; and
- (c) the claimant has suffered or is likely to suffer damage as a result of the erroneous belief created by the defendant’s misrepresentation.

53. The applicant has not claimed that it has used the contested mark before the date of application (19 July 2018), so this is the relevant date for the purposes of Section 5(4)(a). The opponent’s evidence is sufficient to establish that the opponent had acquired a substantial goodwill at the relevant date and that, at that date, the form-strip sign was distinctive of its goodwill. However, even if the opponent’s sign is possessed of a significant level of goodwill in relation to sport shoes, it follows from my earlier findings that the lack of any overall similarity between the opponent’s sign and the application means that there will be no misrepresentation. For the sake of completeness, I should say that even if I were to consider that the marks were visually similar to a very low degree, for the reasons I gave in my analysis under Section 5(2)(b), the contested mark is unlikely to be mistaken for the opponent’s form-strip sign and there is no ‘family’ resemblance between them that might suggest that they are used by the same or related undertakings. Consequently, use of the applicant’s mark would not constitute a misrepresentation to the public. The Section 5(4)(a) ground of opposition is therefore also rejected.

SECTION 5(3)

54. Section 5(3) states:

“(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

55. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Addidas-Salomon*, Case C-487/07, *L’Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark’s reputation and distinctiveness; *Intel*, paragraph 42

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and*

Spencer v Interflora, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

Reputation

56. In *General Motors*, Case C-375/97, the CJEU held that:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it.”

57. The evidence adduced by the opponent shows a high volume of sales and significant sums of money spent on promoting the mark in the UK. Furthermore, as I noted above, the applicant has accepted that the opponent has acquired a reputation in relation to sport footwear. Accordingly, I consider that the opponent has demonstrated that the earlier form-strip mark has a significant reputation in the UK for sport footwear.

Link

58. My assessment of whether the public will make the required mental 'link' between the marks must take account of all relevant factors. The factors identified in *Intel* are:

- (i) *The degree of similarity between the conflicting marks*
- (ii) *The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public*
- (iii) *The strength of the earlier mark's reputation*
- (iv) *The degree of the earlier mark's distinctive character, whether inherent or acquired through use*

59. There is no threshold of similarity but there must be similarity when the marks are compared overall. In Case C-254/09P, *Calvin Klein Trademark Trust v OHIM*, the CJEU rejected an appeal against a judgement of the GC rejecting an opposition against a Community trade mark application under Article 8(5) of the Community Trade Mark Regulation⁵, which is analogous to Section 5(3) of the Act. The court held that:

“68. It should be noted that, in order for Article 8(5) of Regulation No 40/94 to be applicable, the marks at issue must be identical or similar. Consequently, that provision is manifestly inapplicable where, as in the present case, the General Court ruled out any similarity between the marks at issue.”

60. Further, even if the earlier mark has a reputation, I must not lose sight of the overall comparison of signs that is required. In this connection, in Case T-215/17⁶ *Pear Technologies* [2019] ETMR 26, the GC found that the Board of Appeal had erred in its assessment of the similarity of the marks because it had taken account, in its visual comparison, the reputation of the earlier mark. The GC stated that:

⁵ Now replaced by the EUTMR 2017/1001

⁶ In *Apple v Pear Technologies* – C-295/19P CO (01 October 2019) the CJEU dismissed as manifestly unfounded Apple's appeal against the General Court's decision.

“The reputation and the distinctive character of the earlier mark constitute relevant factors for the purpose of assessing, not whether the marks at issue are similar, but whether the relevant section of the public makes a link between them”.

61. Consequently, the reputation of the earlier mark cannot assist the opponent in establishing a link in the absence of similarity between the marks.

62. Finally, even if I were to consider that consumers who see the device element of the applied for mark will see a faint degree of similarity between the marks, the visual differences between the marks are so stark that the public would not make any link. This is even taking into account all the other relevant factors, namely, the identity of the goods, the significant reputation of the earlier mark and its high level of distinctive character through use. Without a link, there will be no damage. The Section 5(3) ground also fails.

OUTCOME

63. The opposition has failed. The contested mark will be registered.

COSTS

64. The applicant has been successful and is entitled to a contribution towards its costs. I calculate these as follows:

£300 for considering a notice of opposition and filing a counterstatement

£400 for considering the opponent’s evidence and filing submissions in lieu

Total £700

65. I order PUMA SE to pay Shanghai Warrior Shoes Co., Ltd the sum of £700. This sum is to be paid within 21 days of the expiry of the appeal period or within 21 of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 27th day of November

T Perks

For the Registrar

The Comptroller – General