

O/339/20

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 3350961 BY**

**exoro design ltd**

**TO REGISTER:**



**AS A TRADE MARK IN CLASS 25**

**AND**

**IN THE MATTER OF THE OPPOSITION THERETO**

**UNDER NO. 415485 BY**

**UNDER ARMOUR, INC.**

## BACKGROUND AND PLEADINGS

1. exoro design ltd (“the applicant”) applied to register the trade mark on the front cover of this decision in the United Kingdom on 5 November 2018. It was accepted and published in the Trade Marks Journal on 16 November 2018 in respect of the following goods:

### Class 25

*Articles of sports clothing; Athletic footwear; Anti-sweat underclothing; Articles of clothing; Athletic clothing; Athletic footwear; Athletics footwear; Athletics vests; Baseball hats; Board shorts; Bomber jackets; Bottoms [clothing]; Boxer shorts; Casual clothing; Casual footwear; Casual wear; Clothes for sports; Footwear [excluding orthopaedic footwear]; Footwear for men and women; Footwear for sports; Footwear not for sports; Girls’ clothing; Gymwear; Jogging bottoms [clothing]; Leisure clothing; Menswear; Polo shirts.*

2. The application was opposed by Under Armour, Inc. (“the opponent”) on 18 February 2019. 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 goods of the application.

3. With regards to its claims based upon sections 5(2)(b) and 5(3) of the Act, the opponent is relying upon EU Trade Mark No. 2853927 (“the earlier mark”):



4. The earlier mark was applied for on 19 September 2002, with a priority date of 21 August 2002.<sup>1</sup> The mark was registered on 9 December 2003 in respect of the following goods in Class 25: *Clothing*.

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<sup>1</sup> The mark from which priority is claimed is US Trade Mark No. 76/442,725.

5. The opponent claims that the contested mark is highly similar to its earlier mark, which has “enhanced distinctive character both inherently and through use”. It also claims that the applicant’s goods are identical or similar to the opponent’s goods, and that, as a result of this similarity, there is a likelihood of confusion, including a likelihood of association. Consequently, the application should be refused under section 5(2)(b).

6. The opponent also claims that its earlier mark enjoys a significant reputation in the UK and throughout the EU and that use by the applicant of the contested mark would result in the applicant enjoying an unfair advantage by virtue of free-riding on the reputation of the earlier mark, thereby diverting sales from the opponent to the applicant. In addition, it claims that use of the applicant’s mark would be detrimental to the distinctiveness of the earlier mark. Consequently, the application should be refused under section 5(3).

7. Under section 5(4)(a) of the Act, the opponent claims that use of the contested mark is liable to be prevented under the law of passing off, owing to its goodwill attached to the following sign, which it claims to have used throughout the UK since 31 December 2005 in respect of *Clothing, footwear and headgear*:



8. The applicant filed a defence and counterstatement, denying all the grounds and putting the opponent to proof of use of its earlier mark.

9. Both parties filed evidence in these proceedings. This will be summarised to the extent I consider necessary.

10. I held a hearing by telephone on 8 April 2020. This had been rescheduled from the original date of 18 March 2020, on account of the COVID-19 pandemic. The reason for recording this will become clear in due course. The opponent was represented by Jonathan Moss of Counsel, instructed by Gill Jennings & Every LLP. The applicant did

not attend the hearing. In these proceedings, the applicant has been represented by Joshi Worldwide IP Limited, although in an email of 23 March 2020, Ms Sarita Pandya, a trade mark attorney at the firm, told the Tribunal that the applicant was essentially a litigant in person and that Joshi Worldwide IP Limited had only been “assisting on the periphery and specifically concerning settlement discussions”.

## **EVIDENCE**

### **Opponent’s evidence**

11. The opponent’s evidence comes from Ms Dana Lynch, Senior Counsel, Trademarks of Under Armour, Inc. and is dated 22 July 2019. She has worked for the company since August 2015.

12. The company was founded in 1996 and Ms Lynch describes it as “one of the world’s most successful, popular, and well-known providers of performance apparel, footwear, sporting goods, accessories, and related goods and services. Through its innovative use of advanced engineering and technology, my Company and its products have revolutionized the performance apparel industry.”<sup>2</sup>

13. The reported net revenues of the company were over \$4.9 billion in fiscal year 2017 and \$5.2 billion in fiscal year 2018. Sales are made through the company’s own retail and factory stores in 45 countries, its website, wholesale distribution and third-party specialist retailers. The table below shows UK sales figures for the company from its entry into the UK market in 2005:

	<b>Shipped Value</b>
2005	\$942,651
2006	\$1,097,634 €3,196,532
2007	€7,468,673
2008	€9,366,286

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<sup>2</sup> Paragraph 2.

	<b>Shipped Value</b>
2009	€13,515,928
2010	€18,728,429
2011	€19,040,317
2012	€24,342,956
2013	€23,748,834
2014	€38,523,974
2015	€63,557,600
2016	€99,182,100
2017	€140,139,000
2018	€213,036,000

14. Ms Lynch estimates that the total UK and Ireland sporting goods market is around €6 billion (at recommended retail prices). She states: “We compete in about a 2.3BN wholesale price market (what our retailer buys from us at) and have circa 1% market share according to our estimates.”<sup>3</sup>

15. The sales figures relate to all goods sold by the company. These include clothing, footwear, headgear, watches, electronic devices, sports equipment and apparatus, bags, sports bags and mouth guards. Ms Lynch states that the earlier mark is consistently used alongside the company’s other marks, details of which are to be found in Exhibit DL2. As a result, she says, the sales and advertising figures cannot be broken down by specific mark.

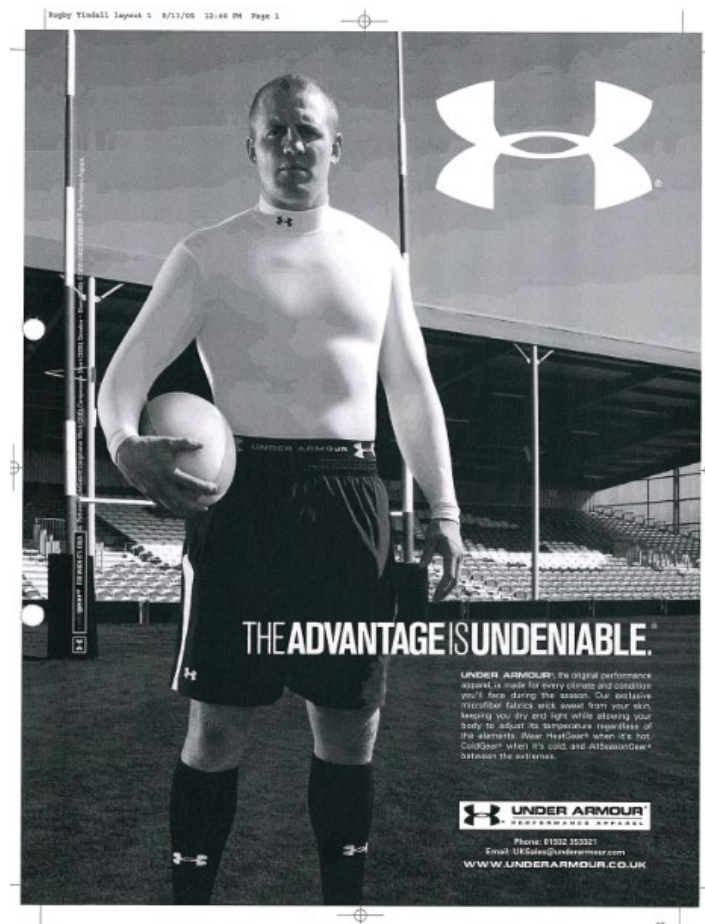
16. The following table contains the sums spent on advertising and other promotional activity in the UK:

<b>Year</b>	<b>Amount</b>
2006	£298,457.02
2007	£495,432.71
2008	£1,258,437.76
2009	£2,998,291.34

<sup>3</sup> Paragraph 10.

Year	Amount
2010	£3,211,147.81
2011	£9,070,093.86
2012	£9,742,334.73
2013	£9,936,398.00
2014	£9,456,271.00
2015	£13,236,700.00
2016	£18,242,300.00
2017	£18,256,500
2018	£15,486,700

17. Examples of advertisements are found in Exhibits DL4 to DL11. Ms Lynch states that these date from 2005 to 2015. They feature sportspeople, including rugby players and footballers, and show how the mark appears on the opponent's goods. Examples are reproduced below and date from 2005 and 2014-15 respectively:





18. The same exhibits also contain press coverage from 2010 to 2018 from sources such as the BBC News website, the *Daily Telegraph* and *Sports Illustrated*. Many of these articles focus on the opponent's partnerships with sporting events and teams, including Welsh Rugby Internationals and several Welsh rugby players, Tottenham Hotspur FC, Sir Andy Murray and swimmer and multiple Olympic champion Michael Phelps. The company also has a relationship with actor Dwayne "The Rock" Johnson. Its products have appeared in films, such as *The Dark Knight Rises*, *The Blind Side* and *Any Given Sunday*, and television series, including *The Wire*, *Curb Your Enthusiasm* and *Dexter*.<sup>4</sup>

19. The company also uses social media to promote its products. Exhibit DL1 contains information on numbers of likes and followers on Facebook and Twitter, and YouTube subscribers and views. While most of the figures are not geographically disaggregated, the exhibit states that the company's YouTube channel had 689 UK subscribers and 484,669 views by UK users. The UK-facing Facebook account had 24,269 likes and the UK-facing Twitter account 37.3k followers. All these figures are undated. Printouts from Facebook are found in Exhibits DL11 and DL13, printed on 3 March 2015 and 4 July 2019 respectively.<sup>5</sup> Many of these posts feature the athletes the company sponsors.

20. Exhibit DL15 contains printouts from websites selling the opponent's goods to UK customers (the prices are in sterling). The purpose of this exhibit is to show the

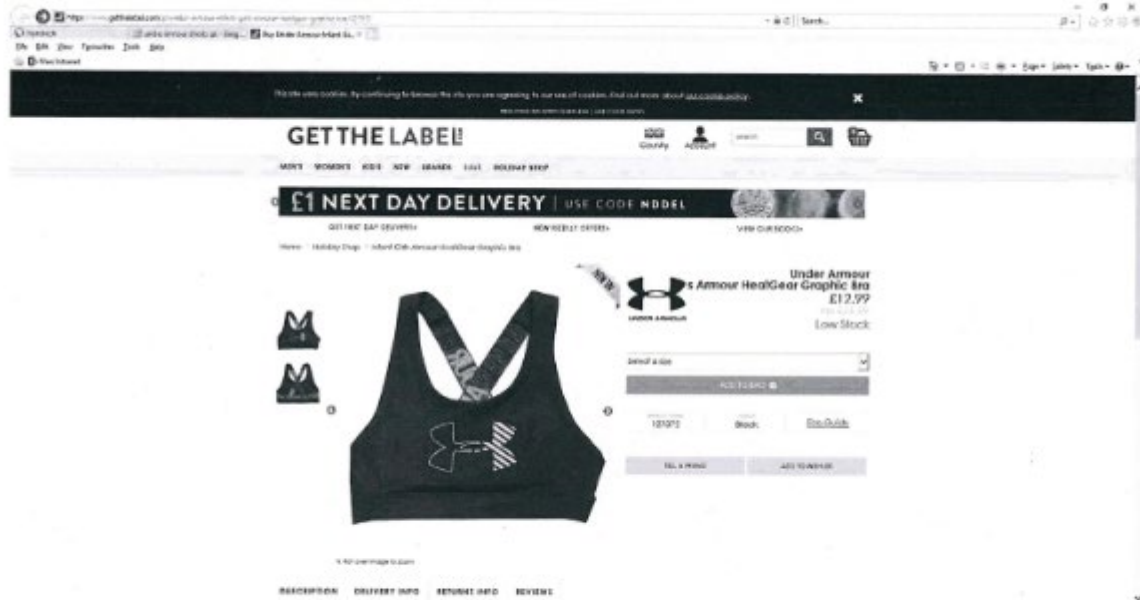
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<sup>4</sup> Exhibit DL17.

<sup>5</sup> Pages 132-138 and 175-184.

opponent's use of the mark in a range of colours and patterns. However, most of these printouts contain no dates beside those of printing, all of which are in early July 2019. However, the second image I have reproduced appears to date the hat to 2017.

<https://www.getthelabel.com/p/under-armour-infant-girls-armour-heatgear-graphic-bra/127372>



Under Armour Boys Pom Beanie Hat 2017 - Golfonline



(/static.golfonline.co.uk/media/img/1300090\_001a.857x1000.jpg)

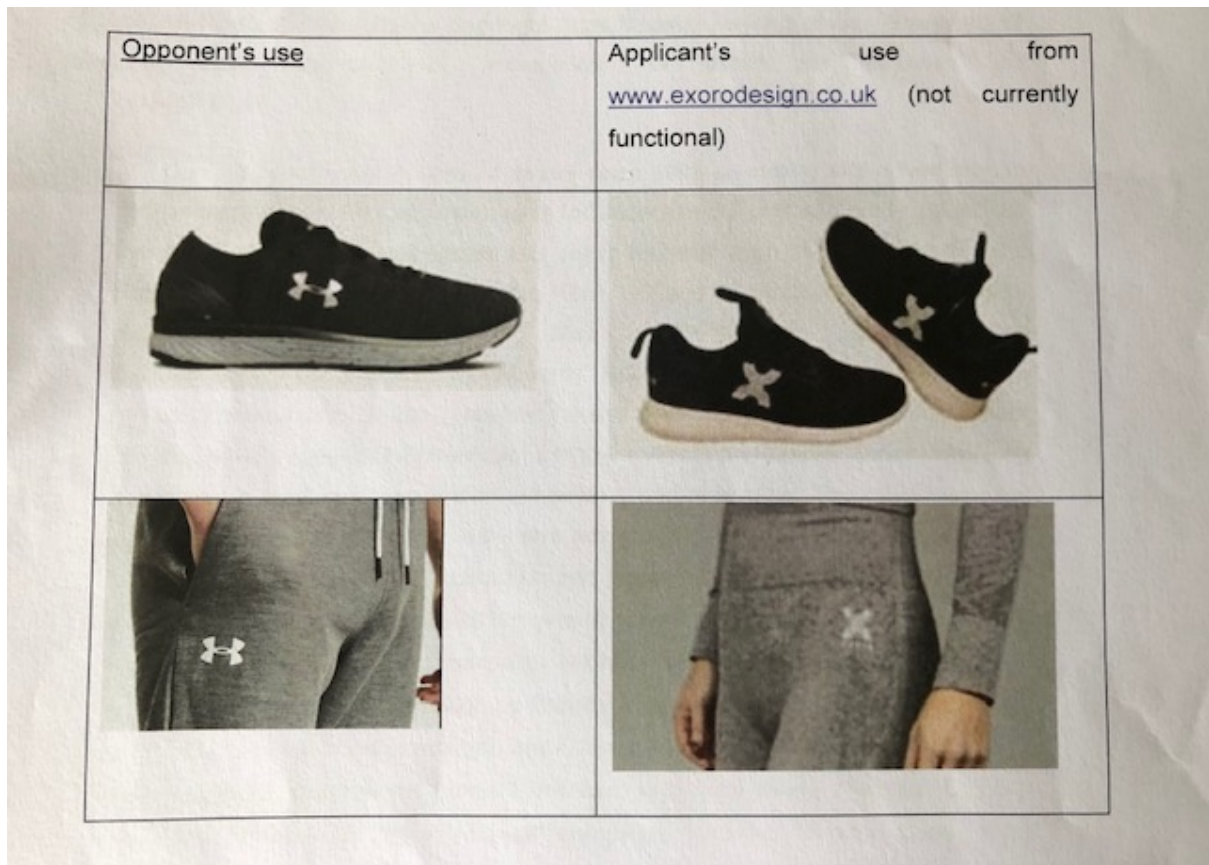
(/static.golfonline.co.uk/media/img/1300090\_001a.857x1000.jpg)

(/static.golfonline.co.uk/media/img/1300090\_001b.857x1000.jpg)

(/static.golfonline.co.uk/media/img/1300090\_889a.857x1000.jpg)

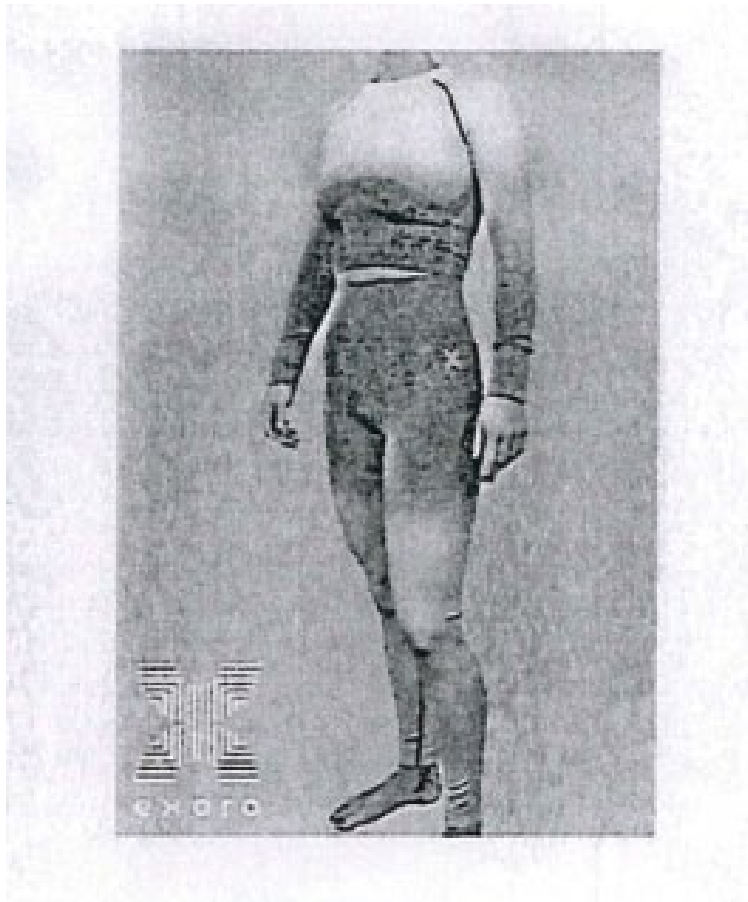


21. Ms Lynch also uses her witness statement to show how it is alleged that the applicant is using the contested mark. She states that the images below indicate that the device is used without the word element. However, on the picture in the bottom right-hand corner it appears that there is something below the device that could be a word.



### **Applicant's evidence**

22. The applicant's evidence comes from Mr Manish Umyashankar Joshi, Director of Joshi Worldwide IP Limited, the applicant's representative. It is dated 23 September 2019. The bulk of his witness statement is made up of the applicant's legal submissions. However, attached to it is a series of undated images purporting to show how the applicant uses its mark. Mr Joshi states that the applicant does not use the device element of its mark in the way alleged by the opponent and that the images are deliberately blurred. I have reproduced two below.



## Evidential Issues

23. The applicant makes a large number of detailed criticisms of the individual exhibits adduced by the opponent to show use. I shall consider them where appropriate in this decision, but there are some general points that I will deal with now.

24. I shall begin with those that are made as part of the witness statement. The applicant submits that Ms Lynch's witness statement is irrelevant, generic and fallacious. It seems to be suggesting that the opponent should have presented proof of the grounds pleaded in the statement of opposition. The purpose of the evidence is to prove facts which are necessary for success in these proceedings. This is not the place for legal arguments as to the merits of the case, and the opponent is not required to prove that the marks are similar or that the public are already confused by them.

25. The applicant also makes the following statement:

"The Opponent has filed a Witness Statement (presumably) signed by Ms Lynch on behalf of the Opponent".<sup>6</sup>

Mr Moss describes this as:

"... a serious inuendo [sic] that the signature is somehow not hers, and it must either be backed up or withdrawn – amounting to an allegation of fraud as it does at present."<sup>7</sup>

It is not clear whether this was the applicant's intention. I have also noted that there is some doubt as to the extent of the involvement of the applicant's representative in these proceedings. That said, the witness statement is in the name of the representative. Mr Moss's skeleton argument was sent to the Tribunal and applicant's representative on 16 March 2020. A week later, the Tribunal received Ms Pandya's email to which I referred in paragraph 10. By means of this email, the applicant

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<sup>6</sup> Paragraph 60.

<sup>7</sup> Skeleton argument, paragraph 11.

confirmed that it wished to make no further submissions and no explanation has been given to support the applicant's claim about the signature. Without such an explanation, it seems unreasonable to ask me to discredit a witness statement on these grounds.

26. I now turn to the applicant's submissions made in lieu of attendance at the hearing and which it calls its Skeleton Argument. The applicant makes additional detailed criticisms of the evidence, raising several new points. Again, I will consider these where appropriate.

27. The applicant submits that:

"... the wording [of Paragraph 1 of her witness statement] makes it clear that Ms Lynch does not distinguish between those facts which come from her personal knowledge, those which come from her own investigations of company records and those which are hearsay statements. Given that she gives her job title as 'Senior Counsel, Trade Marks', is based in the US and makes no assertion as to any further roles within UA or other expertise such as to permit her to give statements, we submit that it is only appropriate to apply to her direct knowledge of basic facts about the company's operations and any legal issues, which would be to infer too much to assume that statements as to the operations in the UK or accounting figures come from her. It is also notable that she joined UA in September 2015 and as such any facts from before that date cannot have come from her direct knowledge but must have come from other information sources (either at the time of the statement or previously). You should treat her evidence with care to ascertain the credibility of her claims and whether the facts stated come from her first hand and why she has failed to distinguish between the sources."<sup>8</sup>

28. Ms Lynch states that she is authorised to make her statement on behalf of her company and that she has full and free access to its business records, which it is

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<sup>8</sup> Paragraph 7a.

reasonable to infer would include information on operations in the UK and accounting figures. Not all facts have to derive from the witness's first-hand knowledge for them to be credible. Where the applicant has made specific challenges as to what the opponent's evidence shows, I shall, of course, consider their merits.

## **DECISION**

### **Proof of Use**

29. Section 6A of the Act states that:

“(1) This section applies where

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling with section 6(1)(a),  
(b) or (ba) 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 relevant period.

(1A) In this section ‘the relevant period’ means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date or the priority claimed for that application.

(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 relevant period 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 (the ‘variant 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 European Union trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Union.

(5A) In relation to an international trade mark (EC) the reference in subsection (1)(c) to the completion of the registration procedure is to be construed as a reference to the publication by the European Union Intellectual Property Office of the matters referred to in Article 190(2) of the European Union Trade Mark Regulation.

(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.”

30. Section 100 of the Act states that:

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

31. The contested application was made on 5 November 2018, so the relevant period for the purpose of section 6A is 6 November 2013 to 5 November 2018.

32. The case law on genuine use was summarised by Arnold J (as he then was) in *Walton International Limited v Verweij Fashion BV* [2018] EWHC 1608 (Ch):

“114. *The law with respect to genuine use.* The CJEU has considered what amounts to ‘genuine use’ of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundesvereinigung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Marken BV v Hagelkruis Beheer BV* [EU:C:2012:816] [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

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

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36];

*Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(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 to distinguish the goods or services from others which have another origin; *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to the consumer that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns; *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is warranted in the economic sector concerned to maintain or create a share in the market for the goods and



services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving 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. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [132].”

33. The earlier mark is an EUTM and so the EU is the relevant territory. In *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, the Court of Justice of the European Union (CJEU) noted that:

“It should, however, be observed that ... the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase ‘in the Community’ is intended to define the geographical market serving as the

reference point for all consideration of whether a Community trade mark has been put to genuine use.”<sup>9</sup>

And

“Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as ‘genuine use’, it cannot be ruled out that, in certain circumstances, the market for the goods or services for which a Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark.”<sup>10</sup>

And

“Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77).”<sup>11</sup>

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<sup>9</sup> Paragraph 36.

<sup>10</sup> Paragraph 50.

<sup>11</sup> Paragraph 55.

34. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Anor*, [2016] EWHC 52, Arnold J (as he then was) reviewed the case law since *Leno* and concluded as follows:

“228. Since the decision of the Court of Justice in *Leno* there have been a number of decisions of OHIM Boards of Appeal, the General Court and national courts with respect to the question of the geographical extent of the use required for genuine use in the Community. It does not seem to me that a clear picture has yet emerged as to how the broad principles laid down in *Leno* are to be applied. It is sufficient for present purposes to refer by way of illustration to two cases which I am aware have attracted comment.

229. In Case T-278/13 *Now Wireless Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* the General Court upheld at [47] the finding of the Board of Appeal that there had been genuine use of the contested mark in relation to the services in issue in London and the Thames Valley. On that basis, the General Court dismissed the applicant’s challenge to the Board of Appeal’s conclusion that there had been genuine use of the mark in the Community. At first blush, this appears to be a decision to the effect that use in rather less than the whole of one Member State is sufficient to constitute genuine use in the Community. On closer examination, however, it appears that the applicant’s argument was not that use within London and the Thames Valley was not sufficient to constitute genuine use in the Community, but rather that the Board of Appeal was wrong to find that the mark had only been used in those areas, and that it should have found that the mark had only been used in parts of London: see [42] and [54]-[58]. This stance may have been due to the fact that the applicant was based in Guildford, and thus a finding which still left open the possibility of conversion of the Community trade mark to a national trade mark may not have sufficed for its purposes.

230. In *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC), [2015] ETMR 37 at [25] His Honour Judge Hacon interpreted *Leno* as establishing that ‘genuine use in the Community will in general require use

in more than one Member State’ but ‘an exception to that general requirement arises where the market for the relevant goods or services is restricted to the territory of a single Member State’. On that basis, he went on to hold at [33]-[40] that extensive use of the trade mark in the UK, and one sale in Denmark, was not sufficient to amount to genuine use in the Community. As I understand it, this decision is presently under appeal and it would therefore be inappropriate for me to comment on the merits of the decision. All I will say is that, while I find the thrust of Judge Hacon’s analysis of *Leno* persuasive, I would not myself express the applicable principles in terms of a general rule and an exception to that general rule. Rather, I would prefer to say that the assessment is a multi-factorial one which includes the geographical extent of use.”

35. The General Court (GC) restated its interpretation of *Leno* in Case T-398/13, *TVR Automotive Ltd v OHIM* (see paragraph 57 of the judgment). This case concerned national (rather than local) use of an EUTM. Consequently, in trade mark opposition and cancellation proceedings, the Registrar continues to entertain the possibility that use of an EUTM in an area corresponding to the territory of one Member State may be sufficient to constitute genuine use of an EUTM. This applies even where there are no special factors, such as the market for the goods and/or services being limited to that area of the Union.

36. Whether the use shown is sufficient for this purpose will depend on whether there has been real commercial exploitation of the EUTM, in the course of trade, sufficient to create or maintain a market for the goods and/or services at issue in the Union during the relevant 5-year period. In making the required assessment, I must consider all relevant factors, including the scale, frequency and nature of the use shown, the goods for which use has been shown and the nature of those goods and the market(s) for them, and the geographical extent of the use shown.

37. I am required to look at the evidential picture as a whole and make a judgment on whether I am satisfied that the opponent has shown use of the earlier mark for the goods on which it is seeking to rely. In *New Yorker SHK Jeans GmbH & Co KG v OHIM*, Case T-415/09, the GC did not rule out the possibility that “an accumulation of

items of evidence may allow the necessary facts to be established, even though each of those items of evidence, taken individually, would be insufficient to constitute proof of the accuracy of those facts”.<sup>12</sup>

38. The applicant draws my attention towards the case law that comments on the burden of proof lying with the owner of the earlier right: see *CLUB SAIL*, BL O-074-10 and *PLYMOUTH LIFE CENTRE*, BL O-236-13. It invites me to find that the evidence “cannot fulfil the requirements of proof of use”.<sup>13</sup>

39. I note that a decision maker should not resort to burden of proof unless, having striven to do so, they find it impossible to make a decision on the weight of the evidence. In *Andrew Cooke v Watermist*, [2014] EWHC 125 (Pats), Arnold J (as he then was) found as follows:

“35. Counsel for Watermist argued that this was a proper case for resort to the burden of proof for the following reasons. First, it was largely one man’s word against another’s, there being no documentary evidence and Mr Killaspy not having been present when the invention was conceived. Secondly, the hearing officer had concluded that neither Mr Cooke nor Mr Bridgeman was a more credible witness than the other, and thus was unable to determine the issue by reference to their credibility. Thirdly, the hearing officer had striven to decide the issue without resort to the burden of proof and had clearly explained why he had not been able to do so. In support of these submissions, counsel relied on *Stephens v Cannon* at [46(b)] and *Verlander Devon Waste Management Ltd* [2007] EWCA Civ 825, in which Auld LJ (with whom Rix and Moses LJJ agreed) said at [24]:

‘When this court in *Stephens v Cannon* used the word ‘exceptional’ as a seeming qualification for resort by a tribunal to the burden or proof, it meant no more than that such resort is only necessary where on the available evidence, conflicting and/or

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<sup>12</sup> Paragraph 53.

<sup>13</sup> Applicant’s Skeleton Argument, paragraph 11.

falling short of proof, there is nothing left but to conclude that the claimant has not proved his case. The burden of proof remains part of our law and practice – and a respectable and useful part at that – where a tribunal cannot on the state of the evidence before it rationally decide one way or the other. In this case the Recorder has shown, in my view, in his general observations on the unsatisfactory nature of the important parts of the evidence on each side going to the central issue ... that he had considered carefully whether there was evidence on which he could rationally decide one way or the other. It is more than plain from what he has said and why, that he concluded he could not ...'

36. Counsel for Mr Cooke argued that the hearing officer could and should have decided who was right on the central issue. He emphasised that it was only where there was no rational basis for deciding one way or the other that the tribunal was entitled to resort to the burden of proof.

37. In my judgment the hearing officer was entitled to resort to the burden of proof for the reasons given by counsel for Watermist.”

40. I shall keep all this case law in mind during my assessment of the use that has been made of the mark.

41. The applicant submits that the evidence does not show use in the EU for the registered goods (*Clothing*), as the sales figures cover the UK and Ms Lynch’s estimate of market share is based on the UK and Irish sporting goods market, which includes goods other than clothing. Furthermore, the applicant draws my attention to the list given by Ms Lynch of the goods sold under the mark: “a wide range of products ... including clothing, footwear, headgear, watches, electronic devices, sports equipment and apparatus, bags, sports bags and mouth guards including in the UK and Europe”.<sup>14</sup> I agree with the applicant that the sales figures and estimate of market

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<sup>14</sup> Witness statement of Ms Dana Lynch, paragraph 9.

share are likely to cover a wider list of goods than those covered by the earlier mark's specification.

42. Looking at the evidence as a whole, it seems to me that there is some use in relation to clothing. Exhibit DL18 contains reports showing that the opponent's clothing appeared in articles in publications such as the *Evening Standard*, [mirror.co.uk](http://mirror.co.uk), [independent.co.uk](http://independent.co.uk), *Grazia* and *Men's Fitness* in the first half of 2018. The clothing includes tracktops, leggings, sports bras, shorts and training tee shirts.<sup>15</sup> Prices of the goods are shown in sterling, suggesting a UK readership. Sports baselayers and tops were also promoted on the opponent's UK Facebook page in 2015.<sup>16</sup> An article dated 27 April 2017 on the *Daily Telegraph* website on the companies sponsoring boxer Anthony Joshua describes the opponent as a "sportswear company".<sup>17</sup> An earlier *Daily Telegraph* article from 16 August 2016 calls Under Armour "the Olympian sportswear of choice".<sup>18</sup> On the balance of probabilities, I find that a proportion of the sales figures will relate to goods that fall within the category of clothing. I recall that there is no minimum threshold for use and in my view the sponsorship deals and advertising over a prolonged period suggest use consistent with attempts to create and preserve market share.

43. The evidence shows use of the mark on clothing, as can be seen in the images I have reproduced earlier in this decision. While the mark sometimes appears with the text "UNDER ARMOUR" or other words such as "STORM" (see the 2014-15 online advertising featuring Jamie Roberts), the courts have established that "use" generally includes use of the mark on its own or as part of, or in conjunction with, another mark: see *Colloseum Holdings AG v Levi Strauss & Co*, Case C-12/12, paragraphs 31-35. I consider that to be the case here.

44. I must now consider the territorial extent of the use. The majority of the evidence relates to the UK. However there is some evidence of activity in the EU. Exhibit DL11 contains a press release dated 27 February 2015 which announces that a Dutch

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<sup>15</sup> Pages 255, 256, 258, 268, 289 and 295.

<sup>16</sup> Exhibit DL11, pages 132-138.

<sup>17</sup> Page 150.

<sup>18</sup> Pages 151-153.

footballer, Memphis Depay, had been signed to the Under Armour athlete roster. At the time, Mr Depay played for Dutch football club PSV Eindhoven.<sup>19</sup> A further article in the same exhibit states that the opponent opened a flagship store in Amsterdam in December 2017.<sup>20</sup> There are images of clothes on display in a retail environment. It is not clear who or what is behind the website from which the article came. An article dated 22 May 2018 from a site called *Fashion Network* discussing plans to expand into the Spanish market states that Under Armour operates in France and Germany as well as the UK. Admittedly this evidence is sparse, but in my view, combined with the use in the UK, there is enough to show use in the territory of the EU. I find that there has been genuine use of the mark during the relevant period.

45. I must now consider whether the general category of *Clothing* represents a fair specification for the mark. In *Euro Gida Sanayi ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs QC, sitting as the Appointed Person, commented:

“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.”

46. In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Carr J held that:

“iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria’s Secret UK Ltd* [2014] EWHC 2631 (Ch) (“Thomas Pink”) at [52].

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<sup>19</sup> Page 131.

<sup>20</sup> Page 160.



iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd (Extreme Trade Mark)* [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration; *Maier v Asos Plc* [2015] EWCA Civ 220 (“Asos”) at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46.”

47. In *Thomas Pink Limited v Victoria’s Secret UK Limited* [2014] EWHC (Ch), Birss J considered whether “clothing” was a fair word to use where the evidence showed a few specific items. He said:

“76. The real question is whether ‘clothing’ is a fair description having regard to the use actually made of the CTM by the claimant. The thrust of the defendant’s case is that in reality, apart from socks, the claimant’s use has been limited to shirts and a few other items worn on the upper body such as polo shirts, jumpers and cardigans. If indeed that was a fair way to characterise the goods which have been sold by the claimant then there would be more force in the defendant’s submission. However the claimant has used the mark on goods including trousers, dresses and skirts, which all cover at least part of the wearer’s legs. The claimant’s goods also include jackets and pyjamas, which are different kinds of garments from a shirt or jumper. The goods also include boxers/underwear, another different kind of garment. The goods include a range of accessories to be worn such as ties, scarves, handkerchiefs, gloves and belts. The goods include items which are casual as well as formal.

77. I find that the range of goods in relation to which the claimant has put the CTM to genuine use, both in terms of the range of kinds of item and range of styles (formal to casual) justifies a registration in Class 25 based on the description ‘clothing’. A narrower classification based on individual items would not be fair.”

48. The range of items and styles of clothing shown during the relevant period is not as wide as in *Thomas Pink*. The goods are, for the most part, those that are worn for practising sport. A couple of hats are shown, but I consider that these would not fall within the category of clothing, which refers to items worn on the body. In my view, *Clothing for sports* is a fair specification.

### **Section 5(2)(b)**

49. Section 5(2)(b) of the Act states that:

“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.”

50. Section 5A of the Act is as follows:

“Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only.”

51. In considering the opposition under this section, I am guided by the following principles, gleaned from the decisions of the CJEU 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 BV* (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-334/05 P) and *Bimbo SA v OHIM* (Case C-519/12 P):

(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. The average consumer is deemed to be reasonably well informed and reasonably circumspect and observant, but someone 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 will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

## **Comparison of goods**

52. The CJEU stated in *Canon* 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 complementary.”<sup>21</sup>

53. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods or services. The GC clarified the meaning of “complementary” goods or services in *Boston Scientific Ltd v OHIM*, Case T-325/06:

“... there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking.”<sup>22</sup>

54. Guidance on comparing goods and services was also given by Jacob J (as he then was) in *British Sugar Plc v James Robertson & Sons Limited (“Treat”)* [1996] RPC 281. At [296], he identified the following relevant factors:

- “(a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;

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<sup>21</sup> Paragraph 23

<sup>22</sup> Paragraph 82.

(d) The respective trade channels through which the goods or services reach the market;

(e) In the case of self-serve consumer items, where in practice they are respectively found, or likely to be found, in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

55. I also bear in mind the judgment of the GC in *Gérard Meric v OHIM*, Case T-133/05, where it stated that:

“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 the trade mark application (Case T-388/00) *Institut für 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.”<sup>23</sup>

56. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch), Floyd J (as he then was) stated that:

“... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of ‘dessert sauce’ did not include jam, or because the ordinary and natural

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<sup>23</sup> Paragraph 29.

description of jam was not ‘a dessert sauce’. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”<sup>24</sup>

57. The goods to be compared are as follows:

Earlier Goods	Contested Goods
<p><u>Class 25</u> <i>Clothing for sports</i></p>	<p><u>Class 25</u> <i>Articles of sports clothing; Athletic footwear; Anti-sweat underclothing; Articles of clothing; Athletic clothing; Athletic footwear; Athletics footwear; Athletics vests; Baseball hats; Board shorts; Bomber jackets; Bottoms [clothing]; Boxer shorts; Casual clothing; Casual footwear; Casual wear; Clothes for sports; Footwear [excluding orthopaedic footwear]; Footwear for men and women; Footwear for sports; Footwear not for sports; Girls’ clothing; Gymwear; Jogging bottoms [clothing]; Leisure clothing; Menswear; Polo shirts.</i></p>

58. The applicant’s *Articles of sports clothing* and *Clothes for sports* are self-evidently identical to the opponent’s *Clothing for sports*. Under the *Meric* principle, I also find that *Articles of clothing*, *Athletic clothing*, *Athletic vests*, *Board shorts*, *Gymwear*, *Jogging bottoms [clothing]*, *Menswear* and *Polo shirts* are identical to *Clothing for sports*. As *Board shorts* and *Polo shirts* are also sold as casual clothing, if I am wrong

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<sup>24</sup> Paragraph 12.

that they are identical then they are highly similar to *Clothing for sports*. *Anti-sweat underclothing* would mainly be worn during physical activity. If it is not identical to *Clothing for sports*, I find it to be highly similar.

59. The applicant's specification also includes the general categories *Bottoms [clothing]*, *Casual clothing*, *Casual wear*, *Leisure clothing*, *Girls' clothing* and *Menswear*. They share a purpose. Clothing is intended to cover the body for warmth, modesty and protection from the elements. However, the specific uses might differ. The primary purpose of the clothing differs. The opponent's clothes are intended to be worn when playing sport or exercising, while the applicant's are worn throughout the day for a wide range of activities. There is some overlap as the consumer may wear sports clothes even when they are not being particularly active. All the goods are made from textiles and so identical or highly similar in nature and are bought by the general public. There is a degree of competition and an overlap in distribution channels. I find that *Bottoms [clothing]*, *Casual clothing*, *Casual wear*, *Leisure clothing*, *Girls' clothing* and *Menswear* are similar to at least a medium degree to *Clothing for sports*.

60. The specific items of clothing that I have not already considered – *Bomber jackets* and *Boxer shorts* – are not in competition with *Clothing for sports*, although there is some overlap in trade channels. I find them to be similar to no more than a medium degree.

61. Clothing and footwear share a similar purpose, to cover the body and/or provide protection from the elements. Their nature is unlikely to overlap but they share users and, in the case of *Athletic footwear*, *Athletics footwear* and *Footwear for sports*, trade channels with *Clothing for sports*. They are not in competition, but they are complementary. I find them to be similar to a medium degree.

62. *Casual footwear*, *Footwear (excluding orthopaedic footwear)* and *Footwear for men and women* are worn by the same people who wear *Clothing for sports*, i.e. the general public. They share some of the same trade channels but are not in competition. If there is any complementarity, this will be at a fairly low level. I find that the goods are similar to a low degree. In the case of *Footwear not for sports*, the similarity is of a lower level still.



63. *Baseball hats* are intended to protect the head from the elements. They share users and trade channels with *Clothing for sports*, and may be made from similar materials. The goods are complementary. I find them to have a medium degree of similarity.

### ***Average consumer and the purchasing process***

64. In *Hearst Holdings & Anor v A.V.E.L.A. Inc & Ors*, [2014] EWHC 439 (Ch), Birss J described the average consumer in these terms:

“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 word ‘average’ denotes that the person is typical. The term ‘average’ does not denote some form of numerical mean, mode or median.”<sup>25</sup>

65. The average consumer of the parties’ goods is a member of the general public. They will purchase the goods physically from shops, or select them from websites or catalogues. Consequently, the visual element will be the most important, although as the consumer may seek the advice of sales assistants, I cannot ignore the aural element. The applicant submits that the average consumer is meticulous and unlikely to be confused. In my view, this overstates the degree of attention being paid. The goods vary in price but will be regular purchases. The consumer will want to ensure that the goods fit and are suitable for the activities the consumer will be taking part in while wearing them. They are also likely to be interested in the appearance of the products. I find that they will pay an average degree of attention.

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<sup>25</sup> Paragraph 60.



## Comparison of marks

66. It is clear from paragraph 23 of *SABEL BV v Puma AG*, Case C-251/95, that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated in *Bimbo SA v OHIM*, Case C-591/12 P, that:

“... it is necessary to ascertain in each individual case, the overall impression made on the target public by the sign for which the 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.”<sup>26</sup>

67. 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 the marks.

68. The marks to be compared are shown in the table below:

Earlier mark	Contested mark
 The Under Armour logo, consisting of two dark, interlocking shapes that form a stylized 'U' and 'A'.	 The Exoro logo, featuring a stylized 'X' shape composed of horizontal and vertical lines, with the word 'e x o r o' written in lowercase letters below it.

69. The earlier mark consists of a device made up of two dark interlocking shapes. The opponent describes these as semi-circles, while the applicant submits that:

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<sup>26</sup> Paragraph 34.

“The Opponent’s mark appears to be overlapping images of two arcs, but we know that they are in fact intended to refer to the letters ‘U’ and ‘A’ consisting of the Opponent’s name. The overlapping of the letters allows for the creation of the letter ‘A’ being identified. Neither letter ‘U’ or ‘A’ appears in the Applicant’s mark either directly or indirectly.”<sup>27</sup>

The shapes are narrow at the centre and widen as they reach the left and right sides. The device is symmetrical and appears to have four arms or branches. The overall impression of the mark lies in the device as a whole.

70. The contested mark contains two semi-circles, one on top of the other, touching at the curved edge. A semi-circular cut-out in each of these results in the whole device appearing to have four arms or branches. In the middle of the device is an incomplete circle with vertical dark lines. The remaining parts of the device are decorated with horizontal dark lines. Below the device is the word “exoro” in lower-case letters, with the X mirroring the shape of the device. It is generally accepted that, in the case of composite marks consisting of verbal and figurative elements, the eye is drawn first to the word. Here, however, the device is significantly larger than the word and at the top of the mark. In my view, both elements make an equal contribution to the overall impression of the mark.

71. The opponent submits that the marks are visually highly similar. This submission is predicated on the device being the dominant visual element. It adds that when the marks are seen on clothing they are not large and it will therefore not be easy to make out the word fully and clearly. I shall return to this point when making the global assessment.

72. The applicant submits that the marks are visually dissimilar, as the word element cannot be ignored. In the counterstatement it describes the device in the following terms:

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<sup>27</sup> Witness statement, paragraph 21.

“There are two arched shapes but the horizontal and vertical stripes within them clearly define the shape of a person with arms and legs. The visual element of the pattern is cleverly constructed by repeating the stripes to communicate a sense of movement of a body. The vertical stripes in the device also gives [sic] the impression of a human body with apparel. Additionally, the two arches are not interlocking as they are in the Opponent’s registration, thereby clearly emphasizing the shape of a person.”

Later, it submits that device element brings to mind the letter X, rather than the interlocking U and A of the opponent’s mark. I consider the device elements of the marks to be visually similar to at least a medium degree. However, looking at the marks as a whole, the presence of the word in the contested mark is a significant point of difference between them. Consequently, I find the marks to be visually similar to a low degree.

73. The opponent accepts that the verbal element “Exoro” is an aural difference between the marks, although Mr Moss submitted that, given the largely visual purchasing process, there would be very limited aural use. I would expect that the average consumer would say the word and so find the marks to be aurally different.

74. The parties appear to be agreed that neither mark has much of a conceptual idea behind it. However, this view leads them to opposite conclusions. The applicant submits that the marks are conceptually different, while Mr Moss for the opponent said at the hearing:

“... we say that they are both conceptually identical to the extent that there is any concept, they are both geometric patterns which are, in effect, the same shape. We think that neither mark here has a particularly strong conceptual idea behind it and therefore that is certainly, we say, a much more minor element of the marks.”

75. I agree that the average consumer will see the earlier mark as an abstract pattern. I referred above to the applicant’s submission that it is intended to represent the letters

U and A, but to my mind that would not be immediately apparent. A concept must be graspable for it to have any meaning to the consumer. To my mind, the average consumer would not think that the contested mark represented a person. It is more likely that the applicant's device will be seen as an X, as the second letter of the word is a visual echo. Even so, the word "exoro" would be perceived as an invented word with no meaning. No conceptual comparison can be made.

### ***Distinctiveness of the earlier mark***

76. There is, as I have already noted, a greater likelihood of confusion if the earlier mark is highly distinctive. The CJEU provided guidance on assessing a mark's distinctive character in *Lloyd Schuhfabrik Meyer*:

"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 1989 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)."

77. As I have already noted, the earlier mark is a device consisting of two interlocking shallow arches. They may appear to be semi-circles. Such a device is not of the highest level of inherent distinctive character, but neither is it low. I find that it has a medium level of inherent distinctive character.

78. The opponent submits that the distinctiveness of its mark has been enhanced through use. Ms Lynch states that the mark has been used in the UK since 2005 and gives examples of advertisements and relationships with sportspeople. The applicant criticises a good deal of this evidence, pointing to the lack of information about the geographical reach of the featured publications. However, the use of English and Welsh rugby players for example suggests that these are aimed at UK customers.

79. The figures in the tables in paragraphs 16 and 13 respectively show significant levels of spending on promoting the mark and increasing volumes of sales since the mark began to be used in the UK. I remind myself that some of this spending is likely to relate to the promotion of goods other than sports clothing. The evidence also shows relationships with high-profile sports people, teams and events, which on the balance of probabilities would result in high levels of exposure of the mark to the public, a reasonable number of whom would identify the clothing bearing the marks as coming from the opponent. In my view, the distinctiveness of the mark has been enhanced to some extent. However, the evidential weaknesses I have already discussed mean that I am unable to find that this distinctiveness has been enhanced to such a high level as submitted by the opponent.

### ***Conclusions on likelihood of confusion***

80. In assessing the likelihood of confusion, I must adopt the global approach set out in the case law to which I have already referred in paragraph [51] of this decision. Such a global assessment is not a mechanical exercise. I must keep in mind the average consumer of the goods and the nature of the purchasing process. I remind myself that it is generally accepted that marks are rarely recalled perfectly, the consumer relying instead on the imperfect picture they have kept in their mind: see *Lloyd Schuhfabrik Meyer*, paragraph 27.

81. There are two types of confusion: direct and indirect. These were explained by Mr Iain Purvis QC, sitting as the Appointed Person, in *L.A. Sugar Limited v Back Beat Inc*, BL O/375/10:

“Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognised that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: ‘The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.’<sup>28</sup>”

82. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor QC, sitting as the Appointed Person, gave helpful guidance on making the global assessment:

“81.2 ... in my view it is important to keep in mind the purpose of the whole exercise of a global assessment of a likelihood of confusion, whether direct or indirect. The CJEU has provided a structured approach which can be applied by tribunals across the EU, in order to promote a consistent and uniform approach. Yet the reason why the CJEU has stressed the importance of the ultimate global assessment is, in my view, because it is supposed to emulate what happens in the mind of the average consumer on encountering, for example, the later mark applied for with an imperfect recollection of the earlier mark in mind. It is not a process of analysis or reasoning, but an impression or instinctive reaction.

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<sup>28</sup> Paragraph 16.

81.3 Third, when a tribunal is considering whether a likelihood of confusion exists, it should recognise that there are four options:

81.3.1 The average consumer mistakes one mark for the other (direct confusion);

81.3.2 The average consumer makes a connection between the marks and assumes that the goods or services in question are from the same or economically linked undertakings (indirect confusion);

81.3.3 The various factors considered in the global assessment lead to the conclusion that, in the mind of the average consumer, the later mark merely calls to mind the earlier mark (mere association);

81.3.4 For completeness, the conclusion that the various factors result in the average consumer making no link at all between the marks, but this will only be the case where either there is no or very low similarity between the marks and/or significant distance between the respective goods or services;

81.3.5 Accordingly, in most cases, it is not necessary to explicitly set out this fourth option, but I would regard it as a good discipline to set out the first three options, particularly in a case where a likelihood of indirect confusion is under consideration.”

83. I found that the applicant’s goods were identical or similar to the goods the opponent could rely on and that the marks were visually similar to a low degree. The nature of the purchasing process meant that the visual comparison was the most important and that the aural and conceptual aspects played a much-reduced role. The average consumer, in my view, will be paying an average degree of attention. I found the earlier mark to have a medium level of inherent distinctiveness, enhanced through use to a higher, if not the highest, level.



84. It is possible that one element of a composite mark may play an independent distinctive role in the mark even if it is not dominant. In *Whyte and Mackay Ltd v Origin Wine UK Ltd & Anor* [2015] EWHC 1271 (Ch), Arnold J (as he then was) considered the impact of the CJEU's judgment in *Bimbo* on the court's earlier judgment in *Medion*. He said:

“18. The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More important for present purposes, it also confirms three other points.

19. The first is that the assessment of confusion must be made by considering and comparing the respective marks – visually, aurally and conceptually – as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20. The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21. The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent

distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors.”

85. While the contested mark, taken as a whole, has a low degree of visual similarity, the device on its own is visually similar, in my view, to at least a medium degree to the earlier mark. The outline shapes are very similar and the details are less likely to be visible when the mark is seen on clothing. I cannot see that the average consumer would perceive that the composite mark as a whole has a different meaning to the meanings of the separate elements. I consider that the applicant’s device plays an independent distinctive role in its mark, but the judge was clear that the global assessment of confusion must take into account a comparison of the marks based on their overall impressions.

86. It is my view that the marks are not sufficiently similar for the average consumer to mistake them, even taking account of imperfect recollection. The verbal element of the contested mark is far from negligible: indeed I found that it played an equal role in the overall impression of that mark.

87. Mr Moss laid great emphasis on how the marks would be seen when in use, including from a distance where the outline would be what is most noticeable to the consumer. Nevertheless, the consumer will have the opportunity to see the mark more closely when they are choosing which products to buy. These are not the kind of goods that are quick impulse purchases. Even in the case of identical goods, there is no likelihood of direct confusion.

88. Indirect confusion, as Mr Purvis said, relies on a different kind of mistake. The average consumer must assume that the applicant’s mark indicates a sub-brand or other connection to the opponent. Mr Moss said that the consumer might be under this impression, thinking that EXORO could refer to “a new range of clothing”. While I found that there was a medium degree of similarity between the devices, it seems to me that they are still sufficiently different for the average consumer not to assume that they belong to the same undertaking. I accept that the applicant’s device is likely to bring

the opponent's mark to mind, but that is mere association. I find that there is no likelihood of indirect confusion.

89. The section 5(2)(b) ground fails.

### **Section 5(3)**

90. Section 5(3) states that a trade mark which is identical with or similar to an earlier trade mark:

“shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of 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”.

91. The relevant case law can be found in the following judgments of the CJEU: *General Motors Corp v Yplon SA* (Case C-375/97), *Intel Corporation Inc v CPM United Kingdom Ltd* (Case C-252/07), *Adidas Salomon AG v Fitnessworld Trading Ltd* (Case C-487/07), *L'Oréal SA & Ors v Bellure NV & Ors* (Case C-487/07) and *Marks and Spencer v Interflora* (Case C-323/09). 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 the 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 Salomon*, 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 or services, the extent of the overlap between the relevant consumers for those goods or 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 or 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 or services for which the earlier mark is registered, or a serious risk that this will happen in the 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 on the earlier mark: *L'Oréal*, 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 seems 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 protects 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*, paragraph 74, and the court's answer to question 1 in *L'Oréal*.

### **Reputation**

92. At the hearing, Mr Moss submitted:

“We say it is unarguable that there is a reputation in this case in relation to clothing and that it is quite a significant reputation.”

93. The applicant submitted that, although case law holds that demonstrating reputation is not a particularly onerous task, the evidence must still be clear and compelling, and the opponent's evidence failed that test on account of the weaknesses that have already been discussed. As with proof of use, though, I must look at what the evidence as a whole is telling me.

94. As the earlier mark is an EUTM, it must have a reputation in the Community. In *Pago International GmbH v Tirolmilch registrierte GmbH*, Case C-301/07, the CJEU held that:

“20. By its first question, the national court in essence asks the Court, first, to clarify the meaning of the expression ‘has a reputation in the Community’, by means of which, in Article 9(1)(c) of the regulation, one of the conditions is laid down which a Community trade mark must fulfil in order to benefit from the protection accorded by that provision and, second, to state whether that condition, from a geographical point of view, is satisfied in a case where the Community trade mark has a reputation in only one Member State.

21. The concept of ‘reputation’ assumes a certain degree of knowledge amongst the relevant public.

22. The relevant public is that concerned by the Community trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector (see, by way of analogy, *General Motors*, paragraph 24, with regard to Article 5(2) of the directive).

23. It cannot be required that the Community trade mark be known by a given percentage of the public so defined (*General Motors*, by way of analogy, paragraph 25).

24. The degree of knowledge required must be considered to be reached when the Community trade mark is known by a significant part of the public concerned by the products or services covered by that trade mark (*General Motors*, by way of analogy, paragraph 26).

25. In examining this condition, 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 (*General Motors*, by way of analogy, paragraph 27).

26. In view of the elements of the main proceedings, it is thus for the national court to determine whether the Community trade mark at issue is known by a significant part of the public concerned by the goods which that trade mark covers.

27. Territorially, the condition as to reputation must be considered to be fulfilled when the Community trade mark has a reputation in a substantial part of the territory of the Community (see, by way of analogy, *General Motors*, paragraph 28).

28. It should be noted that the Court has already ruled that, with regard to a Benelux trade mark, it is sufficient, for the purposes of Article 5(2) of the direction, that it has as reputation in a substantial part of the Benelux

territory, which part may consist of a part of one of the Benelux countries (*General Motors*, paragraph 29).

29. As the present case concerns a Community trade mark with a reputation throughout the territory of a Member State, namely Austria, the view may be taken, regard being had to the circumstances of the main proceedings, that the territorial requirement imposed by Article 9(1)(c) of the regulation is satisfied.

30. The answer to the first question referred is therefore that Article 8(1)(c) of the regulation must be interpreted as meaning that, in order to benefit from the protection afforded in that provision, a Community trade mark must be known by a significant part of the public concerned by the products or services covered by that trade mark, in a substantial part of the territory of the Community, and that, in view of the facts of the main proceedings, the territory of the Member State in question may be considered to constitute a substantial part of the territory of the Community.”

95. In *Whirlpool Corporation & Ors v Kenwood Limited* [2009] ETMR 5 (HC), Geoffrey Hobbs QC, sitting as a Deputy Judge of the High Court, held that:

“Article 9(1)(c) provides protection for Community trade marks which have a reputation ‘in the Community’. Kenwood suggested that this means a reputation across the Community as a whole or at least a large area of it. I do not agree. In the case of a trade mark registered at the national level, protection of the kind provided by art. 9(1)(c) can be claimed for trade marks which have a reputation in the sense that they are known by a significant part of the public concerned by the products or services covered by that trade mark in the territory of registration. Since the territory of registration is part of the Community, the trade mark has as reputation in the Community. The trade mark does not cease to have a reputation in the Community if the national registration is either subsumed within a Community trade mark registration under art. 34(2) of the CTMR on the basis of a valid claim to seniority or duplicated by a Community trade mark registration. In principle,

a Community trade mark should not receive less protection than a national trade mark with a reputation in the same territory. I think that the aim should generally be to prevent conflict occurring in any substantial part of the Community and that the United Kingdom can for that purpose be regarded as a substantial part of the Community, with or without the addition of France and Germany. It thus appears to me that Whirlpool's Community trade mark has a reputation in the Community."<sup>29</sup>

96. In the light of the case law I have just cited, the United Kingdom could be regarded as a substantial part of the EU at the relevant date. A consideration of the sales figures and promotional activity together with the evidence referring to items of sports clothing and descriptions of the business of the opponent in national media lead me to find that the mark would be known to a significant proportion of the sports clothing-buying public. Furthermore, some of the athletes sponsored by the opponent (for example, Andy Murray) are very well known in the UK and sports such as football and international rugby attract sizeable audiences.

97. The applicant also submits that the information on the appearance of the mark in TV programmes and films is not relevant to the UK market. In my view, the applicant makes too much of this. It may well be the case that these were made in the US, but I believe I may take judicial notice of the widespread availability of US films and TV shows in the UK.

98. I will not repeat my analysis of the market share information, but merely note that this is just one of the relevant factors to be taken into account.

99. I remind myself that I found that the opponent had not demonstrated use for *Clothing* as a general category, but for *Clothing for sports* in particular. It seems to me that this is where the opponent's reputation lies too. A wide range of different sportswear items is shown in the evidence, and the focus is on high-performance, innovative products. The *Daily Telegraph* article of 16 August 2016 that I have cited earlier states:

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<sup>29</sup> Paragraph 76.



“... in the noughties it [Under Armour] launched its answer to cotton, dubbed UA Tech, a compression and wicking fabric that’s gone on to dominate many of the tonier gyms and championship-winning locker rooms of the world, inevitably at the expense of more established players such as Nike and Adidas, and perhaps its nearest rival in terms of elevating the business end of ‘athleisure’ style, Lululemon.”<sup>30</sup>

In my view, the opponent has shown a reasonably high (if not the highest) reputation for *Clothing for sports*.

### ***Link***

100. 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 by the CJEU in *Intel Corporation Inc v CPM United Kingdom Limited*, Case C-252/07, are:

- the degree of similarity between the conflicting marks;
- 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;
- the strength of the earlier mark’s reputation;
- the degree of the earlier mark’s distinctive character, whether inherent or acquired through use; and
- the existence of the likelihood of confusion on the part of the public.<sup>31</sup>

### ***Degree of similarity between the marks***

101. I found that the marks had a low degree of similarity, although the similarity between the devices was higher.

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<sup>30</sup> Exhibit DL11, page 153.

<sup>31</sup> Paragraph 42.

*The goods*

102. I found the goods to be either identical or similar to varying degrees.

*The strength of the earlier mark's reputation*

103. I found the earlier mark to have a reasonably high reputation for *clothing for sports*, a reputation that is founded on innovation and high performance.

*The degree of the earlier mark's distinctive character*

104. I found that the earlier mark had a medium degree of inherent distinctive character, and that this had been enhanced through use, if not to the highest level.

*The existence of the likelihood of confusion*

105. In my view, there was no likelihood of confusion, either direct or indirect.

*Conclusions on the link*

106. In *Intra-Press SAS v OHIM*, Joined Cases C-581/13 P and C-582/13 P, the CJEU stated that:

“The Court has consistently held that the degree of similarity required under Article 8(1)(b) of Regulation No 40/94, on the one hand, and Article 8(5) of that regulation, on the other, is different. Whereas the implementation of the protection provided for under Article 8(1)(b) of Regulation No 40/94 is conditional upon a finding of a degree of similarity between the marks at issue so that there exists a likelihood of confusion between them on the part of the relevant section of the public, the existence of such a likelihood is not necessary for the protection conferred by Article 8(5) of that regulation. Accordingly, the types of injury referred to in Article 8(5) of Regulation No 40/94 may be the consequence of a lesser degree of similarity between the earlier and the later marks, provided that it is sufficient for the relevant section of the public to make a connection between those marks, that is to

say, to establish a link between them (see judgment in *Ferrero v OHIM*, C-552/09, EU:C:2011:177, paragraph 53 and the case-law cited).”<sup>32</sup>

107. What is required is that the later mark should bring the earlier mark to mind. Given the similarity between the goods and the similarity between the devices and the strength of the earlier mark’s reputation, it seems to me that the relevant public would make the link with the earlier mark on seeing the contested mark. In particular, if the relevant public sees the later mark on clothing worn by someone in a gym or in the street, at a degree of distance, it is the device that will be most noticeable. The earlier mark will have been seen in connection with prominent sportspeople and in my view the public will think that the later mark is sufficiently similar to the earlier mark for them to make a link between them.

### **Damage**

108. As has already been said, there are three types of damage: unfair advantage; detriment to distinctive character; and detriment to reputation. Mr Moss submits that each of these forms of damage would arise if the contested mark were registered. I can deal quickly with detriment to reputation. The submissions with respect to this head of damage are purely hypothetical, that a problem with one of the applicant’s products would have a negative impact on the opponent’s reputation. Such submissions are often made in opposition proceedings, but Ms Anna Carboni, sitting as the Appointed Person, said in *Unite The Union v The Unite Group Plc*, BL O/219/13, that she would hesitate to decide an opposition on that basis. I shall therefore move on to the other heads of damage.

109. Mr Moss submits that the applicant would gain an unfair advantage through free-riding on the marketing efforts of the opponent. In *Argos Limited v Argos Systems Inc.* [2018] EWCA Civ 2211, the Court of Appeal held that a change in the economic behaviour of the customers for the goods and/or services offered under the later mark was required to establish unfair advantage. This may be inferred where the later trade mark would gain a commercial advantage from the transfer of the image of the earlier

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<sup>32</sup> Paragraph 72.

trade mark to the later mark: see *Claridges Hotel Limited v Claridge Candles Limited & Anor* [2019] EWHC 2003 (IPEC).

110. It is not clear what was in the applicant's mind when choosing its mark. However, in *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch), Arnold J (as he then was) held that:

“The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill.”<sup>33</sup>

111. In *Lonsdale Sports Limited v Erol* [2013] EWHC 2956 (Ch), Norris J had rejected a claim that there was a likelihood of confusion between the appellant's mark and the respondent's mark. However, he found that:

“As I have said above, at a first glance the block of text in the Respondent's Mark looks like something that Lonsdale might be connected with (a first impression soon dispelled in the case of the average consumer). But that first glance is important. Those who look at the wearer of a product bearing the Respondent's Mark might not get more than a glance and might think

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<sup>33</sup> Paragraph 80.

the wearer was clad in a Lonsdale product. The creation of that illusion might be quite enough for the purchaser of a 'look-alike' product: indeed who but such a person would knowingly buy a 'pretend' product? Further, it undoubtedly dilutes the true 'Lonsdale' brand by putting into circulation products which do not proclaim distinctiveness but rather affinity with a reputable brand."<sup>34</sup>

112. In my view, the contested mark when seen on clothing or footwear will at that first glance look like the earlier mark, or at least something that the opponent will be connected with, and so it is likely that someone who wished to give the impression that they were wearing clothes produced by the opponent would choose goods bearing the contested mark.

113. Even if I am wrong in this, I consider that there will be unfair advantage in the form of image transfer. The consumer is likely to see the applicant's goods and recall the athletes they have seen wearing the products and the events where the opponent has advertised. The applicant will benefit from the association with these sportspeople and events, and the opponent's reputation for high performance clothing, without having made the investment in creating that reputation. Even in the case of clothing and footwear not conceivable as sportswear, the overlap in terms of nature and use is, in my view, enough, for there to be a link and for image transfer to occur.

114. As the applicant has not shown due cause to use the contested mark, the section 5(3) ground succeeds.

### **Section 5(4)(a)**

115. Section 5(4)(a) of the Act states that:

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

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<sup>34</sup> Paragraph 34.

(a) by virtue of any rule or 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'."

116. It is settled law that for a successful finding of passing off, three factors must be present: goodwill, misrepresentation and damage. HHJ Melissa Clarke, sitting as deputy Judge of the High Court, conveniently summarised the essential requirements of the law in *Jadebay Limited, Noa and Nani Limited t/a the Discount Outlet v Clarke-Coles Limited t/a Feel Good UK* [2017] EWHC 1400 IPEC:

"55. The elements necessary to reach a finding of passing off are the 'classical trinity' of that tort as described by Lord Oliver in the Jif Lemon case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL) namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all these limbs.

56. In relation to deception, the court must assess whether 'a *substantial number*' of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21)."

117. Mr Moss accepted that the section 5(4)(a) claim effectively stands or falls with the section 5(2)(b) claim which, it will be recalled, was not successful. He added, though, that there are two further doctrines of passing off that mean that, even where the section 5(2)(b) claim fails, the section 5(4)(a) claim would not automatically fall. The first of these is initial interest confusion, while the second relates to the effect of the applicant's intentions.

118. In *Moroccanoil Israel Ltd v Aldi Stores Ltd* [2014] EWHC 1686 (IPEC), HHJ Hacon gave a lengthy consideration of the doctrine of initial interest confusion. He stated:

“25. It seems to me that *Och-Ziff* and *Woolley* are judgments entirely consistent with one another. If a customer makes an initial false assumption as to a trade connection between the claimant’s and the defendant’s goods but that assumption is dispelled before any purchase is made and as a consequence the claimant suffers no damage, there is no passing off (see *Woolley*). Damage remains one of the three essential ingredients of the tort.

26. In *Och-Ziff* there was goodwill and a likelihood of a false assumption as to trade origin on the part of the relevant public; there was no likelihood of a direct pecuniary loss but Arnold J inferred a probability of other damage. This was therefore passing off of the conventional sort.”

119. The damage that Arnold J (as he then was) had found was an erroneous belief that there was a business association between the claimant and the respondent and an erosion in the distinctiveness of the claimant’s sign.

120. Mr Moss described how he envisaged that damage would occur:

“... let us take the shoes, for example. Let us say your conclusion was that they might initially think that the shoes are Under Armour, they might pick them up, they might go to check out and then when they get out they might notice what is on the back and go, ‘Oh, Exoro, maybe that is not the same’ and maybe at that point the doubt enters in. What we say in that instance is that they still have had that initial interest confusion and in some circumstances they will think, ‘Well, you know what, I have tried the shoes on. They are not Under Armour or I am not sure if they are Under Armour. They were still quite comfortable, I still quite like them, I thought they looked quite cool so I will buy them anyway’.”

The damage would therefore be experienced in the form of lost sales.

121. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantages of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has the power of attraction sufficient to bring customers home to the source from which it emanates.”

122. Based on the evidence I have considered for proof of use and reputation, I would find goodwill associated with clothing but also footwear for sports. Exhibit DL18, for example, shows a variety of shoes featuring in UK publications and they were promoted on Facebook in 2015.<sup>35</sup> I would also find that the sign relied upon was distinctive of that goodwill at the relevant date.

123. The test for misrepresentation was set out by Morritt LJ in *Neutrogena Corporation & Anor v Golden Limited & Anor* [1996] RPC 473:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 at page 407 the question on the issue of deception or confusion is:

‘is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants’ [product] in the belief that it is the respondents’ [product].’”

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<sup>35</sup> Exhibit 11, pages 132.



124. *Halsbury's Laws of England* Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 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.”

125. In *Phones 4u Ltd v Phone4u.co.uk Internet Ltd* [2006] EWCA Civ 244, Jacob LJ said:

“16. ... Sometimes a distinction is drawn between ‘mere confusion’ which is not enough, and ‘deception’, which is. I described the difference as ‘elusive’ in *Reed Executive plc v Reed Business Information Ltd* [2004] RPC 40. I said this, [111]:

‘Once the position strays into misleading a substantial number of people (going from ‘I wonder if there is a connection’ to ‘I assume there is a connection’) there will be passing off, whether the use is as a business name or a trade mark on goods.’

17. This of course is a question of degree – there will be some mere wonderers and some assumers – there will normally (see below) be passing off if there is a substantial number of the latter even if there is also a substantial number of the former.”

126. The differences between the marks are such that, in my view, there is unlikely to be a substantial number of people assuming a connection rather than merely wondering if there is one. It is important to bear in mind the way in which the purchase will be made. The consumer will be paying an average degree of attention and will see the marks on the goods themselves and on signage. If they are buying from a catalogue or online, they will also see the marks. I also recall that I found the average consumer would think that “EXORO” had been invented. I was not persuaded that they

would believe this to be a sub-brand of the opponent. In my view, I do not consider that the opponent's customers will assume that the applicant's goods are from the same source or are connected. The initial interest confusion argument does not, in my view, help the opponent.

127. Mr Moss's second argument was that the applicant was in effect living dangerously in choosing a mark too close to the earlier mark. He submitted:

"... the case law on passing off is quite clear; it is a creature of the common law and it is there to protect, effectively, unfair competition and the case law points out that if you are of the view that they have sailed close to the wind and that has been a deliberate choice by them, then of course that intention is something that can be factored in because the court shall not bend over backwards to find there has been no confusion where somebody does appear to have intentionally gone down that route to at least raise the spectre of intention."

128. I have already noted that there is no evidence as to the applicant's intention and so can make no inferences on that subject. I dismiss this argument.

129. The section 5(4)(a) ground has failed.

## **CONCLUSION**

130. The opposition has been successful under section 5(3) of the Act. The application by exoro design ltd is refused.

## **COSTS**

131. The opponent has been successful and is entitled to a contribution towards its costs. These are normally based on the scale set out in Tribunal Practice Notice 2/2016. Mr Moss submitted that I should make an award off this scale as the applicant had, in his view, behaved improperly in maintaining its allegation that Ms Lynch had

only “presumably” signed a witness statement, with no explanation, and in wasting time by not accepting there was proof of use, reputation and goodwill.

132. The Tribunal has the ability to award costs off the scale, approaching full compensation, to deal proportionately with wider breaches of rules, delaying tactics or other unreasonable behaviour. In the patent case *Rizla Ltd’s Application* [1993] RPC 365, it was held that the jurisdiction to award costs, derived from section 107 of the Patents Act 1977, conferred a very wide discretion on the Comptroller with no fetter other than to act judicially. It is considered that the principles outlined in that case apply also to trade mark proceedings.

133. Mr Moss submitted that use, reputation and goodwill had been so clearly shown in the evidence and that the brand was so well-known that continuing to deny those points was unreasonable. I do not accept this. Some of the applicant’s criticisms were, in my view, legitimate.

134. This leaves the allegation that Ms Lynch “presumably” signed the opponent’s witness statement. It seems to me that this allegation is likely to be interpreted as a slur on the conduct of either Ms Lynch or the opponent’s representatives. The applicant’s witness statement was not made by a litigant-in-person who may not have understood the implications of the wording, but by a legal representative. When challenged, the allegation was neither withdrawn nor explained. My award to cover the portion of the costs relating to the preparation for, and attendance at, the hearing is at the upper end of the scale to reflect the applicant’s behaviour on this point. The award is calculated as follows:

<i>Preparing a statement and considering the other side’s statement:</i>	£400
<i>Preparing evidence and considering and commenting on the other side’s evidence:</i>	£1200
<i>Preparing for and attending the hearing:</i>	£1600
<i>Official fees:</i>	£200
<b>TOTAL:</b>	<b>£3400</b>

135. I therefore order exoro design ltd to pay Under Armour, Inc. the sum of £3400. The above sum should be paid within two months of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

**Dated this 29<sup>th</sup> day of June 2020**

**Clare Boucher,  
For the Registrar  
Comptroller-General**