

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2055481
BY MILTON-LLOYD LTD TO REGISTER
A MARK IN CLASS 3**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER NO 45516
BY PERRY ELLIS INTERNATIONAL INC**

TRADE MARKS ACT 1994

5 **IN THE MATTER OF Application No 2055481**
by Milton-Lloyd Ltd to register a mark
in Class 3

and

10 **IN THE MATTER OF Opposition thereto**
under No 45516 by Perry Ellis International Inc

15 **DECISION**

20 On 5 February 1996 Milton-Lloyd Ltd of London applied to register the following mark for a
specification of goods comprising “Perfumes; non-medicated toilet preparations, cosmetic
preparations; depilatory preparations; toilet articles; soaps; shampoos; preparations for the
hair, essential oils.”

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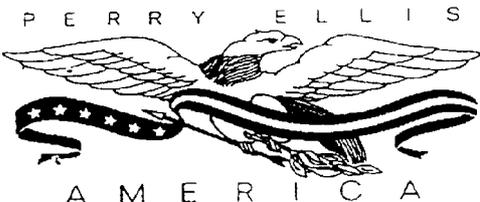
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45 On 26 September 1996 Perry Ellis International, Inc filed notice of opposition to this
application. The grounds of opposition are in summary:

- i under Section 5(2)(b) in that the mark applied for is similar to the opponents' earlier trade mark application No 2048547 and covers identical or similar goods (see below for details).
- 5 ii under Section 5(3) in that the mark applied for is similar to the mark of the opponents' registration No 1448353 and is in respect of goods which are not similar. The opponents say the later mark would take advantage of or be detrimental to the distinctive character or the repute of the earlier trade mark.
- 10 iii under Section 5(4). The opponents say the mark applied for is liable to be prevented by virtue of a rule of law protecting an unregistered trade mark.
- iv under Section 3(3) in that registration of the mark applied for would be contrary to public policy.
- 15 v under Section 3(6) in that the application was made in bad faith.

The opponents also ask that the Registrar's discretion be exercised in their favour. I will say at this point that I do not consider any such discretion is available. There is, therefore, no basis for this claim.

Details of the marks referred to above are as follows:

NUMBER	MARK	CLASS	JOURNAL	SPECIFICATION
25 2048547		3	6127/5463	Perfumery, essential oils, cosmetics, soaps, hair lotions, toiletries and non-medicated deodorants for personal use.
35 1448353		25	5942/6961	Articles of outer clothing included in Class 25 for women; but not including footwear.

The applicants filed a counterstatement denying these grounds. Both sides seek an award of costs in their favour.

5 Both sides filed evidence. The matter came to be heard on 1 October 1998 when the applicants were represented by Mr M Edenborough of Counsel instructed by Venner Shipley, Trade Mark Attorneys and the opponents by Ms F M Crawford of Elkington and Fife, Trade Mark Attorneys.

10 Background

15 This action is part of cross-opposition proceedings between the parties. The other case involves Perry Ellis International Inc's application 2048547 which is opposed under No 45230. The cases have not been consolidated but were heard consecutively on 30 September and 1 October 1998. Some of the evidence is common to both sets of proceedings. I do not propose to repeat my summary of the evidence on Opposition No 45230 where the same or substantially the same material has been filed here but I attach at Annex A the decision relating to that case which incorporates a summary of the evidence (as a result of minor changes in the evidence some of the Annex references are different). The following evidence summary, therefore, deals only with the new material filed in respect of 20 this opposition.

Opponents' evidence

25 This consists of statutory declarations by Max J. Garelick dated 23 April 1997 and Fiona Merle Crawford dated 24 April 1997. This evidence is in substance the same as that filed in support of the applicants' position in Opposition 45230. I should, however, say that Ms Crawford has provided further exhibits (FMC12 to 14) by way of elaborating on her view that Milton Lloyd's packaging is reminiscent of other famous brands.

30 Applicants' evidence

The applicants filed three statutory declarations from Peter H J Jackson (the date appears to be incomplete), Dennis Avis (dated 22 July 1997) and Mohamed Lalji (dated 8 August 1997).

35 Mr Jackson is the Managing Director of the applicant company. He firstly exhibits a declaration setting out evidence of use of his company's mark as filed in the related proceedings. Again I do not intend to repeat my summary of this evidence which can be found in the Annex to this decision.

40 In relation to the opponents' position he draws the conclusion that

- they have not used the mark the subject of Application No 2048547 in this country in relation to Class 3 goods in a commercial sense.
- 45 - the distinguishing feature of their marks is PERRY ELLIS. Accordingly confusion would not arise with the applicants' mark.

- only two of their registrations include the word AMERICA and in each case the word is disclaimed. The goods are also dissimilar. In his view the opponents have failed to establish use specifically in the contentious feature or a reputation that extends to dissimilar goods.

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- he makes a number of observations bearing on the letter of consent from Mr Perry Ellis in relation to the use of his name, the upshot of which is that mark is essentially a PERRY ELLIS mark, a view which was, he suggests, also taken by a Registry official in dealing with observations filed against the application in suit (PJ2).

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- he notes that there is no breakdown of the opponents' figures relating to perfumes/toiletries on the one hand and clothing on the other.

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- he reiterates points made in his previous declaration as to reputation arising from US magazines circulating in this country.

- he suggests that the average British purchaser of perfume is unlikely to be familiar with references to a US clothing designer in specialist directories of fashion design (in response to a claim made by Mr Garelick).

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- he exhibits (PJ3) details of "eagle devices" and "AMERICA" marks in Class 3 to indicate the state of the register and that the marks at issue are distinguishable.

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In response to Ms Crawford's declaration he says that

- the opponents' position is not on a par with that of the proprietors of marks that have become well known through use in this country.

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- in the alternative, the trade marks used in conjunction with famous house marks are either *prima facie* distinctive names and/or will have acquired distinctiveness through use, unlike the "AMERICA" element in the opponents' mark. In his view most of the marks referred to by Ms Crawford are used or are identifiable in their own right, in isolation from the house marks, as well as in conjunction with them. The opponents are, he says, trying to assert non-existent rights in the words AMERICA.

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- there is no rule of law or principle of equity which would allow a US clothing design house to obstruct the entitlement to protection of a British based company with prior use in relation to perfumery, and where the only element common to two parties' marks is *prima facie* non-distinctive.

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- he questions the relevance of Ms Crawford's comments regarding the packaging of the applicants' goods and makes a number of further observations in relation to "house styles".

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Mr Avis is a wholesaler and in his declaration attests to the fact that the trade mark AMERICA has been known to him in relation to brands of perfume and that he has been dealing with Milton-Lloyd Ltd for 3 years. Mr Lalji is a perfumery distributor and declares that his company has been selling AMERICA perfumes for the last two years and “all our customers associate AMERICA perfumes with the applicants.”

Opponents’ evidence in reply

The opponents filed two further statutory declarations by David William Lake and Fiona Merle Crawford.

Mr Lake is a commercial investigator and a Director of Farncombe International Ltd. He describes in some detail the results of contacts he had with various personnel at Milton-Lloyd Ltd between August and October 1996. The main points to emerge are that

- no listing was found for an AMERICA product in the Chemist and Druggist price list dated August 1996. A MISS AMERICA product first appeared in August 1995 (exhibits DWL2 and 3).
- he was told that Milton-Lloyd had been trading for some 20 years but had only commenced trading within the UK in the past 2½ years.
- AMERICA EDT, a fragrance for men, was said to have been introduced some 3 years ago. MISS AMERICA had been developed on the back of the company’s success with the AMERICA product at home and abroad.

Ms Crawford’s declaration is dated 20 January 1998. It runs to some 23 pages. Much of this is concerned with a point by point rebuttal of the applicants’ evidence and the continuation of existing lines of argument. The main points made are that

- there is said to be inconsistency between the actual and claimed use by the applicants.
- the applicants’ sales figures cover export as well as domestic sales and are not broken down.
- by reference to the search report at Exhibit PJ3 to Mr Jackson’s declaration it is suggested that the applicants’ mark is confusable with another mark on the register. Further comment is offered on the state of the register so far as “AMERICA” marks are concerned.
- Ms Crawford comments on the Registry’s reply to her firm’s observations letter, the effect of disclaimers and the approach to be taken in relation to the comparison of marks taking account of imperfect recollection.

- reference is made to correspondence between the parties' respective trade mark attorneys.

5 Ms Crawford sets out in detail the results of enquiries and visits made to a variety of supermarkets, drugstores and companies listed in Yellow Pages under the heading Cash & Carry Wholesalers to establish whether they stocked AMERICA and eagle device perfumery or toiletries from Milton-Lloyd. None of the outlets contacted stocked or had any knowledge of the mark.

10 she exhibits (FMC26) pages from the August 1996 issue of Chemist and Druggist Price List and notes an entry for MISS AMERICA but not AMERICA. She suggests that the applicants' trade declarants may have been referring to other AMERICA brands such as MISS AMERICA or AMERICA SPORT etc.

15 she exhibits (FMC27) a copy of an article from the Times of 8 May 1996 which it is said shows that the opponents' perfume is referred to as AMERICA. She, therefore, says that "in the absence of any evidence of any promotion or the extent of any sales in the UK, it is not possible to conclude that the UK public has any awareness of the existence of the applicants' AMERICA products. There is thus no evidence to support Mr Jackson's assertion that there would be an expectation of obtaining the applicants' product in asking for AMERICA perfume."

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25 Much of the remainder of Ms Crawford's declaration is directed towards countering the claim implicit in Mr Jackson's declaration that, whilst one might expect a perfume/cosmetics range to emanate from a well known fashion house, Perry Ellis is not such a fashion house or is not on a par with other fashion houses referred to. In support of her view that Perry Ellis is an internationally renowned fashion house on a par with the likes of Calvin Klein, Donna Karan, Ralph Lauren etc she provides

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35 - copies of statutory declarations in support of the opponents' application No 1277838 in Class 25 (now a registration). These came from the Fashion Editor of British Vogue and the Publishing Director of Conde Nast Publications (FMC29).

40 - extracts from features appearing in Harpers & Queen referring to Perry Ellis (FMC30).

- articles from The Times, The Sunday Times and The Independent (FMC31).

- items from Reuters (FMC32).

45 - a Euromonitor Market Research feature dated April 1997 which provides a list of new fragrances launched over the period from late 1995 to early 1997,

approximately 40% of which are said to be associated with designer fashion houses (FMC33).

- 5 - further features relating to Sanofi's sale of its production of PERRY ELLIS fragrances (FMC34).

10 As a result of all this Ms Crawford concludes "not only that Perry Ellis is a well known designer fashion house and one which might reasonably be expected to have an associated fragrance line, but also that Perry Ellis has, in fact, a well established "line of fine fragrances", and, further, that this fragrance line existed well before Milton Lloyd's first use in February 1994 of the mark AMERICA and Eagle device. It follows that Milton-Lloyd's adoption of a mark consisting of essential elements of a mark employed by Perry Ellis for clothing (namely, that which is the subject of its Class 25 Registration No 1448353 for PERRY ELLIS AMERICA and Eagle device), must be seen in this context."

15 That concludes my review of the evidence.

I will deal with the matter firstly under Section 5(2)(b) which reads as follows:

- 20 " (2) A trade mark shall not be registered if because -
- (a)
- 25 (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,

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

The term "earlier trade mark" is itself defined in Section 6 of the Act:

- 35 "6.- (1) In this Act an "earlier trade mark" means -
- (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,
- 40 (b) a Community trade mark which has a valid claim to seniority from an earlier registered trade mark or international trade mark (UK), or
- 45 (c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority

claimed in respect of the application, was entitled to protection under the Paris Convention as a well known trade mark.

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

As Milton-Lloyd Ltd have been unsuccessful in their opposition to Perry Ellis’ application (No 2048547) in the related opposition proceedings it follows that, absent a successful appeal, the latter will proceed to registration and become an earlier trade mark within the meaning of Section 6(1) and (2). On this basis I go on to consider the comparison of marks issue (there being no dispute that identical and/or similar goods are involved). For ease of reference I reproduce below the marks at issue:

Applicants’ mark



Opponents’ mark



Both sides referred at the hearing to Sabel BV v Puma Ag 1998 RPC 199 so it is worth setting out the passages mainly relied on.

“As pointed out in paragraph 18 of this judgment, Article 4(1)(b) of the Directive does not apply where there is no likelihood of confusion on the part of the public. In that respect, it is clear from the tenth recital in the preamble to the Directive that the appreciation of the likelihood of confusion “depends on numerous elements and, in particular, on the recognition of the trade mark on the market, of the association which can be made with the used or registered sign, of the degree of similarity between the

trade mark and the sign and between the goods or services identified”. The likelihood of confusion must therefore be appreciated globally, taking into account all factors relevant to the circumstances of the case.

5 That global appreciation of the visual, aural or conceptual similarity of the marks in question must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The wording of Article 4(1)(b) of the Directive - “... there exists a likelihood of confusion on the part of the public...” - shows that the perception of marks in the mind of the average consumer of the type of goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details.

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15 In that perspective, the more distinctive the earlier mark, the greater will be the likelihood of confusion. It is therefore not impossible that the conceptual similarity resulting from the fact that two marks use images with analogous semantic content may give rise to a likelihood of confusion where the earlier mark has a particularly distinctive character, either *per se* or because of the reputation it enjoys with the public.”

20 I also bear in mind Ms Crawford’s submissions in relation to Philips Trade Mark 1969 RPC 78, SHIP BRAND 1924 RPC 423 dealing with common elements in marks; WATERMATIC v AQUAMATIC 1958 RPC 387 in relation to conceptual confusion; and ARISTOC v RYSTA 1945 RPC 65 in relation to imperfect recollection. Arising from this she considered that both marks would be remembered as AMERICA and eagle device marks and, as a result, there is a likelihood of confusion of the public. Mr Edenborough suggested that the overall impression created by the respective mark was very different. He argued that his clients’ mark presented a decidedly predatory picture of an eagle swooping on its prey whereas the opponents’ device was softer and less aggressive. He even went so far as to suggest that the opponents’ mark had some dove like features. It admittedly appears to be carrying a branch of some kind but I think the latter point is going too far. My own view of the matter is that the marks create quite different visual impressions which are easily distinguishable. The dominant element of the applicants’ mark is a silhouetted eagle in a natural pose over the word AMERICA and device of stars. The opponents’ mark on the other hand contains a somewhat stylised line drawing with the words PERRY ELLIS, AMERICA and a banner containing stars and stripes streaming across the bird. The whole appearance is of a carefully constructed composite mark with the device compressed between and contained within the words. In the context of goods where appearance and presentation is important these are significant differences but they are by no means conclusive as the point has been made that there is a conceptual similarity between the marks despite their stylistic differences.

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45 It seems to me that what both parties have sought to do is to evoke an American theme or imagery in their marks. In the opponents’ case also the presence of the word AMERICA might be seen as no more than an indication of the origin of the goods. For any trader who wishes to give his goods an American character there can scarcely be more natural choices than the word AMERICA, elements of the national flag (the stars and stripes) and the

American eagle (the US National bird). I take the view that, where such common symbols form the basis of or a significant proportion of marks, variations in presentation and form play an important part in helping to distinguish and customers will take account of these other factors and indicia as part of the purchasing process. I note that in a later passage in the Sabel v Puma case referred to above the ECJ indicated that “where the earlier mark is not especially well known to the public and consists of an image with little imaginative content, the mere fact that the two marks are conceptually similar is not sufficient to give rise to a likelihood of confusion.” It seems clear, therefore, that conceptual confusion must be considered in the context of the words and signs being used. Taking all these factors into account and judging the marks as wholes (as in the final analysis I must do) I do not consider there is a likelihood of confusion. In reaching this view I have not found it necessary to consider in detail the evidence and submissions made by both sides in relation to other marks on the register. In the circumstances of this case I have not found these considerations to weigh heavily in favour of either party. The opposition under Section 5(2)(b) therefore fails.

Two other relative grounds of opposition have been advanced by the opponents namely Section 5(3) and Section 5(4)(a). These sections read as follows:

“ (3) A trade mark which -

(a) is identical with or similar to an earlier trade mark, and

(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

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

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

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

(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.”

My finding in relation to the comparison of marks issue must, I think, also determine the outcome of these grounds. However in view of the interrelationship of the cross-oppositions and in case I am found to be wrong in relation to the marks I propose to comment on these

other grounds. Section 5(3) in particular has played a significant part in the opponents' case and a not inconsiderable volume of material has been filed to establish the opponents' reputation. The goods "which are not similar" for the purposes of sub-paragraph (b) are essentially clothing items. In a nutshell it is the opponents' contention that Perry Ellis is a major international fashion house which is well known in this country. Furthermore, in keeping with the common practice amongst leading fashion houses, it is said that it would be a natural and expected extension of trade for the company to move into related areas of fashion goods notably perfumery, cosmetics, jewellery, fashion accessories etc. In support of the latter proposition Ms Crawford referred me to the ETERNITY case (1997 RPC 155). The Hearing Officer accepted in the ETERNITY case that there was a close link between fashion houses and perfumery/cosmetics in that leading fashion houses sought to extend the coverage of their brands. The case also provided some support for the proposition that this practice was not limited to housemarks alone. The ETERNITY case was of course decided on its own facts. Whilst it suggests that it is not uncommon for leading fashion houses to behave in a certain way it does not in my view establish a universal pattern of behaviour that is necessarily followed or adopted by all fashion houses. Nor, of course, are all fashion houses at the same stage of development in terms of product or brand extension. Many factors will determine the position in any given case including the extent of the organisation's existing trade in domestic, international and UK markets; the range of goods sold (the wider the range of goods already sold under the mark the more likely it is that consumers will expect related goods and accessories to emanate from the same source); the distinctiveness of the mark and any sub-brand; and, where a sub-brand is employed, the use and reputation of that sub-brand including the amount of use (with or without the housemark for instance).

The evidence in the case before me seems to show that Perry Ellis have substantial worldwide sales but as no breakdown of the turnover figure is given it is not possible to say how this is split by product category or geographical area. Ms Crawford has gone to some trouble in her evidence to bring forward evidence of the Perry Ellis name appearing in magazines circulating in this country and reference in fashion directories and newspaper articles. I was also taken to some of the declarations filed in support of an application to register PERRY ELLIS in Class 25 (No 1277838). For reasons which are not clear to me the evidence of use of the mark (referred to in the Trade Marks Journal advertisement) has not been filed in these opposition proceedings. I am left, therefore, with no concrete information (unlike the ETERNITY case) on the opponents' actual trading activities in this country either under the mark PERRY ELLIS or the composite mark that underpins this opposition. It is possible to glean from some of the magazine material that Perry Ellis clothing is available from Browns of South Molton Street. I do not say that there are no other outlets but the use position has not been substantiated in the way that it was in relation to the ETERNITY mark (the evidence in that case is summarised in the Registry decision but not reproduced in the reported version). I do not think the material supplied in the case before me which I would characterise in the main as secondary indicators can displace the need for some more tangible and direct evidence as to the likely impact of the mark on the market in this country particularly where a claim is being made that the reputation arising therefrom extends to related but dissimilar goods. In short the conclusions I reach on the basis of the evidence are that

- there is likely to be some awareness of the PERRY ELLIS name in relation to clothing amongst followers of fashion but the precise extent of that reputation is difficult to gauge.
- 5 - I have no basis for judging whether the PERRY ELLIS AMERICA and eagle device itself has a reputation.
- there is no, or insufficient, evidence as to a trade in other fashion items or accessories such as might encourage an expectation that the opponents would also be active in the perfumery/cosmetics trade in this country.
- 10 - there is some evidence to suggest that the opponents have for some years had a fragrance business under the mark PERRY ELLIS or 360E PERRY ELLIS but it is not clear that the mark relied on in this opposition has been so used.
- 15 - for reasons which I have explained the elements of the opponents' composite mark which are said to be in conflict with the applicants' mark (particularly the word AMERICA) do not seem to me to carry the same weight as a distinctive mark such as ETERNITY.

20 Where a party relies on the reputation of their mark to act as a barrier to another application for dissimilar goods it seems to me that this can only be on the basis of compelling and fully substantiated evidence. I regard the opponents' evidence in relation to a reputation in clothing (or other dissimilar goods) as falling some way short of establishing their position despite Ms Crawford's best endeavours. Accordingly the Section 5(3) ground fails.

25 So far as the Section 5(4)(a) position is concerned Ms Crawford elected not to press the matter in submissions at the hearing but indicated that she would rely on the evidence filed. The elements of an action for passing off were set out in WILD CHILD Trade Mark (1998
30 RPC 455). I do not propose to set out the considerations in detail here as I think it will be apparent from the evidence summary that the opponents do not have, or certainly have not filed, evidence to support a claim to have used their composite mark in relation to the goods at issue in this country. Even if it is accepted that clothing is a related class of (fashion)
35 goods the opponents have still in my view failed to establish the extent and nature of their trading activity. It follows from this that they will be unable to satisfy the first leg of the passing off test, namely that they have acquired a goodwill or reputation in the market and are known by some distinguishing feature. Given also my views on the marks they would in my view be unable to establish misrepresentation or damage. The opposition therefore fails under Section 5(4)(a).

40 There remains the grounds based on Section 3(3)(a) and 3(6) of the Act. It was conceded at the hearing that there was no real basis for a claim that the mark at issue would be "contrary to public policy" so the Section 3(3)(a) ground falls away. Section 3(6) reads as follows:

45 "(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith."

There were in practice a number of interrelated strands to Ms Crawford's case under this head. First it is said that the specification applied for is much broader than the goods on which the mark had been used; secondly if the applicants considered that there was a conflict between the marks (as suggested by the fact that they filed their own opposition) then it demonstrates bad faith on their part to have filed this application particularly if they were also aware of the opponents' activities; thirdly there is the more general claim that the applicants choose marks that are reminiscent of leading brands. I have already considered the latter point in the somewhat different context of the bona fides of Milton-Lloyd's case (in the related action) and concluded that the evidence on the matter was insufficient to support the claim. I have no reason for coming to a different view here.

In relation to the matter of the applicants' specification I do not regard it as being too broad and it is perfectly permissible to apply for a trade mark on the basis of an intention to trade rather than actual use. The goods applied for do not suggest an unreasonable or unsustainable extension of trade. The mere fact that existing use has not covered all the goods seems to me to be no more than a reflection of the normal build-up of trade depending on the success of the brand and the resources available to support business expansion.

As to whether the applicants were aware of or sought to derive some advantage from the opponents' mark I accept that a party's true intentions at any point in time are difficult to know. Equally I think I should be slow to assume the worst in the absence of all but the most persuasive of evidence. It is true that Milton-Lloyd filed their application shortly after the opponents' own application but their own use in this country (from February 1994) predates that of the opponents for the goods at issue. It seems to me to be largely conjecture as to whether the applicants were aware of Perry Ellis' use on fragrances outside the UK (and in any case I am in some doubt as to the precise mark Perry Ellis use for such goods). I must, however, touch on Ms Crawford's suggestion that it suggests bad faith on the applicants' part to have filed their own application if they seriously considered that there was a possible conflict between the marks. In her evidence Ms Crawford pointed to the contents of a letter dated 16 July 1996 from the applicants' agents to her firm which contained the following:

“Although the Registrar has not cited one against the other, (that is, the Opponents Mark against the Applicants) there is clearly scope for dispute on this issue which may depend in part on the precise manner of use and target market.”

and

“We would ask you please to let us know your clients views on the scope for co-existence of the two Marks”.

By way of general comment I have some reservations about correspondence between professional representatives being filed in evidence in inter partes proceedings. On the whole the practice does not seem conducive to the process of encouraging parties to reach amicable settlements. However the point has been raised so I will comment on it. It must of course be borne in mind that at the time the above letter is said to have been written the applicants had been using their mark for well over two years and no actions had commenced between the

parties. I regard the contents of the letter as being part of a sounding-out process reflecting the applicants' concern to protect their existing trading position but without presumably at that stage knowing what counterclaims the other side were in a position to make. In short the correspondence suggests a negotiating stance which must necessarily be adjusted in the face of the other side's reaction. In any event it seems to me that the wording used suggests not so much a desire for full blooded inter partes conflict but a wish to co-exist. It follows from this that whilst I understand why Ms Crawford's clients have taken the view they have I do not see any basis for a finding against the applicants. The opposition under Section 3(6) fails accordingly.

As the outcome of the cross opposition proceedings between the parties is that, in the absence of appeals, both oppositions fail and the applications will proceed to registration I intend to make no order as to costs. In taking this view I bear in mind Ms Crawford's comments at the hearing in relation to the applicants' position but for the reasons given above I think they were entitled to protect their position until such time as the respective claims had been tested through the mechanism of inter partes proceedings.

Dated this 20th day of October 1998

M REYNOLDS
For the Registrar
the Comptroller General

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2048547
BY PERRY ELLIS INTERNATIONAL INC
TO REGISTER A MARK IN CLASS 3**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO 45230 BY MILTON-LLOYD LIMITED**

TRADE MARKS ACT 1994

5 **IN THE MATTER OF APPLICATION NO 2048547**
BY PERRY ELLIS INTERNATIONAL INC
TO REGISTER A MARK IN CLASS 3

AND

10 **IN THE MATTER OF OPPOSITION THERETO**
UNDER NO 45230 BY MILTON-LLOYD LIMITED

15 **DECISION**

On 13 December 1995 Perry Ellis International Inc of New York, United States of America applied to register the following mark for a specification of goods comprising “perfumery, essential oils, cosmetics, soaps, hair lotions, toiletries and non-medicated deodorants for personal use”.



35 The application is numbered 2048547.

On 28 August 1996 Milton-Lloyd Ltd of London filed notice of opposition to this application. The single ground of opposition is based on Section 5(4)(a) of the Act in that use of the mark applied for is liable to be prevented by virtue of any rule of law including an action for passing off based upon the opponents’ prior use of and reputation in what they call their American logo trade mark.

The applicants deny the above ground and say that any alleged use of the said trade mark by the opponents has not been bona fide and is thus not entitled to prevent use of the mark applied for. They also ask that the Registrar exercise discretion in their favour. I comment in passing that I do not consider that the Registrar has any discretion in the matter.

Both sides ask for an award of costs in their favour.

Both sides filed evidence in these proceedings and the matter came to be heard on 30 September 1998 when the applicants were presented by Ms F M Crawford of Elkington and Fife, their Trade Mark Attorneys and the opponents by Mr M Edenborough of Counsel instructed by Venner Shipley, their Trade Mark Agents.

Background

This action is part of cross-opposition proceedings between the parties. The other case involves Milton-Lloyds Ltd's application 2055481 which is opposed under No 45516. The cases have not been consolidated but were heard consecutively on 30 September and 1 October 1998. Some of the evidence is common to both sets of proceedings.

Opponents' evidence (Rule 13(3))

The opponents filed a statutory declaration dated 18 December 1996 by Peter H J Jackson, the Managing Director of Milton-Lloyd Limited, a position he had held for 21 years at the time of making his declaration.

Mr Jackson says that the opponents are the proprietors and beneficial owners of application No 2055481 for the following mark:



The mark has been applied for in Class 3 for a specification of goods comprising:

“Perfumes; non-medicated toilet preparations, cosmetic preparations; depilatory preparations; toilet articles; soaps; shampoos; preparations for the hair; essential oils”.

He says that the opponents commenced use of their mark in February 1994 and have made continuous and extensive use of it both for the British market and for export since that date. Exhibit PJ1 is said to contain examples of the opponents' mark as used (in fact there is just a single item of packaging).

5

Unit sales of goods under the mark both domestically and for export are given as follows:

	<u>Product</u>	<u>Unit Sales</u>
10	Eau de Toilette Spray (50 ml)	600,000
	Rollerball (10 ml)	30,000
	Aftershave (50 ml)	20,000
	Body Spray (150 ml)	500,000

15 Mr Jackson says that total sales in respect of goods sold under the mark amount to £5 million at retail value. The products are sold through wholesalers, cash and carry outlets, supermarkets and drug stores throughout the United Kingdom.

He concludes by saying that

20 “Customers throughout the U.K. recognise the AMERICA trade [mark] as the Opponents' mark and thus goodwill has accrued in relation to the Opponents' perfume sold under their AMERICA trade mark. The Opponents further submit that use of the Applicants' mark will cause a misrepresentation to members of the trade or public.
25 Members of the public or the trade are likely to be confused to the point of purchasing the Applicants' product believing it to be the Opponents' product or a product associated with the Opponents. Accordingly a loss of sales is likely to be incurred by the Opponents as a result of such misrepresentation.”

30 Applicants' evidence (Rule 13(5))

The applicants filed two statutory declarations. The first comes from Max J Garelick, the President and CEO of Perry Ellis International, Inc, a position he has held since 1994.

35 He says that the company was created by the internationally famous American clothing designer, Perry Ellis, who was Chairman of the Board of Directors until his death in May 1986. He exhibits a letter of consent from Mr Ellis authorising the company to use and register his name. The company owns a number of trade marks which comprise or include
40 the name PERRY ELLIS which it is said to have used and promoted in association with clothing and goods such as perfume, watches, jewellery and leather goods for many years in the USA and other countries. He exhibits (B) copies of various US registrations. He also exhibits (C) copies of United Kingdom registrations for the marks PERRY ELLIS, PERRY ELLIS AMERICA and AMERICA PERRY ELLIS design. (I do not think I need set these
45 out here).

Dealing with the mark at issue Mr Garelick says that it was first adopted by his company during 1984 and is covered by US registration No 1395816 (a copy is exhibited (D)) which includes a first use claim in the United States of 20 November 1984 in respect of clothing. The mark has also been registered in the United Kingdom and various other countries throughout the world for clothing (details of these are given).

Worldwide annual sales of goods under the PERRY ELLIS trade marks has averaged between US \$600,000,000 and \$775,000,000 for each of the years 1990 to 1996. Worldwide sales under PERRY ELLIS AMERICA and PERRY ELLIS AMERICA and eagle design has averaged between US \$20,000,000 and \$60,000,000 for the years 1994 to 1996. Mr Garelick exhibits (E) samples of advertising featuring the marks including the eagle design (Rolling Stone magazine - September 1988). Annual expenditure on promotional and advertising activity is said to have averaged between US \$6,850,000 and \$9,000,000 for the years 1990 to 1996. Also exhibited (F) are examples of favourable publicity write-ups and (G) articles from international fashion reference works.

Finally Mr Garelick says his firm licenses its marks taking care to control the character and quality of the goods on which licensees use them.

The second declaration dated 19 March 1997 comes from Fiona Merle Crawford, the applicants' trade mark attorney. Ms Crawford is a partner in her firm.

Ms Crawford exhibits (FMC1 to 7) front covers, advertisements and articles taken from UK published magazines (Maxim, Mens Health, Harpers and Queen, Vogue, Cosmopolitan and Marie Clare) showing use by fashion houses of various house marks in relation both to clothing and perfumery. She adds that when used in conjunction with perfumery the house mark is in most cases used together with other marks (eg Calvin Klein with Eternity, Yves Saint Laurent with Opium). She suggests that there is a close association between designer clothing and perfumery and cosmetic ranges and adds that "it is my expectation that companies involved in the designer clothing business will in due course, enter the perfumery and cosmetic markets". She supports this view by reference to the ETERNITY case 1997 RPC 155, a copy of which is exhibited (FMC8). I bear this in mind in reaching my decision. Bearing in mind the applicants' trade mark registrations and the facts contained in Mr Garelick's declaration she suggests that it can be of no surprise that Perry Ellis International, Inc has adopted their mark PERRY ELLIS AMERICA and eagle device in respect of, inter alia, perfume and fragrance products.

The remainder of Ms Crawford's declaration is concerned with a comparison between the opponents' packaging and that of various leading brands (Exhibits FMC10 and 11 also refer). She draws the conclusion that the packaging of some of Milton-Lloyd's products are reminiscent of famous brands. She expresses surprise that Milton-Lloyd do not appear to have any unifying house style or styles to its packaging as is the case with other perfume producers.

Opponents' evidence in reply (Rule 13(6))

The opponents filed evidence in reply in the form of a further statutory declaration, dated 16 June 1997, by Peter Jackson. Mr Jackson comments at length on Mr Garelick's and Ms Crawford's declarations. I summarise the main points as follows:

- 5 - he says that only one of the applicants' US trade mark registrations includes the eagle design and this is not in respect of perfumes
- 10 - the UK registrations have the word AMERICA disclaimed where it appears in the marks. Again he points out that the registrations are for clothing
- any use of the eagle design is in respect of clothing and largely confined to the United States
- 15 - he criticises Exhibit E of Mr Garelick's declaration to the extent that it features US magazines. He considers that, whilst US editions may circulate in this country, British consumers are more likely to read the UK editions
- 20 - he contends that the applicants are seeking to assume proprietorship of a mark in this country in respect of dissimilar goods in the face of his company's local goodwill and reputation
- in relation to Ms Crawford's declaration he acknowledges that high-profile
- 25 fashion houses use their house marks in relation to both clothing and perfumery but does not agree that the house mark is in most cases used with other marks. He believes they are recognised by the public independently of the house mark
- 30 - whilst accepting a connection between cosmetics/perfumery and fashion house clothing, he says the potential for confusion will still arise where there is an existing mark already in the market. He also says the applicants have not established that the PERRY ELLIS fashion house is on a par with
- 35 GIVENCHY, CHANEL, etc
- he distinguishes the circumstances of this case from the ETERNITY case on the basis of reputation and trading activity
- 40 - he says that even if the British public were to recognise the PERRY ELLIS name the "inevitability of a connection between the AMERICA and EAGLE design and the PERRY ELLIS name has not been established for the British perfumery market".
- 45 - he questions the relevance of Ms Crawford's comments on the alleged similarity of his company's packaging to that of other traders

- he says that, whilst fashion houses may adopt a house style for their packaging, the same is not necessarily true of perfume (only) producers in the UK who respond instead to the needs of the market.

5 That concludes my review of the evidence.

Section 5(4)(a) reads as follows:

- 10 “ (4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -
- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or
 - 15 (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.”

20 A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of England 4th Edition Vol 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in Reckitt & Colman Products Ltd -v- Borden Inc [1990] RPC 341 and Erven Warnink BV -v- J Townend & Sons (Hull) Ltd [1979] ACT 731 is (with footnotes omitted) as follows:

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

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

40 The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an

45 exhaustive, literal definition of ‘passing off’, and in particular should not be used to

exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.”

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

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

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

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

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

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

Although these cross-opposition cases have not been consolidated there are a number of issues that are common to both cases. Most notably my decision on the matter of comparison of the marks themselves must underpin the Section 5 issues in both cases. The parties’ main submissions in relation to the marks themselves took place in relation to the opponents’ own application (No 2055481). As can be seen from my decision on the opposition case relating thereto (No 45516) Mr Edenborough took the view that the respective marks were not

confusable. This placed him in a somewhat difficult situation in relation to the current opposition (ie No 45230) where he found himself having to take a position on his clients' behalf against the possibility that I would find the marks to be confusable. If I were to so find his view was that his clients were in a position to establish their claim under Section 5(4)(a).
5 If on the other hand my decision was that the marks were not confusable then this action would fail and the application would proceed to registration but by the same token it would follow that the relative grounds of objection to his clients' own application would fall away.

10 I accept Mr Edenborough's reasoning as far as it goes but it does of course assume that, if I find that the applicants' mark would constitute a misrepresentation, his clients can satisfy the other elements of the passing off test. I, therefore, propose to consider firstly his claim that the opponents have adduced sufficient evidence to fulfil the first element of the passing off test namely that they have goodwill in an indicium. At the hearing Ms Crawford mounted a sustained and, in my view, effective attack on the opponents' position. She prefaced her
15 observations by reference to the WILD CHILD Trade Mark case 1998 RPC 455. Her first point was that the relevant date at which the matter must be considered was the date of the application. I accept this by reference also to Article 4(4)(b) of the First Council Directive (89/104/EEC). Secondly she referred me to Mr Hobbs' remarks about the need to substantiate a claim under Section 5(4)(a). He said (page 465 lines 26 to 32):

20 "I appreciate that the registrar is often required to act upon evidence that might be regarded as less than perfect when judged by the standards applied in High Court proceedings. However, I am not willing to regard assertions without any real substantiation as sufficient to sustain an objection to registration under section 5(4).
25 On my assessment of the evidence the asserted "*earlier rights*" remains unsubstantiated and the question of conflict does not arise."

30 Against this background her main criticisms of the opponents' evidence can be summarised as being that

- 35 - the sales figures claimed by the opponents relate to the period February 1994 to December 1996 whereas the relevant date for the purpose of these proceedings is 13 December 1995. As no breakdown of turnover is given it is impossible to say how much use there had been up to the application filing date.
- 40 - furthermore the sales figures appear to relate to sales in this country and in export markets again with no breakdown shown. Export sales it was said may not result in the creation of goodwill in this country.
- 45 - no indication of actual sales locations are given either by way of indicating the geographical spread of the business or the number or identity of wholesale or retail customers (beyond the general statement recorded in my evidence summary).
- there is no evidence as to public awareness or perception of the mark.

I regard these criticisms as being well founded. I would add also that Mr Jackson's declaration dealing with use of the mark contains just a single exhibit showing the packaging used. I note that this packaging carries the name of a different organisation (Jean Yves Cosmetics). From the fact that this organisation operates from the same postcode address as the opponents I assume that it is in some way associated but no explanation is offered on the point. No invoices, promotional matter or other such material has been supplied to support the claims made. Exhibit FMC10 of the applicants' evidence consists of pages from the opponents' brochures but so far as I can see shows the AMERICA (and device) products as part of a whole range of goods on offer. It is impossible to establish from this material what impact the mark in question has made in what must be a very large market indeed. In short I am unable to accept on the basis of the evidence filed that the opponents have established a reputation and goodwill in this country. There was some discussion at the hearing as to the position in relation to goods for export. It seems most likely that such goods would generate goodwill in the destination market though the position might well be different if for instance sales were to UK customers for onward export purposes. Either way there is insufficient information on the export business to come to a view favourable to the opponents.

In the light of my above finding I need only deal briefly with the other limb of Ms Crawford's argument that the opponents' were approaching the matter with "unclean hands" and their use and any resulting goodwill should in effect therefore be discounted. This goes to the perceived trade practices of the opponents. In her evidence Ms Crawford identified examples of packaging, choice of mark, and presentation where goods emanating from the opponents appear to be reminiscent of other well known brands. By way of example in her evidence Ms Crawford says that "the packaging of the opponents' products FUTURITY POUR HOMME and FUTURITY and particularly the typescript of the lettering used, has a very close resemblance and brings to my mind the two ETERNITY products [the latter being Calvin Klein products]. Further the connotations of ETERNITY and FUTURITY are remarkably similar" (my parenthesis). Similar considerations are said to apply in relation to another Calvin Klein product ESCAPE where the opponents are said to have a product called EXODUS in similar packaging. Ms Crawford's contention was, therefore, that the opponents had become aware of her clients PERRY ELLIS AMERICA eagle mark and sought to bring out what might be called a lookalike. Mr Edenborough rejected these claims as mere assertions and noted that there was no evidence that any third party had complained of his clients' activities. I do not think the latter could in any way be conclusive but having reviewed carefully the evidence on the subject I have come to the clear view that there is insufficient basis for me to question the bona fides of the opponents' use. However as previously indicated that use has been insufficiently substantiated to establish goodwill in this country and hence the first leg of the passing off test.

Given the above I do not need to consider the issues of misrepresentation or damage. However I have dealt with the matter of comparison of the respective marks in the light of the submissions in Opposition 45516. A copy of that decision is for convenience annexed to this decision and I adopt here that part of it that deals with this issue. I concluded in that case that after taking all relevant factors into account and judging the marks as wholes that there was no likelihood of confusion.

The opposition under Section 5(4)(a) fails accordingly.

5 As the outcome of the cross opposition proceedings between the parties is that, in the absence of appeals, both oppositions fail and the applications will proceed to registration I intend to make no order as to costs. In taking this view I bear in mind Ms Crawford's comments at the hearing in relation to the opponents' position but for the reasons given in the related opposition I think they were entitled to protect their position until such time as the respective claims had been tested through the mechanism of inter partes proceedings.

10 **Dated this 20th day of October 1998**

15

M REYNOLDS
For the Registrar
the Comptroller General