

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No 2017475  
BY AMERICAN GOLF CORPORATION TO  
REGISTER A MARK IN CLASSES 25 AND 28**

**AND**

**IN THE MATTER OF OPPOSITION THERETO UNDER  
No 44833 BY AMERICAN GOLF DISCOUNT CENTRE LIMITED**

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by American Golf Corporation to register a mark  
in Classes 25 and 28**

**and**

**IN THE MATTER OF Opposition thereto under  
No 44833 by American Golf Discount Centre Limited**

### DECISION

1. On 12 April 1995 American Golf Corporation applied to register the following mark



for a specification of goods which reads:

**Class 25**

Outer clothing; golf shirts, jackets, pants/trousers, sweat pants, shorts, belts, gloves, visors, hats, caps, scarves, footwear

**Class 28**

Golf gloves

The application is numbered 2017475.

2. On 5 July 1996 American Golf Discount Centre Limited filed notice of opposition to this application. They say they have used the trade marks AMERICAN GOLF DISCOUNT, AMERICAN GOLF, and a logo mark for many years in respect of sporting articles for use in playing golf and clothing for use in playing golf. They are also the proprietors of the following registration.

No	Mark	Class	Journal	Specification
1327774		28	5943/7143	Sporting articles and apparatus all relating to the game of golf; all included in Class 28



3. As a result objections are said to arise under Section 3 of the Act in that the applied for mark is devoid of distinctive character; under Section 5(2)(b) having regard to the opponents' earlier trade mark; under Section 5(4)(a) by virtue of the law of passing off; and under Section 5(4)(b) in that use of the applied for mark would constitute infringement of copyright in the opponents' logo.

4. The applicants filed a counterstatement denying the above grounds.

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

6. Both sides filed evidence. The matter came to be heard on 3 April 2001 when the applicants were represented by Mr H Carr of Her Majesty's Counsel instructed by RGC Jenkins & Co and the opponents by Mrs J Maddox of W P Thompson & Co

7. This is one of three cases heard on the same day involving the parties. Two are applications by American Golf Discount Centre Limited which stand opposed by American Golf Corporation. The third (this case) is American Golf Corporation's own application which is opposed by American Golf Discount Centre Ltd. The evidence is largely common to all three sets of proceedings and has, quite properly, been adopted as necessary from one action to another. The cases have not however been formally consolidated and may, therefore, be the subject of separate appeals. Accordingly I have for convenience reproduced substantially the same evidence summary in each case. This is as follows.

#### Opponents' evidence

8. The applicants filed a statutory declaration by Anthony John Norton, their Managing Director. He says that his company's business is concerned with retail and mail order sales of golf equipment and clothing in the UK and overseas. It has also operated two golf courses for 10 years. Photographs of head office building and two stores showing the mark are exhibited at AGD1.

9. The name American Golf was adopted by the company's predecessor in business, Bilton Golf Promotions Ltd, in 1979 for use in relation to articles for use in playing golf (clubs, bags, trolleys, clothing etc) and has been used continuously since then. New logos were adopted in 1983 and are shown in Exhibit AGD2. The company has an existing trade mark registration, No 1327774, details of which are shown in AGD3.

10. Approximate annual turnover is given as follows:

<b>YEARS</b>	<b>£ STERLING</b>
1988/89	5 million
1989/90	5.5 million
1990/91	7 million
1991/92	10 million
1992/93	11.5 million
1993/94	14.5 million
1994/95	19.0 million
1995/96	22 million
1996/97	27 million

Approximate annual promotional expenditure is given as:

<b>YEARS</b>	<b>£ STERLING</b>
1989/90	£100,000 estimate
1990/91	£150,000 estimate
1991/92	£180,000 estimate
1992/93	£210,000 estimate
1993/94	£250,000 estimate
1994/95	£350,000
1995/96	£412,000
1996/97	£600,000

A breakdown of the company's promotional activities is given. This includes:

Advertisements	-	in various golf magazines (samples in AGD4)
	-	in local newspapers
TV Advertising	-	on Sky television and HTV
Radio Advertising	-	mainly local radio stations
Exhibitions	-	including Public Golf Exhibition and BBC Childrens Big Bash
Shop Openings	-	there are currently some 30 American Golf Discount Centres in the UK

11. Mr Norton says the company publishes a mail order catalogue for the specified goods under the trade mark American Golf Discount as well as publishing additional catalogues at Christmas time and also special promotional pricebusters sheets at particular times of the year. The main American Golf Discount mail order catalogue is distributed to people throughout the

United Kingdom and overseas as well. Various examples of these and other business promotional items are contained in AGD5.

12. It is said that the company uses the trade marks AMERICAN GOLF DISCOUNT, AMERICAN GOLF DISCOUNT CENTRE and AMERICAN GOLF interchangeably as shown in the first issue of Golf Direct in 1991 (Exhibit AGD6).

13. Mr Norton concludes with observations on the likelihood of confusion which he suggests is increased by the fact that the applicants use AMERICAN GOLF in combination with a golf ball featuring a portion of the US national flag in common with his company.

#### Applicants' evidence

14. The applicants filed a statutory declaration by Timothy George Pendered, their professional representative in this matter. He adopts into these proceedings a declaration he himself filed in one of the related actions.

15. His declaration is in the main a commentary on the applicants' position and submissions on the issue of law that arise. His main points are:

- the applicants are retailers operating a chain of shops around the country as well as having some mail order sales
- the goods sold bear the manufacturers' own brands (an example of the applicants' promotional material is exhibited at TGP2 in support of this)
- in contrast one item, a packet of golf tees, is badged with the applicants' mark (TGP3)

16. The remainder of the declaration goes in the main to objections raised by American Golf Corporation against the opponents' own applications.

#### Opponents' evidence in reply

17. Mr Norton filed a further statutory declaration. This largely confirms and expands on claims already made. I will draw on this material as necessary in reaching my decision. He also makes a number of observations which amount to submissions on the issues involved. The most significant point seems to me to be his comment that "Mr Pendered's statement regarding the manner of use of my company's trade marks and trading style would not appear to be relevant where passing off is alleged. It is sufficient that my company's business is identified by the name AMERICAN GOLF and its corporate logo that use of the applied for mark would confuse the public as to the trade origin of the goods in the application, and that such confusion would lead to damage to my company's business. That is what I understand to be passing off."

18. That completes my review of the evidence.

19. The grounds under Section 3 and 5(4)(b) were not pursued at the hearing and can be dismissed. Of the remaining ground I propose to deal firstly with Section 5(4)(a). The relevant Section reads:

"(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."

A helpful summary of the elements of an action for passing off can be found in *Halsbury's Laws of England* (4<sup>th</sup> 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] A.C 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:

(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 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."

20. Further guidance can be found in *WILD CHILD Trade Mark* 1998 RPC 455 to which I was referred at the hearing.

21. I have set out above, and in general terms, the evidence of use provided by the opponents and on which they base their claim to reputation and goodwill. Mr Carr attacked this evidence in a number of ways. His first point was that Mr Norton, the opponents' declarant, does not say how long he has been associated with his company and, therefore, it is possible that he is giving evidence about events that are outside his personal knowledge. In fact he also says he has taken information from company records but in Mr Carr's view that does not answer the point unless the particular source is given. The criticism is not wholly without foundation but should not be overstated. It is clear that Mr Norton has been Managing Director of the opponents for some time. I note that he has on several occasions written the introduction to the *American Golf Discount* magazine. I assume the magazines are occasional publications

and they do not generally carry a date. But from other material in the magazine it is possible to deduce dates. On that basis it is clear that he has been in post since at least as early as 1991 and can speak with authority about the company's activities from that time.

22. Next Mr Carr made a number of interrelated points about the nature and extent of the opponents' use, the signs actually used, and the consequences in law. In particular he submitted that AMERICAN GOLF DISCOUNT CENTRE and AMERICAN GOLF DISCOUNT have a low level of distinctiveness and are more descriptive than purely AMERICAN GOLF in relation to a shop selling golfing goods. Most of the use shown is, in his view, of the former rather than AMERICAN GOLF on its own. Furthermore it is said where descriptive words are concerned small differences can suffice to avoid confusion. Underpinning all of this is the submission, dealt with also in the related (cross) opposition cases, as to whether the use shown by the opponents is in relation to goods at all as opposed to retail services.

23. Before considering the opponents' evidence and the conclusion to be drawn from it I bear in mind a number of guiding principles in relation to descriptive or non-distinctive words in the context of passing off actions. Mr Carr referred me to *British Sugar PLC v James Robertson & Sons Ltd* 1996 RPC 281 at pages 302-3. The nub of the point being made there by Mr Justice Jacob can be gleaned from the following:

"I have already described the evidence used to support the original registration. It was really no more than evidence of use. Now it is all too easy to be beguiled by such evidence. There is an unspoken and illogical assumption that "use equals distinctiveness". The illogicality can be seen from an example; no matter how much use a manufacturer made of the word "Soap" as a purported trade mark for soap the word would not be distinctive of his goods. He could use fancy lettering as much as he liked, whatever he did would not turn the word into a trade mark."

24. In terms of the consequences where descriptive words are used, he also referred me to *Office Cleaning Services Ltd v Westminster Window and General Cleaners Ltd* 1946 RPC 39. The following passages are taken from pages 42 and 43:

"Foremost I put the fact that the Appellants chose to adopt as part of their title the words "Office Cleaning" which are English words in common use, apt and more apt than any other words to describe the service that they render."

and

"So long as descriptive words are used by two traders as part of their respective trade names, it is possible that some members of the public will be confused whatever the differentiating words may be. I am ready to believe that in this case genuine mistakes were made. I think they ought not to have been made. In the *Vacuum Cleaner* case it appeared that ninety per cent. of its customers had addressed the Plaintiffs, the *British Vacuum Cleaner Coy., Ltd.* as the "*Vacuum Cleaner Coy.*" In spite of this fact and of instances of actual confusion *Parker J.* refused to grant an injunction to restrain the *New Vacuum Cleaner Coy., Ltd.* from using the words "vacuum cleaner" in conjunction

as part of its registered or other name. So in *Turton v Turton* (42 Ch. D.128) the possibility of blunders by the public was held not to disentitle the defendant from trading in his own name though the plaintiff had long traded in the same name. It comes in the end, I think, to no more than this, that where a trader adopts words in common use for his trade name, some risk of confusion is inevitable. But that risk must be run unless the first user is allowed unfairly to monopolise the words. The Court will accept comparatively small differences as sufficient to avert confusion. A greater degree of discrimination may fairly be expected from the public where a trade name consists wholly or in part of words descriptive of the articles to be sold or the services to be rendered."

25. I also draw some assistance from the following passages from *The Law of Passing off* (Wadlow) at 6.02

"Passing-off is relatively unconcerned with the distinction drawn in trade mark law between inherent capacity to distinguish and distinctiveness in fact. If factual distinctiveness exists, then it does not matter whether it was achieved with ease for a mark well adapted to distinguish or with difficulty for a mark of the opposite kind. If factual distinctiveness does not exist a traditional passing-off case must fail. Passing-off never has to deal with the common situation in trade mark law of deciding how readily a mark not yet in use may become distinctive; the question is always whether an existing mark is distinctive in fact. Because of this, and because there are few *a priori* restrictions on what may be considered distinctive, the supposed inherent capacity of a mark to distinguish is only one factor among many. If the plaintiff adopts a mark which is obviously descriptive or otherwise of low capacity to distinguish then the evidential burden on him becomes higher, but never impossible."

and, in relation to descriptive terms, at 6.28

"As an entirely separate matter, a trader who chooses to use a name or mark which is *prima facie* descriptive of his goods, services or business runs the risk that the public will continue to use the term in its descriptive sense rather than identifying it with him. He must prove that the mark has acquired a secondary meaning as denoting his goods, and the burden of doing so is higher in proportion to the descriptive quality of the mark. Even if secondary meaning is proved two problems remain. One is that no trader can be prevented from using the word in its old descriptive sense if he avoids misrepresentation. The second is that other traders may use similar and equally descriptive names or marks as their own and will be allowed to do so even if a degree of confusion results.

Although there are practical difficulties confronting the trader who chooses a descriptive word or phrase, there is no rule of law that marks which are descriptive in their literal meaning can be used with impunity by other traders. In *Reddaway v Banham*, *Camel Hair Belting* was held by the House of Lords to be distinctive of the plaintiffs, although the belting of both parties was predominantly composed of camel hair. The Court of Appeal had held that in those circumstances the defendant could not be restrained from using it, even in bad faith. Lord Hershell replied:



"I think the fallacy lies in overlooking the fact that a word may acquire in a trade a secondary signification differing from its primary one, and that if it is used, to persons in the trade who will understand it, and be known and intended to understand it in its secondary sense, it will, none the less be a falsehood that in its primary sense it may be true. A man who uses language which will convey to persons reading or hearing it a particular idea which is false, and who knows and intends this to be the case, is surely not to be absolved from a charge of falsehood because in another sense, which will not be conveyed and is not intended to be conveyed, it is true. In the present case the jury have found .... that the words '*Camel Hair*' had in the trade acquired a secondary signification in connection with belting; that they did not convey to persons dealing in belting the idea that it was made of camel hair, but that it was belting manufactured by the plaintiffs. They have found that the effect of using the words in the manner in which they were used by the defendants would be to lead purchasers to believe that they were obtaining goods manufactured by the plaintiffs, and thus both to deceive them and to injure the plaintiffs."

26. Thus the issue in each case is one of fact as to whether the sign used by an opponent has acquired a secondary meaning as indicating his particular goods or services. There is no absolute bar on even prima facie highly descriptive terms achieving such recognition but the difficulty such terms face in achieving that recognition will be proportionally greater.

27. What does the opponents' evidence establish? Given the specialist nature of the opponents' chosen market the business is of a very significant size judged in turnover terms alone. But use does not equal distinctiveness. The nature and substantiation of that use and the signs used are, therefore, of importance. Mrs Maddox emphasised that the opponents are unique in the marketplace in the sense that they operate high street shops specialising in golf clothing and equipment. Whether they are still unique some 11 years after the first store was opened is not clear but the applicants have produced no evidence to the contrary. The opponents also have an impressive advertising and promotional credentials. This has been a mixture of what I take to be national specialist golf magazines and local newspaper advertisements. A cursory review of the listings of local newspapers suggests that advertising is targeted towards those localities where stores exist. That is to be expected. The television and radio advertising follows a similar pattern of national (Sky) and local coverage. All the signs are that the company has invested in high profile store launches with the whole operation backed by an in house magazine and catalogues. Although it is not particularly relied on I note too that the company has for some time operated two golf courses. I find it highly improbable that such extensive and well publicised activity has not generated a significant awareness within the golfing public.

28. Two issues arise in this case as to the nature of the sign used and the nature of the business in relation to which it is used. Having carefully reviewed the evidence it seems to me that there are a number of variations on the basic theme. Thus the evidence shows use of AMERICAN GOLF DISCOUNT CENTRE, AMERICAN GOLF DISCOUNT, and AMERICAN GOLF and those words used in conjunction with the device of a golf ball incorporating elements of the United States flag. The device too varies slightly in form,

sometimes being used on its own but more often with the 'stripes' extending to the right to form an underlining of the words themselves. The predominant usage is of the words AMERICAN GOLF DISCOUNT with or without the golf ball/flag device. For convenience the following example from exhibit AGD5 shows the composite form.



29. I should add that the words and device almost invariably employ the colours red, white and blue thus reinforcing, if such were needed, the US theme. It is also apparent that usage of the words AMERICAN GOLF DISCOUNT CENTRE is largely in the context of reference to the stores themselves - see for instance the photograph of external signage on page 3 of the 1995 catalogue. Mr Carr was quite right in my view to say that use of AMERICAN GOLF is minimal and largely confined to the older exhibits such as the references in the 1991 magazine at AGD6 though there may be some residual use (see page 32 of AGD1).

30. The prevailing use is of the above composite sign, AMERICAN GOLF DISCOUNT and device. I do not have too much hesitation in coming to the view that it has become distinctive of the opponents. I should, however, put on record an argument advanced by Mr Carr because it has a bearing on his case that slight differences can avoid confusion where descriptive words are involved. His submission was that AMERICAN GOLF DISCOUNT CENTRE and AMERICAN GOLF DISCOUNT are more descriptive than AMERICAN GOLF because the words DISCOUNT CENTRE and DISCOUNT are apt to describe a retail store and the trade in that store. Given that AMERICAN GOLF is in itself, and absent the public being educated to see it as an indication of origin, non-distinctive I think the distinction Mr Carr was seeking to draw would be likely to be lost on the public.

31. The question also arises as to the nature of the opponents' business. Is their sign (or signs) known as a brand for relevant goods or in relation to a retail service. The point is, I think, rather more critical in relation to the cross opposition cases. Suffice to say here that the evidence in my view leads to a clear conclusion that the opponents' goodwill is in relation to their business as retailers of golf equipment and clothing. Almost without exception the advertising and catalogue exhibits show third party brands being offered. I cannot see, nor is it even claimed, that (with one trivial exception) there are any goods being offered under an AMERICAN GOLF DISCOUNT own brand or that there are any unbranded goods such as might lead the customer to consider the opponents as the source. I, therefore, conclude that the opponents' business as a retailer of golfing equipment is known by the name AMERICAN GOLF DISCOUNT or AMERICAN GOLF DISCOUNT CENTRE and device (including combinations thereof) and that they enjoy goodwill therein.

32. It is fair to say that both sides found themselves in some difficulty in relation to comparison of marks (whether in the context of misrepresentation for passing off purposes or confusion for Section 5(2) purposes). The difficulty arises because cross oppositions were

involved and would not, of course, exist if there were no underlying concerns about the marks. The applicants have referred in their evidence to an existing registration (No 1359608) in Class 41. That registration forms the basis for an objection under Section 5(2) in the related cross oppositions. Their application here is for what I take to be an updated version of the same mark. That is to say it is not an identical mark but is strikingly similar. That would appear to suggest that the applicants must recognise the difficulty in terms of their mark and the opponents' sign(s). Mr Carr did not, however, concede the confusion/misrepresentation point and sought to emphasise that (per the Office Cleaning Services case), in the case of a name with a low level of distinctiveness, small differences are adequate to avoid confusion. On that basis it is said that the opponents have no goodwill in AMERICAN GOLF simpliciter and the marks AMERICAN GOLF DISCOUNT CENTRE and AMERICAN GOLF DISCOUNT are sufficiently different to avoid confusion. I am inclined to accept that the opponents' claim in respect of AMERICAN GOLF is not a strong one but in my view the attempt to differentiate between the applicants' mark and the opponents' sign(s) on the basis of the words DISCOUNT CENTRE or DISCOUNT is altogether too subtle when considered in the context of public perception (and it ignores the device elements).

33. A further point was taken in the context of misrepresentation in that if (as has been the case) I were to accept that the opponents' goodwill is in relation to their business as a retailer of golfing goods, there is no common field of activity. In the law of passing off there is no limitation in respect of the parties' fields of activity. Nevertheless the proximity of an applicants' field of activity to that of the opponents is relevant as to whether a misrepresentation is likely to be involved (*Lego System Aktieselskab v Lego M Lemelstrich Ltd*, 1983 FSR 155). The LEGO case amply demonstrates that passing off can be found in circumstances where there is prima facie at least some distance between the goods (toy construction kits and garden sprinklers in that case). The fields of activity here are respectively golf clothing (in Classes 25 and 28) and the business of retailing golf clothing and equipment. The Registry's guidance note on 'Change of Practice on Retail Services' (PAC 13/00 of 26 September 2000) indicates that the Registry will conduct a search for earlier trade marks, inter alia, in the following circumstances

Applications which specify the type of specialist store that "bring together the goods" (or specialist catalogues etc), a search will normally be made into the main class or classes covering the principal goods brought together by the retailer.

34. Given that passing off is not bounded by the concept of similar goods/services I have little difficulty in accepting that closely associated fields of activity are involved here.

35. There is admittedly no significant evidence that the opponents as retailers have developed own brand goods (though the applicants' own evidence shows the opponents badging their own golf tees). But it is reasonable to pose the question as to what the reaction would be if the applicants' goods were to be offered for sale in a high street retail outlet to members of the golfing public who were already familiar with the opponents' sign. That would in my view result in confusion leading to a misrepresentation. Further I am prepared to infer that it would have a material impact (damage) on the opponents' business in terms of loss of sales, diversion of trade etc. The opposition, therefore, succeeds under Section 5(4)(a).

36. As I have been able to come to a clear view of the matter under Section 5(4)(a) I see no need to deal with the supplementary ground based on Section 5(2)(b).

37. As the opposition has been successful the opponents are entitled to a contribution towards their costs. I order the applicants to pay the opponents the sum of £1000. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 26 day of April 2001**

**M REYNOLDS  
For the Registrar  
the Comptroller-General**