

O-202-05

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION
NO. 2337401 TO REGISTER
A TRADE MARK IN CLASSES 25 AND 26
BY PAUL WHEELER, CASUAL**

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BACKGROUND

1. On 11 July 2003 Paul Wheeler of 140, Central Road Worcester Park Surrey applied to register a trade mark no. 2337401 under the provisions of the 1994 Trade Marks Act in respect of the following goods:

Clothing, footwear and headgear in Class 25
Lace and embroidery, badges for clothing in Class 26

The mark applied for is shown below.



2. An examination report detailing the examiner's view of Mr Wheeler's application was issued on 5 August 2003. In this report the applicant's attention was drawn to a conflicting earlier right and an objection under Section 5(2) of the Act was raised.

3. This objection was raised in respect of the goods covered by the applicant's Class 25 specification. It was made clear to the applicant that no confusion between this application and the earlier registered right was likely in respect of the goods covered in class 26.

4. The earlier conflicting right consisted of a device of a phoenix and had been registered by the UK Registry in respect of:

“Articles of clothing; footwear and headgear”

The mark is shown below:



The mark is registration number 2171787 registered in the name of Kevin Mark Payne in Class 25.

5. On the 11th August 2004 the applicant filed evidence of use of the mark. The purpose of this evidence was to demonstrate ‘honest concurrent use’ of the mark applied for. In a witness statement, Paul Wheeler stated that the mark was first used by Paul Wheeler trading as a company called ‘Casual’ in 1996. Prior to that use could be traced to 1991. Exhibits of the mark were supplied and a yearly turnover of £6,545.50 was declared. Mr Wheeler stated that ‘in respect of the advertising figures for the trademark, there is no advertising as it is a requirement for children to wear the uniform and the parents are fully aware of where to purchase the garments.’ Mr Wheeler went on to state that the goods his mark relates to are specifically: ‘Sweatshirts, polo shirts, ties; all being school uniform.’ and ‘Embroidered badges being parts of school uniform.’

6. On 26th August 2004 the evidence was rejected because the examiner felt that it did not demonstrate sufficient use of the mark applied for to justify waiving the cited mark under the terms of Section 7 of the 1994 Trade Marks Act. The mark was subsequently refused under the terms of Section 37(4) on 8 March 2005.

7. I am now asked under Section 76 of the Act and Rule 62(2) of the Trade Marks Rules 2000 to state in writing the grounds of my decision and the materials used in arriving at it.

DECISION

8. There are two issues at stake here: firstly the original grounds for objection to the application under the terms of Section 5(2) of the Act, and secondly the reasons why it was felt that this application could not be accepted under the terms of Section 7 of the 1994 Trade Marks Act. If either of those decisions was not justified, then the final refusal of the mark under Section 37(4) of the Act should not have been issued.

Comparison of marks (Section 5(2))

The Law

9. **Section 5(2)** of the Act reads as follows:

“5 – (2) A trade mark shall not be registered if because –

(a) it is identical with an earlier mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or

(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.”

10. An earlier trade mark is defined in Section 6(1) which states:

“6 – (1) In this Act an “earlier trade mark” means –

(a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

11 I take into account the guidance provided by the European Court of Justice (ECJ) in the following cases: *Sabel BV v Puma AG* [1998] R.P.C. 199. *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co GmnH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723.

12. It is clear from these cases that:

(a) the likelihood of confusion must be appreciated globally taking into account all relevant factors. *Sabel BV v Puma AG*;

(b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*. The average consumer is deemed to be reasonably well informed and reasonably circumspect and observant – but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them kept in his/her mind. *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel, B.V.*;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. *Sabel BV v Puma AG*;

- (d) The visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components. *Sabel BV v Puma AG*;
- (e) A global assessment of the likelihood of confusion implies some interdependence between the relevant facts, and in particular a similarity between the trade marks and between these goods or services. Accordingly, a lesser degree of similarity between these goods and services may be offset by a greater degree of similarity between the marks and vice versa. *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*;
- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it. *Sabel BV v Puma, AG*;
- (g) mere association in the sense that the later mark brings the earlier mark to mind is not sufficient for the purposes of section 5(2). *Sabel BV v Puma, AG*;
- (h) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section. *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*.

13. The global comparison of marks therefore means that a number of elements must be analysed before effective judgement can be made.

Prima facie comparison

Comparison of the marks

14. The earlier trade mark is a registered mark and is therefore deemed to be valid (Section 72 of the 1994 Trade Marks Act refers). The earlier mark consists of a device of a phoenix emerging from flames. Its wings are extended and it's face is shown in profile. Although the mark contains no words it would, I feel, make an impact on an average consumer. It has no possible descriptive connotation in relation to the goods it is registered for and would, I feel, be seen as a highly distinctive indication of trade origin by the relevant public.

15. The current application shows a phoenix-like creature with wings outstretched as it emerges from flames. Its face is shown in profile. Beneath the phoenix is the word 'UNDAUNTED'.

16. There are clear similarities between the marks. Both phoenixes have their wings outstretched, their faces are in profile facing the left side of the device and they both appear over an image of fire. The significant difference between the marks is the presence of the word 'UNDAUNTED' in the applicant's mark.

Comparison of the goods

17. Both registration and application cover identical goods. The Registration includes clothing at large. Although the applicant stated in later evidence that the chief area of interest was 'Sweatshirts, polo shirts, ties; all being school uniform;' these goods must be seen as a subset of those already registered by 2171787. Therefore the goods in question in this dispute must be considered to be identical. For this reason the decision as to whether confusion on behalf of the average consumer is likely depends on analysis of the marks and the context in which they are used.

Likelihood of confusion

18. According to the guidance laid down by the European Court of Justice the likelihood of confusion on a global comparison must be made taking into consideration all the relevant factors mentioned above. In this case the decision is simplified by the fact that the applicant seeks a registration for identical goods as those registered under 2171787. The issue to be decided can, for the sake of simplicity, be expressed as follows: 'is an average consumer of clothing (specifically school uniform polo shirts) likely to think that goods sold under the applicant's mark actually originate from the source identified by the previously registered phoenix logo?'

19. The average consumer is considered to be reasonably circumspect, however, he or she must be understood as having an imperfect recollection of any two marks. Confusion is not likely where a shopper can stand in front of two products and measure the differences in their branding. Confusion occurs when a consumer encounters one product some time after the other. Here we must understand that a holistic analysis occurs in the mind of the average consumer. The consumer does not disassemble marks in their mind; whole is compared with whole. In situations where marks are highly distinctive, or contain a highly distinctive element, confusion is more likely than in those where marks are relatively weak.

20. In this situation the registered device mark, I have already said, is highly distinctive. It is an effective badge of origin. The applicant's mark consists of a device which I believe is similar to that already registered. On an analysis of these elements alone I believe confusion would be likely, the device elements are almost identical.

21. However, the applicant's mark includes the word UNDAUNTED. The issue of confusability must be considered globally. Marks and specifications must be compared in their entirety, not as a series deconstructed facets. Notwithstanding this point, it is the presence of the word UNDAUNTED that might be argued to help create a clear and distinct identity in the mind of the average consumer. I do not think this likely though. The word UNDAUNTED appears as a motto beneath a badge. It is, it appears to me, unlikely that the word would alter the average consumer's general impression that goods sold under both marks are most likely to come from a common source identified by the common phoenix image.

Decision regarding section 5(2)

22. I consider there is a probability of confusion between these marks sufficient to give rise to a likelihood of confusion within the meaning of Section 5(2)(b) of the Act.

Honest concurrent use (Section 7)

The Law

23. Section 7 (1) (2) and (3) of the 1994 Trade Marks Act states:

“7(1) This section applies where on an application for the registration of a trade mark it appears to the registrar –
(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), 5(2) or (3) obtain, or
(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied, but the applicant shows to the satisfaction of the registrar that there has been honest concurrent use of the trade mark for which registration is sought.

(2) In that case the registrar shall not refuse the application by reason of the earlier trade mark or other earlier right unless objection on that ground is raised in opposition proceedings by the proprietor of that earlier trade mark or other earlier right.

(3) For the purposes of this section “honest concurrent use” means such use in the United Kingdom, by the applicant or with his consent, as would formerly have amounted to honest concurrent use for the purposes of section 12(2) of the Trade Marks Act 1938.”

24. Section 7(2) of the 1994 Act states that ‘honest concurrent use’ means use by the applicant that would formerly have amounted to honest concurrent use as defined by section 12(2) of the 1938 Trade Marks Act. The Registrar's practice under the 1938 Trade Marks Act was to focus on the use that had been

made of the later filed application. The requirements in this respect are quite rigorous in that five years good use before the date of application is usually regarded as a starting point, but that of course may be varied depending on the scale of use and the extent of advertising.

25. The approach to be followed when considering honest concurrent use is set out by Lord Tomlin in the *Alex Pirie and Sons Ltd* application (1933) 50 R.P.C. 147. A summary of the factors that the tribunal should take into account when considering an application for honest concurrent use is given in Kerly's Law of Trade Marks and Trade Names (13th Edition) at page 261 namely:

- (1) the extent of use in time and quantity and the area of trade;
- (2) the degree of confusion likely to ensue from the resemblance of the marks which is to a large extent indicative of the measure of public inconvenience;
- (3) the honesty of the concurrent use;
- (4) whether any instances of confusion have in fact been proved;
- (5) the relative inconvenience which would be caused if the mark were registered.

26. And also on page 262:

“Public interest

The tribunal should always consider the public interest. This has long been a matter taken into account in determining whether there is honest concurrent use. Accordingly, the Registrar should always consider whether the public are adequately protected. The tribunal will consider whether it is just to register, even if there is some confusion.”

Evidence submitted

27. The evidence submitted by Mr Paul Wheeler in respect of his application to register the mark illustrated at the beginning of this decision consists of a witness statement in which he states that the mark was first used in 1991 in respect of clothing and embroidery. However, the mark did not come into Mr Wheeler's ownership until 1996. Since Mr Wheeler has provided no evidence that any goodwill established in the mark prior to 1996 was transferred to him I consider the date of Mr Wheeler's evidence of honest concurrent use to be 1996.

28. Between 1996 and 2003 Mr Wheeler claims to have a yearly turnover of £6,545.50. A graph was provided showing that £2,997 was spent on polo tops; £2,548 was spent on jumpers, £550 was spent on ties and £450 was spent on

badges. Mr Wheeler states that there he has spent nothing on advertising (because the mark is used on school clothing).

29. Mr Wheeler states that the mark has been used in Worcester Park, Surrey.

30. Finally, he states that the precise goods the mark is used upon are 'Sweatshirts, polo shirts, ties; all being school uniform.' An exhibit (CAS1) showing these goods was filed.

31. Mr Wheeler also refers to goods in class 26 but since these have already been accepted by the examiner as there is no clash with the cited registration I will not consider these goods here.

32. A further Exhibit from Casebournes Limited (Embroidery Manufacturers) was submitted stating that Casebournes Ltd have made 'embroidered logos' in the form of the mark applied for school uniforms for over ten years.

Decision regarding Section 7

33. Lord Tomlin considered that a certain degree of confusion between the two marks is tolerable if the overall equitable considerations outweigh the risk of widespread confusion. Indeed the *Pirie* Application was eventually allowed to proceed on the basis of honest concurrent use after full consideration of the facts had been given. The considerations therefore are all a matter of degree, and the points, as summarised by Kerley's Law of Trade Marks and Trade Names earlier in this decision must be considered carefully in any claim for honest concurrent use.

1/ The extent of use in time and the quantity and area of the trade

The applicant has demonstrated only very limited use in a very precise area. Turnover figures are not sufficient to show that a significant portion of the relevant public has been exposed to the mark. Mr Wheeler himself declares that his mark has only been used in Worcester Park. This is insufficient. The lack of any advertising of the mark does not mitigate against this state of affairs. Furthermore, the use demonstrated appears to be quite specifically of the 'mark' as a badge on school uniform. The average consumer of these goods would, I think, associate the badge with the school it represents, not the place where the product was bought. I therefore do not consider the evidence assists the applicant's case under Section 7.

2/ The degree of confusion likely to ensue from the resemblance of the marks is to a large extent indicative of the measure of public inconvenience

I have already stated with regards the objection raised under section 5(2) of the act that the likelihood of confusion on behalf of the average consumer of these goods is high.

3/ The honesty of the concurrent use

Based on the evidence before me I consider that the applicant's use of the mark is honest.

4/ Whether any instances of confusion have in fact been proved.

There is no evidence of confusion but neither is there any evidence of use of the earlier trade marks.

5/ The relative inconvenience which would be caused if the mark were registered.

A decision to refuse registration will, obviously, cause inconvenience to the applicant, for whilst the evidence supplied is not substantial it does show consistent (if localised) use. However, I consider the relative inconvenience that would be imposed on the owners of the registered mark to be far higher because the case for honest concurrent use has not been made. The evidence submitted shows limited local use suggesting that the mark has been exposed to a relatively small number of school uniform buyers in one town in England. The similarity between the marks is, I have already said, high. I do not believe the applicant has set out a compelling case for the acceptance of his application under the terms of section 7(3).

Overall conclusion

34. The application is not registrable because it is debarred from registration by section 5(2).

35. The evidence filed to substantiate the claim that the trade mark has acquired honest concurrent use is not considered sufficient to satisfy the Registrar that registration of the applicant's trade mark would be prudent.

36. In this decision I have considered all of the documents filed by the applicant and all of the arguments submitted to me in relation to this application and, for the reasons given above, it is refused under the terms of Section 37(4) of the Act.

Dated this 18th day of July 2005

Dan Anthony
For the Registrar
The Comptroller-General