

O-411-10

**TRADE MARKS ACT 1994**

**TRADE MARK APPLICATION No. 2491924**

**BY POWAWALKER LTD**

**TO REGISTER THE MARK 'POWAWALKER' IN CLASS 12**

**AND**

**OPPOSITION No. 98224**

**BY POWAKADDY INTERNATIONAL LTD**

## Background

1. On 3 July 2008, Powawalker Limited applied to register the trade mark shown below for 'Electrically powered trolleys'.



2. On 10 November 2008, Powakaddy International Limited filed opposition to the proposed registration. The grounds of opposition are, in summary, that:

- i) The opponent is the proprietor of earlier UK trade mark 1572198 – POWAKADDY – which is registered in Class 12 for, inter alia, motorised golf trolleys.
- ii) These are identical goods to those covered by the opposed application.
- iii) The POWAKADDY mark has a very distinctive character, both inherently and because it has been in use for over 25 years and is the market leader for golf carts and trolleys.
- iv) The opposed mark utilises an identical, distinctive and recognisable prefix (Powa).
- v) Members of the public are therefore likely to believe that there is an economic connection between the opponent and goods marketed under the opposed mark.
- vi) Use of the opposed mark would also take unfair advantage of the reputation of the earlier mark because, inter alia, it would derive unearned benefit by association or perceived connection with the market leader.
- vii) Registration should therefore be refused under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994.

3. The applicant denies the grounds of opposition.

4. Both sides ask for an award of costs.

## Directions for a public survey

5. Following the Court of Appeal's judgment in *esure Insurance v Direct Line Insurance Plc [2008] R.P.C. 34*, the opponent wrote to the Registrar on 18 June 2009 seeking directions about the scope and methodology of a proposed public survey. In summary, the opponent proposed to conduct a survey of 50-100 golfers at 2 or 3 golf clubs. Following correspondence, I indicated that the Registrar would

have no objection to a survey which consisted of golfers being shown a representation of the opposed trade mark and asked, *“If you saw this trade mark used on electrically powered golf trolleys, would you be able to tell me who is responsible for making them?”* Whatever the respondent answered, he or she was then to be asked *“Why do you say this?”* The answer and any explanation would be recorded verbatim.

6. Following a case management conference held on 12 August 2009, I gave further directions about the methodology for the survey. These were that:

- i) The survey should be conducted by, or under the direct supervision of, a suitably trained market researcher or legal professional, who should introduce the results of the survey under a witness statement.
- ii) The individual response sheets for each interview should be filed and signed by the person who conducted the interview.

7. In response to my concern that the respondents’ answers might be affected by discussions with other respondents prior to some of them being interviewed, the opponent proposed to conduct the survey amongst people leaving the golf clubs. I accepted that this also overcame a concern that the applicant’s representative expressed about interviews taking place in pro shops, or otherwise in proximity to places where the opponent’s goods were on sale.

## **The evidence**

### **The opponent’s public survey**

8. The opponent conducted a survey of 100 people between 11 September 2009 and 23 September 2009 at a single golf club in Oxfordshire. The results are recorded in a witness statement by Christine Mather, who is a trade mark associate employed by Fry Heath Spence, which represents the opponent. Ms Mather says that she conducted the survey *“broadly in line with the instructions”* given to her, which she exhibits as CM1. These instructions reflect the Registrar’s directions. However, Ms Mather says that she was told by her supervisor that the club owner had advised against waiting in the car park to interview golfers leaving the club as they would generally be in a hurry to go home. After speaking to the golf pro, Ms Mather instead installed herself at a table next to the door in the clubhouse, which was separated from the other tables. Ms Mather describes the situation in the clubhouse like this:

“The clubhouse bar was like any other in that people kept themselves to themselves or talked to their playing partners, ie, there was no interaction between the tables as far as I could tell. The club house had a high turnover of clients and for most of the time I was there, was only ever a quarter or a half full at most. In other words, there was not a room full of people that I slowly interviewed over the course of several hours; rather, the clientele was transient.”

9. Ms Mather interviewed 65 golfers in the club house on 11 and 12 September. She returned to the same golf club on 22 September and interviewed a further 25 golfers. She describes the process like this:

“The interviews in the club house took place in the following manner: I asked some golfers to take part as they were leaving the bar area and called individuals over to my table, one at a time; others I would approach as they were standing at the bar or sitting at a table and asked them to accompany me to my table, again one at a time. There were usually 2, 3 or 4 golfers at each table (reflecting I guess the pairings or groupings playing on the course). Each golfer would get up from his group as the other returned. I did not begin the survey until each interviewee had come over to my table and, as part of the survey, I asked whether they had discussed the survey questions with anyone else and, on concluding the survey, asked them not to discuss the survey with the others. I do not believe that the interviewees had discussed the survey with others at their table; this is supported by the fact that by and large there was a mixture of answers coming from the same table; ie, some were able to tell me who was responsible for making electrically powered golf trolleys bearing the POWAWALKER trade mark, whilst others were not.”

10. Ms Mather returned to the golf club a third time on 23 September and interviewed a further 10 golfers. This time the interviews took place *“mostly outside the bar and individually and away from other golfers”*.

11. The records of the 100 interviews are exhibited as CM2-4 to Ms Mather’s statement. It is apparent from these records that each interviewee was asked whether they had discussed the matter with anyone beforehand. Every respondent said ‘no’.

12. Ms Mather concludes that 65% of the 100 interviewees could not tell her who made PowaWalker golf trolleys (I return to the results of the survey in more detail below).

### **The opponent’s goodwill and reputation**

13. The opponent’s evidence also includes two witness statements from Robert Ledger, who is the Operations Director of Powakaddy International Ltd. Mr Ledger’s first statement provides details of the nature and extent of the opponent’s use of the earlier mark. He says that the mark has been used continuously in the UK since 1983 in respect of motorised golf trolleys and batteries for use with such trolleys. Until 1992 the mark was used with the letters POWA in a larger and different font to the word ‘Kaddy’. From 1992 to 2002 the two elements of the mark were presented in the same font and size, but the two elements of the mark retained a degree of separation by the use of a capital ‘K’. From 2002 to the present the mark has been used as a single word without any form of visual distinction between the POWA and KADDY elements, but accompanied by a figurative mark consisting of a stylised letter ‘K’ (the inference being that a conceptual distinction was maintained).

14. Mr Ledger provides sales figures which show that the opponent made substantial sales under the mark between 1989 and 2007. Retail sales in 2007 exceeded £26m. The bulk of this related to the sale of around 36k motorised golf trolleys and around 15k golf pull carts. The opponent spends over £300k per annum promoting its goods

in the UK, mainly in publications aimed at the golfing market. The mark is also promoted at exhibitions and has received some celebrity endorsements from the likes of Ronan Keating, Sir Matthew Pinsent, David Seaman and Alan Shearer. It is common ground that POWAKADDY had been used extensively in the UK by the date of the opposed application.

### **Concurrent use of PowaWalker by the applicant or its predecessor in title**

15. The applicant's evidence takes the form of two witness statements by Michael Ferguson, who is the owner and director of the applicant company. Mr Ferguson says that he used the mark PowaWalker as a sole trader in relation to electric powered trolleys from 1994 to 2007, when the applicant company was incorporated. His evidence is that he has now assigned his rights under the name to the applicant. Mr Ferguson provides turnover figures showing a modest but increasing trade under the mark. For example, Mr Ferguson/the applicant sold £120k worth of trolleys under the mark in 2007. In the same year, £20k was spent promoting products under the mark. It is evident from the exhibits to Mr Ferguson's statement that his company's trolleys are used by anglers to transport fishing equipment and are therefore aimed at the fishing market. This is reflected in the nature of the publications and events at which the mark has been promoted.

### **The distinctiveness of the POWA prefix**

16. For the opponent, Mr Ledger says that he is not aware of any other competitors using a POWA prefix for motorised golf trolleys or golf products. He also exhibits (as RL9) copies of witness statements which were drawn up for use in another opposition against an application by a third party to register POWADRIVE for batteries.

16. One of these is from a Greg Dunbar, who is the Group Ad Manager for Golf Monthly. Mr Dunbar says that he is unaware of any other companies that advertise golf products using a POWA prefix.

17. For the applicant, Mr Ferguson gives evidence of pages from a UK web site dated 2009, which indicate that a motorised golf trolley called POWA-PRO was available for sale. This is the year after the date of the opposed application (which is when the grounds of opposition must be assessed), but there is a product review from a Terry Leggett which indicates that he bought this trolley 5 years earlier.

18. Mr Ferguson also provides (as exhibit MF9) evidence from eBay's web site, which suggests that batteries for golf trolleys were sold in the UK prior to the date of the opposed application under the mark POWADRIVE.

19. Evidence is also provided (in exhibit MF10) from a web archive which shows that a motorised golf buggy called a POWAGLYDA was featured in The Sunday Times in 2005 and that it was on sale for £749 from a company called Powabyke.

20. Mr Ledger responded to some of the applicant's evidence in his second witness statement. He says that despite his close involvement in the market, he has never heard of the POWA-PRO product and he therefore thinks it likely that it was a "fly by

night" operation. He accepts that the opponent is aware of use by a third party of the mark POWADRIVE for batteries for use in golf trolleys, but points out that these are not golf products as such.

21. Mr Ledger also accepts that the opponent is aware of the applicant's use of PowaWalker for fishing trolleys. He says that the opponent does not object to such limited use and has indicated its preparedness to settle matters if the applicant excludes golf trolleys from the list of goods for which registration is sought.

## **The Hearing**

22. The matter came to be heard on 30 September 2010 when the applicant was represented by Mr Dominic Hughes of Counsel, instructed by Wildbore and Gibbons, and the opponent was represented by Mr Michael Edenborough Q.C., instructed by Fry Heath Spence.

23. Prior to the hearing, the applicant made a conditional offer to restrict its list of goods by excluding golf trolleys. This non-binding restriction was offered only in the event that I was against the applicant's primary position, that the opposition should be dismissed.

## **The survey evidence**

24. On the face of things, 64 respondents made no connection with the opponent's earlier mark, 13 gave answers indicating that, although the applicant's mark brought the earlier mark to mind, they would not be confused, and 23 gave answers indicating that they would be confused. Nearly all of these realised that the marks were different, but appeared to expect that there would be an economic connection between the opponent and the user of the applicant's mark. The main reason given for this was that both marks began POWA-.

25. Mr Hughes submitted that the survey was seriously defective because:

- i) The level of consideration given by the respondents in the survey was far removed from that involved in selecting an expensive item like a golf trolley.
- ii) The answers to the questions did not distinguish between confusion and a mere bringing to mind of the earlier mark.
- iii) The survey was too small and geographically limited to be of much evidential value.

26. Mr Edenborough accepted that the survey was small and informal and could not therefore be regarded as statistically accurate. Nevertheless, he submitted that it showed that a large number of people were confused, mostly because the Powa-element in the applicant's mark caused people to wrongly believe that it was a subsidiary or sub-brand of POWAKADDY.

27. A survey without any statistical significance is unlikely to be of much evidential value. This is because unless it represents something more than just the responses of those involved, it cannot be taken to mean that anyone else would be confused, in which case it will be difficult to assimilate the results of the survey with the reaction of an average consumer. However, there is a big difference between a survey that is statistically imprecise and one that is statistically meaningless. Smallish numbers and limited geographical coverage are likely to mean that a survey is statistically imprecise, but that does not mean that the survey is statistically meaningless. As Robin Jacob J. (as he then was) said in *Unilever PLC's Trade Mark Application* [2003] RPC 35 (at page 660) "Are there enough? In [that] connection it is sometimes forgotten that one is looking for a broad picture rather than the precision which large numbers can bring". In that case just 82 people were interviewed, but the survey was not rejected for that reason. The survey in this case would have carried more weight if the sample was larger and spread over several locations. However, I do not believe that the survey should be disregarded simply because of its limited size and geographical scope.

28. It is for me to assess the extent of the likely confusion indicated by the survey and the level of "bringing to mind". The mere fact that the individual answers require analysis and interpretation in order to make this assessment is not a reason to disregard the survey. It may have helped if the survey results had been accompanied by expert evidence to assist me with the task, but my own experience of such evidence is that it usually appears to 'spin' the results in favour of whoever paid for the expert, thereby raising more questions than it answers. So I do not think that there is anything in Mr Hughes second criticism of the survey either.

29. I see the force of the first criticism. In assessing the likelihood of confusion, it is well established that it is necessary to take account of the likely reaction of an average consumer. Such a consumer is deemed to be reasonably observant and circumspect, but their level of attention is likely to vary according to the category of goods in question: see *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 at paragraph 26. This is because, as the Court of Justice later explained in paragraph 40 of its judgment in *Picasso v OHIM*, Case C-361/04, [2006] E.T.M.R.29:

"40. Where it is established in fact that the objective characteristics of a given product mean that the average consumer purchases it only after a particularly careful examination, it is important in law to take into account that such a fact may reduce the likelihood of confusion between marks relating to such goods at the crucial moment when the choice between those goods and marks is made."

30. A motorised golf trolley is an expensive item which is likely to be selected only after a careful examination. The survey did not come close to replicating the level of attention that a golfer would pay when selecting a trolley. Mr Edenborough reminded me that post sale confusion should also be taken into account. I accept this point and also that certain types of post sale confusion may result from a level of attention comparable to that paid by the respondents during the survey. However, I do not accept that this means that the higher level of attention paid during the process of selection is unimportant or of no greater importance than the level of attention paid at any other time. This is because, as the Court of Justice noted at paragraph 42 of its judgment in *Picasso*:

“..it is clear that, whatever the goods and marks at issue, there will always be situations in which the public faced with them will grant them only a low degree of attention. However, to require that account be taken of the lowest degree of attention which the public is capable of displaying when faced with a product and a mark would amount to denying all relevance, for the purpose of an assessment of the likelihood of confusion, to the criterion relating to the variable level of attention according to the category of goods, noted in paragraph 38 of this judgment.

31. I will therefore take account of the mismatch between the level of consumer attention paid by respondents during the survey, as compared to during the process of selecting motorised golf trolleys. This goes to the weight that should be given to the survey results. For example, one of the 23 respondents I have counted as indicating that he was likely to be confused - Mr Roy Williams – initially thought that the mark shown to him was POWAKADDY. He quickly realised his mistake and is recorded as having said that he did not look at the mark closely enough. It seems very unlikely that he would have made the initial mistake if he was paying the level of attention associated with the selection of an electric golf trolley.

32. There is another factor which I think must be taken into account. As explained above, the opponent proposed to conduct the survey amongst golfers at the point at which they left the golf club. However, the plan was changed and the interviews were instead conducted in the club house or in the bar area. This is unsatisfactory. Ms Mather’s own evidence shows why. Ms Mather approached respondents in the club house individually and asked them to accompany her to her table. Where respondents were sat together in groups of 2-4, they did this sequentially, with one golfer getting up as another returned. Ms Mather does not say how she explained her invitation to join her at her table, but it is likely that some explanation must have been offered. Whatever was said, it is inevitable that fellow golfers would have asked those returning to their seats what it was all about. Of course, Ms Mather says that she asked each respondent not to discuss the matter with others. However, in my view, it is simply incredible that not one of the respondents interviewed said anything to their fellow golfers about the purpose of the survey or their answers, particularly with regard to other members of their own group. I accept that all 100 said that they had not, but I think that is far more likely to be because they were aware that Ms Mather had asked those going before not to discuss the matter, rather than because no such discussions had occurred.

33. This conclusion is consistent with the difference between the results of the interviews conducted mainly in the club house on 10/ 11<sup>th</sup> and 22<sup>nd</sup> September 2009 and those conducted on 23 September “*mostly outside the bar and individually and away from other golfers*”. Of the 90 interviews conducted over the first three dates, 34 respondents mentioned POWAKADDY in their answers. However, in the 10 interviews conducted on the last visit, only 2 respondents mentioned POWAKADDY (and only one thought there would be an economic connection between the parties). This was Ms Mather’s third visit over four days to the same golf club and one might have expected social chatter at the club about the on-going survey to have influenced later respondents’ answers in the opponent’s favour. Instead, interviewing golfers “*mostly outside the bar and individually and away from other golfers*” seems to have had the opposite effect.



34. The significance of this is obvious. If someone who has connected the mark shown to them in the survey with POWAKADDY tells other potential respondents what they had said, then they may plant that connection in the minds of the others, whether or not they would have made the connection themselves. Anticipating this criticism, Ms Mather points out that she sometimes received different answers from those sat at the same table. However, this misses the point. The question is how many more respondents said 'yes' to question 1 because a connection between the marks had already been planted in their minds through discussions about the survey with their fellow golfers, not whether it was still possible in these circumstances for respondents to deny making any such connection themselves. I will therefore also take into account this defect in the conduct of the survey in deciding how much weight to give to the survey results. The opponent should not be surprised at this. Having sought directions on one basis, to then conduct the survey on a different basis inevitably risked affecting the weight that would be given to it.

35. Mr Edenborough submitted that there was another factor which skewed the results of the survey in the applicant's favour. Namely, that a number of the respondents who made no connection with POWAKADDY were not potential customers for electric trolleys, mainly because they said so, or words to that effect, such as that they carried their own clubs. I accept that when asked why they were unable to tell the interviewer who was responsible for PowaWalker trolleys, around 15 of the respondents' gave answers which indicated they were not in the market for an electric trolley. The opponent designed the survey and must have assumed at that time that all golfers were potential customers. This must be why no initial filtering question was thought necessary. It is now trying to introduce a filter through analysis of the respondents' answers. However, all respondents were asked the same "why do you say this?" follow up question irrespective of whether or not they had been able to say who they thought made PowaWalker trolleys. Those respondents who were effectively explaining why they had been unable to say who made PowaWalker trolleys were far more likely to profess themselves to be uninterested in buying electric trolleys than those who were explaining why they had identified a particular undertaking. Consequently, it is not safe to remove those respondents who indicated that they were not in the market for an electric trolley from the 'no' group without being able to apply a similar filter to the 'yes' group, some of whom may have been similarly outside the market for electric golf trolleys, despite being golfers and having an opinion about who would make PowaWalker golf trolleys.

36. Taking all these factors into account, I find that although the survey indicates that some consumers would expect there to be an economic connection between the user of the mark applied and the user of the POWAKADDY mark, and that the applicant's mark caused others to think about the POWAKADDY mark, the degree of likely confusion and (to a lesser extent) association suggested by the survey is likely to be significantly overstated.

### **The s.5(2)(b) ground of Opposition**

37. The relevant part of s.5 is as follows:

- 5 (2) A trade mark shall not be registered if because -
- (a) -

(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.

38. It is common ground that the opponent's mark is an "earlier trade mark" for the purposes of s.5. The applicant has sensibly not put the opponent to the trouble of showing use of the earlier mark. Consequently, there is no need to consider the proof of use requirement set out in s.6A.

39. In my consideration of whether there is a likelihood of confusion between the earlier mark and the applicant's mark, I take into account the guidance from the settled case law of the ECJ in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, and *Shaker di L. Laudato & C. Sas v OHIM C-334/05 P* (LIMONCELLO). It is clear from these cases that:

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

(b) the matter must be judged through the eyes (and ears) of the average consumer of the services in question; *Sabel BV v Puma AG*, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *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 normally 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) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements; *Shaker di L. Laudato & C. Sas v OHIM*

(f) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*,

(g) 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*,

(h) 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*,

(i) further, the highly distinctive character of the earlier mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v. Adidas AG*, paragraph 41.

### **Comparison of goods**

40. I think it is self evident that ‘motorised golf trolleys’ are a subset of ‘electric powered trolleys’. This is confirmed by the applicant’s conditional offer to exclude the former description from the latter. Absent any restriction, the applicant’s description of goods therefore covers identical goods to those for which the earlier mark is protected. To the extent that the applicant’s description of goods also covers other motorised trolleys, it also covers goods which are similar to the opponent’s goods.

### **Average Consumer**

41. The average consumer of the applicant’s goods is a customer or a potential customer for an electric motorised trolley, including a motorised golf trolley. As noted above, these are relatively expensive products. The average consumer is therefore likely to pay an above average level of attention when selecting the goods. One of the respondents in the survey – David Hawkins - gives an indication of the likely selection process. Mr Hawkins said that he had never had any interest in having a powered trolley, but that [presumably, if he did] he “..would look in golf magazines and take advice from a professional”.

### **Distinctive character of the earlier mark**

42. It is common ground that the earlier mark has been used extensively for golf trolleys for many years. It appears to be the market leader in the UK for such goods. Despite this, Mr Hughes submitted that the mark has a below average level of distinctive character because it is descriptive: POWA- being a recognisable mis-spelling of POWER, and KADDY being a recognisable mis-spelling of CADDY. Of course, a caddy is usually a person not a trolley, but (the argument goes) it is, by analogy of purpose, also applicable to golf trolleys. I would not have thought that a motorised trolley would normally be described as a ‘caddy’, not least because a (human) caddy does more than just transport clubs. However, the list of goods for which the earlier mark is registered provides some support for the applicant’s argument on this point because it includes ‘golf caddies’. I therefore accept that both elements of the opponent’s mark are comprised of obvious mis-spellings of descriptive terms. Nevertheless, I find that as a result of the opponent’s extensive use of POWAKADDY it had become highly distinctive of the opponent’s goods by the date of the applicant’s application (the relevant date).

43. I do not, however, consider that the evidence establishes that the prefix POWA was, by itself, highly distinctive of the opponent’s goods. As a matter of law, it is possible for a trade mark to acquire a distinctive character (or an enhanced distinctive character) as a result of its use as a part of another mark. However, “the

*average consumer normally perceives a mark as a whole and does not proceed to analyse its various details*". Consequently, in order to establish that just one part of a trade mark has become distinctive of the user of the whole mark, it is necessary to provide evidence from which that result can, at the least, be inferred. Apart from the survey, there is no such evidence before me. For example, there is no evidence that the opponent has used a 'family' of POWA- marks so as to particularly associate marks with that prefix with its products. Further, although the opponent has, in the past, made use of versions of the earlier mark in which the prefix POWA was separated from the word KADDY, during the six years prior to the date of the application, the earlier mark was used as it is registered, as the single word POWAKADDY. I have not overlooked that some of the more recent use of the mark was in combination with a stylised K device, but, if that says anything, it is more about the distinctiveness of the 'kaddy' suffix than the distinctiveness of the 'Powa' prefix.

44. I therefore find that, although the earlier mark as a whole had a highly distinctive character for golf trolleys at the relevant date, the POWA prefix alone remained only weakly distinctive. I base this finding mainly upon 1) the obvious descriptive meaning of POWER for powered trolleys, 2) POWA is an obvious mis-spelling of POWER, and 3) the absence of evidence that the opponent has taken sufficient steps to make the POWA prefix, by itself, distinctive of its goods. I attach no weight to the evidence of use by others of POWA-PRO for golf trolleys, which seems to have made little impact on the relevant public, or POWADRIVE for batteries, which I consider to be of little relevance. I attach a little weight to the evidence that a third party placed a POWAGLYDA golf trolley on the UK market in 2005. Although there is no evidence as to the market share of this product either, there is evidence that it was advertised in the Sunday Times as a Powabyke product. At least some golfers would therefore have been aware that not all POWA- golf trolleys came from the opponent.

45. To the extent that the survey evidence suggests that the word POWA *per se* is distinctive of the opponent's products, I attach little weight to the evidence for the reasons given above.

### **The similarity between the marks**

46. The words "Electric Powered Trolleys" in the applicant's mark do no more than name the goods for which the mark is to be used. In these circumstances, I think they can be safely ignored for the purposes of this comparison.

47. The respective marks are visually similar to the extent that they share the POWA prefix. The marks are also of similar overall length. The –KADDY and –WALKER suffixes look very different. Overall, there is only a low level of visual similarity between the marks.

48. The marks sound no more similar than they look. Therefore there is only a low level of aural similarity too.

49. It is suggested that there is more conceptual similarity because a caddy (person) walks around a golf course carrying the golfer's clubs, and therefore 'caddy' and 'walker' conjure up similar ideas in the context of golf trolleys. I attach no weight to

this. I can see the argument, but I think the connection involves too many mental steps to reflect the perception of an average consumer, who I do not think would proactively analyse the meaning of the marks in this way. I therefore find that there is only a low level of conceptual similarity, i.e. both marks convey the idea of 'power'.

50. It follows that, overall, I find that there is only a low degree of similarity between the marks.

### **Likelihood of confusion**

51. Taking all the above factors into account, I find there is no likelihood of direct or indirect confusion. The low level of similarity between the marks, coupled with the weak distinctiveness of the shared POWA prefix and the high level of attention paid by the consumer at "the crucial moment when the choice between [the] goods and marks is made", outweighs the identity between the goods and the high level of distinctiveness of the earlier mark as a whole.

52. To the extent that the survey evidence suggests anything different, I do not feel able to attach sufficient weight to it so as to justify changing this assessment. The reasons for this are given above. The survey suggests that use of the applicant's mark will cause some association (in the strict sense) with the opponent's reputed mark and that the possibility of confusion cannot be (entirely) ruled out. However, as the Court of Justice stated in *Marca Mode* (cited above) in relation to the corresponding provision of the underlying Directive :

"Article 5(1)(b) of First Council Directive 89/104/EEC of 21 December, 1988 to approximate the laws of the Member States relating to trade marks cannot be interpreted as meaning that where

- a trade mark has a particularly distinctive character, either *per se* or because of the reputation it enjoys with the public, and
- a third party, without the consent of the proprietor of the mark, uses, in the course of trade in goods or services which are identical with, or similar to, those for which the trade mark is registered, a sign which so closely corresponds to the mark as to give rise to the possibility of its being associated with that mark,

the exclusive right enjoyed by the proprietor entitles him to prevent the use of the sign by that third party if the distinctive character of the mark is such that the possibility of such association giving rise to confusion cannot be ruled out."

53. The s.5(2) ground therefore fails.

### **The s.5(3) ground**

54. Section 5(3) is as follows:

"5(3) A trade mark which -  
(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom .... and the use of the later mark without due cause would take unfair advantage of, or be detrimental to,

the distinctive character or the repute of the earlier trade mark.”

55. The complaint in this case is that the applicant’s mark will take unfair advantage of the distinctiveness and reputation of the opponent’s mark.

56. The relevant case law can be found in the following judgments of the ECJ: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L’Oreal v Bellure* [2009] ETMR 55. The law appears to be as follows.

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

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

(c) It is necessary, but not sufficient, for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

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

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

(f) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an advantage taken unfairly by that third party of the distinctive character or the repute of that mark where that party seeks by that use to ride on the coat-tails of the mark with a reputation in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark’s image.; *L’Oreal v Bellure*, Court’s answer to question 1.

57. The earlier POWAKADDY mark plainly had a reputation for golf trolleys at the relevant date amongst golfers in the UK.

58. I also accept that the familiarity of the earlier mark to golfers, coupled with the shared prefix POWA-, would have been sufficient for use of the applicant’s mark in relation to motorised golf trolleys to cause a low, but still significant, proportion of

golfers to bring the earlier mark to mind. Consequently, I accept that the resemblance between the marks, limited though it is, would create the necessary link.

59. The difficulty I have with this aspect of the opponent's case is that I cannot see what unfair advantage would result from the link. The opponent's pleaded case is that the applicant's mark will, inter alia, "*derive unearned benefit by association or perceived connection with the market leader*". I have already rejected a likelihood of confusion about the trade source of the applicant's goods, so if that is what is meant by "*perceived connection*", then I reject it. I can see that even initial association (in the strict sense) with the senior mark may in some cases provide an advantage to the owner of the junior mark if it also causes a section of the public to wonder whether or not there might be an economic connection. In the case of an impulse purchase, such as (say) a chocolate bar, that factor alone could be enough to encourage the potential customer to give the new product a try and thereby generate more sales under the junior mark. However, this is not that sort of case. Once consumers turn their minds to the selection of an expensive item like a motorised trolley, they are unlikely to base their economic behaviour on mere possibilities as to the source of the product. No other form of advantage to the applicant has been identified. Consequently, I find that the applicant's mark would not obtain any material advantage from the reputation of the senior mark.

60. Following the Court of Justice's judgment in *L'Oreal v Bellure*, there appears to be some doubt as to whether an advantage gained through association (again in the strict sense) is necessarily unfair, or whether some additional factor is required. In *Whirlpool v Kenwood* [2009] R.P.C. 2, the Court of Appeal analysed the Court of Justice's judgment in *L'Oreal v Bellure* and Lloyd L.J. concluded that:

"It is not sufficient to show (even if Whirlpool could) that Kenwood has obtained an advantage. There must be an added factor of some kind for that advantage to be categorised as unfair. It may be that, in a case in which advantage can be proved, the unfairness of that advantage can be demonstrated by something other than intention, which was what was shown in *L'Oréal v Bellure*".

61. L.J. Rix and L.J. Wilson agreed with him.

62. I confess that I have difficulty in understanding how the subjective intentions of the junior user can determine whether an advantage gained by that user is fair or unfair. However, if it is right that intention, or some other "additional factor", is required, then the opponent faces a further difficulty because there is no additional factor here. It is true that the applicant's past use of its mark for angling trolleys does not provide it with "due cause" to use the mark for golf trolleys. However, if unfair advantage requires something more than the presence of an advantage and the absence of due cause, as the Court of Appeal says, the opponent has not shown it in this case. There is not, for example, any evidence that the applicant set out to "live dangerously" as per the findings of Mann J. in the recent case of *Specsavers International Healthcare Ltd v Asda Stores Ltd* [2010 EWHC 2035 (Ch). Consequently, I reject the s.5(3) ground of opposition.

## **The s.5(4)(a) ground**

63. Finally, I turn to the s.5(4) ground. Mr Edenborough rightly accepted that this ground could not succeed if the s.5(2) and s.5(3) grounds failed. It follows that the s.5(4)(a) ground also fails.

64. As the grounds of opposition have failed, there is no need for me to consider the applicant's fallback position. However, for the sake of completeness I record that if I had I accepted the opposition, the suggested exclusion of golf trolleys would have been sufficient to have overcome it.

## **Costs**

65. I agreed that the parties should have sight of this decision before making submissions on costs. I therefore allow the parties 21 days from the date below to provide written submissions on costs.

66. The date of my decision for the purposes of any appeal about the merits of the opposition is the date shown below.

**Dated this 30 Day of November 2010**

**Allan James  
For the Registrar**