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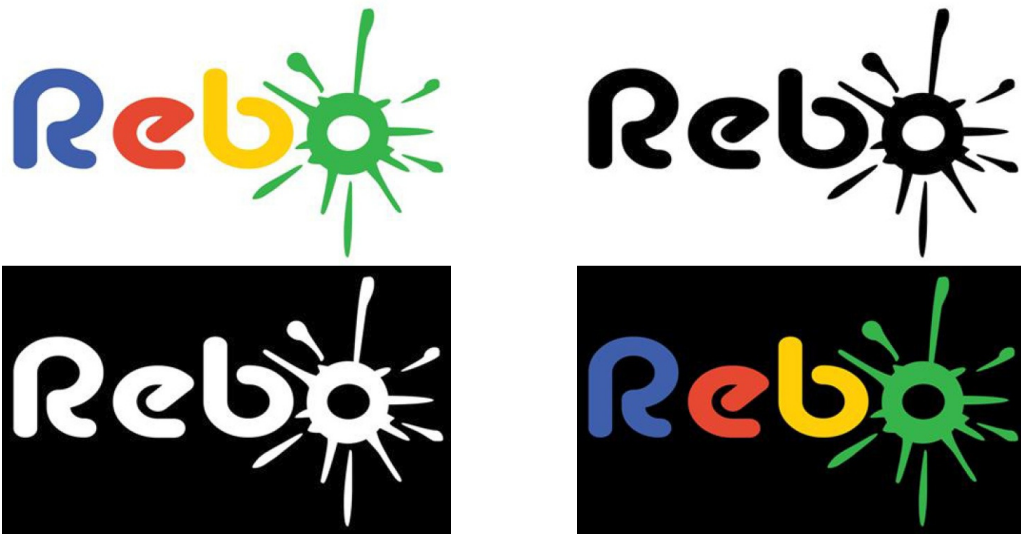
TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2506778

BY

JAMES OWEN

TO REGISTER THE TRADE MARKS (A SERIES OF 4):



IN CLASSES 12, 28 AND 35

AND

THE OPPOSITION THERETO

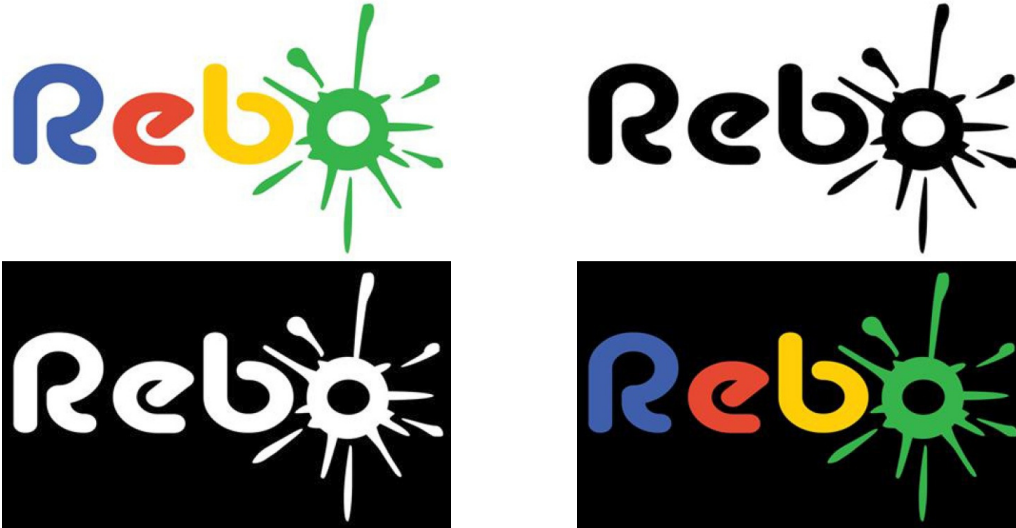
UNDER NO 99252

BY

REEBOK INTERNATIONAL LIMITED

Trade Marks Act 1994

**In the matter of application no 2506778
by James Owen
to register the trade marks (a series of 4):**



**in classes 12, 28 and 35
and the opposition thereto
under no 99252
by Reebok International Limited**

1) On 20 January 2009 James Owen filed an application to register the above trade marks. The trade marks were published in the *Trade Marks Journal*, for opposition purposes, on 20 March 2009 with the following specification:

mini motorbikes; motorcycles; quad bikes and all-terrain vehicles (ATVs); motor vehicles; apparatus for locomotion by land, air or water; parts, fittings and accessories for all the aforesaid;

trampolines; toys; action toys; games and playthings; gymnastics and sporting articles not included in other classes; games and playthings not included in other classes; decorations; games and novelties including action figures; bath toys; battery operated toys; bouncing toys; soft toys; fluffy toys; electronic toys; figurines being toys; dolls, doll apparel and doll accessories; imitation cosmetic preparations being toys; inflatable toys; toys made of rubber; toy vehicles; apparatus for use in playing games; games for adults; indoor games; mechanical games; party games; ring toss games; role play games; novelties for parties and dances; novelties in the form of practical jokes; electronic games other than those adapted for use with television receivers only; automatic games other than those which are coin and counter-operated; equipment for various games; parts and fittings of all the aforesaid goods;

retail services connected with mini motorbikes, motorcycles, quad bikes, motor vehicles, apparatus for locomotion by land, air or water, trampolines, toys, games and playthings, decorations, dolls, doll apparel and doll accessories, apparatus for use in playing games, novelties for parties and dances, novelties in the form of practical jokes, equipment for various games, business services relating to the establishment of business and retail stores; business services relating to advertising and the preparation and distribution of promotional materials; business services relating to business management; the bringing together for the benefit of others of a variety of mini motorbikes, motorcycles, quad bikes, motor vehicles, apparatus for locomotion by land, air or water, trampolines, toys, games and playthings, decorations, dolls, doll apparel and doll accessories, apparatus for use in playing games, novelties for parties and dances, novelties in the form of practical jokes, equipment for various games, enabling customers conveniently to view and purchase those goods in a retail store, from an Internet web site or by means of telecommunications; advertising, marketing and publicity services; advertising in online, on-demand and other media, in particular in the aforesaid media and via the aforesaid media; direct mail advertising, management, advertising and marketing of online websites; public relations; direct marketing services; business management and administration; business advisory services; market surveys, analysis and research; business advisory services in relation to the provision of sponsorship; event marketing; organisation of business shows; database marketing; sales promotion services; preparing and placing of advertisements; consultancy services relating to advertising, publicity and marketing; management consultancy services; business advisory services; advisory and consultancy services relating to all the aforesaid.

The above goods and services are in classes 12, 28 and 35 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

2) On 22 June 2009 Reebok International Limited (RIL) filed a notice of opposition to the registration of the application. RIL relies upon sections 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 (the Act).

3) Section 5(2)(b) of the Act states:

“(2) A trade mark shall not be registered if because -
.....

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

Section 5(4)(a) of the Act states:

“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”.

The principles of the law of passing-off were summarised by Lord Oliver in *Reckitt & Colman Products Ltd v. Borden Inc* [1990] RPC 341 at page 406:

“The law of passing off can be summarised in one short, general proposition: no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. ... Thirdly he must demonstrate that he suffers, or in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.”

4) In relation to the grounds of opposition under section 5(2)(b) of the Act, RIL relies upon two trade mark registrations:

- Community trade mark registration no 1418078 of the trade mark **REEBOK**. The application for registration was filed on 9 December 1999. The registration process was completed on 20 February 2001. The trade mark is registered for the following goods and services:

paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery, adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); playing cards; printers' type; printing blocks;

beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages;

advertising; business management; business administration; office functions.

The above goods and services are in classes 16, 32 and 35 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. As the trade mark had been registered for more than 5 years at the date of the publication of Mr Owen's trade mark it is subject to the proof of use requirement under section 6A of the Act¹. RIL states that it had used the trade mark in respect of all of the class 35 services of the registration in the period of five years ending with the date of publication of Mr Owen's trade mark.

- United Kingdom trade mark registration no 1290043 of the trade mark REEBOK. The application for registration was filed on 5 November 1986. The registration process was completed on 19 July 1991. The trade mark is registered for the following goods:

toys, games and playthings; gymnastic and sporting articles; all included in Class 28; but not including any such goods in the form of or relating to the grey rhebuck.

This trade mark is subject to the proof of use requirement. RIL states that it had the used the trade mark in respect of all of the goods of the registration in the period of five years ending with the date of publication of Mr Owen's trade mark.

RIL considers that its trade mark is similar to those of the application. RIL claims that the class 28 goods of registration no 1290043 are identical to the class 28 goods of the application. It claims that the class 28 goods of registration no 1290043 are similar to all of the class 12 goods of the application. It claims that the class 12 goods of the application are essentially playthings for leisure use and commonly produced by the same undertakings which produce, in particular, playthings in class 28 and are sold through identical trade channels to identical customers. RIL claims that *retail services connected with mini motorbikes, motorcycles, quad bikes, motor vehicles, apparatus for locomotion by land, air or water, trampolines, toys, games and playthings, decorations, dolls, doll apparel and doll accessories, apparatus for use in playing games, novelties for parties and dances, novelties in the form of practical jokes, equipment for various games and the bringing together for the benefit of others of a variety of mini motorbikes, motorcycles, quad bikes, motor vehicles, apparatus for locomotion by land, air or water, trampolines, toys, games and playthings, decorations, dolls, doll apparel*

and doll accessories, apparatus for use in playing games, novelties for parties and dances, novelties in the form of practical jokes, equipment for various games, enabling customers conveniently to view and purchase those goods in a retail store, from an Internet web site or by means of telecommunications all relate to the goods covered by the goods of registration no 1290043 and are, therefore, similar for the same reasons as given in relation to the class 12 goods of the application. RIL claims that *business services relating to the establishment of business and retail stores; business services relating to advertising and the preparation and distribution of promotional materials; business services relating to business management and advertising, marketing and publicity services; advertising in online, on-demand and other media, in particular in the aforesaid media and via the aforesaid media; direct mail advertising, management, advertising and marketing of online websites; public relations; direct marketing services; business management and administration; business advisory services; market surveys, analysis and research; business advisory services in relation to the provision of sponsorship; event marketing; organisation of business shows; database marketing; sales promotion services; preparing and placing of advertisements; consultancy services relating to advertising, publicity and marketing; management consultancy services; business advisory services; advisory and consultancy services relating to all the aforesaid* are identical or similar to the class 35 services of registration no 1418078 by reason of their nature, trade channels and consumers. Consequently, there is a likelihood of confusion in respect of all of the goods and services of the application.

5) RIL claims that it has used the trade mark REEBOK in the United Kingdom in respect of trampolines since 2001 and in respect of bicycles since 2004. Consequently, use of Mr Owen's trade mark in respect of all of the goods and services of the application is liable to be prevented by the law of passing off. Consequently, registration of the trade marks would be contrary to section 5(4)(a) of the Act. **At the hearing RIL restricted the basis of its opposition to the class 12 goods of the application to section 5(4)(a) of the Act.**

6) Mr Owen filed a counterstatement. Mr Owen did not require proof of use of the earlier trade marks of RIL. Mr Owen denies that there is any likelihood of confusion. He contends that the earlier registrations are so distinctive and have such a reputation that they have become instantly recognisable in the marketplace as being associated with RIL. He claims that his trade mark is distinctive in its own right and easily distinguished from the earlier registrations. Mr Owen goes on to state why he considers the respective trade marks not to be similar. Mr Owen denies that the class 12 goods of his application are similar to the goods and services of the earlier registration. He accepts that there is some overlap between the products and services in classes 28 and 35 of his application and those covered by the earlier registrations.

7) Mr Owen denies that registration of his application would be contrary to section 5(4)(a) of the Act owing to the differences between his trade mark and

the sign upon which RIL relies. He states that he is not aware of any instances of confusion among customers.

8) Both parties furnished evidence.

9) A hearing was held on 22 February 2011. Mr Owen was represented by Ms Denise McFarland of counsel, instructed by Silverman Sherliker LLP. RIL was represented by Mr Simon Malynicz of counsel, instructed by J A Kemp & Co.

Evidence of RIL and findings of fact arising therefrom

10) This consists of two witness statements made by Timothy George James Behean. Mr Behean is a director of RIL. A large part of the evidence of Mr Behean, especially the exhibited material, is outside the parameters of the case pleaded by RIL. Large parts deal with footwear and clothing, which have not been raised as a basis for the opposition. Other parts deal with a variety of exercise equipment. There has been no claim to enhanced protection in relation to the goods and services of the earlier registrations. There has been no request for proof of use in relation to the goods and services of the earlier registrations. The sole evidence that is pertinent relates to the use of REEBOK in relation to trampolines and bicycles, the claim in relation to section 5(4)(a) of the Act. The summary of the evidence will deal with this aspect of the case. There has been no contention that REEBOK is not a well-known trade mark for sports apparel and footwear. Mr Owen accepts this. Indeed, the well-known nature of the trade mark is one of the planks of the defence of Mr Owen.

11) A similar provision to section 5(4)(a) of the Act is to be found in Article 8(4) of Council Regulation 40/94 of December 20,1993. This was the subject of consideration by the General Court (GC) in *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Joined Cases T-114/07 and T-115/07, in which the GC stated:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.”

12) RIL must establish a goodwill in respect of the goods upon which it relies as of the date of application for registration of Mr Owen’s trade mark, 20 January

2009. A number of judgments have dealt with how goodwill is to be established. *Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* [2007] RPC 5 establishes that one cannot just follow a formula or demand certain predetermined requirements to be met. In *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J stated (in relation to the judgment in *South Cone Inc v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19):

“8 Those observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

13) Mr Behean states that from May 2004 to April 2009 REEBOK branded bicycles had been manufactured and sold under licence by JJB Sports plc (JJB) through JJB retail outlets and its online store in the United Kingdom and Ireland. A redacted copy of the licence agreement dated 27 April 2004 and amendments/renewals thereto dated 29 November 2006 and 1 May 2008 are exhibited at TGJB5. The agreement is between Reebok International Ltd of the United States of America and RIL and JJB. RIL is identified as the owner of the trade marks the subject of the agreement. Pages 5 and 6 of the exhibit reserve the intellectual property rights and the goodwill to the two Reebok undertakings. Page 24 of the exhibit identifies the licensed products, which include a number of bicycles. Page 23 of the exhibit identifies the licensed trade marks, which are identified as REEBOK, Stripecheck II design and RBK. Page 30 of the exhibit identifies the licensed trade marks required by the two Reebok entities:

The image shows the Reebok logo, which consists of the word "Reebok" in a bold, sans-serif font, followed by a square icon containing a stylized, diagonal "Z" shape.The image shows the RBK logo, which consists of the letters "RBK" in a bold, sans-serif font, followed by a square icon containing a stylized, diagonal "Z" shape.

Page 35 of the exhibit lists revised licensed products, which includes a number of bicycles. Exhibited at TGJB6 are copies of JJB catalogues for autumn/winter 2007/08 and summer 2008. On pages 2, 3, 11, 12, 13 and 14 are pictures of

bicycles and details of the bicycles. The REEBOK “required” trade mark appears on the pages and the frames of the bicycles.

14) The sales figures for bicycles and bicycle accessories sold by JJB in the United Kingdom are as follows:

	Net sales in £	Volume
2004	1,537,843	24,889
2005	4,307,264	114,175
2006	5,228,199	115,644
2007	5,733,785	127,789
2008	4,351,559	104,601

15) With effect from July 2009 RFE International Ltd (RFE) has been appointed as the licensee of REEBOK branded bicycles and accessories.

16) Mr Behean states that REEBOK branded equipment has been produced and sold under licence by RFE since 2001. Prior to 2001 Forza Fitness Equipment Limited manufactured and sold REEBOK branded fitness equipment in the United Kingdom.

17) Exhibited at TGJB7 is a redacted licence agreement between the two Reebok entities and RFE of 26 June 2001. Pages 7 and 8 of the exhibit reserve the intellectual property rights and the goodwill to the two Reebok undertakings. At page 30 of the exhibit there is a list of licensed trade marks, including REEBOK. At page 35 of the exhibit the licensed trade marks required by the two Reebok entities are reproduced:



At page 36 of the exhibit a list of initial licensed products is reproduced; this does not include trampolines. At pages 16, 17 and 18 of the exhibit there are clauses relating to the licensing of future products.

18) The sales figures for trampolines sold by RFE in the United Kingdom under the terms of the licence agreement are as follows:

	Net sales in £	Volume
2004	105,942	5236
2005	107,652	5252
2006	90,332	4521
2007	91,606	4585
2008	43,770	1870

19) Small trampolines can be seen in the exhibited material, usually referred to as Rebounders. The products can be seen in the exhibits as follows:

TGJB3 – page 196 REEBOK Rebounder, from a catalogue with a copyright date of 2002.

TGJB8 – page 7 REEBOK Rebounder, from a catalogue entitled *Reebok Fitness Equipment*, it is not possible to ascertain from when the catalogue emanates.

Page 20 Rebounder from *REEBOK FITNESS PRODUCT RANGE 2004*.

Page 27 Rebounder from *REEBOK Professional Brochure*, it is not possible to ascertain from when the catalogue emanates. It seems unlikely that the brochure was issued in the form shown as the descriptions of the products all relate to gym balls, whatever the product.

Page 73 Reebok Rebounder from *RbK Reebok Trade Catalogue and Price List 2007/08*.

Page 104 trampoline from *RbK Reebok Fitness Equipment Range 2008*.

Page 117 Rebounder from *accessories RbK*.

Page 158 Rebounder from *RbK smu programme 2006 07*. REEBOK and device can be seen on the trampoline (rebounder) and the product line is described as "Reebok Blue Line".

Pages 162 and 164 Reebok Rebounder and Mini Tramp respectively from *Reebok Trade Catalogue and Price List Q3/4 2008*.

Page 201 invoice dated 14 August 2001 from RFE International Ltd to John Lewis for 50 REEBOK Rebounders at £24.50 each. (Page 217 reproduces the invoice.)

Page 229 the REEBOK Rebounder, from *2006 BUYERS GUIDE FOR REEBOK PROFESSIONAL FITNESS EQUIPMENT*.

Page 290 Rebounder from *Reebok OUTPERFORM 2005 FITNESS EQUIPMENT PROGRAMME*.

20) In relation to bicycles REEBOK has been used as shown in paragraph 13. The sales figures relate to bicycles and accessories, and the evidence shows

that a number of cycling related products have been offered for sale eg cycle computers, coil locks, light sets, helmets and pumps. So it is not possible to ascertain how much of the figure relates to bicycles. The sales will also relate to bicycles and accessories identified by the stylised letters RbK (also as per paragraph 13). However, it is highly unlikely that no bicycles have been sold under the upper trade mark shown in paragraph 13. It is also the case that the bicycles have been put upon the market by JJB, although there is no indication as to the number of catalogues distributed by JJB and to where they were distributed. RIL already had a business, a business identified with what both parties accept is a well-known trade mark. Taking into account the limited stylisation of the REEBOK element of the trade mark used in relation to the bicycles, the length of time for which sales of bicycles had been made and the existing knowledge of REEBOK amongst the public, if in relation to different goods, **RIL has established that as of 20 January 2009 it had a protectable goodwill in bicycles by reference to the sign REEBOK.**

21) Clear figures have been given in relation to the sale of trampolines; figures that show sales for five consecutive years. The evidence identifies the products with REEBOK with no stylisation as well as with stylisation. Owing to the specific identification of trampoline sales figures and the evidence of use of REEBOK with no stylisation, eg on the invoice to John Lewis and on page 158 of TGJB8, **RIL, a fortiori, must have established a protectable goodwill in trampolines by reference to the sign REEBOK.**

22) Large parts of Mr Behean's second witness statement consists of submission and a critique of the evidence of Mr Owen, rather than evidence of fact. These parts of the evidence are borne in mind but it is not appropriate to include them in a summary of evidence.

23) Mr Behean states that RIL first became aware of Mr Owen's adoption of the REBO name¹ shortly after the application for these trade marks was filed. Mr Behean states that the domain name rebo.co.uk was registered on 18 August 2006 and the domain name rebotrampolines.co.uk was registered on 8 January 2008. He exhibits at TGJB16 a page downloaded from the website rebotrampolines.co.uk on 21 September 2010. The page advertises a REBO 4.5 foot trampoline and enclosure at the price of £39.95, it advises that the recommended retail price of the product is £99.95.

¹ This decision, of course, deals with word and device trade marks and not a non-stylised word.

Evidence of James William Owen

24) Mr Owen is the applicant for the registration of the trade marks. He is also the director of "his" company, Rebo UK Limited (RUK) (company registration no 05890328). RUK's website has the domain name rebotrampolines.co.uk. Exhibited at JWO1 is the "about us" page from the website downloaded on 19 August 2010. The page explains that the undertaking supplies trampolines. Reference is made on the page to Rebo trampolines and Rebo. Towards the bottom of the page the upper left trade mark of the series appears.

25) Mr Owen states that his business was run on a sole trader basis from 2004 but he incorporated his company in July 2006. The company was first called Leisure2U limited, changing its name in March 2009. In relation to the change of name a letter from Mr Owen's solicitor is exhibited at JWO2. This letter would normally be covered by the without prejudice rule. However, Mr Owen has exhibited it and Mr Behean referred to it in his evidence; consequently, privilege in relation to the letter has been waivedⁱⁱ. (A matter that was referred to at the hearing and which counsel did not contest.) The contents of the letter have no bearing upon this case.

26) Mr Owen states that he created the brand REBO for his business in 2005. He states that he registered the domain name rebo.co.uk in August 2006, currently the website at this domain name is only used to redirect enquiries. He states that RUK's main website has the domain name rebotrampolines.co.uk and was registered in January 2008.

27) Mr Owen states that he first conceived of the trade mark REBO in October 2005. He had in mind the concept of bouncing, which is connected with trampolines. Mr Owen states that although his application encompasses a range of goods and services his main focus has been trampolines. Mr Owen states that he was thinking of the words rebound and re-bounce when he coined the invented word REBO. Mr Owen states that *Rebound* was the name of a magazine that was famous in trampolining circles.

28) Mr Owen states that despite RUK trading under and by reference to the trade mark (in the singular) he has never encountered an instance of confusion or misassociation with RIL or its trade marks.

29) Mr Owen states that RUK's goods are sold, advertised and offered for sale through its website, through trade customers, over the telephone or in person at its warehouse.

30) Exhibited at JWO3 is various material, without any provenance, showing use of the top left trade mark in relation to trampolines and accessories therefor and toy ride-on electrical vehicles. Mr Owen states that the splash device element and the artwork for the REBO trade mark was created for him by an

acquaintance who is a professional designer. Mr Owen states that in his experience the target market for his trampolines and other related products comprises of young parents who will spend or expect to spend £200 per purchase. He states that trampolines of good quality are not inexpensive items.

31) Mr Owen states that he has searched and found various trade marks that have been “registered/used” in the United Kingdom for class 28 without RIL “stopping them”. The numbers and the trade mark are given but no further details. The trade marks are ZEEBO, BEEBO, BEBO, TWEEBOW, KEEBO, WEE BOX and REBO. It is difficult to see why Mr Owen considers the first six trade marks pertinent in this case. The existence of the REBO trade mark cannot have any influence on the findings of this case which can only deal with the issues raised herein. It is for RIL to choose in relation to which trade marks it wishes to bring proceedings, a trade mark sitting upon the register tells one nothing.

32) Parts of Mr Owen’s evidence are submission and argument or have no pertinence to the issues involved in this case.

Section 5(2)(b) of the Act – likelihood of confusion

Average consumer and nature of the purchasing process

33) The section 5(2)(b) objection now only encompasses the class 28 goods and class 35 services of the application. Mr Owen in his evidence concentrates upon trampolines. The goods and services are far wider than trampolines, although they are named in the class 28 and 35 specifications. In this evidence Mr Owen refers to the persons to whom he sells his trampolines. This is not pertinent, it is necessary to consider all of the goods and services of the specification in their many varieties. Mr Owen refers to the average expenditure upon his goods by “young families” of £200. Mr Behean’s evidence shows that trampolines are sold by Mr Owen for £39.95. Trampolines will be bought on a very occasional basis, there is likely to be a reasonable amount of care in their purchase. However, as shown by the evidence of Mr Behean, they are not products of necessarily particularly high cost. In *Inter-Ikea Systems BV v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-112/06* the GC considered the effect on occasionally purchased goods on likelihood of confusion:

“37 The applicant’s arguments are not sufficient, however, to call into question OHIM’s assertion that, even when buying an inexpensive item of furniture, the average consumer makes his choice on the basis of a number of functional and aesthetic considerations, in order to ensure that it is in keeping with other furniture already in his possession. While the actual act of purchase may be completed quickly in the case of certain items of furniture, the process of comparison and reflection before the

choice is made requires, by definition, a high level of attention. Moreover, where the average consumer does not regularly buy certain goods, as is the situation in the present case, his level of attention when buying those goods must, as a general rule, be taken to be higher than his normal level of attention (see, to that effect, Case T-147/03 *Devinlec v OHIM – TIME ART(QUANTUM)* [2006] ECR II-11, paragraph 63).”

However, this higher level of attention may be counteracted by the infrequency of the purchase, which by its nature will increase the possibility of imperfect recollection. Consequently, in relation to trampolines it is not considered that the effects of imperfect recollection will either be greatly increased or decreased.

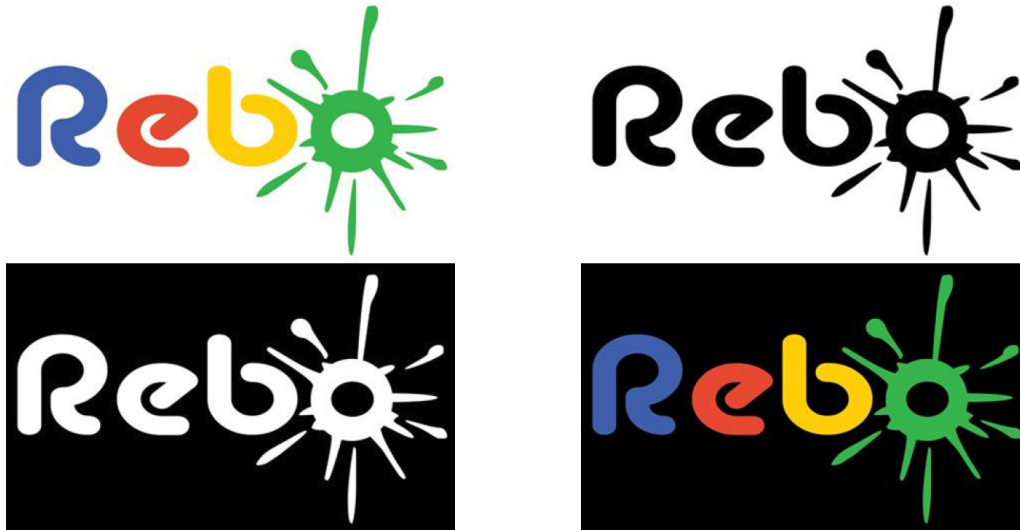
34) The other class 28 goods of the application could be of low or high value, their nature does not define their cost eg a sporting article could be a ball of very little cost. The goods could be bought on impulse. Consequently, the effects of imperfect recollection are likely to be increased.

35) The class 35 services of the application include retail services. Retail services will in most cases play second fiddle, in terms of attention and research, to the goods which are being retailed. The purchaser is primarily interested in the product; which is not to gainsay that some retailers will be preferred to others owing to their reputation. If viewing products in a shop window, a purchaser may hardly even notice the name of the retailer. Consequently, in relation to retail services it is considered that the effects of imperfect recollection are likely to be increased.

36) The remaining services are essentially supplied to businesses. It can be expected that both owing to the nature of the purchaser of the services and the nature of the services that the purchasing process will be careful and educated, lessening the effects of imperfect recollection.

Comparison of trade marks

37) The trade marks of the application:



RIL's trade mark is REEBOK.

38) The average consumer normally perceives a trade mark as a whole and does not proceed to analyse its various detailsⁱⁱⁱ. The visual, aural and conceptual similarities of the trade marks must, therefore, be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components^{iv}. Consequently, there cannot be an artificial dissection of the trade marks, although it is necessary to take into account any distinctive and dominant components. The average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he/she has kept in his/her mind and he/she is deemed to be reasonably well informed and reasonably circumspect and observant^v. The assessment of the similarity of the trade marks must be made by reference to the perception of the relevant public^{vi}.

39) Mr Malynicz submitted that as the trade marks had been applied for and accepted as a series under section 41 of the Act there could be no effective difference between them. Section 41(2) of the Act states:

“(2) A series of trade marks means a number of trade marks which resemble each other as to their material particulars and differ only as to matters of a non-distinctive character not substantially affecting the identity of the trade mark.”

40) The premise behind Mr Malynicz's argument is that as the trade marks have been accepted as a series they must be a series and, therefore, they can only differ in matters that will not affect the issues in relation to similarity. That trade marks have been accepted as a series does not mean that they are a series. The considerations in relation to this matter cannot be made on the premise that they are a series simply because they have been applied for and accepted as a series.

41) In this case the differences between the trade marks of the series is that two of the trade marks are on a background. Trade marks will always have to be produced on some form of background when in use. In the case of the trade mark in white script, it would not be possible to see it if it were not on a black background. Two of the trade marks are in colour. There has been no limitation of the rights of the trade marks by colour.

42) In *Mary Quant Cosmetics Japan Ltd v Able C & C Co Ltd* BL O/246/08 Mr Geoffrey Hobbs QC, sitting as the appointed person, stated:

“10. The present oppositions under Section 5(2)(b) are based on the rights conferred by registration of a device mark recorded in the register in black-and-white. It follows that colouring is immaterial to the distinctiveness of the Opponent's device mark as registered and therefore irrelevant for the purposes of the assessment of similarity in both oppositions.”

In *Specsavers International Healthcare Limited & Others v Asda Stores Limited* [2010] EWHC 2035 (Ch) Mann J stated:

“119. It is not clear to me that this is a debate which advances the case very much, but the position seems to me to be as follows. As a matter of principle the exercise involves comparing the offending sign with the registered mark and assessing the likelihood of confusion or association. The two things have to be compared. Since we live in a visual world, and signs are visual, some form of appearance has to be considered. If the registered mark is limited to a colour, then the mark that is used has to be compared, as used, to the mark that is registered, as registered (and therefore in colour). If the registered mark is unlimited as to colour then it is registered for all colours. This means that the colour of the offending sign becomes irrelevant. It will not be possible to say that its colour prevents there being an infringement. At this point one can take one of two courses, each of which ought to have the same result. The first is to imagine the registered mark in the same colour as the offending sign. The second is to drain the colour from the offending sign. Either way one then has the material for comparison. One could even imagine them both in a third colour. It does not matter. So in a sense both Mr Purvis and Mr Bloch are right. As a matter of visual convenience it seems to me to be easier to

imagine the registered mark in a colour than to imagine the offending sign drained of colour, and I propose to adopt that course.”

Consequently, the colours of the two coloured trade marks cannot affect the issue of the similarity of the trade marks; to borrow from Mann J the coloured trade marks must be drained of colour in the comparison. It is not considered that the backgrounds of the two trade mark reproduced on backgrounds of black will affect the perception of the average consumer. So, the trade marks of the application will, effectively, be treated as being one and the same. The position of Mr Malynicz in relation to the trade marks of the application is arrived at, but for different reasons to those he advanced.

43) The trade marks of the application include a splash device. It plays a dual rôle in the trade marks, forming a part of the word REBO and being a distinctive device. A device that will certainly catch the eye and be noticed, it is far more than a stylised letter o. This splash device is a distinctive component and owing to its size and the strong visual impression that it creates, is at least of equal dominance as the letters REB. The first three letters of the trade marks of the applications are also distinctive components, coming as they do at the beginning of the trade marks, being in a stylised script and not being descriptive of allusive of the goods and services of the application. (Mr Owen refers to his coining the trade mark REBO as an allusion to rebound or re-bounce. The latter is not a normal word. There is no reason that the average consumer would make a connection between REBO and rebound. It is not considered that the average consumer will be aware of a defunct trampolining periodical called *REBOUND*. It is to be noted that the vast majority of the goods and services have nothing to do with trampolines.) The distinctiveness of REEBOK lies in its entirety. There is no reason that the average consumer, or anyone, would dissect the trade mark. In *Les Editions Albert René v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-336/03* the GC stated:

“75 It should be noted in this regard that the attention of the consumer is usually directed to the beginning of the word (Joined Cases T-183/02 and T-184/02 *El Corte Inglés v OHIM – González Cabello and Iberia Líneas Aéreas de España (MUNDICOR)* [2004] ECR II-0000, paragraph 83).”

There is no reason that REEBOK breaks this rule of thumb. So in terms of the comparison of the trade marks the beginning of REEBOK may be of more importance than the end.

44) The first three letters of the trade marks of the application are in a stylised font. The main impression retained by the average consumer is primarily going to be that of letters rather than of a particular stylisation. However, the stylisation cannot be ignored^{vii} for the purposes of comparison. REEBOK is in a normal typeface. The second letter E and the letter K of REEBOK are not present in the trade marks of the applications. The letter O is very different, being a splash

device. It is difficult to envisage that visually the trade marks of the application would ever bring to mind the trade mark REEBOK, the overall visual impressions are too different. It is not considered that the respective trade marks are visually similar.

45) As commented upon in paragraph 43 there is no reason that the average consumer of any of the goods and services of the application will give any meaning to the trade marks of the application. The specification of registration no 1290043 includes an exclusion of goods in the form of or relating to grey rhebuck. There is nothing to suggest that the average consumer will know of the grey rhebuck. Consequently, REEBOK is treated as an invented word. Neither trade mark has a clear conceptual meaning, consequently, the position in relation to conceptual similarity is neutral.

46) The trade mark of RIL will be pronounced as REE to rhyme with sea and BOK to rhyme with knock. Ms McFarland made a comparison of the pronunciation of the first syllable of REBO with rebel. However, rebel can be pronounced with a long or a short e sound when used as a verb (including the infinitive) and when used as gerund or gerundive. The first syllable of the trade marks could well be pronounced in the same fashion as the first syllable of REEBOK and so an aural comparison must consider this potential pronunciation. Consequently REE and RE may well be pronounced in the same fashion. BOK and B being with the same consonant. The o in BOK is likely to be pronounced in the same way as the o in knock. The o at the end of REBO, being at the end of the word, is likely to be pronounced as oh. The K in REEBOK is a hard sound. It may be at the end of the word but it is unlikely, owing to the shortness of the word and the strength of the sound, to partly disappear as part of a dieing fall. Indeed, the whole syllable is likely to be clearly pronounced and heard. It is often said that the ends of words in English are often not spoken clearly and that there is a dieing away of the last syllable. This will depend on the word. In this case owing to the nature of the final syllable it is not considered that there will be any noticeable dieing away. There are phonetic elements that are similar but considering the trade marks in their entireties if there is any aural similarity, it is very limited.

47) REEBOK is well-known trade mark for sports apparel and footwear. There has been no claim in the pleadings that it is well-known for the goods and services of the registrations upon which it relies in this case. However, even if that were the case, this cannot affect the issue of similarity. As the GC stated in *Ravensburger AG v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-243/08:

“27 It is appropriate at the outset to reject that complaint as unfounded. The reputation of an earlier mark or its particular distinctive character must be taken into consideration for the purposes of assessing the likelihood of confusion, and not for the purposes of assessing the similarity of the marks in question, which is an assessment made prior to that of the

likelihood of confusion (see, to that effect, judgment of 27 November 2007 in Case T-434/05 *Gateway v OHIM – Fujitsu Siemens Computers (ACTIVY Media Gateway)*, not published in the ECR, paragraphs 50 and 51).”

A finding that can also be found in *Accenture Global Services GmbH v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-244/09*, *Lan Airlines, SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-194/09* and *Ferrero SpA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-140/08*.

Comparison of goods and services

48) In “construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade^{viii}”. Words should be given their natural meaning within the context in which they are used, they cannot be given an unnaturally narrow meaning^{ix}. Consideration should be given as to how the average consumer would view the goods and services^x. The classes in which the goods and services are placed may be relevant in determining the nature of the goods and services^{xi}. In assessing the similarity of goods and services it is necessary to take into account, inter alia, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary^{xii}. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T- 325/06* the General Court (GC) explained when goods were complementary:

“82 It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 P *Rossi v OHIM* [2006] ECR I-7057; Case T-364/05 *Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL)* [2007] ECR II-757, paragraph 94; and Case T-443/05 *El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños)* [2007] ECR I-0000, paragraph 48).”

In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J also gave guidance as to how similarity should be assessed^{xiii}. Jacob J in *Avnet Incorporated v Isoact Ltd* [1998] FSR 16 stated:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of

activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

Goods and services can be considered as identical when the goods and services designated by the earlier trade mark are included in a more general category, designated by the trade mark application^{xiv}.

49) With the exception of *decorations* all of the class 28 goods of the application will fall within the parameters of the goods of registration no 1290043 and so are identical. It is not considered that there are any meaningful similarities, within the parameters of the case law, between *decorations* and the class 28 goods of the earlier registration. Consequently, *decorations* are not considered similar to the goods of the earlier registration.

50) In *Oakley, Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-116/06 the GC considered the similarity between retail services and the goods that are sold by the retailer:

“42 According to settled case-law, in assessing the similarity between goods or services, all the relevant factors which characterise the relationship which may exist between them should be taken into account. Those factors include their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary (*Canon*, paragraph 23; Case C-416/04 P *Sunrider v OHIM* [2006] ECR I-4237, paragraph 85; Case T-99/01 *Mystery Drinks v OHIM – Karlsberg Brauerei (MYSTERY)* [2003] ECR II-43, paragraph 39, and case-law cited; and Case T-31/04 *Eurodrive Services and Distribution v OHIM – Gómez Frías (euroMASTER)*, not published in the ECR, paragraph 31).

43 With regard, in particular, to the registration of a trade mark covering retail services, the Court held, in paragraph 34 of the judgment in *Praktiker Bau- und Heimwerkermärkte*, that the objective of retail trade is the sale of goods to consumers, which includes, in addition to the legal sales transaction, all activity carried out by the trader for the purpose of encouraging the conclusion of such a transaction, and that that activity consists, inter alia, in selecting an assortment of goods offered for sale and in offering a variety of services aimed at inducing the consumer to conclude the abovementioned transaction with the trader in question rather than with a competitor. The Court stated, in paragraph 35 of that judgment, that no overriding reason based on First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1) or on general principles of Community law precludes those services from being covered by the concept of ‘services’ within the meaning of the directive or, therefore, the trader from having the right to obtain, through the registration of his trade

mark, protection of that mark as an indication of the origin of the services provided by him.

44 The Court stated furthermore in *Praktiker Bau- und Heimwerkermärkte*, paragraph 17 above (paragraphs 49 and 50), that, for the purposes of registration of a trade mark covering services provided in connection with retail trade, it is not necessary to specify in detail the service(s) for which that registration is sought. However, the applicant must be required to specify the goods or types of goods to which those services relate.

45 In the first place, with regard to the assessment of the similarity of services consisting of 'retail and wholesale of clothing, headwear, footwear, athletic bags, backpacks and knapsacks and wallets' covered by the contested Community trade mark, on the one hand, and goods covered by the earlier trade mark, that is 'clothing, headwear, footwear, rucksacks, all-purpose sports bags, travelling bags, wallets', on the other, the Board of Appeal found, in paragraphs 18 to 23 of the contested decision, that there was a strong similarity between those services and goods on account of their nature, their purpose, their method of use, their distribution channels and their complementary nature.

46 With regard, first, to the nature, purpose and method of use of the services and products in question, it cannot be held that those services and products are similar.

47 Indeed – as also pointed out by the Cancellation Division in paragraphs 21 and 22 of the decision of 18 June 2004 – the nature of the goods and services in question is different, because the former are fungible and the latter are not. Their purpose is also different, since the retail service precedes the purpose served by the product and concerns the activity carried out by the trader for the purpose of encouraging the conclusion of the sales transaction for the product in question. So, for example, an item of clothing is intended in particular to clothe the person who purchases it, whereas a service linked to the sale of clothes is intended, inter alia, to offer assistance to the person interested in the purchase of that clothing. The same applies to their method of use, which for clothes means the fact of wearing them, whereas the use of a service linked to the sale of the clothes consists, inter alia, in obtaining information about the clothes before proceeding to buy them.

48 With regard, second, to the distribution channels of the services and the goods in question, it is correct, as rightly pointed out by the Board of Appeal in paragraph 22 of the contested decision, that retail services can be offered in the same places as those in which the goods in question are sold, as the applicant has also recognised. The Board of Appeal's finding that retail services are rarely offered in places other than those where the

goods are retailed and that consumers need not go to different places to obtain the retail service and the product they buy, must therefore be upheld.

49 Contrary to what is claimed by the applicant, the fact that the retail services are provided at the same sales points as the goods is a relevant criterion for the purposes of the examination of the similarity between the services and goods concerned. In that regard, it should be pointed out that the Court has held, in paragraph 23 of *Canon*, paragraph 16 above, that, in assessing the similarity of the goods and services in question, all the relevant factors characterising the relationship between the goods or services should be taken into account. It stated that those factors include their nature, purpose, method of use, and whether they are in competition with each other or are complementary, meaning that it did not in any way regard those factors are the only ones which may be taken into account, their enumeration being merely illustrative. The Court of First Instance therefore concluded from this that other factors relevant to the characterisation of the relationship which may exist between the goods or services in question may also be taken into account, such as the channels of distribution of the goods concerned (Case T-443/05 *El Corte Inglés v OHIM– Bolaños Sabri (PiraÑAM diseño original Juan Bolaños)* [2007] ECR II-0000, paragraph 37; see also, to that effect, Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 65, upheld on appeal in Case C-214/05 P *Rossi v OHIM* [2006] ECR I-7057; and Case T-364/05 *Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL)* [2007] ECR II-757, paragraph 95).

50 Furthermore, contrary to the applicant's assertion, which is moreover unsubstantiated, that, as the majority of the goods are sold in supermarkets, consumers do not attach too much importance to the point of sale when making up their mind whether goods share a common origin, it must be held that, as contended by OHIM, the manufacturers of the goods in question often have their own sales outlets for their goods or resort to distribution agreements which authorise the provider of the retail services to use the same mark as that affixed to the goods sold.

51 It was therefore correct, in paragraph 22 of the contested decision, to take into account, when comparing the goods and the services covered by the trade marks in dispute, the fact that those goods and services are generally sold in the same sales outlets (see, in that regard, *SISSI ROSSI*, paragraph 49 above, paragraph 68, and *PiraÑAM diseño original Juan Bolaños*, paragraph 49 above, paragraph 37).

52 Regarding, third, the complementary nature of the services and goods in question, found to exist by the Board of Appeal in paragraph 23 of the contested decision, it should be pointed out that, according to settled

case-law, complementary goods are those which are closely connected in the sense that one is indispensable or important for the use of the other, so that consumers may think that the same undertaking is responsible for both (see, to that effect, *SISSI ROSSI*, paragraph 49 above, paragraph 60; *PAM PLUVIAL*, paragraph 49 above, paragraph 94; and *PiraÑAM diseño original Juan Bolaños*, paragraph 49 above, paragraph 48).

53 In that regard, it must be pointed out that the goods covered by the earlier mark, that is, clothing, headwear, footwear, rucksacks, all-purpose sports bags, travelling bags and wallets, are identical to those to which the applicant's services relate.

54 Clearly, in the present case, the relationship between the retail services and the goods covered by the earlier trade mark is close in the sense that the goods are indispensable to or at the very least, important for the provision of those services, which are specifically provided when those goods are sold. As the Court held in paragraph 34 of *Praktiker Bau- und Heimwerkermärkte*, paragraph 17 above, the objective of retail trade is the sale of goods to consumers, the Court having also pointed out that that trade includes, in addition to the legal sales transaction, all activity carried out by the trader for the purpose of encouraging the conclusion of such a transaction. Such services, which are provided with the aim of selling certain specific goods, would make no sense without the goods.

55 Furthermore, the relationship between the goods covered by the earlier trade mark and the services provided in connection with retail trade in respect of goods identical to those covered by the earlier trade mark is also characterised by the fact that those services play, from the point of view of the relevant consumer, an important role when he comes to buy the goods offered for sale.

56 It follows that, because the services provided in connection with retail trade, which concern, as in the present case, goods identical to those covered by the earlier mark, are closely connected to those goods, the relationship between those services and those goods is complementary within the meaning of paragraphs 54 and 55 above. Those services cannot therefore be regarded, as the applicant claims, as being auxiliary or ancillary to the goods in question.

57 Thus, notwithstanding the incorrect finding of the Board of Appeal to the effect that the services and goods in question have the same nature, purpose and method of use, it is indisputable that those services and goods display similarities, having regard to the fact that they are complementary and that those services are generally offered in the same places as those where the goods are offered for sale.

58 It therefore follows from all of the foregoing that the goods and services in question resemble each other to a certain degree, with the result that the finding in paragraph 24 of the contested decision that such a similarity exists must be upheld.

51) *Retail services connected with trampolines, toys, games and playthings, decorations, dolls, doll apparel and doll accessories, apparatus for use in playing games, novelties for parties and dances, novelties in the form of practical jokes, equipment for various games; the bringing together for the benefit of others of a variety of trampolines, toys, games and playthings, dolls, doll apparel and doll accessories, apparatus for use in playing games, novelties for parties and dances, novelties in the form of practical jokes, equipment for various games, enabling customers conveniently to view and purchase those goods in a retail store, from an Internet web site or by means of telecommunications* of the application all relate to the retail of goods encompassed by registration no 1290043. Applying the criteria of *Oakley, Inc*, these services must be considered to be similar to the goods of registration no 1290043. The application of these criteria mean that *retail services connected with mini motorbikes, motorcycles, quad bikes, motor vehicles, apparatus for locomotion by land, air or water, decorations; the bringing together for the benefit of others of a variety of mini motorbikes, motorcycles, quad bikes, motor vehicles, apparatus for locomotion by land, air or water, decorations, enabling customers conveniently to view and purchase those goods in a retail store, from an Internet web site or by means of telecommunications* cannot be considered to be similar to the class 28 goods of registration no 1290043.

52) Mr Malynicz argued that as the specification of registration no 1418078 encompasses the class heading for class 35 it must include the services of the application. To construe the class 35 services of the earlier registration as including retail services would be to distort language and give meanings which do not exist in the wording of the specification. Mr Malynicz considered that as there had been a presidential notice from the Office for Harmonization in the Internal Market stating that the class heading included all of the goods of the services of a class, that this should be the position adopted here. He considered that as the earlier registration is a Community trade mark, the proprietor would have had the expectation that all of the services of the class were covered and it would be inappropriate to make a decision contrary to this expectation. The communication of the president in relation to this matter was made on 16 June 2003 and so when RIL made its application it could have had no expectation, on the basis of a presidential communication, that its specification covered all the services of the class. This is a matter that has been referred to the Court of Justice of the European Union (CJEU). On the basis of the current position (ie prior to the judgment of CJEU), the class heading is not considered to automatically include all the goods and services within the class. There is no meaningful conjunction, within the parameters of the case law between the class 35 services of RIL and retail services of the application. Consequently, the retail

services that are not similar to the class 28 goods of RIL are not similar, or identical, to the class 35 services of RIL.

53) The remaining services of the application fall squarely within the parameters of the class 35 services of RIL's registration and are identical.

Conclusion – likelihood of confusion

54) There cannot be a likelihood of confusion in respect of the goods and services which it has been decided are neither similar nor identical. Those goods and services that it has been decided are not identical but are similar, have a reasonable degree of similarity owing to the relationship between retail services and the goods sold as part of the retail service. In considering whether there is a likelihood of confusion various factors have to be taken into account. There is the interdependency principle – a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between services, and vice versa^{xv}.

55) It is necessary to consider the distinctive character of the earlier trade mark; the more distinctive the earlier trade mark the greater the likelihood of confusion^{xvi}. The distinctive character of a trade mark can be appraised only, first, by reference to the services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public^{xvii}. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the mark to identify the services for which it has been registered as coming from a particular undertaking, and thus to distinguish those services from those of other undertakings^{xviii}. Ms McFarland considered that the fame of the REEBOK trade mark meant that the likelihood of confusion was lessened. She submitted that the fame was such, even if not for the goods in question, that the average consumer was far less likely to suffer from the effects of imperfect recollection. She also submitted that owing to the fame of the trade mark it had effectively its own concept and meaning and so this would distance it from the trade marks of the application. The CJEU has ruled that there is a greater likelihood of confusion where a trade mark is highly distinctive, either inherently or through the use made of it. To accept Ms McFarland's submissions would be to fly in the face of the judgment of the CJEU, a judgment which has been reiterated in many judgments of the CJEU, the GC and the domestic courts. The submissions must be rejected on the basis that they run contrary to binding case law. In relation to the goods and services of the registrations upon which RIL relies there has been no pleading that REEBOK enjoys a particularly great reputation. However, REEBOK is neither descriptive nor allusive to the goods and services upon which it relies upon this opposition. The uncontested fame of the trade mark in relation to footwear and sporting apparel will mean that it is easily remembered. Consequently, REEBOK enjoys a

good deal of distinctiveness in relation to the goods and services upon which it relies.

56) Mr Owen has referred to the absence of confusion in the market place. There is a tranche of case law to the effect that lack of confusion in the market place is indicative of very little: *The European Limited v The Economist Newspaper Ltd* [1998] FSR 283, *Rousselon Freres et Cie v Horwood Homewares Limited* [2008] EWHC 881 (Ch), *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 and *Aceites del Sur-Coosur SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case C-498/07 P*. In *The European Limited v The Economist Newspaper Ltd* Millet LJ stated:

“Absence of evidence of actual confusion is rarely significant, especially in a trade mark case where it may be due to differences extraneous to the plaintiff's registered trade mark.”

Mr Owen does not give any evidence as to the scale of use. The examples of use shown are very limited, there is no evidence of use in a variety of settings eg in third party retail establishments. The customer who is totally confused will also not be aware of their confusion. The absence of evidence of confusion cannot be viewed as indicating that there is not a likelihood of confusion.

57) Mr Malynicz submitted that words speak louder than devices (or the stylisation of words). This is a common rule of thumb. However, it obviously depends upon the words, the devices and the nature of the goods and/or services. The matter has to also be considered on the basis of the comparison of the trade marks, it is not something that can be considered in the abstract. It was also Mr Malynicz's submission that the average consumer will see what he or she expects to see. Again this will depend on the natures of the conflicting trade marks, it is not something that can simply be considered in the abstract.

58) Mr Malynicz referred to Mr Owen stating that the goods could be ordered over the telephone as well as by other means, and so aural similarity was an important matter to be considered. It is necessary to consider the norm for the trade and not the specifics of Mr Owen's business^{xix}. In *New Look Ltd v Office for the Harmonization in the Internal Market (Trade Marks and Designs) Joined cases T-117/03 to T-119/03 and T-171/03* the GC stated:

“49 However, it should be noted that in the global assessment of the likelihood of confusion, the visual, aural or conceptual aspects of the opposing signs do not always have the same weight. It is appropriate to examine the objective conditions under which the marks may be present on the market (*BUDMEN*, paragraph 57). The extent of the similarity or difference between the signs may depend, in particular, on the inherent qualities of the signs or the conditions under which the goods or services

covered by the opposing signs are marketed. If the goods covered by the mark in question are usually sold in self-service stores where consumer choose the product themselves and must therefore rely primarily on the image of the trade mark applied to the product, the visual similarity between the signs will as a general rule be more important. If on the other hand the product covered is primarily sold orally, greater weight will usually be attributed to any aural similarity between the signs.”

The goods and services of the application are primarily purchased by the eye and so visual similarity is of greater importance than aural similarity. In *Mülhens GmbH & Co KG v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case C-206/04 the CJEU held:

“21 It is conceivable that the marks’ phonetic similarity alone could create a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 (see, in respect of Directive 89/104, *Lloyd Schuhfabrik Meyer*, paragraph 28). However, it must be noted that the existence of such a likelihood must be established as part of a global assessment as regards the conceptual, visual and aural similarities between the signs at issue. In that regard, the assessment of any aural similarity is but one of the relevant factors for the purpose of that global assessment.

22 Therefore, one cannot deduce from paragraph 28 of the judgment in *Lloyd Schuhfabrik Meyer* that there is necessarily a likelihood of confusion each time that mere phonetic similarity between two signs is established.

23 The Court of First Instance therefore correctly considered the overall impression created by the two signs at issue, as regards their possible conceptual, visual and aural similarities, for the purpose of the global assessment of the likelihood of confusion.”

In *Cabel Hall Citrus Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-488/07 the GC stated:

“52 In that connection, it should be noted that although, in general, it cannot be ruled out that the marks’ phonetic similarity alone could create a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94, the existence of such a likelihood must be established as part of a global assessment as regards the visual, conceptual and phonetic similarities between the signs at issue. Thus, the assessment of any phonetic similarity is but one of the relevant factors for the purpose of that global assessment. Therefore, it cannot be accepted that there is a likelihood of confusion each time that a certain phonetic similarity can be established between the marks at issue (Case C-206/04 P *Mülhens v OHIM* [2006] ECR I-2717, paragraphs 21 and 22).”

59) The word element of Mr Owen's trade mark is short. In *Inter-Ikea Systems BV* the GC held:

"54 As regards the visual comparison between the verbal element of the contested mark and the earlier word marks, the applicant claims that the only difference between them is the presence of the letter 'd' in the contested mark and the letter 'k' in the earlier word marks. However, the Court has already held in Case T-185/02 *Ruiz-Picasso and Others v OHIM – DaimlerChrysler(PICARO)* [2004] ECR II-1739, paragraph 54) that, in the case of word marks which are relatively short, even if two marks differ by no more than a single consonant, it cannot be found that there is a high degree of visual similarity between them."

In this case it has been decided that the respective trade marks are not visually similar.

60) In *Aceites del Sur-Coosur SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case C-498/07 P the CJEU considered the approach to be taken in relation to composite trade marks:

"61 In particular, the Court has held that in the context of examination of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole (see order in *Matratzen Concord v OHIM*, paragraph 32; *Medion*, paragraph 29; and *OHIM v Shaker*, paragraph 41).

62 In that regard, the Court has also held that, according to established case-law, the overall impression created in the mind of the relevant public by a complex trade mark may, in certain circumstances, be dominated by one or more of its components. However, it is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element (*OHIM v Shaker*, paragraphs 41 and 42, and Case C-193/06 P *Nestlé v OHIM* [2007] ECR I-114, paragraphs 42 and 43 and the case-law cited)."

In *Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) v Shaker di L Laudato & C Sas* Case C-334/05 P the CJEU stated:

"41 It is important to note that, according to the case-law of the Court, in the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall

impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see order in *Matratzen Concord v OHIM*, paragraph 32; *Medion*, paragraph 29).”

61) In this case the trade marks are visually not similar. There is some phonetic similarity but it is limited. Comparing the trade marks in their entireties, and even if one allowed for RIL to have a reputation in relation to class 28 goods and class 35 services, the differences between the respective trade marks are such that there is not a likelihood of confusion. (If it was accepted that the class 35 specification of RIL does cover all services in the class, this would not have affected the outcome of the case. Parts of the opposition have been considered on the basis that some identical goods and services are involved.)

62) The grounds of opposition under section 5(2)(b) of the Act.

Section 5(4)(a) of the Act – passing-off

63) Mr Malynicz submitted that Mr Owen had been living dangerously. He submitted that the lettering of his trade marks was chosen to imitate the lettering that RIL used to use. It is difficult to see that there is an enormous degree of similarity in the fonts used by Mr Owen and the fonts previously used by RIL. This living dangerously matter in passing-off has been considered in, inter alia, *Slazenger & Sons v Feltham & Co* (1889) 6 RPC 531 at page 538 where Lindley LJ stated

“Why should we be so astute to say that he cannot succeed in doing that which he is straining every nerve to do?”

It was a line of reasoning that was considered in *United Biscuits v Asda* [1997] RPC 513 and *Specsavers International Healthcare Limited & Others v Asda Stores Limited* [2010] EWHC 2035 (Ch) Mann J.

64) The living dangerously argument of Mr Malynicz had not been foreshadowed in the statement of grounds. Indeed, in the statement of grounds RIL states

“The stylisation of the first three letters, “REB-“ of the Opposed Application is not strong”.

This appears contrary to Mr Malynicz’s submissions. In Mr Behean’s second statement he stated:

“I am not convinced that the particular stylisation of the Application is sufficient to remove it from the scope of confusing similarity with the Opponent’s Marks”.

There is no hint there of an accusation that Mr Owen was living dangerously. Mr Malynicz stated that Mr Owen had not stated who had designed his trade marks. Mr Owen stated that it was a friend. If RIL wished to know more it could have sought disclosure of this information. If RIL wished to question the intentions of Mr Owen it should have put this up-front and sought to cross-examine him. In the cases where the living dangerously argument was considered clear evidence of intention was before the court. Here there is a total absence of evidence and, moreover, it is not a line of argument and attack that was foreshadowed or suggested prior to the hearing. This line of argument is firmly rejected.

65) It is not possible to see that RIL's position is any better under the law of passing-off, having rejected the living dangerously argument, than it is under section 5(2)(b) of the Act. Indeed it is weaker. Ms McFarland's arguments re the effect of the distinctiveness and reputation of REEBOK come into play here. This is not a matter that is bound by the judgments of the CJEU. The distinctiveness and reputation of REEBOK will greatly lessen the effects of imperfect recollection and the reputation does effectively give REEBOK a meaning as a brand.

66) Owing to the differences in the trade marks of Mr Owen and the trade mark of RIL there will be no misrepresentation and so the grounds of opposition under section 5(4)(a) of the Act are rejected.

COSTS

67) Ms McFarland wanted the costs award to take into account that a large part of the evidence of RIL was not pertinent to the grounds of opposition.

68) RIL put in clearly defined grounds of opposition and then filed evidence that for the most part was not pertinent to its case. Sorting the wheat from the chaff is likely to have taken a large amount of time, especially in relation to the extensive exhibits, very few of which related to the issues in play. On the basis of the pleaded case and the counterstatement, all that RIL had to do was establish a goodwill in relation to bicycles and trampolines. Its evidence certainly was not focused upon this.

69) It is considered appropriate to make an award of costs outwith the scale as far as considering the first witness statement and exhibits of Mr Behean. Mr Owen is allowed two weeks from the date of issue of this decision to give a breakdown of the costs involved in the consideration of this first witness statement and exhibits. A copy of this breakdown should be copied to RIL who will have two weeks from the date that it is sent to it to make any submissions on the sum of the costs, **and the sum of the costs only.**

70) Following the receipt of the breakdown of the costs and any submissions from RIL, a supplementary decision on costs will be issued. The period for

appeal in relation to this decision will run from the issue of the supplementary decision.

Dated this 15 day of March 2011

David Landau
For the Registrar
the Comptroller-General

ⁱ Section 6A of the Act reads:

“(1) This section applies where –

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

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes –

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(7) Nothing in this section affects –

(a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4)(relative grounds of refusal on the basis of an earlier right), or

(b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration).”

ⁱⁱ See BL O/107/10 and *Somatra Limited v Sinclair Roche & Temperley* [2000] 1 WLR 2453.

ⁱⁱⁱ *Sabel BV v Puma AG* Case C-251/95.

^{iv} *Sabel BV v Puma AG* Case C-251/95.

^v *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* Case C-342/97.

^{vi} *Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02.

^{vii} See *Calvin Klein Trademark Trust v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-158/07:

“48 In that regard, it is important to point out, as the Board of Appeal stated in paragraph 23 of the contested decision, that the examination of the similarity of the marks at issue takes into consideration those marks in their entirety, as they have been registered or as they have been applied for. A word mark is a mark consisting entirely of letters, of words or of associations of words, written in printed characters in normal font, without any specific graphic element. The protection which results from registration of a word mark concerns the word mentioned in the application for registration and not the specific graphic or stylistic elements accompanying that mark. The graphic representation which the mark applied for may have in the future must not, therefore, be taken into account for the purposes of the examination of similarity (see to that effect, Case T-211/03 *Faber Chimica v OHIM – Naberska (Faber)* [2005] ECR II-1297, paragraphs 36 and 37; Case T-353/04 *Ontex v OHIM – Curon Medical (CURON)* [2007], not published in the ECR, paragraph 74; and Case T-254/06 *Radio Regenbogen Hörfunk in Baden v OHIM (RadioCom)*, not published in the ECR, paragraph 43).”

^{viii} *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281.

^{ix} *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267.

^x *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 dealt with a non-use issue but are still pertinent to the consideration of the meaning and effect of specifications:

“In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under section 10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court

should inform itself of the nature of trade and then decide how the notional consumer would describe such use”

^{xi} *Altecnic Ltd's Trade Mark Application* [2002] RPC 34.

^{xii} *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C-39/97.

^{xiii} He considered that the following should be taken into account when assessing the similarity of goods and/or services:

- “(a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

^{xiv} See *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-133/05 paragraph 29:

“In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 *Oberhauser v OHIM – Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 *Vedial v OHIM – France Distribution (HUBERT)* [2002] ECR II-5275, paragraphs 43 and 44; and Case T-10/03 *Koubi v OHIM – Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraphs 41 and 42).”

^{xv} *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C-39/97.

^{xvi} *Sabel BV v Puma AG* Case C-251/95.

^{xvii} *Rewe Zentral AG v OHIM (LITE)* Case T-79/00.

^{xviii} *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97.

^{xix} There are number of judgments re this issue eg *Devinlec Développement Innovation Leclerc SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-147/03:

“104 Consideration of the objective circumstances in which the goods covered by the marks are marketed is fully justified. The examination of the likelihood of confusion which the OHIM authorities are called on to carry out is a prospective examination. Since the particular circumstances in which the goods covered by the marks are marketed may vary in time and depending on the wishes of the proprietors of the trade marks, the prospective analysis of the likelihood of confusion between two marks, which pursues an aim in the general interest, that is, the aim that the relevant public may not be exposed to the risk of being misled as to the commercial origin of the goods in question, cannot be dependent on the commercial intentions, whether carried out or not, and naturally subjective, of the trade mark proprietors.

107 It follows that by taking into consideration in the assessment of the likelihood of confusion between the marks the particular circumstances in which the goods covered by the earlier mark are marketed, the temporal effect of which is bound to be limited and necessarily dependent solely on the business strategy of the proprietor of the mark, the Board of Appeal erred in law.”