

O-068-13

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2593246
BY SAINT ARTJUNKIE APPAREL
TO REGISTER THE TRADE MARK**



**IN CLASS 25
AND**

**IN THE MATTER OF OPPOSITION
THERE TO UNDER No. 102831 BY
RETAIL ROYALTY COMPANY**


BACKGROUND


1) On 1 September 2011, Saint Artjunkie Apparel (hereinafter the applicant) applied to register the trade mark shown on the front page in respect of the following goods in Class 25: Clothing, footwear, headgear, this to include T-shirts, coats, sweatshirts, socks, outerwear, waistcoats, shoes, undergarments, scarfs, gloves, ties, shirts, blouses, skirts.

2) The application was examined and accepted, and subsequently published for opposition purposes on 30 September 2011 in Trade Marks Journal No.6907.

3) On 3 January 2012 Retail Royalty Company (hereinafter the opponent) filed a notice of opposition. The grounds of opposition are in summary:

a) The opponent is the proprietor of the following trade marks:

Mark	Number	Date of application / date of registration	Class	Specification
 IC priority claim of 31.01.2006 from USA	CTM 5066113	09.05.2006 / 10.06.2010	3	After-shave lotions, non-medicated lip balm, bath oil, bath powder, non-medicated bath salts, bubble bath, beauty masks, body cream, body oil, body powder, cologne, perfume, toilet water, cosmetic pencils, hand cream, eye cream, night cream, shaving cream, skin cleansing cream, skin cream, deodorant soap, personal deodorants, antiperspirants, and combination deodorants/antiperspirants, emery boards, essential oils for personal use, eye makeup, eye makeup remover, eye pencils, eye shadow, eyebrow pencils, eyeliners, face powder, facial scrubs, foundation makeup, bath gel, shaving gel, shower gel, lip gloss, lipstick, hair conditioners, hair gel, hair rinses, hair spray, skin lotion, facial lotion, body lotion, makeup, facial makeup, mascara, massage oil, skin moisturizer, nail enamel, nail polish, rouge, sachets, hair shampoo, shaving balm, shaving lotion, skin cleansing lotion, skin soap, skin toners, liquid soaps for hand, face, and body, and cosmetics, including compacts.
			18	Athletic bags, all-purpose athletic bags, all-purpose sports bags, backpacks, barrel bags, beach bags, book bags, clutch bags, duffel bags, gym bags, leather shopping bags, shoulder bags, tote bags, travel bags, billfolds, briefcases, business card cases, calling card cases, credit card cases, attaché cases, document cases, key cases, overnight cases, passport cases, passport wallets, passport holders, credit card holders, cosmetic cases sold empty, toiletry cases sold empty, vanity cases sold empty, change purses, clutch purses, coin purses, drawstring pouches, waist packs, handbags, leather key fobs, knapsacks, luggage, luggage tags, pocketbooks, briefcase-type portfolios, purses, rucksacks, satchels, suitcases, and wallets.
			25	Clothing and accessories, namely, blazers, vests, sweaters, turtleneck sweaters, sweater coats, skirts, skorts (combination skirt and shorts), pants, jeans, shorts, shirts, t-shirts, sport shirts, pull-overs, overalls, blouses, shortalls, polo shirts, rugby shirts, halters, halter tops, sweatshirts, sweatpants, and fleecewear; swimwear; beach cover-ups; sleepwear; pajamas; robes; underwear, namely bras, panties, boxer shorts, shell bra tanks, and undershirts; outerwear, namely, jackets, vests, parkas, coats, pea coats, ski pants and ski

				<p>jackets, 3-in-1 system coats, snowboarding pants and jackets, anoraks, gloves, ear muffs, scarves and mittens; ties; belts; footwear, namely, socks, shoes, slippers, leather boots, rubber boots, insoles, sandals, flipflops, sneakers, clogs and slides, and hosiery; athletic footwear, namely, athletic shoes, trail and hiking shoes and boots, canvas shoes, and rollerskates, headwear, namely, hats, hoods, caps, baseball caps, visors, sun visors, headbands, babushkas, head and wrist sweatbands, headscarves, berets.</p>
			35	<p>Retail store services, electronic retail commerce over the Internet/worldwide web, catalogue retail sales, mail order and phone order retail services, all for a wide range of fragrances, after-shave lotions, non-medicated lip balm, bath oil, bath powder, non-medicated bath salts, bubble bath, beauty masks, body cream, body oil, body powder, cologne, perfume, toilet water, cosmetic pencils, hand cream, eye cream, night cream, shaving cream, skin cleansing cream, skin cream, deodorant soap, personal deodorants, antiperspirants, and combination deodorants/antiperspirants, emery boards, essential oils for personal use, eye makeup, eye makeup remover, eye pencils, eye shadow, eyebrow pencils, eyeliners, face powder, facial scrubs, foundation makeup, bath gel, shaving gel, shower gel, lip gloss, lipstick, hair conditioners, hair gel, hair rinses, hair spray, skin lotion, facial lotion, body lotion, makeup, facial makeup, mascara, massage oil, skin moisturizer, nail enamel, nail polish, rouge, sachets, hair shampoo, shaving balm, shaving lotion, skin cleansing lotion, skin soap, skin toners, liquid soaps for hand, face, and body, and cosmetics, including compacts candles, sunglasses, jewellery and wristwatches, stationery, posters, pictorial, art and colour prints, calendars and travel diaries, pens, pencils, portfolios, notepads, greeting cards, and note cards, including wallets, handbags, purses, shoulder bags, and luggage, school bags, backpacks, daypacks, waist packs, duffel bags, general purpose sport bags, laundry bags, and portfolios, and umbrellas, and a wide range of wearing apparel and clothing accessories, including clothing, headwear and footwear, athletic bags, all-purpose athletic bags, all-purpose sports bags, barrel bags, beach bags, book bags, clutch bags, gym bags, leather shopping bags, tote bags, travel bags, billfolds, briefcases, business card cases, calling card cases, credit card cases, attaché cases, document cases, key cases, overnight cases, passport cases, passport wallets, passport holders, credit card holders, cosmetic cases sold empty, toiletry cases sold empty, vanity cases sold empty, change purses, coin purses, drawstring pouches, leather key fobs, knapsacks, luggage, luggage tags, pocketbooks, briefcase-type portfolios, purses, rucksacks, satchels, suitcases, and wallets.</p>
	CTM 9676321	21.01.2011 / 03.06.2011	14	Jewellery; watches

b) The opponent contends that the mark in suit contains an identical or very similar image to its marks. It also contends that the goods of the two parties are identical or similar. The mark in suit therefore offends against Section 5(2)(b) of the Act.

c) The opponent also contends that use of the mark in suit would constitute unfair “riding on the coat tails” of the opponent’s marks and the applicant would unlawfully

enjoy the benefits of the goodwill the opponent has built up in its marks. Use of the mark in suit will lead to detriment to the opponent's marks since it will have no control over the quality of the goods offered. Confusion as to common trade origin will lead to damage to the opponent in the form of lost sales, and dilution in its marks. The mark in suit therefore offends against Section 5(3) of the Act.

d) The opponent has used its marks in the UK in relation to clothing, bags and related items since at least July 2004, and in respect of jewellery and related items in the UK since at least October 2008. As a result the opponent owns substantial goodwill in its marks and registration or use of the mark in suit will lead to misrepresentation that the applicant is in some way connected to the opponent or otherwise endorsed by the opponent. This will lead to damage by lost sales and/or dilution of its distinctive Eagle logo and the reputation and goodwill attached thereto. The mark in suit offends against Section 5(4)(a) of the Act.

e) Copyright in the opponent's Eagle logo has been assigned to the opponent. The design is registered at the US Copyright Office and protection extends to the UK under Sections 154 and 158 of the Copyright, Designs and Patents Act 1988 and Article 2(1)(a) of the Copyright & Performances (App to Other Countries) Order 2008. The mark in suit therefore offends against Section 5(4)(b) of the Act.

5) On 28 May 2012, the applicant filed a counterstatement denying all the grounds but did request the opponent to prove use of its marks.

6) Only the opponent filed evidence. Both parties seek an award of costs in their favour. The matter came to be heard on 6 February 2013. At the hearing, the opponent was represented by Ms Smith of Messrs Bristows. The applicant was not represented and did not provide written submissions. I spoke to the applicant by telephone on the morning of the hearing where he informed me that in his view the hearing had been cancelled. When I informed him it would be going ahead with or without him he became abusive and after he used an expletive to describe me I terminated the conversation.

OPPONENT'S EVIDENCE

7) The opponent filed a witness statement, dated 18 June 2012, by Esta Cohen the Company Secretary of the opponent. She states that the opponent offers high quality, on-trend clothing, accessories and personal care products under various brands, including, the American Eagle Outfitters, for both males and females. As the name of the company implies it uses an image of a soaring eagle as its logo and has done since its inception. It has been updated over the years and in 2003 the most recent design was created. She states that trade marks consisting of, or containing the Eagle Device have been used in Europe continuously since 2004. The device has been used on clothing, footwear and headgear and in addition many merchandising labels and hangtags feature the Eagle device.

8) Ms Cohen seems to place great store in the fact that the opponent's clothing has been worn by "celebrities", either in films, TV programmes or in real life, who are the subject of on-line stories (particularly in the USA), and so, to her mind, the brand achieves reputation in the UK and the EU. However, there is no evidence that those who watched the films/tv programmes actually noticed what the actors were wearing, let alone the brand. Nor is there any evidence of anyone in the EU/UK reading the various internet stories.

9) Ms Cohen provides the following sales figures for products bearing the Eagle device the UK and EU. She states that these have been converted from US\$ to GBP sterling.

Year	UK Sales £	EU sales £
2004	42,983	63,759
2005	175,858	296,157
2006	494,384	588,189
2007	494,384	813,143
2008	715,572	1,334,034
2009	345,304	1,124,883
2010	249,877	865,099

10) Although the opponent has opened a number of shops worldwide, none are in the UK or EU. These areas are dealt with via the internet. However, I note from exhibit 10 that the website is set up to provide prices in GBP. I also note that most of the items have the eagle device clearly visible, or it is on the page. At exhibit EC11 Ms Cohen provides a list of consumer visits to the www.ae.com website. It is not clear exactly how these figures are calculated as a "hit" can mean a single request from a web browser for a single item from a web server; thus in order for an individual's web browser to display a page that contains three graphics, 4 "hits" would occur at the server: one for the HTML page itself, and one for each of the three graphics displayed on that page. So a user downloading a single web page with many graphic elements will generate many hits. The figures show that during the period 2009-2010 inclusive the website had an average of approximately 750,000 UK hits per annum, and 2.5 million hits per annum from the EU. She states that her company is ranked No. 54 for the most online sales made by an American company in a 2009 report. She states that products manufactured by the opponent bearing the Eagle device have also been sold extensively in the UK through trading websites such as eBay. She states that this shows the important secondary market for products bearing the Eagle device in the UK. She states that the opponent operates a Facebook page and has a number of fans in the UK and EU who have opted in to receive updates about the brand. Although she provides a list at exhibit 14 showing how many such fans there are, it is not dated. She also states that the opponent has a large number of people in the UK who follow the company on twitter, and there is also a smart phone app that allows individuals to order goods and converts the price to the appropriate currency.

11) Ms Cohen provides at exhibit 8 copies of mailshots sent to those in the UK and EU who have purchased from the website. These show items of clothing with the Eagle

device upon them. She also seems to imply that sales and advertising in the USA and worldwide equates to reputation and goodwill in the UK and the EU.

12) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

13) I first turn to the ground of opposition based on section 5(2)(b) which reads:

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.”

14) An “earlier trade mark” is defined in section 6, the relevant part of which states:

“6.-(1) In this Act an "earlier trade mark" means -

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

15) The opponent is relying upon its trade marks listed in paragraph 3 above which are clearly an earlier trade mark. The applicant requested that the opponent provide proof of use. However, given the play between the dates of both parties’ marks, the opponent’s marks are not subject to The Trade Marks (Proof of Use, etc) Regulations 2004.

16) When considering the issues under Section 5(2) and the likelihood of confusion, I take into account the guidance from the settled case law provided by the CJEU 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, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* C-334/05 P (LIMONCELLO). In the recent case of *La Chemise Lacoste SA v Baker Street Clothing Ltd* [ALLIGATOR O/333/10] Mr Hobbs QC acting as the Appointed Person set out the test shown below which was endorsed by

Arnold J. in *Och-Ziff Management Europe Ltd and Oz Management Lp v Och Capital LLP; Union Investment Management Ltd & Ochocki*, [2010] EWCH 2599 (Ch).

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods/ services in question; 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, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(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, but 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; nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;

(e) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element in that mark;

(f) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa;

(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;

(h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient;

(i) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(j) if the association between the marks causes the public to wrongly believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion.

Distinctive character of the opponent's earlier trade mark

17) The opponent has provided little evidence of use of the marks in the UK or EU. Whilst it has sold approximately £360,000 worth of items such as clothes, shoes & headgear per annum in the UK over the years 2004-2010 inclusive it has not put these figures in context of marketshare. In the EU its sales of the same items during the same period was merely £726,000 per annum. It is obvious that the market for such items in the UK and EU must be measured in the billions. The opponent has not provided any evidence of advertising except that it sends emails to existing customers who can access its website and receive goods posted from the USA. I accept that the website shows prices in GBP, but do not find this persuasive. The opponent appears to rely mostly upon the fact that its products are worn by celebrities both in film or television and in real life; and that this is covered on the internet. However, there are billions of websites and pages on the internet: the question is does anyone look at them, and the opponent has not shown that consumers in the UK and the EU have viewed these pages. To my mind the opponent has not shown that it has a significant reputation in the marks at paragraph 3 above. However, I regard the opponent's marks as having a high degree of inherent distinctiveness for the goods for which they are registered.

The average consumer and the nature of the purchasing process

18) I must now determine the average consumer for the goods of the parties. Both parties have specifications, broadly speaking, of clothing, footwear and headgear. Such goods will be sold in, inter alia, traditional retail outlets on the high street, through catalogues and on the Internet. Neither party's specifications are limited in any way, and so I must keep all of these trade channels in mind. The average consumer of the goods at issue is a member of the general public who is likely, in my opinion, to select the goods mainly by visual means. I accept that more expensive items may be researched or discussed with a member of staff. In this respect I note that in *New Look Ltd v OHIM Cases- T-117/03 to T-119/03 and T-171/03*, the General Court (GC) said this about the selection of clothing:

“50. Generally in clothes shops customers can themselves either choose the clothes they wish to buy or be assisted by the sales staff. Whilst oral communication in respect of the product and the trade mark is not excluded, the choice of the item of clothing is generally made visually. Therefore, the visual perception of the marks in question will generally take place prior to purchase. Accordingly, the visual aspect plays a greater role in the global assessment of the likelihood of confusion.”

19) In the same case the Court also commented upon the degree of care the average consumer will take when selecting clothing. It said:

“43. It should be noted in this regard that the average consumer’s level of attention may vary according to the category of goods or services in question (see, by analogy, Case C 342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 26). As Ohim rightly pointed out, an applicant cannot simply assert that in a particular sector the consumer is particularly attentive to trade marks without supporting that claim with facts or evidence. As regards the clothing sector, the Court finds it comprises goods which vary widely in quality and price. Whilst it is possible that the consumer is more attentive to the choice of mark where he or she buys a particularly expensive item of clothing, such an approach on the part of the consumer cannot be presumed without evidence with regard to all goods in that sector. It follows that that argument must be rejected.”

20) Clearly, the average consumer’s level of attention will vary considerably depending on the cost and nature of the item at issue. However, to my mind even when selecting routine inexpensive items of clothing such as socks, the average consumer will pay attention to considerations such as size, colour, fabric and cost. Overall the average consumer is likely to pay a reasonable degree of attention to the selection of items of clothing, footwear or headgear.

Comparison of goods

21) For ease of reference the competing goods and services are reproduced below:

Applicant’s specification	Opponent’s relevant goods
<p>Class 25: Clothing, footwear, headgear, this to include T-shirts, coats, sweatshirts, socks, outerwear, waistcoats, shoes, undergarments, scarfs, gloves, ties, shirts, blouses, skirts.</p>	<p>Class 25: Clothing and accessories, namely, blazers, vests, sweaters, turtleneck sweaters, sweater coats, skirts, skorts (combination skirt and shorts), pants, jeans, shorts, shirts, t-shirts, sport shirts, pull-overs, overalls, blouses, shortalls, polo shirts, rugby shirts, halters, halter tops, sweatshirts, sweatpants, and fleecewear; swimwear; beach cover-ups; sleepwear; pajamas; robes; underwear, namely bras, panties, boxer shorts, shell bra tanks, and undershirts; outerwear, namely, jackets, vests, parkas, coats, pea coats, ski pants and ski jackets, 3-in-1 system coats, snowboarding pants and jackets, anoraks, gloves, ear muffs, scarves and mittens; ties; belts; footwear, namely, socks, shoes, slippers, leather boots, rubber boots, insoles, sandals, flipflops, sneakers, clogs and slides, and hosiery; athletic footwear, namely, athletic shoes, trail and hiking shoes and boots, canvas shoes, and rollerskates, headwear, namely, hats, hoods, caps, baseball caps, visors, sun visors, headbands, babushkas, head and wrist sweatbands, headscarves, berets.</p>

22) Clearly, the opponent's specification encompasses the applicant specification. **The goods must therefore be regarded as identical.**

Comparison of trade marks

23) Clearly the opponent's strongest case is under its CTM 5066113 mark and so this will form the basis for my comparison. The trade marks to be compared are as follows:

Applicant's mark	Opponent's mark
	

24) It is well established that the average consumer is considered to be reasonably well informed, circumspect and observant but perceives trade marks as wholes and does not pause to analyse their various details. In addition, he rarely has the chance to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has kept in his mind. In reaching a conclusion on similarity, I must identify what I consider to be the distinctive and dominant elements of the respective trade marks and, with that conclusion in mind, I must go on and compare the respective trade marks from the visual, aural and conceptual perspectives.

Distinctive and dominant components

25) In my opinion, there are no dominant or distinctive elements in the opponent's trade mark; its distinctiveness lies in its totality. It is the image of an eagle about to sink its talons into its prey. The image is in black against a white background. The opponent's mark is, as far as I am aware (and there is no evidence or submissions to the contrary), distinctive for the goods for which it is registered. The applicant's mark consists of a number of elements. It has the words "LET IT ROCK" where the letter "I" in the word "IT" is actually a guitar device. The letter "K" in the word "ROCK" morphs into a black carpet or path which underlines the whole of the phrase whilst curving away and down from the words themselves. Within this path is the phrase "EST 1990" which most consumers would assume to be the date that the applicant company first engaged in business. This phrase is picked out in white upon the black background. Similarly, the eagle device at the end of the path is also in white against the black background. Again the eagle seems about to sink its talons into its prey. To my mind, the applicant's mark has a distinctive phrase "LET IT ROCK", and three distinctive devices; the guitar, the path and the eagle. I do not regard the term "EST 1990" would be accorded much significance by the average consumer.

26) The applicant's mark is very busy with its numerous elements. However, the guitar device used as a letter in the phrase "LET IT ROCK", clearly underscores the musical message. The "path" device would be viewed more as a decorative feature. However, the eagle device is somewhat incongruous. It does not meld into the overall theme as do the rest of the elements and as such it assumes greater importance than its size within the total mark might otherwise warrant. I find that the applicant's mark has three main distinctive and independent elements; the words "LET IT ROCK", and the devices of the guitar and the eagle. I will approach the comparison of the trade marks with these conclusions in mind.

Visual similarity

27) Whilst the applicant's mark has a number of elements which are totally different to the opponent's mark the distinctive and independent eagle device in the applicant's mark is virtually identical to the opponent's mark. Therefore, there is a degree of visual similarity.

Aural similarity

28) Aurally if the opponent's mark were verbalised it would be as "eagle"; whereas the applicant's mark would obviously be "let it rock". The marks are aurally dissimilar.

Conceptual similarity

29) The whole of the applicant's mark (with the exception of the eagle device) provides an image of rock music. The eagle device is so disparate from this overall impression that it stands out and clearly provides an identical concept to that created by the opponent's mark.

Likelihood of confusion

30) I must now take all the above into account and consider the matter globally taking into account the interdependency principle- a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods and services and vice versa. Clearly the goods are identical, and the eagle device within the applicant's mark is virtually identical to the opponent's mark and is also a distinctive and independent element in the mark in suit. This means that there is a likelihood of consumers being confused into believing that the goods provided by the applicant are those of the opponent or provided by some undertaking linked to them. **The opposition under Section 5(2) (b) therefore succeeds.**

31) I now turn to the ground of opposition under Section 5(4)(a) which reads:

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

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

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

32) In deciding whether the marks in question offend against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the *WILD CHILD* case [1998] RPC 455. In that decision Mr Hobbs stated that:

“The question raised by the grounds of opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the applicant from those of other undertakings (see section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Article 4(4)(b) of the Directive and section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the applicant in accordance with the law of passing off.

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

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

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

33) I also note the comments of Pumfrey J in *South Cone Incorporated v JackBessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* case, in which he said:

“27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is

raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under Section 11 of the 1938 Act (See *Smith Hayden (OVAX)* (1946) 63 RPC 97 as qualified by BALI [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised the applicant must rebut the prima facie case. Obviously he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur."

34) I must also keep in mind the comments of Mr Justice Floyd in *Minimax GMBH & Co KG and Chubb Fire Limited* [2008] EWHC 1960 (Pat) in which he says of the above:

"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."

35) First I must determine the date at which the opponent's claim is to be assessed; this is known as the material date. In this regard, I note the judgment of 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 that judgment the GC said:

"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."

36) The applicant has not provided any examples of evidence of use and so the date of the application, 1 September 2011, is the relevant date. In considering the issues I note that much of the evidence that I rely upon are mere statements which are largely uncorroborated. However, I have also noted that it is unchallenged. I take into account the comments of Mr Arnold Q.C (as he was) when acting as the Appointed Person in *Extreme O/161/07* where he commented on the issue of unchallenged evidence and cross examination:

“Unchallenged evidence

33. *Phipson on Evidence* (16th ed) states at paragraph 12-12:

In general a party is required to challenge in cross-examination the evidence of any witness of the opposing party if he wishes to submit to the court that the evidence should not be accepted on that point. The rule applies in civil cases as it does in criminal. In general the CPR does not alter that position.

This rules [sic] serves the important function of giving the witness the opportunity of explaining any contradiction or alleged problem with his evidence. If a party has decided not to cross-examine on a particular important point, he will be in difficult in submitting that the evidence should be rejected.

However the rule is not an inflexible one...

34. The authority cited in support of this statement of the law is the decision of the House of Lords in *Browne v Dunn* (1894) 6 R 67. The relevant passages from the speeches are set out in the judgment of Hunt J in *Allied Pastoral Holdings v Federal Commissioner of Taxation* (1983) 44 ALR 607, the material parts of which are quoted in the judgment of the Court of Appeal in *Markem Corp v Zipher Ltd* [205] EWCA Civ 267, [2005] RPC 31 at [59]-[60].

35. In my judgment the learned editors of *Phipson* are correct to say that the rule is not an inflexible one. There are at least two well-established exceptions to it. The first is that, as the speech of Lord Herschell LC in *Browne v Dunn* makes clear, it may not be necessary to cross-examine on a point if the witness has been given full notice of it before making his statement. As I pointed out in *BRUTT Trade Marks* [2007] RPC 19 at [23], this may be significant in registry proceedings where evidence is given sequentially. The second is that a court is not obliged to accept a witness's evidence in the absence of cross-examination if it is obviously incredible: see *National Westminster Bank plc v Daniel* [1993] 1 WLR 1453.

36. Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness's evidence despite having had the opportunity

to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness's evidence.

37. Despite this, it is not an uncommon experience to find parties in registry hearings making submissions about such unchallenged evidence which amount to cross-examination of the witness in his absence and an invitation to the hearing officer to disbelieve or discount his evidence. There have been a number of cases in which appeals have been allowed against the decisions of hearing officers who have accepted such submissions. Two recent examples where this appears to have happened which were cited by counsel for the proprietor are *Score Draw Ltd v Finch* [2007] EWHC 462 (Ch), [2007] BusLR 864 and *EINSTEIN Trade Mark* (O/068/07). Another recent example is *Scholl Ltd's Application* (O/199/06). I consider that hearing officers should guard themselves against being beguiled by such submissions (which is not, of course, to say that they should assess evidence uncritically)."

37) The opponent has stated that it has sold its goods in the UK and the EU since 2004. I have commented earlier that these figures were not put into context of market share. No actual instances of sales were provided such as copies of invoices. However, it does not affect the fact that the opponent has contended that it has created goodwill in its mark via sales which whilst not massive are still substantial. These claims have not been contested by the applicant. Earlier in this decision I found that use of the mark in suit would cause confusion with the opponent's mark. Accordingly, it seems to me that the necessary misrepresentation required by the tort of passing off will occur. Having established that the opponent has goodwill and that misrepresentation would occur, it is inevitable that the opponent's mark would suffer damage. **The opposition under Section 5(4)(a) of the Act must succeed.**

38) In view of the above findings I do not need to consider the other grounds of opposition.

CONCLUSION

39) The opponent has succeeded under Sections 5(2)(b) and 5(4)(a) against the whole of the specification applied for.

COSTS

40) As the opponent has been successful it is entitled to a contribution towards its costs. At the hearing the opponent sought costs over and above the scale stating that the other party had behaved unreasonably. Having considered all the papers it is my view that whilst there has been an element of "playing for time" on Mr Knight's behalf, it has not been that extensive and thus to penalise him for such tactics in the instant case would be inappropriate. I therefore award costs within the Registry's normal scale.

O-068-13

Preparing a statement and considering the other side's statement	£200
Preparing evidence	£1000
Preparing for and attending a hearing	£1000
Expenses	£200
TOTAL	£2,400

41) I order Mr Knight t/a Saint Artjunkie Apparel to pay Retail Royalty Company the sum of £2,400. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 13th day of February 2013

**George W Salthouse
For the Registrar,
the Comptroller-General**