

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 3185811 BY FITNESS LEISURE LIMITED
T/A BE INSPIRED GYMS TO REGISTER A LOGO TRADE MARK IN CLASSES 25, 28
AND 41 AND

IN THE MATTER OF OPPOSITION THERETO UNDER NO. 408 189 BY THE ENGLISH
SPORTS COUNCIL

DECISION

Introduction

1. This is an appeal from the decision of the hearing officer, Mr Mark Bryant, dated 15 March 2018, on behalf of the Registrar by which he upheld the opposition to registration of the following mark for a range of goods and services in classes 5, 28 and 41 mark, under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”):



2. The opposition was based on a number of earlier registrations consisting of the words “**BE INSPIRED**” either as such (UK Trade Mark No. 3157809) or in the form of logos (UK Trade Mark No. 3018192 and 3076248). It was not in dispute before the hearing officer that the strongest case was based on the word mark because the logos had particular distinctive features making them less similar to the mark applied for. Accordingly, if the opposition failed based on the word mark, it would not succeed on the logo marks. Opposition was also brought under section 5(3) and section 5(4)(a) of the Act, in the latter case based on alleged goodwill acquired from use by the opponent in relation to sporting opportunities throughout the UK.

3. The hearing officer decided the case following a hearing at which the opponent (respondent) was represented and the applicant (appellant) filed written submissions in lieu of attendance. The position was similar on appeal.

The decision

4. In the light of the arguments on appeal which do not challenge the hearing officer's summary of the law, I will summarise the hearing officer's decision on approach more briefly than the points of evaluation.
5. First, he undertook a comparison of the goods and services in a manner which is not criticised. He held that the relevant class 25 and class 41 goods and services were identical and the class 28 goods (gymnastic apparatus, fitness exercise machines) were similar to a medium degree to the opponent's services (rental of sporting apparatus).
6. Having set out the relevant law and principles, he then undertook a comparison of the marks, observing:

“It would be wrong, therefore, to artificially dissect the marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.”

7. As noted above, he accepted a submission from the opponent that the opponent's word mark “BE INSPIRED” was its best case, saying that the additional material present in its other earlier marks created points of difference between the respective marks and, therefore, reduced the likelihood of confusion compared to its word mark. He therefore considered the comparison of “BE INSPRED” against the logo depicted above.
8. He then held at paras. [34]-[37] that:

“...the opponent's mark consists of two words that form the phrase BE INSPIRED. The distinctiveness resides in its totality. There are no other elements contributing to the distinctive character of the mark. The most prominent element of the applicant's mark is the three words BE INSPIRED GYMS. The first letter of each of these words is presented in red with the rest of the words presented in white letters. All of this is on a black background. In

addition, appearing centrally above these words is a device of a laurel wreath within which is, what appears to be, a vertically positioned barbell. The letters “B” and “G” are positioned either side of the bar of the barbell. This device is distinctive in its own right and contributes to the distinctive character of the mark, but because of its size relative to the words, it is the words that are the dominant, distinctive element of the mark.

35) Visually, the marks share some similarity because the words BE INSPIRED appear in both. In all other aspects, the marks are different with the applicant’s mark having a device element, the first letter of each of the three words being presented in a different colour and all being presented on a black background. All these elements are absent from the applicant’s mark. Taking all of this into account, I conclude that respective marks share a medium level of visual similarity.

36) Aurally, the device element and other embellishments present in the applicant’s mark will not be a factor. The applicant submits that the letter’s BG present in the device element of its mark are presented either side of the bar of the barbell device to create the impression of the acronym B.I.G. Whilst I accept that the average consumer will notice this, in my view it is not likely to be referred to. Rather, the mark will be referred to as BE INSPIRED GYMS. The opponent’s mark will be referred to as BE INSPIRED. Taking all of this into account, I conclude that the respective marks share a high level of aural similarity.

37) Conceptually, the opponent’s mark is likely to be perceived as an exhortation to be inspired. The applicant’s mark, whilst containing the same words BE INSPIRED also has the word GYMS that creates the impression of gyms where a person would go to be inspired. There is nothing in the device element to contradict this impression. Therefore, whilst the respective concepts are not identical (the opponent’s mark is absent a concept of “gyms”), there is nevertheless a good deal of conceptual similarity resulting from the common occurrence and meaning of the words BE INSPIRED.”

9. As to the average consumer, having set out the law, he said at paras [40]-[42]:

“40) Mr Cassidy submitted that the average consumer is the general public. I partially agree, but I also recognise that in respect of the applicant’s Class 28 goods and the relevant Class 41 services (see para. 28, above) that they may be provided in a business to business environment. In respect of the Class 25 goods, where the average consumer is the general public, I agree with Mr Cassidy who submitted that the level of care and attention during the purchasing process is average.

41) In respect of the other goods and services, the level of care and attention paid during the purchasing process is likely to be greater. For example, in respect of the Class 41 services, they are often accessed via membership for a given time, for example, 12 months, and such a commitment from the consumer will raise the level of care and attention paid during the purchasing process. Where the goods and services are provided through a business to

business transaction, the level of care and attention is likely to be enhanced through the normal due-diligence that would be expected from a business customer in purchasing such goods and services.

42) The purchasing act is likely to be predominantly visual in nature, but I do not ignore that aural considerations may play a part.”

10. As to distinctive character of the earlier mark, he considered that it was a natural word combination “that will be readily understood by the average consumer as an exhortation to be inspired”. He considered that it was “a message that traders in all fields may wish to use and, further, that it was particularly relevant in the fields of exercise and sports” which had the impact of endowing the mark with only a low level of inherent distinctive character. He also held that, as a result of the use made of it mainly in respect of a promotional campaign to encourage the general public to get involved in sport either via participation or volunteering, its enhanced distinctiveness was not particularly high.

11. When he came to make the global assessment, he rejected a number of submissions made on behalf of the applicant as not representing the law, including points such as the relevance of absence of actual confusion. At the heart of his evaluation was the following at paras. [57]-[58]:

“57)...I rule out any likelihood of direct visual confusion where one mark is confused for the other. The visual differences are sufficient to remove this likelihood. Whilst I have acknowledged that visual considerations are the most important, I recognise that aural considerations may play a part, particularly when the respective goods and services are recommended by word of mouth or advertised via radio broadcasts. Here, with the respective marks being highly similar to the ear and with the only difference (the word GYMS) being totally descriptive, I find that direct aural confusion is likely.

58) I also consider whether there is a likelihood of indirect visual confusion where the average consumer is likely to believe that the goods and services provided under one of the marks originate from the same or linked undertaking as the goods and services provided under the other mark. In considering this, I keep in mind the following guidance of Mr Iain Purvis Q.C., sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10...”

12. Having set out that guidance, he continued at paras. [59]-[62]:

“59) I must take account of the common element in the context of the later mark as a whole (as highlighted by Mr James Mellor Q.C. sitting as the Appointed Person in *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17). Whilst the current contested mark does not appear to fall squarely into any of Mr Purvis’ categories, I do not understand him to be setting out an exhaustive list. The contested mark falls partially into Mr Purvis’ category a) in that the common element appears in both marks, however, this common element is not “strikingly distinctive”. It also falls partially into category b) in that the non-distinctive element GYMS is added, but of course, it is not the only additional matter. I do not find either of these points fatal to a finding of indirect confusion.

60) It is clear to me that when encountering the mark, the average consumer will be immediately struck by the words BE INSPIRED as indicating the name of the GYMS. This is despite the presentation with the first letters of each of these words (i.e. the letters “B”, “I” and “G”) appearing in a contrasting colour. The presence of the device element and the overall stylisation of the mark does not detract from this. If the device element is noticed, the appearance of the letters “B” and “G” appearing either side of the bar of a barbell to create the impression of the letters “B I G” and serve to reinforce the name BE INSPIRED GYMS.

61) I acknowledge that the figurative element of the applicant’s mark contributes to its distinctive character as does the stylisation of the mark as a whole, however, it remains the case that:

- The applicant’s mark includes the opponent’s mark;
- I am required to consider the earlier mark BE INSPIRED as having at least a minimum degree of distinctiveness;
- A distinctive element of the applicant’s mark is the figurative element and, also, the marks stylisation and these contribute to its distinctive character and that these have no counterparts in the earlier mark;
- The element BE INSPIRED GYMS is the dominant and distinctive element of the applicant’s mark, but the word GYMS, on its own, is non-distinctive;
- The words BE INSPIRED must therefore also have a minimum degree of distinctive character in the applicant’s mark;
- On this basis, I have found there is medium level of visual similarity between the marks;
- The respective goods and services in Class 25 and Class 41 are identical and the opponent’s services are similar to a medium degree to the applicant’s Class 28 goods;

- Although aural similarity is less important than the degree of overall visual similarity between the marks, if the marks are verbalised I have found they would share a high level of similarity.

62) Taking all relevant factors into account, and keeping in mind the principle of interdependence, namely, that the overall degree of similarity between the marks may offset the lesser degree of similarity between the goods and *vice versa*, I find that there is a likelihood of indirect visual confusion in respect of all of the applicant's goods and services because consumers are likely to believe that the applicant's mark is a variant of the opponent's mark and used by the same undertaking, or by an economically related undertaking."

Approach to appeal

13. In *Apple Inc v Arcadia Trading Limited* [\[2017\] EWHC 440 \(Ch\)](#) at [11] Arnold J, approved a summary of the applicable principles to decisions of this kind from *TT Education Ltd v Pie Corbett Consultancy Ltd* (O/017/17) at [14] to [52]. Such decisions are very unlikely to be overturned on appeal in the absence of a distinct and material error of law or principle. In particular, in the case of a multifactorial assessment or evaluation, such as whether there is similarity of marks leading to a likelihood of confusion, an Appointed Person should show a real reluctance, but not the very highest degree of reluctance, to interfere and, in the absence of such an error, should only do so if the decision below can properly be described as wrong. I have borne these principles in mind.

Grounds of appeal

14. The appellant advanced the following main points on the appeal, which are distilled from the lengthy Grounds of Appeal. I deal with these in turn but in a somewhat different order to those set out in the Grounds and gathering some of the related points together.

(i) Insufficient findings relating to other marks

15. First, it is said that it was impermissible for the hearing officer to decide the case on the basis of only one of the prior rights relied on (the word mark registration for "BE INSPIRED") which was alleged by the opponent to be the strongest case. The appellant contends that the hearing officer wrongly disregarded earlier registrations which were more different from the mark applied for because of additional material

present in those earlier marks. It is said by the appellant that these were “unjustly factored out of the proceedings”.

16. The hearing officer did not consider these additional marks because, if the application merited refusal under section 5(2)(b) on the basis of the word mark, it was unnecessary to consider the “fall back” case based on the other marks (see decision at para. [65])
17. It has however, often been said that a first instance tribunal should address all the issues which require findings of fact so that it is not necessary for an appellate court to remit further issues for determination, should it hold that the basis on which the first instance tribunal decided the case was incorrect (see *Warner Lambert v. Generics* [2015] EWHC 3370 at [23], Arnold J and [2018] UKSC 56 at [116]-[118], Supreme Court).
18. Similarly, in *Trump International Ltd v DTTM Operations LLC* [2019] EWHC 769 (Ch) (29 March 2019), Henry Carr J said at [56]:

“Since he determined that the Application was made in bad faith, I have considerable sympathy for the Hearing Officer's position that it was unnecessary to determine the other grounds of opposition. However, I consider that it would have been sensible for him to express, briefly, his conclusion on each of those grounds. Experience in the European Patent Office shows that where only one ground of an opposition is determined, it is frequently necessary for the board of appeal to remit the matter back to the opposition division where an appeal is successful, for determination of the other grounds. This can lead to significant delays in the determination of cases.”
19. Here, the hearing officer declined to deal with the less strong case based on the earlier logo marks for the reasons explained. He also declined to deal with the other cases advanced on section 5(3) and section 5(4)(a) grounds. These are independent bases of opposition and, following the usual guidance, it would normally have been appropriate to address these separate grounds briefly or at least canvass with the parties whether they were content to receive a decision on only more limited issues.
20. While that may have been more in keeping procedurally with the authorities referred to, it is not a valid ground of objection to the way in which the hearing officer decided the central point in this case that he failed also to decide other, potentially weaker or

more complex, grounds of opposition. In this case, it was said by the opponent that the prior word mark registration was its strongest ground, which amounted to acceptance that if that ground failed, the other section 5(2)(b) case based on prior logos would fare no better. Although the other points were described as fall back positions, this was something of a misnomer since they did not provide a case which could realistically have succeeded if the main section 5(2)(b) case failed. The situation was somewhat different with the other (section 5(3) and section 5(4)(a)) grounds.

21. More generally, it is one thing not to decide one or more genuinely alternative cases each of which could realistically succeed. That can give rise to problems and, on occasion, injustice. It is another for a tribunal not to deal with alternative grounds, having held that a principal case succeeded when it is beyond question that the alternative cases could add nothing. That is the situation in the present case with the opposition based on section 5(2)(b) relying on the word mark as opposed to the device marks.

22. The general question of when it is appropriate for hearing officers to make partial decisions on individual issues selected by them from alternative grounds merits fuller consideration in a case in which it may matter, preferably with the benefit of submissions from the Registrar. There are imperfect analogies with the principles applicable to decisions to determine preliminary issues. It is well known that such cases can result in difficulties. Preliminary issues can be useful short cuts but are often treacherous (see *Tilling v. Whiteman* [1980] AC 1 at 25) and a careful multifactorial evaluation as to the benefits and costs of taking them is required, in which the resources and convenience of the tribunal may be only one factor (see for example *Merck KGaA v. Merck, Sharp & Dohme Corp and others* [2014] EWHC 428 as to the analysis required in such a situation). They can create problems of the kind referred to in the cases cited above, including as to how to approach evaluation of costs where only one point is decided (see for recent examples and issues to which declining to decide one or more points in trade mark disputes can give rise: *airblue TM* O/600/18, Prof Ruth Annand; *MUSLIM MATCH TM*, O/014/19, Mr Geoffrey Hobbs QC).

23. Moreover, in the context of trade mark disputes before the registry, partial decision-making on limited grounds can give rise to greater longer term uncertainty, for example, over the substantive scope (or duration) of legitimate objection to the use and registration of marks that a prior right confers. Parties may reasonably expect to have the points raised determined, one way or the other, regardless of whether an appeal may be in contemplation or merited. That may be as important for an undertaking whose rights are under challenge as for a challenger to those rights. For example, an objection to registration advanced on a relatively narrow basis of confusing similarity with a specific prior registered mark may cease to apply if at a later date that prior mark itself becomes vulnerable to revocation for non-use and it has been held that there are no other valid prior right grounds of objection to registration than those based on that mark. It can be important for parties and others to know the extent to which a wider objection advanced in an opposition, for example, would or would not be sustainable. So apart from the position with respect to appeals, a failure to determine a given issue can appear advantageous in the short term but can lead to a proliferation of proceedings in future.
24. Declining to decide certain issues has the advantage of reducing potentially unnecessary work for the Registrar in some cases, which is itself in the public interest. However, that is not always an advantage from which parties benefit. In addition, in some situations it is self-evident that a further ground has been “thrown in” as a makeweight (that is not infrequently the case with oppositions based on the same mark but on section 5(3) in addition to section 5(2) of the Act) and there may be strong justification for not wasting resources on such an additional ground. But in such cases it is likely that if the question were raised of whether additional cases needed to be addressed if a primary case succeeded, the parties would agree that they did not.
25. Given the potential range of situations which may give rise to a decision on the part of the Registrar not to decide a given point of his own motion, the procedural rules and principles in the case law circumscribing the freedom of the Registrar to act, the impact on parties in a given case, the impact on the Registry and the efficient resolution of disputes including appeals, this issue merits considered analysis on an occasion when it can be properly addressed and argued. I therefore respectfully follow

Mr Justice Carr's approach in *TRUMP* and indicate that it may have been sensible for the hearing officer to express a view on the additional section 5(3)/5(4)(a) grounds in so far as they were genuinely alternative or at least to canvass with the parties whether it would be acceptable for the case to be determined only on the basis of more limited issues. However, for the reasons given, that this was not done here is not a valid ground of objection to the basis upon which the hearing officer decided the section 5(2)(b) ground in this case.

(ii) Visual, aural and conceptual assessment

26. Second, the appellant contends, in substance, that there was a low level of visual similarity, mainly because of the emphasis in the logo of the acronym "B.I.G", the supplemental use of the word "GYMS" and the colouring and overall design of the mark, including the acronym in a dumbbell, and that the hearing officer was wrong to attribute a medium degree of visual similarity to the marks. It is said that he should have held that the similarity was low.

27. I do not consider that the hearing officer fell into error in the manner alleged. The mark applied for has as its central distinctive and dominant feature the term "BE INSPIRED". In the context of the mark, the term "GYMS" appears as descriptive and the whole acronym "B.I.G" would be perceived as an abbreviation for "BE INSPIRED GYMS". The hearing officer's conclusion as regards medium similarity was reasonable.

28. As to aural similarity, it is said that the hearing officer should have attributed a low or medium level of aural similarity primarily on the basis that the mark would be referred to as "B.I.G – BE INSPIRED GYMS", emphasising the acronym and its aural sound of "BIG".

29. However, here again, I do not consider that the hearing officer erred. The words "BE INSPIRED" comprise the most significant distinctive aural element of the mark applied for, having regard to the goods and services in respect of which it is proposed to be registered. The average consumer would be likely to say and hear the mark as "BE INSPIRED GYMS" given the prominence of that branding. It seems to be much

less likely that there would be aural reference to the stylised acronym “B.I.G” given the manner in which it is presented in the mark as a whole.

30. As to conceptual similarity, it is said by the appellant that focus would be placed on “an exhortation to get “BIG” and not on “BE INSPIRED” and that, given the nature of the use by the opponent of its marks, the conceptual message would be different.
31. I do not think that the manner in which the opponent has used the marks in question is of assistance or relevant. The mark applied for and the prior mark must be compared on the assumption of notional normal and fair use of the prior mark in relation to the goods and services in question. Moreover, I do not agree that the average consumer would be likely to see the mark applied for as an exhortation to get “BIG”. As a concept, the mark suggests that it is a mark primarily relating to gyms for which the primary branding was “BE INSPIRED”, albeit attractively presented in a logo form. The hearing officer was therefore entitled to make his finding on conceptual similarity.

(iii) Level of attention of average consumer particularly with respect to class 25 goods and distinctiveness

32. The appellant particularly challenges the findings as to the level of attention of the average consumer with respect to the class 25 goods (clothing). It is said that the level of attention would “at the very least be average with conceivable potential to be a lot higher.”

The “Inspired by Sports” logo opposition

33. In connection particularly with this ground of appeal, the appellant draws attention to an earlier case, *English Sports Council v. Nkrumah (“Inspired by Sports” logo)* O-530-16, Registry, 15 November 2016, in which the present opponent failed in its opposition to a quite different logo mark of a different undertaking. That logo did not include the words “BE INSPIRED”. In so far as it included verbal elements, they comprised “INSPIRED BY SPORTS”. The logo was different in numerous respects from the logo marks relied on there. That opposition was not brought on the basis of the word mark “BE INSPIRED”, which had not been registered at the time. It is in my

view unsurprising, given the visual dissimilarity of the logos and the limited similarity of the words used in them, that the opposition was rejected in that case.

34. The appellant relies on the aspect of that decision where it was held that for class 25 goods specifically sports clothing, there would be at least a medium level of attention on the part of the average consumer (see para. [24] of the “*Inspired by Sports*” logo case).
35. I do not however see any inconsistency between the two cases. In the present case, the level of attention was said to be average and in the earlier case it was said to be at least medium. In my view, the hearing officer was entitled to reach the decision he did here. Moreover in a case of this kind, the level of attention is not always a decisive factor as to likelihood of confusion. If a person is confused into thinking there is a trade connection between (say) sports clothing branded “BE INSPIRED” and sports clothing branded with a logo whose distinctive and dominant linguistic element is “BE INSPIRED”, increased attention may well not affect that belief. Level of attention is not to be mechanically factored in. It has to be seen in the context of the argument as a whole as to why confusion between respective marks is more or less likely. Such a point may be of particular relevance in situations where more intensive scrutiny is likely to dispel confusion or, conversely, where less intensive scrutiny is likely to prevent real differences which would otherwise be revealed from coming to the attention of the average consumer.

Distinctive character and enhanced distinctiveness

36. As to the point on distinctive character, the hearing officer did not find that there was materially enhanced distinctiveness as a result of use. He did not find that the prior mark relied on was particularly distinctive and did not therefore rely on this.
37. The appellant contends that the hearing officer should have found that there was no possibility of confusion in the present case because there had not been use of the mark by the opponent in relation to class 25 goods.
38. However, that reflects a misunderstanding of the law. One point of trade mark registration is that it preserves the ability, at least for a period of years, for a proprietor

to put an unused mark to use without that potential market being intruded upon by goods or services using a confusingly similar mark on goods for which the earlier mark is registered, regardless of whether that earlier mark has in fact been used. I do not therefore accept that the fact that there was no proven use by the opponent of the mark “BE INSPIRED” on class 25 goods “negates any purported prospective factor of confusion”, as the appellant contends. For the same reason, as well as the fact the case was quite different, the findings in the earlier “*Inspired by Sports*” logo case do not assist the appellant on this issue.

(iv) Factors to be taken into account

39. The appellant next refers to the *Polaroid factors* (derived from the US case of *Polaroid Corp. v. Polaroid Elecs Corp.* 287 F.2d 492, 1961) and contends that the hearing officer did not apply them correctly. Although the factors applicable in making an evaluation under US Federal trade mark law may be somewhat similar to those relevant in evaluations under the Trade Marks Act 1994, the hearing officer was obliged to and did apply the relevant guidance from the EU and UK case law.
40. As to the specific criticisms of matters taken into account and not taken into account, the hearing officer rightly took into account: the fact that the mark relied on was not particularly distinctive; the similarities and differences between the marks; the similarity and, where appropriate, identity between the goods and services in question, the characteristics of the average consumer and the likely level of attention.
41. The hearing officer was entitled to leave out of account: the absence of proof of use of the opponent’s mark in particular for class 25 goods; the motive behind the appellant’s design; the absence of actual confusion; the fact that the appellant’s marks were primarily to be used in relation to gymnasium services and the opponent’s marks had been used in relation to activity involving distribution of funding for sport. Equally, it was not relevant to the present case that the appellant’s facility is a well-known facility within its local area and is an undertaking different in nature to that of the opponent. Although that would be relevant were a case to be brought alleging passing off, with which the hearing officer and I were not concerned, the fact that a consumer would be able to differentiate a local gymnasium for bodybuilding from a statutory distributor of lottery funds is not relevant to whether the particular statutory

ground of opposition to registration of the mark in question under section 5(2)(b) is satisfied in this case. This requires primarily comparison of notional use on the part of the earlier right holder with notional use on the part of the applicant for registration rather than actual use on either side.

Conclusion

42. The hearing officer was, in my view, entitled to reach the conclusion he did on the material and arguments before him. He did not make an error of principle and the decision he reached cannot properly be described as wrong. This appeal must therefore be dismissed.

Costs

43. The hearing and the written submissions were brief and, in substance, they repeated points made in argument before the hearing officer, who awarded £700 to the appellant in costs specifically for preparing and attending the hearing below as well as some other costs. In my view these should be lower on appeal and I award the sum of £500 in respect of this appeal, including considering the grounds of appeal and preparing for the hearing. The total award of costs, including proceedings below, is therefore £2500.

DANIEL ALEXANDER QC
APPOINTED PERSON

10 April 2019

The appellant was not represented and relied on written submissions.
Mr Leighton Cassidy, Field Fisher LLP, appeared for the Respondent.