

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION No. 2045327 BY AMERICAN GOLF
DISCOUNT CENTRE LIMITED TO REGISTER A SERIES OF MARKS IN
CLASSES 12, 25 AND 28

AND

IN THE MATTER OF OPPOSITION THERETO UNDER No. 45319 BY
AMERICAN GOLF CORPORATION

DECISION

Introduction

1. This is an appeal to the Appointed Person by American Golf Discount Centre Limited against a decision of Mr. M. Reynolds, the Hearing Officer acting for the Registrar, dated the 26th April 2001. It was one of three cases heard on the same day involving American Golf Discount Centre Limited and American Golf Corporation. Two were applications by American Golf Discount Centre Limited which were opposed by American Golf Corporation. The third was an application by American Golf Corporation which was opposed by American Golf Discount Centre Limited.

2. The application which led to the opposition and decision in issue in this case was filed by American Golf Discount Centre Limited (the Applicant) on the 18th November 1995 and is numbered 2045327. The Applicant applied to register the following series of two marks:



3. The first mark in the series is limited to the colours red, white and blue. The proposed specification of goods reads:

Class 12

Golf carts; trolleys; mechanised trolleys

Class 25

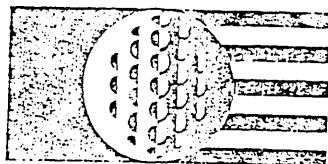
Articles of sporting clothing; articles of golf clothing

Class 28

Sporting articles; articles for use in playing golf; golf gloves; golf bags.

4. On the 5th September 1996, American Golf Corporation (the Opponent) filed notice of opposition to the application relying on, inter alia, section 5(2)(b) of the Trade Marks Act 1994. So far as relevant, it claimed to be the proprietor of and to have used Trade Mark No. 1359608 registered in Class 41 as of 1988 in respect of golf club, country club, tennis club and sporting club services; provision of golf courses; organisation of golf matches and of golf tournaments; golf instruction services relating to the use and selection of golf equipment; production and presentation of cine films and of videos all relating to golf; all included in Class 41. The mark is depicted below. It is to be noted

that it is subject to a disclaimer of the words AMERICAN GOLF and the device of a golf ball.



AMERICAN GOLF CORPORATION

The Hearing Officer's Decision

5. The opposition proceeded to a hearing before Mr. Reynolds. In his written decision he concluded that the opposition under section 5(2)(b) succeeded. In particular, he found that there was a very close and complementary link between "golf instruction services relating to the use and selection of golf equipment" within the Opponent's specification and the goods within the specification of the Application. Further, he considered that within the composite nature of the test under section 5(2) there was a likelihood of confusion if the Applicant's mark was registered.

The Appeal

6. In May 2001 the Applicant gave notice of appeal to an Appointed Person under section 76 of the 1994 Act. The Applicant was represented before me by Mr. M. Edenborough, instructed by W. P. Thompson & Co and the Opponent was represented by Mr. H. Carr QC, instructed by R. G. C. Jenkins & Co.
7. Both parties were in agreement that the correct approach of this Tribunal is to treat the appeal as a review rather than a rehearing and that the Appointed Person should follow the approach set out by Pumfrey J. in *South Cone Incorporated v. Jack Bessant and Others* (a decision of 25th July 2001), at paragraph 6:

"Findings of primary fact will not be disturbed unless the hearing officer made an error of principle or was plainly wrong on the evidence. His inferences from the primary facts may be reconsidered, but weight will be given to his experience. No question of the exercise of a discretion arises. In this way, error will be corrected, but a different appreciation will not be substituted for that of the hearing officer if he has arrived at his conclusion without error."

8. Mr. Edenborough contended that the Hearing Officer fell into error in a number of respects. He contended that the Hearing Officer erred in failing to exercise his own judgment in order to determine whether or not, when considering the application for the mark in issue, there existed a likelihood of confusion on the part of the public. Instead, it was contended, he assumed that the mark applied for was similar to the earlier mark upon which the opposition was based merely because of the existence of cross-oppositions. In one of the related sets of proceedings referred to at the outset of this decision the Applicant successfully opposed an application by the Opponent for registration of a mark comprising a golf ball, the American flag and the words American Golf, which is similar to registered Trade Mark No. 1359608 upon which the present Opposition was based. Moreover, it was submitted, the Hearing Officer fell into error in that he failed properly to take account of the disclaimer of the words AMERICAN GOLF and the device of a golf ball and properly to apply the principles set out in the case of *PACO/PACO LIFE IN COLOUR Trade Mark* [2000] RPC 451.
9. I am unable to accept these criticisms of the decision of the Hearing Officer. In paragraph 29 of the decision, the Hearing Officer expressly recorded that he was taking account of the guidance provided by the European Court of Justice in *Sabel BV v. Puma AG* [1997] ECR I-6191, [1998] ETMR 1, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* [1998] ECR I-5507, [1999] ETMR 1, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [1999] ECR I-3819, [2000] FSR 77 and *Marca Mode CV v. Adidas AG* [2000] ETMR 723. The Hearing Officer noted that, through the related cross oppositions, the parties seemed implicitly to recognise that similar marks were involved. He

then, however, went on to consider and record the similarities between the respective marks in paragraph 32 of his decision where he stated:

"The second point is that, so far as the device elements of the respective marks are concerned, I bear in mind that notional fair use can include representation in a variety of colours. In fact the first mark in the applicants' series is limited to the colours blue, red and white. That is consistent with the mark as shown to be used in the evidence. It is also consistent with references to the AMERICAN GOLF theme and the device which in each case picks up the motif of a golf ball incorporating or supported by elements of the United States flag. It is, I assume, precisely that visual and conceptual similarity in the respective devices that has contributed to the cross oppositions."

Later, in paragraph 39 of his decision, the Hearing Officer concluded, in accordance with the approach laid down by the authorities:

"Further I consider that within the composite nature of the test there is a likelihood of confusion if the applicant's mark is registered."

10. Furthermore, the Hearing Officer clearly had in mind the relevant principles of the PACO case which he referred to in paragraph 31 of his decision. Before me, Mr. Edenborough did not submit that the PACO decision was wrongly decided. Rather, it was his submission that the Hearing Officer had wrongly failed to apply it. He referred me, in particular, to paragraph 63 of the PACO decision where the Hearing Officer, Mr. Allan James, concluded:

"It therefore appears to me that the entry of the disclaimer should be regarded as an admission by the proprietor that – in any proceedings based upon the registration with the disclaimer – the disclaimed matter is not to be regarded as in itself distinctive of the trade origin of the proprietor's goods or services. In these circumstances, use of the disclaimed matter by another party, as a trade mark, cannot, without other similarities, be sufficient to give rise to a likelihood of confusion with the registered trade mark concerned."

11. Again, I do not believe that Mr. Edenborough's criticism has substance. The Hearing Officer had well in mind the principles of the PACO case and, rightly in my view, concluded that the two marks were similar having regard to their

common compositions including the motif of the golf ball, elements of the United States flag and the words AMERICAN GOLF.

12. The second substantive criticism developed by Mr. Edenborough was that the Hearing Officer wrongly failed to take into account the extensive use by the Applicant of its mark and the fact that no confusion had in practice resulted. This, he contended, was powerful evidence that the two marks were not confusingly similar. As he put it, "the market has spoken". Mr. Edenborough levelled his criticism at two paragraphs of the decision in particular:

"38. *Golf, like many other sports, has spawned a vast range of equipment to meet the varying needs of professional and amateur players alike. Most of the major items such as sets of golf clubs, bags, trolleys etc involve substantial expense and are likely to be purchased with some care. Indeed it is common for golf clubs to be made to meet the particular specifications and requirements of the individual customer. It is not surprising, therefore, that services should exist to meet that need. It is, in my view, but a short step from offering such a service to the provision of the equipment chosen as a result of that service. In terms of the CANON test the goods and services must obviously differ in their nature but would be offered to the same customer base and are entirely complementary to one another. It seems to me from the applicants' own evidence that they are likely to be offered at the same outlets. Their Price Busters promotional brochure has a photograph of an in-store custom fitting centre designed to ensure that 'your clubs are exactly suited to you and your game'. This appears to involve analysing the customers' swing, matching equipment to height, weight, strength, age etc. An even more prominent example can be found on page 45 of AGD1 ('American Golf Discount can take you through the selection process ...')."*

and

"47. *The applicants do not claim any relevant trade in own brand goods. There are a very small number of items in their evidence which are either unbranded or where no brand is visible. But generally I can see nothing which would lead customers to think that the applicants' mark was being used in relation to goods. Rather their*

reputation, and I am prepared to accept it is a significant one, is in relation to the operation of their retail stores and mail order services. I have, therefore, come to the view that the use they have shown is not such as can assist them in relation to the goods of the application in suit. I consider there is a likelihood of confusion if their mark is registered and the opposition thus succeeds under section 5(2)."

13. Mr. Edenborough contended that in these paragraphs the Hearing Officer failed properly to take account of the extensive side by side use of the respective trade marks. So far as the mark of the Opponent was concerned, he contended that the Hearing Officer should have inferred that it had been used in relation to all of the services the subject of the registration and that since there was no evidence that any confusion had resulted, the Hearing Officer should have concluded that the two marks were not confusingly similar.
14. I am again unable to accept Mr. Edenborough's criticisms of the Hearing Officer's decision. The Hearing Officer made no finding that there was any significant period of side by side use of the marks in issue in relation to the same or similar goods or services. In my judgment he could not have done so, because there was no evidence to that effect before him. It seems to me that it would have been wrong for the Hearing Officer to have assumed the existence of such side by side use simply because of the existence of the earlier trade mark. Accordingly, in paragraph 38 of the decision, the Hearing Officer considered, as he was bound to do, a notional and fair use of the respective marks in relation to their respective goods and services. On this basis he found, and in my judgment rightly found, a likelihood of confusion.
15. Finally, Mr. Edenborough contended that the Hearing Officer ought to have found that the Applicant was entitled to registration by virtue of the provisions of section 7 of the Act and the Applicant's honest concurrent use. Mr. Edenborough advanced this very much as a secondary submission. He was right so to do. Where the proprietor of an earlier trade mark opposes an application under section 5(2) of the Act and the Registrar is satisfied that the objection is properly made out, then the Applicant cannot rely upon honest

concurrent use to justify registration. Section 7(2) of the Act makes it clear that in those circumstances the application must be refused.

16. For all these reasons I conclude that the appeal must be dismissed. I order the Applicant to pay to the Opponent the sum of £650 by way of a contribution towards its costs, such sum to be paid on the same basis as ordered by the Hearing Officer.

DAVID KITCHIN, Q.C

10th January 2002