

O/105/20

TRADE MARKS ACT 1994 (AS AMENDED)

TRADE MARK REGISTRATIONS 3214084 & 3220070

IN THE NAME OF HUDSON SHOE AGENCIES LIMITED

AND

APPLICATIONS 502039 & 502040

BY THE WORKERS CLUB LIMITED

FOR DECLARATIONS THAT THE REGISTRATIONS ARE INVALID

AND

APPLICATION 502487

BY HUDSON SHOE AGENCIES LIMITED

FOR TRADE MARK 3120429

IN THE NAME OF THE WORKERS CLUB LIMITED

TO BE DECLARED INVALID

Background and pleadings

1. These are consolidated invalidation proceedings between Hudson Shoe Agencies Ltd (“party B”) and The Workers Club Ltd (“party A”). Party B is the owner of trade mark registrations 3214084 – STEPNEY WORKERS CLUB (a series of two marks with the words in upper and lower case) and 3220070, which covers the mark shown below.



2. The application to register the marks covered by 3214084 was filed on 21st February 2017 (“the second relevant date”). The application to register the mark covered by 3220070 was filed on 21st March 2017 (“the third relevant date”).

3. Both trade marks are registered for a range of footwear, clothing and headgear in class 25 and a range of bags and leather goods in class 18. 3220070 also covers (protective) toe caps in class 9.

4. On 17th April 2018, party A filed applications 502039/040 for declarations that party B’s trade marks are invalid. The grounds for invalidation are based on s.47(2) and s.5(2)(b) of the Trade Marks Act 1994 (“the Act”). Specifically, party A claims that:

- (i) It is the owner of trade marks 3120429 – THE WORKERS CLUB - and 3120452 – TWC – both of which are registered for *clothing footwear* and *headgear* in class 25;
- (ii) The applications to register these marks were filed on 31st July 2015 (“the first relevant date”) and therefore they are earlier trade marks;
- (iii) Earlier mark 3120429 is similar to both of party B’s marks and is registered for identical or similar goods;

- (iv) Earlier mark 3120452 is similar to party B's 3220070 mark and is registered for identical or similar goods;
- (v) There is a likelihood of confusion on the part of the public, including the likelihood of association;
- (vi) Registration of party B's marks was therefore contrary to s.5(2)(b) of the Act and the registrations should be declared invalid.

5. The applications for invalidation are directed at the following goods:

3220070	3214084
<p>Class 9: Toe caps.</p> <p>Class 18: Bags; bags made of leather; bags made of imitation leather; rucksacks; school bags; handbags; tote bags: sling bags; shoulder bags; duffle bags; clutch bags; casual bags; shoe bags; boot bags; purses; wallets; travel wallets; weekend bags; overnight bags; sports bags; make-up bags; cosmetic bags; vanity bags; parts and fittings for all the aforesaid goods.</p> <p>Class 25: Footwear; men's footwear; women's footwear; children's footwear; casual footwear; formal footwear; athletic footwear: climbing footwear; waterproof footwear; water repelling footwear; footwear uppers; shoes: athletic shoes; canvas shoes; deck shoes; dress shoes; sport shoes; tennis shoes; golf shoes; waterproof shoes; water repelling shoes; shoe uppers; stiffeners for shoes; trainers; sneakers; slippers; sandals; moccasins; plimsolls; pumps; boots; ankle boots; half-boots; lace boots; hiking boots; wellington boots; waterproof boots; water repelling boots; boot uppers; stiffeners for boots; soles; embossed soles: insoles; inner soles; outer soles; heels; stiletto heels; embossed heels; heel inserts; tips for footwear; clothing; men's clothing; women's clothing; children's clothing; belts; gloves; scarves; headgear; hats; caps; parts and fittings for all the aforesaid goods.</p>	<p>Class 18: Bags; bags made of leather; bags made of imitation leather; ruck sacks; school bags; handbags; tote bags; sling bags; shoulder bags; duffle bags; clutch bags; casual bags; shoe bags; boot bags; purses; wallets; travel wallets; weekend bags; overnight bags; sports bags; make-up bags; cosmetic bags; vanity bags ;parts and fittings for all the aforesaid goods.</p> <p>Class 25: Footwear; men's footwear; women's footwear; children's footwear; casual footwear; formal footwear; athletic shoes; canvas shoes; deck shoes; dress shoes; sports shoes; tennis shoes; golf shoes; waterproof shoes; water repelling shoes; shoe uppers; stiffeners for shoes; trainers; sneakers; slippers; sandals; moccasins; plimsolls; pumps; boots; ankle boots; half-boots; lace boots; hiking boots; wellington boots; waterproof boots; water repelling boots; boot uppers; stiffeners for boots; soles; embossed soles: insoles; inner soles; outer soles; heels; stiletto heels; embossed heels; heel inserts; tips for footwear; toe caps: clothing; men's clothing; women's clothing; children's clothing; belts; gloves; scarves; headgear; hats; caps; parts and fittings for all the aforesaid goods.</p>

6. Party B filed counterstatements denying the grounds for invalidation. I note that party B:

- (i) Admitted that the goods specified in the invalidation applications are identical or similar to those covered by the earlier marks;
- (ii) Denied that the marks are confusingly similar;
- (iii) Claimed that WORKERS CLUB is non-distinctive in relation to the goods at issue.

7. Consistent with point (iii) in the preceding paragraph, on 20th February 2019 party B filed application 502487 for a declaration under s.47(1) of the Act that earlier mark 3120429 ('THE WORKERS CLUB') is invalid.

8. The grounds for invalidation are based on ss.3(1)(b) and (c) of the Act. It is claimed that:

- (i) It is not uncommon for working men's clubs to sell branded clothing, footwear and headgear;
- (ii) The average consumer would understand THE WORKERS CLUB to describe goods originating from a workers' club;
- (iii) Trade mark 3120429 is therefore devoid of any distinctive character and descriptive of characteristics of goods originating from such clubs.

9. Party A filed a counterstatement denying the grounds for invalidating trade mark 3120429. I note that party A took the position that, even if THE WORKERS CLUB describes a club for workers, it is not descriptive or non-distinctive in relation to goods in class 25.

10. The proceedings were consolidated.

Representation

11. Party A is represented by Stone King LLP. Party B is represented by Penningtons Manches Cooper LLP. Both sides filed written submissions, but neither requested a hearing.

The evidence

12. Only party B filed evidence. This consists of two witness statements by Ms Holly Jane Strube, who is a solicitor at Penningtons Manches Cooper LLP. Ms Strube provides:

Examples of third parties using signs, or trade marks, consisting of, or including, 'WORKERS CLUB'¹

13. The documents provided are copies of webpages downloaded in February 2019, i.e. after the relevant dates. They show use in the UK of *Cowley Workers Club* and *Guseley Factory Workers Club*. They also show use of similar names by clubs based in Australia, USA and Canada. However, none of these webpages show the use of such names in relation to clothing, footwear, headgear, or indeed in relation to any other goods.

A list of working men's clubs and similar clubs²

14. This is drawn from the website of the Club & Institute Union. It is a long list. Not surprisingly, it shows that there are many clubs with 'Working Men's' in their name. So far as I can see, none of the clubs listed include the words 'Workers Club' in their names. As Ms Strube notes, most of the clubs have a geographical place name in their name.

¹ See exhibit HJS1

² See HJS2

*Webpages showing historical use of Stepney Workers Sports Club during the 1930s*³

15. The club is described as a “*Jewish left-wing club*” based in the East End of London which took an active stance against fascism. There is no evidence that the club operated in recent times, or that it had anything to do with the parties to these proceedings.

*Examples of third parties using signs or trade marks containing or comprising the words ‘WORKERS’ or ‘WORKER’*⁴

16. These webpages show limited use of *Worker/Workers* in the UK as a trade mark for clothing, or to designate a style of fashion clothing, or to designate workwear. There is no evidence of any such use of *Workers Club*.

*Examples of third parties using ‘Workers’ or ‘Worker’ descriptively in relation to clothing etc.*⁵

17. These webpages show limited use of *Worker/Workers* in the UK as part of a trade mark for clothing, or to designate a style of fashion clothing. There is no evidence of any such use of *Workers Club*.

*Examples of third parties using ‘Club’ in relation to clothing etc.*⁶

18. These webpages show limited use of *Club* in the UK as part of a trade mark or other branding for clothing etc. There is no evidence of any such use of *Workers Club*.

³ See exhibit HJS3

⁴ See HJS4

⁵ See HJS5

⁶ See HJS6

*Examples of football clubs using 'Club' in relation to merchandise, including clothing*⁷

19. These webpages show football clubs selling merchandise under their names, e.g. Reading Football Club.

*Examples of UK and EU registered trade marks containing the word 'Worker/Workers' in class 25*⁸

20. These print outs show that there are 17 registered UK or EU trade marks including the word 'Worker/Workers' in class 25. Most are manifestly irrelevant to the distinctiveness of WORKERS CLUB, e.g. WORKERS FOR FREEDOM (UK3070839). There is no evidence that any of these marks were in use in the UK at the relevant dates.

*A list of UK and EU registered trade marks in class 25 including the word CLUB*⁹

21. This shows that there are hundreds of such marks. For example, The Pony Club (UK3203326). This is manifestly irrelevant to any of the issues in these proceedings.

22. Ms Strube's second witness statement shows that Chelsea Football Club has numerous registrations of trade marks including that name. This appears to be intended to show that geographical names, such as STEPNEY, may be distinctive when combined with a description of a specific type of club.

Party B's application for trade mark 3120429 to be declared invalid

23. It is convenient to start with party B's application for the invalidation of trade mark registration 3120429 – THE WORKERS CLUB.

24. The relevant parts of the statutory provisions are set out below:

⁷ See HJS7

⁸ See exhibit HJS8

⁹ See HJS9

“47(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

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(5) Where the grounds of invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made.

Provided that this shall not affect transactions past and closed.”

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“3(1) The following shall not be registered –

(a) signs which do not satisfy the requirements of section 1(1),

(b) trade marks which are devoid of any distinctive character,

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,

(d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade:

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

25. The case-law under section 3(1)(c) (corresponding to article 7(1)(c) of the EUTM Regulation, formerly article 7(1)(c) of the CTM Regulation) was set out by Arnold J. (as he then was) in *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc*¹⁰. So far as it may be relevant to the case at hand, it is set out below.

*“91. The principles to be applied under art.7(1)(c) of the CTM Regulation were conveniently summarised by the CJEU in *Agencja Wydawnicza Technopol sp. z o.o. v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) (C-51/10 P) [2011] E.T.M.R. 34* as follows:*

*“37. The general interest underlying Article 7(1)(c) of Regulation No 40/94 is that of ensuring that descriptive signs relating to one or more characteristics of the goods or services in respect of which registration as a mark is sought may be freely used by all traders offering such goods or services (see, to that effect, *OHIM v Wrigley* , paragraph 31 and the case-law cited).*

*38. With a view to ensuring that that objective of free use is fully met, the Court has stated that, in order for OHIM to refuse to register a sign on the basis of Article 7(1)(c) of Regulation No 40/94, it is not necessary that the sign in question actually be in use at the time of the application for registration in a way that is descriptive. It is sufficient that the sign could be used for such purposes (*OHIM v Wrigley*,*

¹⁰ [2012] EWHC 3074 (Ch)

paragraph 32; Campina Melkunie , paragraph 38; and the order of 5 February 2010 in Mergel and Others v OHIM (C-80/09 P), paragraph 37).

39. By the same token, the Court has stated that the application of that ground for refusal does not depend on there being a real, current or serious need to leave a sign or indication free and that it is therefore of no relevance to know the number of competitors who have an interest, or who might have an interest, in using the sign in question (Joined Cases C-108/97 and C-109/97 Windsurfing Chiemsee [1999] ECR I-2779, paragraph 35, and Case C-363/99 Koninklijke KPN Nederland [2004] ECR I-1619, paragraph 38). It is, furthermore, irrelevant whether there are other, more usual, signs than that at issue for designating the same characteristics of the goods or services referred to in the application for registration (Koninklijke KPN Nederland, paragraph 57).”

And

“46. ...the descriptive signs referred to in Article 7(1)(c) of Regulation No 40/94 are also devoid of any distinctive character for the purposes of Article 7(1)(b) of that regulation. Conversely, a sign may be devoid of distinctive character for the purposes of Article 7(1)(b) for reasons other than the fact that it may be descriptive (see, with regard to the identical provision laid down in Article 3 of Directive 89/104, Koninklijke KPN Nederland , paragraph 86, and Campina Melkunie, paragraph 19).

47. There is therefore a measure of overlap between the scope of Article 7(1)(b) of Regulation No 40/94 and the scope of Article 7(1)(c) of that regulation (see, by analogy, Koninklijke KPN Nederland, paragraph 67), Article 7(1)(b) being distinguished from Article 7(1)(c) in that it covers all the circumstances in which a sign is not capable of distinguishing the goods or services of one undertaking from those of other undertakings.

48. *In those circumstances, it is important for the correct application of Article 7(1) of Regulation No 40/94 to ensure that the ground for refusal set out in Article 7(1)(c) of that regulation duly continues to be applied only to the situations specifically covered by that ground for refusal.*

49. *The situations specifically covered by Article 7(1)(c) of Regulation No.40/94 are those in which the sign in respect of which registration as a mark is sought is capable of designating a ‘characteristic’ of the goods or services referred to in the application. By using, in Article 7(1)(c) of Regulation No 40/94, the terms ‘the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service’, the legislature made it clear, first, that the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service must all be regarded as characteristics of goods or services and, secondly, that that list is not exhaustive, since any other characteristics of goods or services may also be taken into account.*

50. *The fact that the legislature chose to use the word ‘characteristic’ highlights the fact that the signs referred to in Article 7(1)(c) of Regulation No 40/94 are merely those which serve to designate a property, easily recognisable by the relevant class of persons, of the goods or the services in respect of which registration is sought. As the Court has pointed out, a sign can be refused registration on the basis of Article 7(1)(c) of Regulation No 40/94 only if it is reasonable to believe that it will actually be recognised by the relevant class of persons as a description of one of those characteristics (see, by analogy, as regards the identical provision laid down in Article 3 of Directive 89/104, *Windsurfing Chiemsee*, paragraph 31, and *Koninklijke KPN Nederland*, paragraph 56).”*

92. *In addition, a sign is caught by the exclusion from registration in art. 7(1)(c) if at least one of its possible meanings designates a characteristic of the goods or services concerned: see OHIM v Wrigley [2003] E.C.R. I-12447 at [32] and Koninklijke KPN Nederland NV v Benelux-Merkenbureau (C-363/99 [2004] E.C.R. I-1619; [2004] E.T.M.R. 57 at [97].”*

26. I do not regard the evidence showing third parties using *WORKER/WORKERS* or *CLUB* as parts of trade marks is relevant to the application of the ss.3(1)(b) or (c) grounds for invalidation. As Floyd J. (as he was then) stated in *Nude Brands Ltd v Stella McCartney Ltd*¹¹:

“29. Whilst the use by other traders of the brand name NUDE in relation to perfume may give those traders relative rights to invalidate the mark, it does not give those rights to any defendant. I am not at this stage persuaded that this evidence has a bearing on any absolute ground of invalidity. It certainly does not go as far as establishing ground 7(1)(d) - customary indication in trade. Ground 7(1)(b) is concerned with the inherent character of the mark, not with what other traders have done with it. The traders in question are plainly using the mark as a brand name: so I do not see how this use can help to establish that the mark consists exclusively of signs or indications which may serve to indicate the kind or quality or other characteristics of the goods, and thus support an attack under 7(1)(c).”

27. There is a further and even more fundamental difficulty with the ground based on s.3(1)(c). Even if party B is right that THE WORKERS CLUB tells consumers that the clothing, headgear and footwear sold under the mark comes from a ‘worker’s club’, this is not a characteristic of the goods: it is only a characteristic of the undertaking marketing the goods. Admittedly, *Workers* or *workers clothing* could describe the intended purpose of workwear. However, the mark at issue does not consist exclusively of such a description. And the difference between WORKERS and THE WORKERS CLUB is plainly a material one because the latter forms a unit, i.e. the club for workers. It follows that evidence showing use of WORKER(S) or CLUB

¹¹ [2009] EWHC 2154 Ch

alone is irrelevant. The ground for invalidation based on s.3(1)(c) must therefore be rejected for this reason alone.

28. Turning to the ground for invalidation based on s.3(1)(b) of the Act, I note that the principles to be applied under article 7(1)(b) of the EUTM Regulation (which is identical to article 3(1)(b) of the Trade Marks Directive and s.3(1)(b) of the Act) were conveniently summarised by the CJEU in *OHIM v BORCO-Marken-Import Matthiesen GmbH & Co KG*¹² as follows:

“29..... the fact that a sign is, in general, capable of constituting a trade mark does not mean that the sign necessarily has distinctive character for the purposes of Article 7(1)(b) of the regulation in relation to a specific product or service (Joined Cases C-456/01 P and C-457/01 P Henkel v OHIM [2004] ECR I-5089, paragraph 32).

30. Under that provision, marks which are devoid of any distinctive character are not to be registered.

31. According to settled case-law, for a trade mark to possess distinctive character for the purposes of that provision, it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings (Henkel v OHIM, paragraph 34; Case C-304/06 P Eurohypo v OHIM [2008] ECR I-3297, paragraph 66; and Case C-398/08 P Audi v OHIM [2010] ECR I-0000, paragraph 33).

32. It is settled case-law that that distinctive character must be assessed, first, by reference to the goods or services in respect of which registration has been applied for and, second, by reference to the perception of them by the relevant public (Storck v OHIM, paragraph 25; Henkel v OHIM, paragraph 35; and Eurohypo v OHIM, paragraph 67).

¹² Case C-265/09 P

29. Party B's case is that:

- (i) THE WORKERS CLUB will be understood by average UK consumers as meaning a club for workers, such as a working men's club;
- (ii) The mark is incapable of distinguishing the goods of one workers' club from those of another workers' club;
- (iii) The presence of the definite article does not assist;
- (iv) The constituent parts of the mark – WORKERS and CLUB – are in widespread use, including descriptive use.

30. The correct test is whether the mark is capable of distinguishing the clothing, footwear and headgear of one undertaking from those of other undertakings, not just the goods of one working men's club from those of other such clubs, or similar undertakings. I note at the outset that there is no reason why the contested mark is incapable of distinguishing party A's goods from those of undertakings that could not be described as workers clubs.

31. The relevant public comprises all those in the UK who purchase clothing, footwear and headgear, i.e. the general public. Party B submits (in the context of the likelihood of confusion with party A's earlier trade marks) that such goods are selected with a higher-than-average degree of attention, mainly because of brand loyalty in the fashion sector. However, it would be inappropriate to narrow the assessment to the sort of high-end fashion goods that average consumers select with a high degree of attention. Rather the enquiry must extend to all clothing, footwear and headgear. Where consumers pay varying degrees of attention, depending on the precise goods at issue and their cost, I must take account of the lower levels of attention paid by consumers during the selection process.

32. Party A submits that the goods in class 25 are everyday consumer goods which will be selected with an average degree of attention. Although there may be situations in which average consumers would pay a higher degree of attention, I accept that party A's submission is generally correct.

33. I do not accept that the average UK consumer will expect goods in class 25 marketed under the mark THE WORKERS CLUB to originate from a working men's club, or similar club. This is because:

- (i) There is hardly any evidence that WORKERS CLUB was used in the UK prior to the first relevant date, or at all, to describe a type of club¹³;
- (ii) The average UK consumer is not, therefore, familiar with clubs with names including those specific words;
- (iii) There is no evidence that working men's (or women's) clubs are known to trade in clothing, footwear and headgear;
- (iv) The plausibility of the contested mark being equated to the name of a working men's club, or similar, is called into question by the evidence that the names of such clubs usually include further identifiers, often geographical names, e.g. 'Skipton Workmen's Club'¹⁴;
- (v) In these circumstances, average consumers paying a normal degree of attention when selecting the goods in class 25 are unlikely to analyse the mark and its possible meanings to the extent necessary to arrive at the conclusion that it designates goods marketed by a particular working men's (or women's) club;
- (vi) Rather, average consumers are likely to take THE WORKERS CLUB as representing the name of a possibly real, but more likely imaginary club and, in either case, as a distinctive term when used in relation to clothing, footwear and headgear.

34. I therefore reject the claim that the mark is devoid of any distinctive character. The ground for invalidation based on s.3(1)(b) of the Act fails accordingly.

Outcome of application 502487 for trade mark 3120429 to be declared invalid

35. Application 502487 is rejected.

¹³ Indeed, party A has not claimed that registration of the mark was contrary to s.3(1)(d) of the Act because it consists exclusively of *signs or indications which have become customary in the current language or in the bona fide and established practices of the trade.*

¹⁴ See exhibit HJS2

Party A's application to invalidate trade mark 3220070 based on earlier trade mark 3120452 ('TWC')

36. Section 5(2)(b) of the Act is as follows:

"5(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".

Identity/similarity of the goods

37. The earlier trade mark was registered on 27th November 2015. This is less than 5 years from the date of the application to invalidate the trade mark. Consequently, the proof of use requirements in s.47(3) of the Act do not apply.

38. Comparing the registered specification of the earlier mark with that of the later mark, I find the respective goods in class 25 must be considered to be identical. For reasons that will become clear below, that is sufficient for present purposes.

The average consumer

39. As I noted above, the average consumer is a member of the general public. Such a consumer will normally pay an average degree of attention when selecting clothing, footwear and headgear.

40. The goods are likely to be selected mainly by eye from advertisements or clothes racks/displays. Therefore, the way the marks look is more important than how they sound¹⁵. However, it is possible that the goods may also be the subject of orders

¹⁵ See joined Cases T-117/03, T-119/03 and T-171/03, *New Look v OHIM*

initially made verbally and/or by word-of-mouth recommendations. Therefore, the way the marks sound must also be considered.

Distinctive character of earlier mark

41. The earlier mark is comprised of the letters TWC. These, apparently random, letters are not particularly memorable. On the other hand, they are not descriptive of the goods or their characteristics. I therefore find that the earlier mark has an average degree of inherent distinctive character. There is no evidence of any use of the mark, so there is no question of the inherent distinctiveness of the mark having been enhanced through use.

Comparison of the marks

42. The respective trade marks are shown below:

TWC	
Earlier trade mark	Contested trade mark

43. In *Bimbo SA v OHIM*¹⁶ the CJEU said that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

¹⁶ Case C-591/12P

44. The earlier mark must be considered as it is registered (i.e. the letters TWC alone), not as it may be used (i.e. in conjunction with the words THE WORKERS CLUB).

45. Looked at like this, the earlier mark is composed of three apparently random letters, TWC. It will be expressed orally in the same way: T-W-C.

46. From a visual perspective, the letters S.W.C is the largest element of the contested mark. However, the words 'Stepney Workers Club' make a more-than-negligible contribution to the overall impression created by the mark. Indeed, they explain the significance of the letters S.W.C. However, the words in the contested mark have no counterpart in the earlier mark. Their presence in the contested mark therefore helps consumers to distinguish the marks. Considering the contested mark as a whole, I find that the common use of the letters -WC within the three letter sequences TWC and S.W.C, respectfully, creates a certain degree of visual similarity. However, the difference between the first letters 'T' and 'S', combined with the presence of the words 'Stepney Workers Club' in the contested mark (albeit in smaller letters than S.W.C), means that there is only a low degree of overall visual similarity between the marks.

47. If the contested mark is spoken as it is seen, the level of aural similarity will follow the outcome of my analysis of the level of visual similarity. However, given the length of 'S.W.C Stepney Workers Club', it is likely that many average consumers will verbalise the contested mark as simply S-W-C. In that scenario, the contested mark is more similar to the earlier mark to the ear than it is to the eye. Nevertheless, even in that scenario, the difference of one letter – and the first letter – in a short three letter sequence means that there is no more than a medium degree of overall aural similarity between the marks.

48. Conceptually, TWC has no apparent concept. By contrast, S.W.C appears to stand for the words beneath those letters - 'Stepney Workers Club'. This looks like the name of a club. Consequently, the contested mark has a recognisable concept, whereas the earlier mark does not. Therefore, there is no conceptual similarity between the marks.

Likelihood of confusion

49. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles

(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 or 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;

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

(f) however, it is also 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 of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

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

(j) 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;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

50. In *New Look Limited v OHIM*¹⁷, the General Court stated that:

“49. [.....] 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

¹⁷ Joined cases T-117/03 to T-119/03 and T-171/03

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.”

And

“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.”

51. Considering the matter in respect of the identical goods in class 25, I have found that the goods are likely to be selected primarily by eye. Therefore, the level of visual similarity – low - is more important than the level of aural similarity – medium (at most). Additionally, the fact that the contested mark has a recognisable concept whereas the earlier mark does not, will also help to avoid confusion among average consumers. As the CJEU stated in *The Picasso Estate v OHIM*¹⁸:

“20. [...] where the meaning of at least one of the two signs at issue is clear and specific so that it can be grasped immediately by the relevant public, the conceptual differences observed between those signs may counteract the visual and phonetic similarities between them..... .”

52. Taking all the relevant factors into account, I have no hesitation in finding that there is no likelihood of direct or indirect confusion between these marks, even after making appropriate allowance for (i) the identity of the goods, and (ii) imperfect

¹⁸ Case C-361/04P

recollection. It follows that there is no likelihood of confusion if the contested mark is used in relation to goods in classes 9 and 18, which are (only) similar to those covered by the earlier mark in class 25.

53. I therefore reject the case for invalidating trade mark 3220070 under s.47(2) of the Act based on earlier trade mark 3120452 ('TWC').

Party A's application to invalidate the trade marks registered under 3214084 based on earlier trade mark 3120429 (THE WORKERS CLUB)

54. Registration 3214084 covers a series of two trade marks, STEPNEY WORKERS CLUB in all upper, or upper and lower, case letters. This difference is immaterial. Therefore, for the sake of simplicity, I shall treat the registration as covering one mark – STEPNEY WORKERS CLUB – but my findings shall apply to both marks.

Identity/similarity of the goods

55. The respective goods are shown below.

Earlier trade mark 3120429	Contested mark
Class 25: Clothing, footwear, headgear	Class 18: Bags; bags made of leather; bags made of imitation leather; ruck sacks; school bags; handbags; tote bags; sling bags; shoulder bags; duffle bags; clutch bags; casual bags; shoe bags; boot bags; purses; wallets; travel wallets; weekend bags; overnight bags; sports bags; make-up bags; cosmetic bags; vanity bags; parts and fittings for all the aforesaid goods. Class 25: Footwear; men's footwear; women's footwear; children's footwear; casual footwear; formal footwear; athletic shoes; canvas shoes; deck shoes; dress shoes; sports shoes; tennis shoes; golf shoes; waterproof shoes; water repelling shoes; shoe uppers; stiffeners for shoes; trainers; sneakers; slippers; sandals; moccasins; plimsolls; pumps; boots; ankle boots; half-boots; lace boots; hiking boots; wellington boots; waterproof boots; water

	repelling boots; boot uppers; stiffeners for boots; soles; embossed soles: insoles; inner soles; outer soles; heels; stiletto heels; embossed heels; heel inserts; tips for footwear; toe caps: clothing; men's clothing; women's clothing; children's clothing; belts; gloves; scarves; headgear; hats; caps; parts and fittings for all the aforesaid goods.
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56. Bearing in mind the principle set out in *Gérard Meric v OHIM*¹⁹, I find that all the goods in class 25 of the contested mark are identical to the goods covered by the earlier mark.

57. It is common ground that the goods covered by class 18 of the contested mark are similar to the goods in class 25 covered by the earlier mark. This is because they may be aesthetically complementary and are likely to be sold by the same undertakings. I therefore find that they are similar to a medium degree.

Average consumer and the selection process

58. I adopt my findings at paragraphs 39 and 40 above. These findings extend to the contested goods in class 18.

Distinctive character of the earlier mark

59. I note that protective clothing falls in class 9. Further, even if the goods in class 25 include clothing etc. intended for use as workwear, or in the style of workwear, THE WORKERS CLUB, as a whole, does not describe such goods. At most, the mark is evocative of such goods. I therefore find that the earlier mark has an average degree of inherent distinctive character. There is no evidence of use of the mark. Consequently, the issue of enhanced distinctiveness through use does not arise.

¹⁹ Case T- 133/05, a judgment of the General Court of the CJEU

Similarity of the marks

60. The marks at issue are shown below.

STEPNEY WORKERS CLUB	THE WORKERS CLUB
Contested Mark	Earlier Mark

Both marks are composed of three words, the last two of which – WORKERS CLUB - are the same. However, the first words are different: STEPNEY v THE. This makes the contested mark longer than the earlier mark. Also, I must take into account that because UK consumers read from left to right, the beginnings of marks tend to make more impact than the ends, although each case must be assessed on its own merits²⁰. In this case, I find that the common second and third words of the marks, combined with the fact that both marks are three-word marks, means that they are visually similar to a low-to-medium degree.

61. Aurally, the earlier mark has four syllables – THE-WORK-ERS-CLUB – whereas the contested mark has five – STEP-NEY-WORK-ERS-CLUB. The last three syllables of each mark are the same. On the other hand, the first two syllables of the contested mark are aurally quite different to the first word/syllable of the earlier mark. Overall, I find that the marks are aurally similar to a low-to-medium degree.

62. THE WORKERS CLUB could be the name of a real club, but absent further information typically found in such names, such as the geographical location of the club, or the kind of workers involved, most average consumers would probably take it to be the name of an imaginary club, at least when used in relation to clothing, footwear and headgear. There is no evidence that a significant proportion of average consumers would have been aware, at the second relevant date, that Stepney Workers Sports Club was the name of a real club in the 1930s. However, STEPNEY WORKERS CLUB is so specific that it looks like the name of a real club (although not necessarily the name of the undertaking responsible for the clothing, bags etc. sold under that mark). Therefore, from a conceptual perspective, both marks call to mind a club for workers. In the case of STEPNEY WORKERS CLUB, this appears to

²⁰ See, for example, *Bristol Global Co Ltd v EUIPO*, T-194/14, a judgment of the General Court of the EU.

be a reference to a real club based in a place called Stepney. In contrast, THE WORKERS CLUB seems more likely to be a reference to an imaginary club or, if a real club, one with an unusually non-specific or incomplete title. In my view, this means that there is a high-level conceptual similarity between the marks, but there is also an apparent conceptual difference.

Likelihood of confusion

63. Party A submits that 'WORKERS CLUB' plays an independent distinctive role in STEPNEY WORKERS CLUB. In *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another*²¹, Arnold J. (as he then was) considered the impact of the CJEU's judgment in *Bimbo*²² on the court's earlier judgment in *Medion v Thomson*. The judge said:

“18 The judgment in Bimbo confirms that the principle established in Medion v Thomson is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In Medion v Thomson and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the

²¹ [2015] EWHC 1271 (Ch)

²² Case C-591/12P

composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors.”

64. In my analysis of the application to invalidate the earlier mark on absolute grounds, I found that - THE WORKERS CLUB - forms a ‘unit’ within the meaning of that term in the case-law. However, I find that WORKERS CLUB does not play an independent distinctive role within the contested mark. This is because the word STEPNEY qualifies the words WORKERS CLUB and thereby alters the meaning and significance of the latter component alone²³ (as in BECKER v BARBARA BECKER). STEPNEY WORKERS CLUB therefore forms a unit in which none of its elements play an independent distinctive role.

65. Party A points out that STEPNEY is a geographical place name. It claims that WORKERS CLUB is therefore the most distinctive part of the contested mark. However, in *NEWPORT CREEK*²⁴, Mr Thomas Mitcheson QC, as the Appointed Person, pointed out that a geographical name cannot be assumed to be very low in distinctiveness simply because it is a geographical name. He said:

“14. ... It is correct that the Hearing Officer had to attribute a level of distinctiveness to the word NEWPORT, but is unclear why she reached a finding that it could only be attributed “very low distinctiveness”. ...

...

²³ See paragraph 62 above

²⁴ BL O/223/16

19. Although I have rejected the broad submission that the Hearing Officer should not have referred to s.3(1)(c) at all, it does appear that she was attributing a very low level of distinctiveness based on the fact that Newport is a geographical location. As the Opponent pointed out, this does not follow for all geographical locations, and context is important. Thus BRAZIL might be a highly distinctive mark for computer software but not for coffee.”

66. I accept that most UK consumers will have heard of the place called Stepney. In any event, when used as part of STEPNEY WORKERS CLUB, ‘Stepney’ looks like a place name. That is how it will look even to those who have not heard of the place before. There is no evidence that Stepney is the sort of place name that is likely to be used to designate the geographical source of bags, clothing and similar goods. On the contrary, it appears to be an area of London with no particular association with such goods. I do not, therefore, accept that STEPNEY should be regarded as lacking distinctive character with the suggested consequence that WORKERS CLUB should be regarded as the only, or most, distinctive element of the contested mark. On the contrary, as I have already pointed out, the words STEPNEY WORKERS CLUB forms a unit. The distinctive character of the contested mark therefore appears to reside in the combination of these words.

67. I found that the marks are visually and aurally similar to a low-to-medium degree, and share some high level conceptual similarity. The earlier mark is distinctive to an average degree. The goods in class 25 are identical and will be selected primarily by eye. Most average consumers – the general public - will pay an average degree of attention during the selection process.

68. I must weigh against these factors against the fact that the beginnings of the marks are different, which is an important consideration, and the specific conceptual difference between the marks explained in paragraph 62 above.

69. I do not consider this to be a clear-cut case but, on balance, I find that even when considered in relation to identical goods in class 25, the factors mentioned in the previous paragraph are sufficient to avoid a likelihood of direct confusion, including the likelihood of confusion through imperfect recollection, i.e. of average

consumers mistakenly recollecting STEPNEY WORKERS CLUB as THE WORKERS CLUB, or vice versa. It follows that there is no likelihood of direct confusion if the contested mark is used in relation to goods in classes 18, which are (only) similar to those covered by the earlier mark in class 25.

70. Party A submits that, even if there is no likelihood of direct confusion, there is a likelihood of indirect confusion. According to party A, this is because the contested mark is likely to be taken as a sub-brand of the earlier mark. In *L.A. Sugar Limited v By Back Beat Inc.*²⁵, Mr Iain Purvis Q.C., as the Appointed Person, explained that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark”.”

71. There is no reason to believe that average consumers would regard THE WORKERS CLUB as designating the name of (as opposed to a brand used by) the undertaking responsible for marketing the goods in class 25. Further, even if it is taken as the name of an undertaking, THE WORKERS CLUB is not established as (and does not sound like) the name of the sort of national organisation that is likely to have local geographical branches, such as THE WORKERS CLUB, STEPNEY. In my view, it is farfetched to suppose that those average consumers who realise that STEPNEY WORKERS CLUB is a different mark to THE WORKERS CLUB will analyse the marks and come to the conclusion that the former mark is the name of a

²⁵ Case BL O/375/10

local branch of a national organisation called THE WORKERS CLUB, both of which are used to market clothing, bags etc.

72. Admittedly, it is common in the clothing industry for brands to extend into sub-brands. Therefore, indirect confusion can arise independently of any question as to whether trade marks with similarities represent the names of economically related undertakings. However, as I have already noted, STEPNEY WORKERS CLUB looks like the name of a specific local club. I therefore see no reason to believe that average consumers will think that it is a natural brand extension of THE WORKERS CLUB.

73. In *Duebros Limited v Heirler Cenovis GmbH*²⁶, Mr James Mellor Q.C., also as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is 'mere' association, not association in the required sense of indirect confusion. In my view, consumers who recognise that the marks are different, would, if anything, merely associate them. Therefore, the application to invalidate trade mark 3214084 based on earlier trade mark 3120429, fails.

Party A's application to invalidate the trade mark 3220070 based on earlier trade mark 3120429 (THE WORKERS CLUB)

Identity/similarity of the goods

74. The respective goods are shown below.

Earlier trade mark 3120429	Contested mark
	Class 9: Toe caps. Class 18: Bags; bags made of leather; bags made of imitation leather; rucksacks; school bags; handbags; tote bags: sling bags; shoulder bags; duffle bags; clutch bags; casual bags; shoe bags; boot bags; purses; wallets; travel wallets; weekend

²⁶ BL O/547/17

Class 25: Clothing, footwear, headgear	bags; overnight bags; sports bags; make-up bags; cosmetic bags; vanity bags; parts and fittings for all the aforesaid goods. Class 25: Footwear; men's footwear; women's footwear; children's footwear; casual footwear; formal footwear; athletic footwear: climbing footwear; waterproof footwear; water repelling footwear; footwear uppers; shoes: athletic shoes; canvas shoes; deck shoes; dress shoes; sport shoes; tennis shoes; golf shoes; waterproof shoes; water repelling shoes; shoe uppers; stiffeners for shoes; trainers; sneakers; slippers; sandals; moccasins; plimsolls; pumps; boots; ankle boots; half-boots; lace boots; hiking boots; wellington boots; waterproof boots; water repelling boots; boot uppers; stiffeners for boots; soles; embossed soles: insoles; inner soles; outer soles; heels; stiletto heels; embossed heels; heel inserts; tips for footwear; clothing; men's clothing; women's clothing; children's clothing; belts; gloves; scarves; headgear; hats; caps; parts and fittings for all the aforesaid goods.
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75. So far as the respective goods in classes 18 and 25 are concerned, I adopt my findings at paragraphs 56 and 57 above. So far as the comparison between *Clothing, footwear, headgear* in class 25 and *toe caps* in class 9 is concerned, I note that *toe caps* in class 9 are parts for protective footwear (which also fall in class 9). Further, although the earlier mark is registered for *footwear*, it is not registered for parts or fittings for the [non-protective] footwear in class 25. There is therefore some doubt as to whether *toe caps* in class 9 are similar to any of the goods covered by the earlier mark. However, party A does not appear to dispute that all the goods at issue are similar. I will therefore proceed on the basis that *toe caps* in class 9 are similar to *footwear* in class 25, at least to a low degree.

Average consumer and the selection process

76. I adopt my findings at paragraphs 39, 40 and 58 above. So far as *toe caps* in class 9 are concerned, I find that the average consumer is likely to be a professional worker requiring protective footwear, or the employer of such a person. In either

case, because personal safety is at stake, the average consumer is likely to pay an above average degree of attention when selecting the goods.

Distinctive character of the earlier mark

77. I adopt my findings in paragraph 59 above, which also apply to the distinctiveness of the mark in relation to protective *toe caps* in class 9.

Comparison of the marks

78. The respective trade marks are shown below:

THE WORKERS CLUB	 The logo for the contested trade mark consists of the letters 'S.W.C' in a large, bold, sans-serif font. Below this, the words 'Stepney Workers Club' are written in a smaller, bold, sans-serif font.
Earlier trade mark	Contested trade mark

79. Party A submits that as the letters S.W.C plainly stand for 'Stepney Workers Club', those words should be regarded as the dominant element of the contested mark. I accept that the words 'Stepney Workers Club' is an important element of the contested mark, and that S.W.C will be understood as an acronym for those words. However, this does not mean that the letters S.W.C should be regarded as adding little or nothing to the words. On the contrary, from a visual perspective, the letters are the largest element within the contested mark and clearly contribute significantly to the overall visual impression created by it. This is significant because the S.W.C element of the contested mark has no counterpart in the earlier trade mark. As I noted earlier, there is a low-to-medium degree of visual similarity between THE WORKERS CLUB and 'Stepney Workers Club'. However, considering the contested mark as a whole, I find that there is only a low degree of visual similarity between it and the earlier mark.

80. If the contested mark is spoken as it is seen, the level of aural similarity will follow the outcome of my analysis of the level of visual similarity. However, given the

length of 'S.W.C Stepney Workers Club', it is likely that a significant proportion of average consumers may verbalise the contested mark as simply S-W-C. In that scenario, the contested mark will bear no aural similarity to the earlier mark. On the other hand, given that S.W.C. plainly stands for 'Stepney Workers Club', another significant proportion of average consumers may verbalise the mark by those words alone. In that scenario, the contested mark will be aurally similar to the earlier mark to a low-to-medium degree²⁷.

81. So far as conceptual similarity is concerned, I adopt my findings at paragraph 62 above.

Likelihood of confusion

82. I find that the overall level of similarity between the marks, including the level of visual similarity, is sufficiently low that there is no likelihood of direct confusion. This includes the likelihood of confusion through imperfect recollection. And this applies even where the respective goods are identical. The marks simply do not look (or sound) sufficiently similar for an average consumer paying a normal degree of attention to mistake or mis-recollect one mark for the other.

83. So far as indirect confusion is concerned, I adopt my findings at paragraph 70-73 above.

Overall outcome

84. I reject party B's application for trade mark 3120429 to be declared invalid on absolute grounds. It will therefore remain registered.

85. I reject party A's application to invalidate trade mark 3220070 based on earlier trade marks 3120452 ('TWC') and 3120429 ('THE WORKERS CLUB').

²⁷ Per paragraph 61 above.

86. I reject party A's application to invalidate the trade marks registered under 3214084 ('STEPNEY WORKERS CLUB') based on earlier trade mark 3120429 (THE WORKERS CLUB)

Costs

87. Both parties have achieved a measure of success, but neither has been wholly successful. I also take into account that party B filed a significant volume of irrelevant evidence, all of which had to be considered by party A. I therefore order the parties to bear their own costs.

Dated 19th February 2020

Allan James
For the Registrar