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THE PATENT OFFICE

Harmsworth House,
13-15 Bouverie Street,
London EC4Y 8DP

Wednesday, 16th April 2003

Before:

MR. S. THORLEY QC
(Sitting as the Appointed Person)

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In the Matter of the TRADE MARKS ACT 1994
and The Trade Marks (International Registration) Order 1996

and

In the Matter of Application No. M674543
in the name of K2 Ski Sport + Mode GmbH

and

In the matter of opposition thereto under No 70156
in the name of C & J Clark International Limited

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Appeal of the Applicant from the decision of Mr. M. Foley
acting on behalf of the Registrar, dated 6th June 2002

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(Computer-aided Transcript of the Stenograph Notes
of Marten Walsh Cherer Ltd., Midway House,
27-29 Cursitor Street, London,
Telephone No. 020 7405 5010 Fax No: 020 7405 5026)

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MR. A.J. STOBBS (of Boulton Wade Tennant) appeared on behalf of
the Applicant.

MS. J. REID (instructed by Messrs. Dechert) appeared on
behalf of the Opponent.

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JUDGMENT
(As approved by the Appointed Person)

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1 THE APPOINTED PERSON: On 10th July 1997 a company called K2
2 Ski + Sport Mode GmbH sought to extend protection to the
3 United Kingdom of the mark K2 in respect of various goods in
4 Classes 18, 25, and 28. The mark is the mark K2. In
5 particular, registration is sought in class 25 in respect of
6 articles of clothing footwear, headgear and gloves. As
7 appears from the title of the applicant their primary
8 interest appears to be in the skiing and sporting fields, but
9 none the less the application was sought for the mark K2 in
10 respect of all articles of clothing, footwear, headgear and
11 gloves.

12 On 19th August 1999 C & J Clark International Limited
13 filed notice of opposition to the application, relying on
14 four earlier trade marks and on grounds of opposition based
15 under section 5(2)(b) and section 5(4)(a). The four trade
16 marks relied upon are all registered in class 25 and are for
17 the letter K either in script or stylised form. It is
18 sufficient I think to refer only to mark 813990, which is for
19 the capital letter K, registered in class 25 in respect of
20 articles of footwear and parts thereof, all included in class
21 25.

22 Evidence was filed in support of the opposition in the
23 form of a statutory declaration from Judith Derbyshire, who
24 is the Company Secretary of C & J Clark International Limited
25 and who has held that position since 1991. C & J Clark

1 International Limited are as appears from that declaration
2 the well-known manufacturers of shoes under the K trade mark.
3 The business has been founded for more than 150 years and the
4 products, particularly footwear, of the opponents have been
5 widely sold under the trade mark, K. Indeed, on appeal
6 before me, Mr. Stobbs, who appeared on behalf of the
7 applicants, accepted that the reputation of Clarks in
8 relation to the trade mark K, when used on footwear, was not
9 in dispute.

10 The opposition came for a hearing before Mr. Foley, the
11 officer acting on behalf of the Registrar. He gave a
12 decision dated 6th June 2002. In that decision he held under
13 section 5(2)(b) that the trade mark K2 did not so nearly
14 resemble the trade mark K as to be likely to lead to the
15 relevant confusion, and thus dismissed the opposition based
16 under section 5(2)(b). As is well known, the comparison for
17 the purposes of section 5(2) is a somewhat aseptic comparison
18 between the mark as registered and the mark applied for. No
19 appeal has been entered against that decision. Accordingly,
20 the opposition in so far as it was based under section 5(2)
21 and in so far as it was directed against goods other than
22 footwear and handbags, has failed.

23 Under section 5(4)(a), however, the allegation is one
24 in effect of passing off. In those circumstances, the
25 comparison is not an aseptic comparison but it is a question

1 that has to be decided on the basis of evidence, evidence as
2 to reputation, misrepresentation and damage.

3 Mr. Foley assessed the evidence. It is sufficient for
4 present purposes to consider paragraphs 37 to 39 of his
5 decision: "37. I have already accepted the opponents to
6 have a strong and longstanding reputation in respect of
7 footwear and I see no reason why this should not also be the
8 case in respect of goodwill. The evidence of this in
9 relation to handbags and purses is far less certain.

10 "38. On a notional comparison based on the marks K and
11 K2 I found there to be no likelihood of confusion. However,
12 the position under Section 5(4)(a) is somewhat different in
13 that although the opponent's trade has primarily been carried
14 out under a mark consisting of a single letter K, in later
15 years this has extended to use of the letter in conjunction
16 with a suffix and/or a prefix such as K MIDDIES, K SKIPS,
17 K PLUS FITTING SHOES, K's THE SHOE, CASUALS BY K, K CDX,
18 K PLUS, BIG K, etc. Ms. Reid took the view that this would
19 be seen by the consumers as sub-branding and a natural
20 extension of the brand they already know so well. With the
21 exception of the K CDX mark these K derivatives are no more
22 than the letter K used in conjunction with an ordinary word
23 of varying descriptive relevance for the goods. The K CDX
24 mark is closer to K2 but is still visually, aurally and
25 conceptually quite different.

1 "39. The question is therefore whether having
2 established the concept of the K brand being used with other
3 elements, would the applicant's mark if used in connection
4 with the goods on which the opponents have built their
5 reputation and goodwill be mistakenly viewed as a sub or
6 connected brand. In her submissions Ms. Reid stated that the
7 opponent's goods will be sold in outlets where a range of
8 brands would appear side by side. Thus I consider that the
9 additional factors established and by judicial notice, swing
10 the balance towards the public being likely to believe that
11 footwear sold under the K2 mark are those of the opponents,
12 and consequently, that there is misrepresentation."

13 In paragraph 40 he concluded that the potential for
14 damage through diversion of trade appeared self evident and
15 thus he concluded that the opposition under section 5(4)(a)
16 succeeded, but only in respect of footwear. He held that the
17 evidence in relation to handbags and purses was insufficient
18 to justify a finding in favour of the opponents on that
19 ground.

20 It is against this decision that K2 Ski + Sport appeal.
21 Mr. Stobbs made plain at the outset that his objection to the
22 hearing officer's decision was fundamentally directed to his
23 finding on reputation. He suggested that Mr. Foley fell into
24 error not in directing himself as to the law but in applying
25 the law to the evidence in the case. He submitted that

1 evidence of the type put forward by Judith Derbyshire was
2 insufficient to establish the reputation that Mr. Foley had
3 found.

4 Ms. Reid, who appeared on behalf of Clarks, drew my
5 attention to the now well-known decision of the Court of
6 Appeal in the REEF trade mark [2003] R.P.C. 101, where
7 guidance is given as to the role of appellate tribunals in
8 reviewing decisions of the Trade Mark Registry.

9 Robert Walker L.J. in the leading judgment in that case
10 gave significant guidance. It is sufficient I think for me
11 to remind myself of paragraph 28 where he stated: "In this
12 case the hearing officer had to make what he himself referred
13 to as a multi-factorial comparison, evaluating similarity of
14 marks, similarity of goods and other factors in order to
15 reach conclusions about likelihood of confusion and the
16 outcome of a notional passing-off claim. It is not suggested
17 that he was not experienced in this field, and there is
18 nothing in the Civil Procedure Rules to diminish the degree
19 of respect which has traditionally been shown to a hearing
20 officer's specialised experience. (It is interesting to
21 compare the observation made by Lord Radcliffe in *Edwards v.*
22 *Bairstow* [1956] A.C. 14 at pp.38-39, about the general
23 commissioners, a tribunal with a specialised function but
24 often little specialised training.) On the other hand the
25 hearing officer did not hear any oral evidence. In such

1 circumstances an appellate court should in my view show a
2 real reluctance, but not the very highest degree of
3 reluctance, to interfere in the absence of a distinct and
4 material error of principle."

5 The way in which Mr. Stobbs put his case does not to my
6 mind identify a material error of principle. Mr. Foley
7 correctly identified the legal test and sought to apply those
8 legal criteria to the facts of this case. Mr. Stobbs'
9 objection, as he frankly conceded, was that in doing so the
10 hearing officer had fallen into error and that it was an
11 error which was susceptible of correction by an appellate
12 tribunal.

13 Mr. Stobbs criticised the hearing officer particularly
14 in relation to his finding at the beginning of paragraph 39
15 of his decision quoted above. He said the evidence was
16 insufficient to establish any concept of the K brand being
17 used with other elements. Further, he said that even if
18 there was evidence of use of the K brand with other elements,
19 such use as demonstrated by the evidence was mere use and was
20 insufficient to found the requisite reputation. Mr. Stobbs
21 is absolutely right that it is essential when having regard
22 to use to draw a proper distinction between mere evidence of
23 use and evidence which demonstrates that that use has created
24 a goodwill or reputation in a trade mark or in a style of
25 trading.

1 What Mr. Foley has found is that there is a style of
2 trading adopted by Clarks of using the mark K as a leading
3 mark to indicate products of Clark with other names or
4 initials being used to indicate either a particular range of
5 shoes or individual sub-brands themselves. The question
6 therefore is whether the evidence that has been filed
7 justifies that conclusion. Mr. Stobbs contented that the
8 absence of any figures relating to volume or value of sales,
9 and the relative absence of dates, made it difficult if not
10 impossible for a tribunal to reach a conclusion in favour of
11 Clarks. There is some substance in these criticisms. As a
12 result Ms. Reid took me through the exhibits in detail.

13 There is no doubt, and the evidence shows, that the
14 trade mark K has been very widely used in relation to
15 footwear and is undoubtedly a very well-known trade mark.
16 But that is not enough. What is necessary is to show that
17 there is in Clark's business a reputation wider than that
18 which covers the concept of the trade mark K being used in
19 conjunction with other material, the other material
20 indicating the brand or the range of shoes in question.

21 I do not propose in this decision to go in detail into
22 the evidence, but I think it is necessary to have regard to
23 some of the material in exhibit JED5, which consists of
24 specimens of material which have been distributed throughout
25 the United Kingdom which show the trade mark as used. In

1 particular, it consists of a catalogue promoting the
2 autumn/winter collection of Clark's shoes for 1998. This
3 document is of particular importance because it is
4 contemporaneous with the application. From this one can see
5 the prominent use of the word K in connection with a number
6 of subsidiary marks, some of which are full names, Earley,
7 Elva, Hendon, Hendry, and a number of others. There is then
8 a passage which refers to a range called the K Collection,
9 including as part of the range, Leya, Bavello and Acropolis
10 brands. There is then reference to a range called K Casuals.

11 The brochure then turns to consider men's shoes. It
12 includes the reference: "You should be familiar with the K
13 man by now. Probably 50 years and over, with classic tastes,
14 cultured and up to date." It then states: "This season, our
15 core brands are well supported and we are building on our
16 success and continuing to target CDX. There will be an even
17 wider fitting range - a CDX to fit every taste and every
18 foot. The K City package which was launched last Autumn has
19 done extremely well and is enhanced this season by the new
20 K welted styles which combine smart city looks with
21 outstanding comfort and wear." Then there is a reference to
22 a number of shoes within the CDX range, Jesmond, Jarrow,
23 Ilford, Ilchester, Jodrell, Ivybridge, and so on. There is a
24 reference to men's waterproof shoes, again by reference to K,
25 CDX and brand names.

1 I believe this exhibit amply demonstrates the way in
2 which the mark K has been used in association with other
3 marks; some of them names, some initials and some descriptive
4 words. The question I have to decide is whether that
5 evidence taken as a whole is sufficient to justify the
6 conclusion reached by Mr. Foley that there was a reputation
7 in the initial K plus a sub-branding such that any use of the
8 word K with a sub-brand, such as the numeral 2, would be
9 considered to be a product emanating from Clarks.

10 I have to say that I have found this a very difficult
11 case. The evidence is not overwhelming. Undoubtedly, there
12 is some evidence which supports the finding. The brochure I
13 have referred to is perhaps the high point of the evidence
14 which shows that K, when used in relation to shoes in
15 conjunction with other letters and words, does indicate a
16 product emanating from the opponent. The question I have to
17 ask myself is not whether had I been the hearing officer I
18 would have reached the same decision as he did but as to
19 whether under the REEF criteria I should interfere with his
20 decision. That authority requires me to show a reluctance to
21 interfere. It is with that in mind that I have in the final
22 event reached the conclusion that it would be wrong for me to
23 interfere with his decision. There is, in my judgment,
24 sufficient material -- just -- in Judith Derbyshire's
25 declaration to justify the conclusion reached by the hearing

1 officer. This was that, notwithstanding the fact that taken
2 in isolation the marks K and K2 are not confusingly similar,
3 having regard to the way in which Clarks have traded using
4 the K brand in conjunction with other marks, there is a
5 sufficient reputation in those combinations for the use by
6 another of the mark K2 to be likely to lead to the belief
7 amongst a significant proportion of relevant consumers that
8 the products marked K2 would be thought to have their origin
9 in Clarks.

10 In those circumstances, the appeal falls to be
11 dismissed.

12 Before concluding this decision, however, I should make
13 it plain that the matter was decided on the basis of an
14 application for a mark in relation to all types of footwear.
15 Mr. Stobbs sought in part of his address to suggest that the
16 likelihood of confusion in relation to sports footwear, more
17 particularly ski-related sports footwear, would be highly
18 unlikely to lead to confusion because in that field the
19 applicants had a reputation and the association with the
20 well-known K2 mountain would be more probable. I express no
21 view on this because this is not relevant to the case before
22 Mr. Foley or before me. If the applicants wished to obtain
23 protection in relation to a specific type of footwear that is
24 something they could have and are still free to apply for.
25 Where, however, they seek broad protection, it is against

1 that application that the facts of the case must be
2 addressed.

3 In his decision, Mr. Foley, suggested that it would be
4 open to the applicants to amend their application under Class
5 25 in the light of his decision so as to read, "articles of
6 clothing, headgear, gloves", but not including footwear or
7 similar goods to footwear. As an indication of the class of
8 goods that might be acceptable, this is plainly helpful, but
9 both parties have pointed out to me that it is open to the
10 applicants to determine the class of goods that they wish to
11 have in the light of the decision. It is up to them to file
12 a form TM21 with the specification of goods that they believe
13 they are entitled to have and which they wish.

14 Should they fail to file a Form TM21 which meets the
15 decision of Mr. Foley and of this appeal, then of course the
16 application will be refused in its entirety. The decision
17 is, however, one for them as to what class they wish to seek.
18 If they wish to seek a class which is broader than that
19 indicated by Mr. Foley, they do so at their own peril.

20 Finally, on this appeal I have to deal with the
21 question of costs arising out of the original hearing.
22 Mr. Foley made an award of costs in the sum of 835 in favour
23 of the opponents. Mr. Stobbs contended that that was not a
24 rational exercise of his discretion when one considers that
25 the opponents have only been partially successful and that

1 they had failed on the section 5(2) objection and on passing
2 off in relation to handbags.

3 The power of this tribunal to interfere with the
4 exercise of discretion is a limited and a well known one. In
5 brief, this tribunal will only interfere with an exercise of
6 discretion on the part of the Registrar when dealing with
7 costs if it can be said that the exercise of discretion was
8 plainly wrong. The sum of 835 is at the very low end of the
9 scale applicable to oppositions launched at the date this one
10 was. It is, as I understand it, the minimum sum that could
11 be awarded. In awarding it, I do not doubt that Mr. Foley
12 had it in mind that the bulk of the evidence that was filed
13 was relevant, and relevant only, to the passing off issue on
14 which the opponents succeeded. I believe it was wholly
15 within his power to reach the conclusion that having
16 succeeded on that issue a small award in favour of the
17 opponents was appropriate. I do not believe it would be
18 right to interfere with his exercise of discretion.

19 In the final event, therefore, the appeal will be
20 dismissed in its entirety.

21 MS. REID: We seek our costs in the appeal.

22 THE APPOINTED PERSON: I thought perhaps you would. You cannot
23 really oppose that, can you?

24 MR. STOBBS: No.

25 THE APPOINTED PERSON: I turn then to consider the costs of this

1 appeal. In the normal event, it is my practice in this
2 tribunal, where an appeal is wholly unsuccessful, to repeat
3 the award of costs in the Registry. As I have just
4 indicated, in considering Mr. Stobbs's objections to
5 Mr. Foley's award, his award was at the lower end of the
6 scale and to my mind properly took into account the fact that
7 the opposition had only been partially successful. Before me
8 the appeal has been wholly unsuccessful. I have been
9 significantly assisted by the skeleton arguments of both
10 parties. I have been assisted by being taken through the
11 evidence necessarily in some detail. It cannot be said that
12 this was an appeal of little magnitude.

13 In these circumstances, I propose to make an award of
14 costs in excess of the award made by Mr. Foley. I believe
15 the correct figure is 1250. I shall make that award in
16 addition to the 835 already awarded by Mr. Foley.

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