

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No 2045330  
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 45530 BY AMERICAN GOLF CORPORATION**

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No 45530 by American Golf Corporation**

### DECISION

1. On 18 November 1995 American Golf Discount Centre Limited applied to register the following series of two marks.



2. 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**

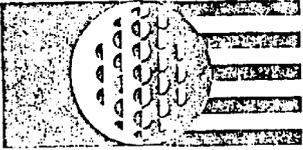
Articles of sporting clothing; articles of golf clothing

**Class 28**

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

The application is numbered 2045330.

3. On 26 September 1996 American Golf Corporation filed notice of opposition to this application. They say they are the proprietors of and have been using the following marks:

No	Mark	Class	Journal	Specification
1359608	 AMERICAN GOLF CORPORATION	41	5950/8480	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
2017475	 <b>American Golf</b>	25	6119/2912	Outer clothing; golf shirts, jackets, pants/trousers, sweat pants, shorts, belts, gloves, visors, hats, caps, scarves, footwear
		28		Golf gloves

4. The latter is the subject of an opposition by the current applicants which was heard on the same day.

5. Objection is said to arise under Section 5(2)(b), 5(3) and 5(4). So far as the first two of these grounds are concerned the opponents say that they are also entitled to protection under the well known mark provisions of the Paris Convention.

6. Objection is also taken under Section 3(6) "having regard to their use and registration or otherwise" and Section 3(3)(b) as the mark applied for is deceptive as to the geographical origin of the goods.

7. The applicants filed a counterstatement denying the above grounds.

8. Both sides ask for an award of costs in their favour.

9. Both sides filed evidence. The matter came to be heard on 3 April 2001 when the applicants were represented by Mrs J Maddox of W P Thompson & Co and the opponents by Mr H Carr of Her Majesty's Counsel instructed by RGC Jenkins & Co.

10. This is one of three cases heard on the same day involving the parties. Two are

applications by American Golf Discount Centre Limited which stand opposed by American Golf Corporation. The third is American Golf Corporation's own application which is opposed by American Golf Discount Centre Ltd. The evidence is largely common to all three sets of proceedings and has, quite properly, been adopted as necessary from one action to another. The cases have not however been formally consolidated and may, therefore, be the subject of separate appeals. Accordingly I have for convenience reproduced the evidence summary in each case. This is as follows.

### Opponents' evidence

11. The opponents filed a statutory declaration by Timothy George Pendered their professional representative in this matter. His declaration is in the main a commentary on the applicants' position and submissions on the issue of law that arise. His main points are:

- the applicants are retailers operating a chain of shops around the country as well as having some mail order sales
- the goods sold bear the manufacturers' own brands (an example of the applicants' promotional material is exhibited at TGP2 in support of this)
- in contrast one item, a packet of golf tees, is badged with the applicants' mark (TGP3)
- from the materials exhibited at TGP2 the applicants' mark does not function as an indication of origin for the goods in question. Further it is said that the applicants' mark is not a mark within the meaning of the Act
- to the extent that the applicants simply trade in other companies' goods the application has been made in bad faith. If the applied for mark distinguishes anything it is services
- the mark is deceptive to the extent that goods not of US origin are traded. It is suggested by reference to the material exhibited that, on the applicants' own admission, goods are offered from all over the world.

### Applicants' evidence

12. The applicants filed statutory declarations by Jennifer Margaret Maddox, their professional representative and Anthony John Norton, their Managing Director. Mrs Maddox's declaration adopts into these proceedings Mr Norton's evidence from one of the related actions involving the parties.

13. In that evidence Mr Norton says that his company's business is concerned with retail and mail order sales of golf equipment and clothing in the UK and overseas. It has also operated two golf courses for 10 years. Photographs of head office building and two stores showing the mark are exhibited at AGD1.

14. The name American Golf Discount was adopted by the company's predecessor in business, Bilton Golf Promotions Ltd, in 1979 for use in relation to articles for use in playing golf (clubs, bags, trolleys, clothing etc) and has been used continuously since then. New logos were adopted in 1983 and are shown in Exhibit AGD2. The company has an existing trade mark registration, No 1327774, details of which are shown in AGD3.

15. Approximate annual turnover is given as follows:

<b>YEARS</b>	<b>£ STERLING</b>
1988/89	5 million
1989/90	5.5 million
1990/91	7 million
1991/92	10 million
1992/93	11.5 million
1993/94	14.5 million
1994/95	19.0 million
1995/96	22 million
1996/97	27 million

Approximate annual promotional expenditure is given as:

<b>YEARS</b>	<b>£ STERLING</b>
1989/90	£100,000 estimate
1990/91	£150,000 estimate
1991/92	£180,000 estimate
1992/93	£210,000 estimate
1993/94	£250,000 estimate
1994/95	£350,000
1995/96	£412,000
1996/97	£600,000

A breakdown of the company's promotional activities is given. This includes:

Advertisements	-	in various golf magazines (samples in AGD4)
	-	in local newspapers
TV Advertising	-	on Sky television and HTV
Radio Advertising	-	mainly local radio stations
Exhibitions	-	including Public Golf Exhibition and BBC Childrens Big Bash
Shop Openings	-	there are currently some 30 American Golf Discount Centres in the UK

16. Mr Norton says the company publishes a mail order catalogue for the specified goods under the trade mark American Golf Discount as well as publishing additional catalogues at Christmas time and also special promotional pricebusters sheets at particular times of the year. The main American Golf Discount mail order catalogue is distributed to people throughout the United Kingdom and overseas as well. Various examples of these and other business promotional items are contained in AGD5.

17. It is said that the company uses the trade marks AMERICAN GOLF DISCOUNT, AMERICAN GOLF DISCOUNT CENTRE and AMERICAN GOLF interchangeably as shown in the first issue of Golf Direct in 1991 (Exhibit AGD6).

18. Mr Norton concludes with observations on the likelihood of confusion which he suggests is increased by the fact that the applicants use AMERICAN GOLF in combination with a golf ball featuring a portion of the US national play in common with his company.

19. Mr Norton has also filed a second statutory declaration dated 25 February 1998. It has three exhibits - the first (AGD1) is a copy of the statutory declaration filed in support of the applicants' existing registration No 1327774; the second (AGD2) is a copy of the statutory declaration filed in support of related opposition No 44833; and the third advertisements from Golf World and Golf Monthly between 1981 and 1986. I do not propose to summarise this material as it is largely repetitious or in the case of AGD1, traces the applicants' business in years earlier than those covered above. The main new material is a breakdown of sales between product categories for the year 1994/5 which is:

Hardware (Clubs)	53%
Clothing	20%
Bags	9%
Other (accessories)	8%
Golf Balls	6%
Trolleys	4%

20. Mr Norton also confirms that the goods sold in his company's stores and via mail order are supplied in bags and packaging featuring the logo. All in-store promotional material and printed media feature the logo as well.

21. Finally Mr Norton comments on Mr Pendered's evidence. I will deal with this to the extent necessary in my decision below.

22. That completes my review of the evidence.

23. At the hearing both Mr Carr and Mrs Maddox gave a composite set of submissions covering both the American Golf Discount applications, that is to say this one and the related application No 2045327 (opposition No 45319). That application incorporates the same device element as No 2045330 but accompanied by the words AMERICAN GOLF DISCOUNT. Neither side suggested that I could or should reach a different view in relation to the 'device only' application. So far as the Section 5(2) ground is concerned it will be seen that I have approached the related opposition on the basis that the opponents have entered a

disclaimer in relation to the words AMERICAN GOLF CORPORATION and a device of a golf ball which appear in their earlier trade mark (No 1359608). It is, therefore, the visual and conceptual similarity in the respective devices that has been the determining factor.

24. It follows that the issues and reasoning from the related case can conveniently be adopted here. I, therefore, reproduce below the substance of that decision which should be applied *mutatis mutandis* to this case. The only other comment I need to make is that the Section 3(3)(b) objection was, I think, taken primarily on the basis of the words in the related application rather than the device and so is probably less relevant here but perhaps not quite given up by the opponents as the device draws on elements of the US flag. For the record I can see no reason for coming to a different view on the basis of the device alone.

25. The relevant paragraphs from my related decision are as follows:

"22. At the hearing Mr Carr relied upon the grounds under Section 5(2) and 3(3)(b). The grounds under Section 5(3) and 5(4) would have depended on the opponents being able to establish a reputation for their earlier trade mark or goodwill in their sign in the context of the ground based on the law of passing off. As the opponents have submitted no evidence of use in this country the Section 5(3) and 5(4) grounds are not available to them and can be dismissed.

23. However I need to deal at this point with an issue that arose at the hearing in relation to the Section 3(6) ground that is to say that the application was made in bad faith. It emerged in Mr Carr's skeleton argument that the opponents wished to pursue the Section 3(6) ground on the basis that the applicants had no intention to use their mark in relation to the goods of the specification as distinct from retail services (I use that term as convenient shorthand for present purposes and without prejudice to the Registry's views on the description of such services as set out in PAC 13/00 relating to the 'Change of Practice in Retail Services').

24. The ground, as pleaded, reads:

"The Opponent contends that having regard to their use and registration of their name and marks, or otherwise, the present application has been made in bad faith and that the application ought therefore to be refused under the terms of Section 3(6)."

25. It is clear from this that the ground now contemplated is neither explicitly nor implicitly present. It is true that the words "or otherwise" appear but Mr Carr very properly acknowledged that he could not reasonably expect those words to encompass the ground he now wished to argue. The only course open to him, therefore, was to seek to amend the statement of grounds by introducing an objection to the effect that the applicants have no bona fide intention to use the mark in relation to the goods of the specification applied for. I, therefore, heard submissions on this as a preliminary point. I will record the outcome against the possibility that the matter falls to be considered on appeal.

26. Briefly Mr Carr submitted that I should have regard to the guiding principle that if an amendment was likely to result in or call for an adjournment it should not be allowed but if no such circumstance arose then it pointed to allowing the amendment. In his view the latter pertained here. He also referred me to the general thrust of Mr Pendered's evidence which is to the effect that the applicants are retailers and that their mark does not function as an identifier of origin for the goods themselves. More specifically he referred me to the following passage:

"To the extent that Discount Centre are neither manufacturers of equipment nor sellers of "own label" equipment, but simply traders in other undertakings goods, it is submitted that the present application has been made in bad faith."

In his view, therefore, the point had clearly been taken in the opponents' evidence so the applicants had been given a chance to deal with it and would not be prejudiced by having to address the objection at the hearing.

27. Mrs Maddox contended that the objection had not been taken other than as a vague allegation, that it would be unfair to her clients to have to deal with it at this late stage and that her clients might wish to file evidence to

rebut the claim. In the event, and not without hesitation, I decided not to allow the amendment. My reasons can be summarised as follows:

- whether allowing an amendment would call for an adjournment of the hearing is a relevant factor but cannot be the only or determining factor
- although it might be said that the opponents' ground were filed before the Registry began a closer scrutiny of such documents there has been no subsequent request to amend. In particular .....
- ..... - Mr Pendered's evidence was filed in May 1997. The opponents did not pursue an amendment at that time or subsequently when the applicants filed their evidence in August 1997.
- the applicants might have had reason to think that the opponents were taking the view they did not as an objection in its own right but as a means of countering the use relied on by the applicants (the point arises and is dealt with below in relation to honest concurrent use).
- I cannot be certain that the applicants would not have wished to adduce evidence as to their intentions. That is to say putting aside for a moment the conclusions to be drawn from past use, that use may not be representative of future intentions. The applicants could not be expected to deal with this adequately at the hearing (Mrs Maddox's clients were not in any case present).
- Ms Pendered's evidence and Mr Carr's submissions in relation to the nature of the applicants' use can still be taken into account in relation to honest concurrent use and the issue of likelihood of confusion.

28. The amendment was not, therefore, allowed and no other point was taken in relation to Section 3(6).

29. I turn now to the ground under Section 5(2). This reads:

"5.-(2) A trade mark shall not be registered if because -

- (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or
- (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."

As identical marks are not involved sub paragraph (b) applies here.

I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v. Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v. Adidas AG* [2000] E.T.M.R. 723. Other cases referred to at that hearing or in the skeleton arguments are dealt with below.

30. The opponents refer in their statement of grounds to two marks, registration No. 1359608 and application No. 2017475. As a result of my decision in opposition No. 44833 the latter has been successfully opposed and cannot, therefore, constitute an earlier trade mark (Section 6(2)). The opponents' case, therefore, rests on No. 1359608. Details of that earlier trade mark are shown at the start of this decision.

31. As I have noted in the related case (where the parties' roles are reversed) the existence of these cross oppositions seems to me to be implicit recognition by both sides that they regard similar marks as being involved. Mrs Maddox's skeleton argument in dealing with the comparison of marks in relation to No. 1359608 does not expressly dissent from that view. I do not, therefore, need to say a great deal about the marks save to record two points. The first is that the opponents' mark (No. 1359608) is subject to a disclaimer of the words AMERICAN GOLF and a device of a golf ball. I note too that the current applicants refer both in this case and in the related (cross) opposition to their registration No. 1327774 of a composite mark with a disclaimer of the

words AMERICAN GOLF DISCOUNT. The existence of the disclaimer brings into play the findings of PACO/PACO LIFE IN COLOUR Trade Marks 2000 RPC 451. It was held in that case that a disclaimer was an admission by the proprietor that in any proceedings based upon that registration the disclaimed matter was not to be regarded as in itself distinctive of the trade origin of the proprietor's goods or services. The Hearing Officer's detailed reasoning can be found in paragraphs 41 to 64. Neither side wished to argue for a different position in relation to the cross oppositions before me (probably because they were in comparable positions in that respect). They did, however, wish to reserve their right to challenge the PACO decision on appeal. I, therefore, record that point for what it is worth but proceed on the basis that I should follow the reasoning and effect of the PACO decision.

32. 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.

33. The applicants' goods are, or at least include, a range of golfing goods. Rather broader terms are employed but it is reasonable to infer from their evidence that golfing goods are their primary interest. The opponents' specification covers a broad range of services. Mr Carr relied particularly on the golf club/golf course services and the instruction services relating to golf equipment selection. I should say at this point that there has been no trade or other expert evidence filed to indicate the relationship between the respective goods and services.

34. It was said in the CANON case that

23. In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, *inter alia*, their nature, their end users and their method of use and whether they are in competition with each other or are complementary.

35. Mr Carr gave as an example that fair notional use of the mark applied for in respect of golfing equipment would include use of the words and logo in sports shops at golf clubs. I believe it is common practice for golf courses to have club shops where equipment and clothing can be sold. That opens up the prospect of a golfer who knows the opponents' mark in connection with the operation of golf clubs and courses encountering the applicants' goods either in a golf shop attached to a course or elsewhere. Whether the golfing public would have any particular expectation of a trade connection in such circumstances is by no means clear. My initial reaction, without evidence directed to trade practices, is to think that they are distinct areas of activity being neither in competition with one another or complementary.

36. However, one piece of evidence suggests I should be cautious in this view. Exhibit AGD5 (within JMM1) is a copy of the applicants' Golf Direct magazine for 1992 which shows (at page 28) that the applicants operate golf courses. The article is headed The AMERICAN GOLF Courses. At the time the magazine was published it seems that the applicants had already been operating one of the courses since 1977. The article indicates that "The American Golf Discount Centre is also within the clubhouse and at just under one thousand square feet is a real Aladdin's cave with every nook and cranny in the shop filled with golf equipment". Notional use of the applied for mark would include use on branded goods under the auspices of a golf club/course. That suggests a rather closer association but it is still doubtful in my view whether golf club/course services can be said to be similar to golfing goods.

37. The second area developed in submissions was that part of the opponents' specification covering "golf instruction services relating to the use and selection of golf equipment". It is said that these services are similar and will share the same trade outlets. As the opponents have filed no evidence of use I cannot get any assistance from their evidence as to how such a service might operate.

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 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...")

39. All of this suggests to me that there is a very close and complementary link between the service and the provision of goods. I find this service, rather more than the operation of golf clubs/courses, to be similar to the applicants' goods. Further I consider that within the composite nature of the test there is a likelihood of confusion if the applicants' mark is registered.

40. In the event that I should reach the above view Mrs Maddox asked me to consider the provisions of Section 7 of the Act and the applicants' honest concurrent use. Section 7, in so far as is relevant reads:

"7.-(1) This section applies where on an application for the registration of a trade mark it appears to the registrar-

- (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,

but the applicant shows to the satisfaction of the registrar that there has been honest concurrent use of the trade mark for which registration is sought.

(2) In that case the registrar shall not refuse the application by reason of the earlier trade mark or other earlier right unless objection on that ground is raised in opposition proceedings by the proprietor of that earlier trade mark or other earlier right.

(3) For the purposes of this section "honest concurrent use" means such use in the United Kingdom, by the applicant or with his consent, as would formerly have amounted to honest concurrent use for the purposes of section 12(2) of the Trade Marks Act 1938."

41. The application of this Section was considered in CODAS Trade Mark, 2001 RPC 240. The full reasoning, which can be found on pages 246 to 248, led the Hearing Officer to the following conclusion:

"In the circumstances and for the reasons above, I reject Mr Hacon's submission that because the proprietor of the earlier trade mark against which the applicant for registration has claimed honest concurrent use has opposed the application, the provisions of section 7(2) make the refusal mandatory. However, as I have already said, the mere fact that there has been honest concurrent use is not a defence, which in itself will save an application, but it is one of the "relevant" factors which should be taken into account in determining whether there is a likelihood of confusion."

42. I have given careful consideration to the nature of the applicants' use of their mark and conclude that, it is almost without exception in the context of their operation of retail stores and a mail order service. If I understand their position correctly the applicants concede that (barring one inconsequential exception in the form of a packet of golf tees) they do not provide goods branded with the mark at issue. Mr Norton puts it as follows:

"10. In his Statutory Declaration, Mr Pendered remarks in paragraph 7 that my company is simply a trader in other undertakings' goods. That is of course what a merchant does. My company's AMERICAN GOLF DISCOUNT Logo and GOLF BALL Logo are both merchant's trade marks. They identify the goods which my company sells from those goods which other traders (or undertakings) sell."

It is nevertheless part of their case that they use their mark in relation to goods even if not actually on goods.

43. Mr Carr dealt with this at the hearing by referring me to Euromarket Designs Incorporated v Peters and another 2000 All ER (D) 1050, (the Crate and Barrel case) and in particular the following passages.

"56. That is not all on the question of non-use. If one looks at the advertisements they are essentially for the shops. True it is that some of the goods mentioned in the advertisements fall within the specification, but I doubt whether the reader would regard the use of the shop name as really being "in relation" to the goods. I think this is an issue worthy of trial in itself. The argument is that there is an insufficient nexus between "Crate & Barrel" and the goods; that only a trade mark obsessed lawyer would contend that the use of "Crate & Barrel" was in relation to the goods shown in the advertisement.

57. In this connection it should be borne in mind that the Directive does not include an all-bracing definition of "use", still less of "use in relation to goods." There is a list of what may inter alia be specified as infringement (Art.5(3), corresponding to s.10(4) and a different list of what may, inter alia, constitute use of a trade mark for the purpose of defeating a non-use attack (Art. 10(2), equivalent to s.46(2). It may well be that the concept of "use in relation to goods" is different for different purposes. Much may turn on the public conception of the use. For instance, if you buy Kodak film in Boots and it is put into a bag labelled "Boots", only a trade mark lawyer might say that that Boots is being used as a trade mark for film. Mere physical proximity between sign and goods may not make the use of the sign "in relation to" the goods. Perception matters too. That is yet another reason why, in this case, the fact that some goods were sent from the Crate & Barrel US shops to the UK in Crate & Barrel packaging is at least arguably not use of the mark in relation to the goods inside the packaging. And all the more so if, as I expect, the actual goods bear their own trade mark. The perception as to the effect of use in this sort of ambiguous case may well call for evidence."

Thus in his view the applicants' use was no more use in relation to goods than the Kodak film in a Boots bag in Jacob J's example.

44. Mrs Maddox did not concede the point and rightly pointed out that Jacob J had qualified the generality of his remark by saying that "Perception matters too".

45. As always each case will turn on its own particular facts. The point that I think Jacob J was getting at is that a wide variety of trading practices exist and customers will react differently to each. A brief visit to any high street would be sufficient to show that some shop names are also used as brand names on the goods themselves whereas in other cases third party brands would appear on the goods. There are also hybrid practices. To develop the Boots analogy used in the Crate and Barrel case, from my own knowledge that company offers a mixture of third party brands and own brand goods in its stores. I see no reason in principle in relation to the latter why it should not be possible to claim a trade in goods under the mark Boots. Other circumstances too may arise. It may be that some retailers offer goods with no brand name evident in which case (following CANON, paragraph 28) it seems likely that a customer would, for want of any alternative, regard the retailer's mark as guaranteeing the trade origin of the goods.

46. Turning to the facts of the case before me it seems to me that what the applicants do is bring together a large number of the major golfing brands with a view to offering customers the widest possible choice to match their particular requirements and pockets. The advertisements and promotional activity place great emphasis on these well known third party brands. No doubt golfers are brand conscious and it is part of the appeal of the applicants' stores that this brand awareness is catered for.

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).

48. This finding effectively decides the opposition in the opponents' favour but I will comment briefly on the remaining ground under Section 3(3)(b) against the possibility that I am found to be wrong in relation to the Section 5(2) ground. Section 3(3)(b) reads:

"(3) A trade mark shall not be registered if it is-

- (a) contrary to public policy or to accepted principles of morality, or
- (b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service)."

49. The opponents contend that the mark applied for is deceptive as to geographical origin and point to one of the applicants' own exhibits which refers to the fact that originally many of their suppliers were based in the USA. The article goes on to say "Now our products are purchased from all over the world - from the USA, UK, Japan and the new golfing countries Australia and Korea."

50. The Registry has given general guidance on its approach in Chapter 6 of the Work Manual at 9.2:

"In future, an objection under Section 3(3) (b) will only be raised if in the examiner's view there is any real potential for deception of the public. The examiner should consider whether there would be any possible advantage to **any** trader (not specifically the applicant) from using the mark on anything other than goods with the characteristics conveyed by the mark....."

and, specifically in relation to geographical indications, at 9.3:

"In the main Section 3(3)(b) objections should be taken:

(a) To place names or devices indicating geographical origin where the place has a reputation for the goods or services such as:-

PIAZZA D' ITALIA	for "clothing"
SOMERSET GOLD	for "cider"
SWISSTEX	for "watches"

51. I was also referred to Kerly's Law of Trade Marks (Thirteenth Edition) at 7-164 to 7-167.

52. The words "of such a nature" in Section 3(3)(b) indicates that the mark must be inherently deceptive when used in relation to the goods. The words said to give rise to the objection are AMERICAN GOLF DISCOUNT and not AMERICAN on its own. I do not know precisely what those words would convey or what expectations would be aroused. I suspect that customers encountering the words might consider it a slightly unusual combination to employ in relation to goods not least because, where goods are being offered at a discount, it would be unusual to have that fact reflected in the brand name. That suggests to me that these words might be seen as alluding to an American style of trade or American prices. Even if the words were taken to indicate some connection with America they would not in my view necessarily convey the idea that the goods were of American manufacture. It would be a little easier to see a potential objection if America generally had a particular reputation for golfing equipment. But this is not a 'Swiss watch' type case. Whilst American manufacturers/suppliers might well be prominent in the trade there is no evidence before me to suggest that golfing goods are purchased because of their American origin or manufacture. The applicants' evidence as to their own trade confirms what I would in any case have expected to be the case that golfing goods are overwhelmingly sold on the strength of the manufacturers/suppliers' brand and not on indications of geographical origin.

53. Kerly's suggests at 7-165 that

"Secondly, the paragraph [3(3)(b)] refers expressly to deception caused by the nature of the mark itself. This does not mean that the mark has to be considered in a vacuum. It must be considered against the goods or services applied for and in the general context of the relevant trade."

54. Whilst Mr Carr was quite correct to point out that Section 3(3) contains no equivalent to the proviso to Section 3(1) it seems to me that it is perfectly permissible to consider the basis for an objection under the subsection by reference to what is known about the trade itself as reflected in the totality of the evidence on a particular case. In short I can see no basis for finding that the mark is open to objection under Section 3(3)(b)."

26. The opposition has been successful under Section 5(2)(b). The opponents are entitled to a contribution towards their costs. I order the applicants to pay them the sum of £650. A separate award has been made in the related opposition case (No 45319). The sums have been adjusted to reflect the cost of launching separate oppositions; the fact that the evidence is

common to both cases; and the cases were dealt with together at the hearing. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 26 day of April 2001**

**M REYNOLDS  
For the Registrar  
the Comptroller-General**