

O-216-05

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 2339327
IN THE NAME OF LEWIS LEATHERS LIMITED
TO REGISTER A TRADE MARK IN CLASS 25**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 92232 IN THE NAME OF
AERO LEATHER CLOTHING LTD**

Trade Marks Act 1994

**IN THE MATTER OF Application No. 2339327
in the name of Lewis Leathers Limited
to register a trade mark in Class 25**

And

**IN THE MATTER OF Opposition thereto
under No. 92232 in the name of Aero Leather Clothing Ltd**

BACKGROUND

1. On 31 July 2003, Lewis Leathers Ltd applied to register a trade mark in Class 25 in relation to the following specification of goods:

Articles of leather clothing for wear by motorcyclists.

2. The mark applied for is as follows:



3. On 5 January 2004, Aero Leather Clothing Ltd filed notice of opposition to the application, the grounds of opposition being as follows:

1. Under Section 5(2)(a)&(b) the application has been made for an identical or similar mark to the mark owned by the opponents, and is to be registered for articles of leather clothing for motorcyclists, which are identical to the goods for which the earlier mark is known.

2. Under Section 5(3) if the goods covered by the application are not deemed to be similar, the application should be refused because the opponent has a reputation in the UK in respect of leather clothing, and use of

the mark applied for would, without due cause, take unfair advantage or be detrimental to the distinctive character or repute of the opponents= earlier mark.

- 3. Under Section 5(4)(a)** by virtue of the law of passing off.
- 4. Under Section 5(4)(b)** by virtue of the law of copyright in the stylised version of the mark as shown in the application.
- 5. Under Section 3(6)** because the application has been filed in bad faith.

4. The applicants filed a counterstatement in which they dispute the grounds on which the opposition is based.

5. Both sides ask that an award of costs be made in their favour.

6. Only the opponents filed evidence. Neither side requested to have an oral hearing on the case, electing instead to have a decision taken from the papers on file, so after a careful study of the evidence I now go on to make my decision.

OPPONENTS= EVIDENCE

7. This consists of a Witness Statement dated 6 October 2004, from Ken Calder, Chairman and Director of Aero Leather Clothing Limited, a position he has held since the company was founded in 1990.

8. Mr Calder says that his company's predecessor in business was a partnership called The Transatlantic Clothing Company, which was set up in 1985 and comprised himself, Mrs Lydia Calder and latterly William Lauder which seems to indicate that Mr Lauder was not a partner from the beginning. In 1990 the partnership changed to become a registered company trading under the name The Transatlantic Clothing Group Limited, subsequently becoming Aero Leather Clothing Limited. All assets of the partnership were transferred to the company and the partnership ceased to trade in 2003. Mr Calder says that the company and its predecessors in title had been collectively known as Aero or Aero Leathers since the mid 1980s.

9. Mr Calder says that the company sells a vintage styled leather motorbike jacket under the name HIGHWAYMAN, that was designed, and first sold in 1983. At that time he was trading with his partner, Lydia Calder, under the name The Thrift Shop, in 1985 becoming a partnership trading under the name The Transatlantic Clothing Company. Mr Calder says the HIGHWAYMAN jacket became very successful. Exhibit KC1 consists of extracts from the company's catalogues for the years 1987, 1989, 1990, 1993 and 1994, and a copy of an article published in the Sunday Times, Scotland on 24 April 1994. The catalogues all depict leather jackets, referring to them as being Aero Leather jackets, showing a range under the name HIGHWAYMAN, the word occasionally being shown in an italic style script. With the

exception of the 1990 edition, the catalogues can only be dated by a manuscript entry. The article from The Times appears on their fashion page, reflecting Mr Calder's statement that the jackets are also fashion items. The article refers to Aero Leathers being a range of leather jackets, and to Mr Calder having set up The Transatlantic Clothing Company in 1985. There is no mention of HIGHWAYMAN in the article but the accompanying picture depicts a model stated as wearing a HIGHWAYMAN leather jacket. Exhibit KC2 consists of price lists for 1997 and 1998 for The Transatlantic Clothing Company Aero Leathers, listing inter alia, HIGHWAYMAN horsehide and steerhide jackets.

10. Exhibit KC3 consists of invoices and shipping orders, dating from 7 November 1989 through to September 2003, all relating to sales of HIGHWAYMAN jackets. Exhibit KC4 consists of a sew-in label marked as being for Aero Leather Clothing, showing the name HIGHWAYMAN in a script and underlined in a style that would be indistinguishable from the mark applied for if represented in black and white. The label bears the legend "LIMITED EDITION 20th ANNIVERSARY 1993 - 2003". Mr Calder says that the label shows the mark as it was used between 1984 and 1987, after which it was used in plain type.

11. Mr Calder estimates that his company has made around 40,000 HIGHWAYMAN jackets since 1983, and refers to his company having been awarded the Queen's Award for Export in 1993 (exhibit KC5) and the Menswear export of the year in 1994. Whilst these are an indication of the success of the company, they do so in relation to the business as a whole and not specifically in relation to HIGHWAYMAN branded goods.

12. Mr Calder describes his company as being essentially a wholesale trader which does a lot of trade to individual customers over the Internet via their website, and from their shop in Galashiels. Exhibit KC6 consists of an extract from the website which Mr Calder says has existed since its launch in 1994. There is no mention of HIGHWAYMAN. Exhibit KC7 consists of a further extract from the website, listing the products for sale, including the HIGHWAYMAN "Anniversary" limited edition, Mr Calder highlighting the price being £400. Mr Calder refers to exhibit KC8 which consists of a print taken from the auction site e-bay on 16 October 2004, showing a number of Aero HIGHWAYMAN leather jackets for auction, noting that one seller refers to the jacket as "A very highly sought after".

13. Exhibit KC9 consists of a print from the aeroclothing.com website taken on 9 December 2003, promoting the "Anniversary" HIGHWAYMAN leather jacket, referring to the first jacket having been made by The Thrift Shop in 1983, that horsehide wasn't used until 1986 and that the jacket had become famous as "the Jacket of choice for every Scottish Indie Band". Exhibits KC10 and KC11 consist of e-mail contacts received by the company following the promotion of the jacket. The e-mails date from March to May 2003, and refer to orders for new HIGHWAYMAN jackets, and old jackets that are being returned for repair. Mr Calder makes specific reference to two comments from customers who attest to the quality of the jackets.

14. That concludes my summary of the evidence insofar as it is relevant to these proceedings.

DECISION

15. Turning first to the ground of opposition founded under Section 5(2)(a) and 5(2)(b), those sections read as follows:

A5.-(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.®

16. An earlier trade mark is defined in Section 6 of the Act as follows:

A6.-(1) In this Act an **A**earlier trade mark® means**B**

- (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,®

17. Other than to say that an application has been made the opponents do not give any details of the earlier mark relied upon. However, in their counterstatement the applicants refer to a trade mark having the number 3559929, which a search of the Trade Marks Register shows to be a Community Trade Mark, for the mark HIGHWAYMAN, in the name of Aero Leather Clothing Ltd. In the absence of any further information I must assume that this is the trade mark on which the opponents base their objection.

18. The opponents=mark was applied for on 22 December 2003, and achieved registration on 19 April 2005. Notwithstanding the fact that it is registered, the CTM has a later date than the application that is the subject of these proceedings. Accordingly, it does not constitute an **A**earlier mark® within the meaning of Section 6 above, and the grounds under Section 5(2)(a) and 5(2)(b) must be dismissed.

19. The opponents also object to the application under Section 5(3). Given that that section requires the opponents to possess an earlier mark, my comments in respect of the Section 5(2) grounds also apply; they have no earlier mark and the objection falls at the first hurdle. It is dismissed.

20. I turn next to consider the ground under Section 5(4)(a). That section reads as follows:

A5.-(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or
- (b) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an "earlier right" in relation to the trade mark.®

21. Mr Geoffrey Hobbs QC sitting as the Appointed Person in the *Wild Child* case [1998] RPC 455 set out a summary of the elements of an action for passing off. The necessary elements are said to be as follows:

AA helpful summary of the elements of an action for passing off can be found in *Halsbury's Laws of England* (4th Edition) Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 and *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] A.C. 731 is (with footnotes omitted) as follows:

"The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal, definition of 'passing off', and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under

consideration on the facts before the House."

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."@

22. To the above I add the comments of Pumfrey J in *South Cone Incorporated v Jack Bessant, and others*, [2002] RPC 19, in which he said:

A27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under S.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 RPC 97 as qualified by *BALI Trade Mark* [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur.@

23. The date at which the matter must be judged is not entirely clear from Section 5(4)(a) of the Act. This provision is clearly intended to implement Article 4(4)(b) of Directive 89/104/EEC. It is now well settled that it is appropriate to look to the wording of the Directive in order to settle matters of doubt arising from the wording of equivalent provisions of the Act. The relevant date may therefore be either the date of the application for the mark in suit (although not later), or the date at which the acts first complained of commenced **B** as per the comments in *Cadbury Schweppes Pty Ltd v The Pub Squash Co Pty Ltd* [1981] RPC 429.

24. The applicants claim to have owned the trade mark THE HIGHWAYMAN since 1986, and through the use of the mark by previous owners, to have acquired goodwill through **A**various assignments@ dating back to 1968. They also make reference to a trade mark registered in the 1960s. The applicants have not filed any evidence whatsoever, let alone evidence of having ever carried on a trade in any goods or services under the HIGHWAYMAN badge, or that shows any transfer of goodwill to them from another trader. Notwithstanding that they may have previously been recorded as the proprietor of a registration for the mark in question, I must proceed on the basis that the mark that they seek to register was, at the time of making the application, an unused mark, and that as far as these proceedings are concerned, the relevant date is the date on which the application to register the trade mark was made.

25. The opponents claim to have first used the name HIGHWAYMAN on leather jackets in 1983 whilst trading under the name The Thrift Shop, but apart from a print taken from the opponents' website (exhibit KC9) in December 2003 which outlines the history of the HIGHWAYMAN jacket, there is no corroborative evidence. That the opponents produced a 20th anniversary edition of the HIGHWAYMAN jacket in 2003 **A**suggests@ that it was around in 2003.

26. The opponents say that from 1985 the business was carried on by a trading partnership under the name The Transatlantic Clothing Company. Confirmation that Mr Calder was trading under this name can be found in the article from The Sunday Times forming part of exhibit KC1, but this does not establish that he was, at that time, selling the HIGHWAYMAN leather jacket. From 1990 the business was conducted as a limited company, The Transatlantic Clothing Group limited. The earliest conclusive evidence of the use of HIGHWAYMAN by the opponents can be found in the extracts from the catalogues, also part of exhibit KC1. This establishes that in 1987 The Transatlantic Clothing Company was selling a range of leather jackets under the general name of Aero Leathers, part of which was a jacket branded HIGHWAYMAN, essentially a motorcycle jacket but also worn as a fashion item. The front page refers to three variations of our AWorld Famous Highwayman@which would seem to indicate that by 1987 the company had been selling the jackets for some time, and they at least considered the jacket and name had established a significant reputation. Catalogues from further years to 1994 show a continuing use of HIGHWAYMAN in relation to leather jackets by The Transatlantic Clothing Company.

27. The invoices and shipping orders found in exhibit KC3 show a continuous trade in HIGHWAYMAN leather jackets from 1989 up to, and beyond the relevant date in these proceedings, including sales of the Anniversary@limited edition. E-mails from March to May 2003 show that the company was carrying on an active trade in HIGHWAYMAN jackets, and providing repair services on previously sold jackets, including one stated to date from 1985 - 1986. There is no information relating to turnover or what has been done in promotion of the mark, the most that Mr Calder says is that some 40,000 jackets have been sold. In purely quantitative terms the number of sales shown could be said to be modest in the context of the clothing market as a whole, and whilst I am conscious that the law of passing off does not protect a goodwill of trivial extent (*Hart v. Relentless Records* [2002] EWHC 1984 (Ch)), the fact that a business is small does not prevent it having a goodwill (*Stannard v. Reay* [1967] RPC 589). But as Mr Calder points out, these are not cheap items. On the basis of the evidence I have no difficulty in accepting that at the time that the application was made to register the disputed trade mark, the opponents had a long standing goodwill and reputation.

28. The evidence shows the opponents to have used the word HIGHWAYMAN in plain block lettering and in an italicised script, the former being the most common. The label used by the opponents in their 20th anniversary limited edition of the HIGHWAYMAN jacket uses the word in a form that mirrors the font and underlining in the applicants=mark. However, there is nothing that establishes that the Anniversary@jacket was available prior to the relevant date, and there is no evidence to support Mr Calder's statement that the version of the mark shown on that jacket was in use between 1984 and 1987.

29. The applicants are seeking to register their mark in relation to AArticles of leather clothing for wear by motorcyclists@. The opponents have been trading in leather motorcycle jackets, and self-evidently the same and similar goods to those covered by the application. This being the case I can see no reason why the manner in which the respective parties trade, or the consumer of the goods in question would be any different. There may be a visual difference in the plain text word that the opponents have used, and the italicised, but still relatively ordinary typeface version of the application, but whether in plain or italics, the word is still clearly the same. But in any event, the opponents have used the word in a very similar script in their 1993 catalogue. It is also relevant to consider the manner in which trade has been conducted. The evidence shows that a

sizeable portion of the opponents' trade is by e-mail, via the Internet and presumably by telephone where a difference in the presentation of the word would not be apparent.

30. In their counterstatement, the applicants claim that the opponents' use has been in a generic sense in that they refer to Highwayman and they apply different brands to their jackets. I do not understand what the applicants are getting at. As far as I am aware, and there is no evidence to the contrary, the word HIGHWAYMAN has no descriptive relevance for jackets. If a trader has a number of different types of the same item, in this case leather jackets, how else could he differentiate the goods other than by allocating each variety a unique identifier or name, and how else could he refer to the product other than by that name? Unless the given name is so obviously apt to describe the goods, such as in Oven chips, or the name is allowed to pass into the language of the trade, such use does not make a name generic.

31. The applicants also claim that a cursory glance on the Internet demonstrates that there are many companies using the word HIGHWAYMAN in a generic and not in a trade mark sense...that is part of a general trend that refers to the mark in a generic fashion and in relation to a particular cut of jacket. Where is the evidence? Even if this proved to be the case at the date that they signed the counterstatement, was it so at the relevant date in these proceedings?

32. Taking into account that the opponents have a long standing reputation and goodwill in the name HIGHWAYMAN in relation to leather jackets, and that the applicants seek to register and presumably use what is essentially the same mark on identical and similar products, it seems to me that this will be a misrepresentation, and that this will lead the public to infer from the applicants' use of HIGHWAYMAN that the goods are those of the opponents, or in some way the businesses are connected. In my view the opponents have made their case and the objection under Section 5(4)(a) succeeds.

33. Whilst my decision under Section 5(4)(a) effectively decides the matter, for completeness I will go on to consider the grounds under Section 5(4)(b) and Section 3(6) as they can be quite easily disposed of.

34. The objection under Section 5(4)(b) of the Act is based on a claim that the stylisation of the word HIGHWAYMAN in the mark applied for infringes the opponents' copyright. I have already stated that, absent the non-trademark matter, the representation and underlining of the disputed mark is to all intents identical to the label used by the opponents in their 20th anniversary limited edition of the HIGHWAYMAN jacket. Whether or not the opponents can claim any copyright in this stylisation is in my view immaterial. Apart from Mr Calder's statement that the version of the mark shown on the anniversary jacket was in use between 1984 and 1987, and the inference that could be drawn from the fact that the jacket is the 20th anniversary edition which of itself does not establish that the original label twenty years ago was the same, there is no evidence that the opponents have used the stylised version prior to the relevant date. The ground under Section 5(4)(b) is dismissed accordingly.

35. Turning to the ground under Section 3(6). That section reads as follows:

3.-(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.

36. In the case of *Gromax Plastics Ltd v Don & Low Nonwovens Ltd* [1999] R.P.C. 367, Lindsay J put the position in relation to an allegation of bad faith as follows:

AI shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.@

37. Mr Simon Thorley Q.C., appearing as the Appointed Person in *R. v. Royal Enfield Trade Marks* [2002] R.P.C. 24, paragraph 31, took the following view on an allegation that a party has acted in bad faith:

A31 An allegation that a trade mark has been applied for in bad faith is a serious allegation. It is an allegation of a form of commercial fraud. A plea of fraud should not lightly be made (see Lord Denning M.R. in *Associated Leisure v. Associated Newspapers* [1970] 2 Q.B. 450 at 456) and if made should be distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts (see *Davy v. Garrett* (1877-78) L.R. 7 Ch.D. 473 at 489). In my judgment precisely the same considerations apply to an allegation of lack of bad faith made under section 3(6). It should not be made unless it can be fully and properly pleaded and should not be upheld unless it is distinctly proved and this will rarely be possible by a process of inference. Further I do not believe that it is right that an attack based upon section 3(6) should be relied on as an adjunct to a case raised under another section of the Act. If bad faith is being alleged, it should be alleged up front as a primary argument or not at all.

32 In the present case Mr. Edenborough invited the hearing officer to infer bad faith from incidents which allegedly took place in 1989, the bad faith being in 1992. No application has made to cross examine Mr. Narayan to challenge his rejection of Mr. Holder's evidence. Mr. Edenborough told me that no application was made to cross examine because it was the practice of the Registry to refuse such applications. I am unaware that there is such a practice and if there were to be, it would be wrong.@

38. The opponents claim that because the applicants have chosen the exact same script style of a mark used by them in the mid-eighties and re-launched for the anniversary edition, they must have copied their mark. The similarities in the script and underlining of the opponents' anniversary label and that of the mark applied for could give a reasonable person grounds to question whether there has been some copying, but as I have already said, there is no evidence that the opponents had used the mark in this form prior to the relevant date. The opponents' case is not helped by their admission there had been a gap of many years in their use. It has not been established that the applicants were aware of any earlier use by the opponents, or that they knew of their intention to resume any use. To find in favour of the applicants could only be by inference, and that I can not do. The ground under Section 3(6) is dismissed.

39. The opposition having been successful, the opponents are entitled to a contribution towards their costs. I hereby order that the applicant shall pay the opponent the sum of , 1,100. This 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 1st day of August 2005

**Mike Foley
for the Registrar
the Comptroller-General**