

O-219-06

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO. 2313965
IN THE NAME OF ALAN FINCH**

AND

**IN THE MATTER OF AN APPLICATION UNDER NO. 82076
FOR A DECLARATION OF INVALIDITY THERETO
BY SCORE DRAW LIMITED**

TRADE MARKS ACT 1994

**IN THE MATTER OF registration
No. 2313965 in the name of
Alan Finch and in the matter of
an application under No. 82076
for a declaration of invalidity
thereto by Score Draw Limited**

Background

1. Alan Finch is the registered proprietor of the following trade mark registration:

Registration No.	Mark	Class	Specification	Effective Date
2313965		25	Articles of sports clothing and articles of leisure for adults and children, headwear, caps and hats; jackets and coats; jerseys, tracksuit tops and tracksuit bottoms; trousers, sweaters, jumpers, polo shirts, T-shirts, shorts, socks, shoes, training shoes and footwear; sports bags shaped to carry athletic clothes or footwear, retro clothing	23.10.2002

2. On 7 March 2005, Serjeants, trade mark attorneys representing Score Draw Limited, filed an application to declare the registration invalid. The applicant claims the registration should be declared invalid because the mark in suit is identical to the former official emblem of the governing body for sport in Brazil, the Confederação Brasileira de Desportos (CBD), and was used in relation to all sports for which the CBD was responsible including being used by the Brazil Football team between 1914 and 1971. In 1979 responsibility for football in Brazil transferred to the Confederação

Brasileira de Futebol (CBF). Since 1971 the official emblem has undergone a number of changes but the mark in suit is said to be confusingly similar to the current official emblem of the CBF. The trade mark is said to be wholly without distinctive character and is descriptive in that it conveys a message displaying an allegiance to the Brazil football team. The trade mark is also said to be a sign that others would want to use and should be free for other traders to use it. The applicant also claims that because the registered proprietor was aware of the above, the registration was made in bad faith. Registration of the mark is therefore said to offend against sections 3(1)(b),(c),(d) and 3(6) of the Act.

3. The registered proprietor filed a counter-statement. Whilst not denying that the mark is identical to the emblem used by the CBD between 1914 and 1971, he claims that use of that emblem was abandoned in 1971 and the mark in suit is not likely to be confused with the current CBF emblem. He also claims the mark has acquired distinctiveness through his use of it. In essence, he denies the claims made by the applicant under section 3 of the Act.

4. Both parties filed evidence. Neither requested to be heard. After a careful study of the papers, including written submissions on both substantive issues and costs, I give this decision.

Applicant's evidence

5. This consists of two witness statements. The first is by Michael Roy Phillips and is dated 29 June 2005.

6. Mr Phillips is the Managing Director of Score Draw Limited, a position he says he has held since the formation of that company in September 2002. He confirms he is authorised to speak on behalf of his company and that the information he gives comes from his own knowledge and from company records. Mr Phillips says that Score Draw Limited manufactures and sells what he calls "retro football shirts" said to be faithful replicas of the football shirts worn by football teams from the 1950s to the 1990s.

7. Mr Phillips states that he has been involved in the manufacture and sale of retro football shirts since 1994 when he started trading as a partnership under the name Score Draw with a Mr Jeffrey Wheeler, selling through mail order to the public and wholesale to sports retailers. In January 1997 the two formed a limited company, Scoredraw Ltd, to handle the mail order side of the business. Mr Phillips, as sole proprietor, continued to develop the wholesale side of the business and, under the name Score Draw, supplied both Scoredraw Ltd and High Street retailers. Scoredraw Ltd was dissolved in May 2000 whereupon Mr Phillips resumed sole responsibility for the mail order business. He continued to trade under the name Score Draw, later in partnership with a Mr Derek Collins, until September 2002 when his present company, Score Draw Ltd was formed.

8. Mr Phillips claims that the trade mark in suit is identical to the official emblem of the CBD which was used in various (unspecified) sporting disciplines in Brazil but specifically having been used by the Brazilian national football team between 1914 and 1971. Mr Phillips's various companies are said to have used the official emblem

since 1994 on retro football shirts which were supplied under the Score Draw trade mark. He says Mr Finch is the MD of the applicant's "only significant competitor" but also claims that other companies have used the emblem on a wide range of goods although he provides no evidence to support either of these claims.

9. Mr Phillips provides details of retailers he or his companies have supplied and the promotions they have been involved in and at MP6-8 exhibits details of some of these companies. He states he has supplied six different retro Brazil shirts but doesn't explain how the shirts differ. Exhibits MP1-3 show examples of some of the shirts supplied. At MP4 he provides figures of the number of two retro styles of Brazil shirt supplied between 1996 and 2000. These show a total of some 7157 shirts sold with a total turnover said to equate to £143,068. He estimates that total sales in 1998 equates to around 60% of the UK market but provides no explanation of how he arrived at this figure.

10. At MP5 Mr Phillips exhibits numerous copy invoices for shirts, sold to traders throughout the UK, some of which refer to the supply of "Brazil/Brasil" shirts. The earliest of these dates from June 1997. At MP10 is a copy of a letter to Score Draw dated 3 June 2005 from Middlesbrough Football Club confirming that they purchased a retro Brazil shirt from them in 1995.

11. In respect of the number of shirts supplied by him or his companies, Mr Phillips explains that he is unable to provide precise figures but instead provides what he calls a good and reliable estimate. He does not explain which version of the shirts the sales relate to, nor, more importantly, does he explain how he arrived at these figures and therefore I do not intend to reproduce them here.

12. Mr Phillips states that he or his companies have advertised in a number of publications and at MP9, MP12 and MP13 provides samples of the adverts and flyers produced. It is not clear in which publications all of these samples appeared and none of them are dated although I note that one indicates that the offer it advertises expires on 31 December 1998 and one is said to relate to a catalogue produced in 2002 (which may or may not have been after the material date in these proceedings). At MP14 Mr Phillips exhibits a list of the publications in which he or his companies have advertised and the number of sales of Brazil shirts said to have resulted from them. He says they are newspapers and magazines distributed throughout the UK and, whilst he provides an estimate of their circulation, he does not explain how this estimate was reached.

13. At MP15, Mr Phillips exhibits a list of applications for registration said to have been filed by Mr Finch or by T.O.F.F.S. Ltd on his instruction. These are said to include football emblems of several British football clubs as well as the official emblems of teams from other countries.

14. There is also a witness statement from Guilherme de Mattos Abrantes dated 19 May 2005. Sr de Mattos Abrantes says he is an associate with an Intellectual Property firm located in Rio de Janeiro and is also an avid fan of both the Brazilian national football team and a Rio De Janeiro team. Sr de Mattos Abrantes refers to what are said to be the official emblems of the CBD and its successor the Confederação de Futebol. Whatever his legal qualifications and however avid a fan he may be, his

witness statement is said to be one of personal and professional opinion rather than fact, and there is no indication he is or was an official spokesman for the CBD or the CBF nor that he is qualified to comment in this area. In view of this I do not summarise it further.

Registered proprietor's evidence

15. This takes the form of a witness statement by Alan James Patrick Finch and is dated 19 September 2005.

16. Mr Finch says he is the Managing Director and founder of T.O.F.F.S Ltd, (TOFFS) a position he has held since its incorporation in 1998. The company commenced trading as a partnership in 1991 and is involved in the distribution, marketing and sale of replicas of historic playing jerseys and shirts of well known national and international football teams. Mr Finch says he has licensed the mark in suit, under an exclusive oral licence, to TOFFS, a company with a product range of over 1000 football shirts, tracksuit tops and shorts. The shirts include those of defunct as well as extant clubs with the latest dated jersey being a replica of one used by an English team in the 1989 football season.

17. Mr Finch states that TOFFS has marketed retro replicas of Brazil football shirts since 1992 and has used the mark in suit on retro Brazil shirts since 1994. At AJF3 he exhibits examples of trade posters showing such shirts. He rejects Mr Phillips's claim that the emblem used by him (Mr Phillips) or his companies is identical to that of the CBD or that the shirts he supplies are faithful replicas of those as once worn by the Brazil team. He comments on the differences between the trade mark as registered and that used by the applicant.

18. Mr Finch states that sales are made through retail stores and via mail order and the internet. He gives details of the outlets where TOFFS' shirts are offered for sale both in the UK and abroad. At AJF5 he provides samples of orders from or supplies to these companies. None bear the trade mark in suit although they do make reference to Brazil shirts amongst others. The earliest dates from 1997. Sales were also made, he says, via mail order and, at AJF6-15, he exhibits copies of pages from mail order catalogues dating from 1994 to 2003- the latest of these dated after the relevant date. He also exhibits printouts from a number of internet websites but these bear no dates to show when they were "live" or printed.

19. Mr Finch gives details of various promotional activities TOFFS have been involved in which includes promotional links to a radio station (though this appears to have taken place after the relevant date), a chain of pubs and the "Match of the Day" shows which took place in Birmingham NEC in 1997-1999.

20. Mr Finch explains that TOFFS have moved premises three times since 1997 and that this, coupled with changes to accounting and computer systems, makes it impossible to provide accurate sales figures. Somewhat confusingly, he then provides what he says are turnover figures for 1998 onwards. Without explaining how he arrived at the figures, he provides an estimate of sales of Brazil shirts via mail order, for 1998 only, of £250,000 whilst turnover is said to range from £33,516 in 1999 to £41, 952 in 2001. Figures are also given for 2002 but I cannot be sure how much

relates to a period before the relevant date. Figures given for 2003 onwards are all after the relevant date.

21. Expenditure by TOFFS on marketing and advertising is said by Mr Finch to range from £15,000 in 1995 increasing to £167,000 in 1999. The expenditure is said to relate to TOFFS products including retro Brazil shirts. It is not clear how much, if any, of this figure relates to the mark in suit. At AJF26-32 he exhibits a selection of adverts and promotional material.

22. Mr Finch claims a reputation in retro Brazil football shirts and says that what he calls the CBD badge is “more or less exclusively” associated with TOFFS in the market. I have no idea what he means by this. That reputation is such, he says, that the public would recognise the trade mark as an indicator that TOFFS was the source of the goods.

23. That concludes my summary of the evidence.

Decision

24. The application seeks to invalidate the registration of the trade mark in suit. This is provided for under section 47 of the Act which reads:

“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) The registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier 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.

(3) An application for a declaration of invalidity may be made by any person, and may be made either to the registrar or to the court, except that-

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(4) In the case of bad faith in the registration of a trade mark, the registrar himself may apply to the court for a declaration of invalidity of the registration.

(5) Where the grounds of invalidity exist 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.”

25. Section 3 of the Act states:

“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 marks 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.

(2) ...

(3)...

(4)...

(5)...

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

26. The material date in this case is the date the application for registration was made: 23 October 2002.

Section 3(1)(d)

27. The criteria to be taken into account when considering section 3(1)(d) of the Act was established in *Merz & Krell GmbH & Co* (D-517/99) [2002] ETMR 21. The European Court of Justice (ECJ) determined:

“31. It follows that Article 3(1)(d) of the Directive must be interpreted as only precluding registration of a trade mark where the signs or indications of which the mark is exclusively composed have become customary in the current language or in the bona fide and established practices of the trade to designate the goods or services in respect of which registration of that mark is sought.

39. It also follows that, where the signs or indications concerned have become customary in the current language or in the bona fide and established practices of the trade to designate the goods or services covered by the mark, it is of little consequence that they are used as advertising slogans, indications of quality or incitements to purchase those goods or services.

40. However, registration of a trade mark which consists of signs or indications that are also used as advertising slogans, indications of quality or incitements to purchase the goods or services covered by that mark is not excluded as such by virtue of such use. It is for the national court to determine in each case whether the signs or indications have become customary in the current language or in the bona fide and established practices of the trade to designate the goods or services covered by that mark.

41. It follows that Article 3(1)(d) of the Directive must be interpreted as meaning that it subjects refusal to register a trade mark to the sole condition that the signs or indications of which the trade mark is exclusively composed have become customary in the current language or in the bona fide and established practices of the trade to designate the goods or services in respect of which registration of that mark is sought. It is immaterial, when that provision is applied, whether the signs or indications in question describe the properties or characteristics of those goods or services.”

28. The Court of First Instance (CFI) considered the issue in *Alcon Inc v Office for Harmonisation in the Internal Market (Trade Marks and Designs)(OHIM)* Case T-237/01 [2004] ETMR 6. It said:

“37. According to the ECJ, Article 3(1)(d) of Directive 89/104 must be interpreted as precluding registration of a trade mark only where the signs or indications of which the mark is exclusively composed have become customary in the current language or in the bona fide and established practices of the trade to designate the goods or services in respect of which registration of that mark is sought (*Merz & Krell*, para 31). Accordingly, whether a mark is customary can only be assessed, firstly, by reference to the goods or services in respect of which registration is sought, even though the provision in question does not explicitly refer to those goods or services and, secondly, on the basis of the target public’s perception of the sign.

39. The ECJ further held that, although there is a clear overlap between the scope of Articles 3(1)(c) and 3 (1)(d) of Directive 89/104, marks covered by Article 3(1)(d) are excluded from registration not on the basis that they are descriptive, but on the basis of current usage in trade sectors covering trade in the goods or services for which the marks are sought to be registered (*Merz & Krell*, para 35).”

29. In *Stash Ltd v Samurai Sportswear Ltd* O-281-04 Professor Annand, sitting as the Appointed Person stated:

“33. In the event, I do not believe this issue of the interpretation of section 3(1)(d) is central to the outcome of the appeal. “Customary” is defined in the Oxford English Reference Dictionary, 1995 as: “usual; in accordance with custom”. In my judgement, the Opponent has failed on the evidence to prove that at the relevant date STASH contravened section 3(1)(d) as consisting exclusively of signs or indications which have become customary either in the current language or in trade practices for the goods concerned.”

30. The evidence filed by both parties clearly shows there to be a sizeable interest and trade in the sale of replica retro football shirts. Both parties claim that the retro Brazilian shirt is one of their top sellers. That said, there is no reliable evidence of the size of the market at the material date. Although the goods produced by the parties are football shirts, it is not suggested that the average consumer is likely to be a football player. Indeed a walk along any High Street would rather quickly disavow one of that likelihood. I consider the average consumer to be those of the general public who buy or wear football related clothing primarily as leisure wear.

31. The mark in suit consists of a device of a shield with a dark background and edged in a lighter shade. The shield is transected with three adjoining lines, the middle of those being broader and darker than the two either side of it. These lines are themselves transected at their junction by a cross device upon which appear the letters CBD.

32. Mr Phillips claims that the mark in suit is in customary use in the trade. The position has to be considered as of the material date. He has filed evidence showing the use made by him and his various companies. Whilst those companies are separate entities, there is no dispute that Mr Phillips has been closely involved in each of them nor that they have all been trading in the retro football shirt market

33. There are a number of difficulties with Mr Phillips’s evidence. It shows that sales of retro football shirts have been made by him or his companies, and those sales include retro Brazil shirts. Mr Finch argues that the mark used by the applicant differs from that as registered. The examples provided by Mr Phillips at MP1-3 show the emblem used on some of the shirts supplied by him or his companies. These examples show the emblem to differ from the mark in suit, the differences include the placing of full stops between the letters appearing in the mark and a marginally different shape to the cross device. But I do not go on to consider whether the emblem is identical under the principles in the *SADAS* case, [2003] FSR 34, as Mr Phillips says he or his companies have supplied six different shirts yet does not say whether they all bore an emblem and if so whether it was the same emblem. The evidence does not show what

shirt bearing what emblem was supplied and by whom at the material date. And despite Mr Phillips's claim that third parties produce a wide range of goods bearing the emblem, he has provided no evidence in support of that claim. Taking all matters into account, the applicant has not established that at the material date, the trade mark in suit was used customarily in relation to the trade in clothing. The objection under section 3(1)(d) fails.

3(1)(b) and(c)

34. Under section 3(1)(b) and (c) the questions to be answered are whether the trade mark in suit is devoid of any distinctive character and whether the combination of those elements creates a sign that describes some characteristic of the goods. There is a proviso that a trade mark shall not be refused registration under these subsections if, before the date of application for registration the mark has acquired a distinctive character as a result of the use made of it.

35. Mr Finch has filed evidence of use. As was the case with that filed by the applicant, this evidence has flaws. Mr Finch says that he is unable to provide accurate figures of goods sold under the mark. He estimates that some £250,000 worth of sales of Brazil shirts were made in 1998 but doesn't explain how he reached this figure. Turnover for 1999 to 2001 is given between the much lower ranges of £33,516 and £41,952.

36. Numerous examples of advertising and marketing are provided. It's not clear how much, if any, relates solely to the mark in suit. Much of the advertising takes the form of pictures of the many shirts available through TOFFS. The trade mark in suit appears as a badge on the chest of some of the football shirts; there is no evidence to show the goods to have been offered for sale under the trade mark in suit-indeed the evidence shows the goods to have been offered and sold under the TOFFS name. I can find no evidence that the mark in suit was used as a trade mark, merely that it was used as a decoration on shirts. However this decision is in relation to an application for invalidity, not for revocation on the grounds of non-use (and in any event the trade mark has not yet been registered for five years). On the basis of the evidence as filed, I am unable to find that the trade mark had acquired a distinctive character as a result of the use made of it and the proviso cannot apply in this case. I therefore go on to consider whether the mark is distinctive per se.

37. Mr Phillips asserts that the trade mark in suit cannot be distinctive per se as it is identical to the official emblem used by the CBD and the Brazil football team from 1914 until 1971. The registered proprietor does not deny the identity issue but claims that this is irrelevant as use of it by these bodies was abandoned in 1971. There is nothing in the evidence indicating that at any time between 1971 and the material date the mark was used by these bodies either within the UK or elsewhere.

38. In *Arsenal Football Club Plc v Reed* [2001] RPC 46, Laddie J stated:

“68. I have come to the conclusion that Mr Roughton's alternative argument also fails. He says that any trade mark use of the Arsenal signs is swamped by their overwhelming acquired meaning as signs of allegiance to the football team. Therefore they are not and have never been distinctive. He says that this

argument applies with particular force to the word “ARSENAL”. I think this fails on the facts. I do not see any reason why use of these signs in a trade mark sense should not be capable of being distinctive. When used, for example, on swing tickets and neck labels, they do what trade marks are supposed to do, namely act as an indication of trade origin and would be recognised as such. There is no evidence before me which demonstrates that when so used that they are not distinctive of goods made for or under licence of AFC. The fact that the signs can be used in other, non-trade mark, ways does not automatically render them non-distinctive.”

39. In *Tottenham Hotspur Plc v Patricia Hard O’Connell and Michael O’Connell* (BL 0/024/03) Professor Annand, sitting as the Appointed Person noted:

“15. The ECJ confirmed in *Arsenal Football Club Plc v Matthew Reed*, Case C-206/01, 12 November 2002 that distinctive character subsists when a sign enables the consumer to distinguish goods and services of the applicant and the applicant is in turn able to guarantee to the consumer the quality of products bearing that sign. The fact that the consumer might be motivated to buy the product to show support for his or her football team does not detract from that distinctive character.”

40. This makes it clear that emblems of football clubs are equally capable of functioning both as a badge of origin and as a focus of allegiance—that just because a sign is a badge of allegiance does not mean of itself that it is lacking in distinctive character.

41. In this case, whilst it is not disputed that the mark in suit was the emblem used by the CBD and the Brazil football team, that use ceased more than thirty years ago, in 1971. There is nothing in the evidence which persuades me that the mark in suit is a sign which may serve in trade to designate a characteristic of the goods for which the mark is registered. Neither is there anything which persuades me that this is a sign which should be kept free for others to use. The applicant also contends that the trade mark in suit is confusingly similar to the current official emblem of the CBF. If there is any other party which considers the registration of the mark in suit to impinge upon its rights, whether in the former emblem or the current one, it is an issue to be dealt with under the provisions of section 5 of the Act. No such claim has been made in these proceedings. In my view, the mark is made up of a number of elements as described above, which together form a distinctive whole and is capable of being an indication of origin. The objections under sections 3(1) (b) and (c) of the Act fail.

Section 3(6)

42. The applicant contends that Mr Finch applied to register the mark when he was highly likely to have known the origin of it and did this in the full and certain knowledge that he was not legally entitled to do so. He claims it is part of a deliberate policy to register historic badges and emblems of other football clubs.

43. In *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 Lindsay J said:

“I 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.”

44. In *Royal Enfield Trade Mark* [2002] RPC 24 Mr Simon Thorley, QC, sitting as the Appointed Person, said:

“31. 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 QB 450 at 456) and if made should be distinctly alleged and distinctly proved.”

45. He went on to say:

“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.”

46. In this case, there is no evidence that in applying to register the mark, the registered proprietor acted in bad faith. Although it is not disputed that the mark in suit is identical to that formerly used by the CBD and the Brazil football team, that use ceased more than thirty years ago. There is no evidence it was ever used in the UK. The mark was there for the taking. Mr Finch took it. The objection under section 3(6) fails.

Costs

47. The application has failed on all grounds and the registered proprietor is entitled to an award of costs. Whilst not all of relevance, the evidence was not extensive. No hearing was requested. In all the circumstances, I order the applicant to pay the registered proprietor the sum of £1100 as a contribution towards his costs. 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 03rd day of August 2006

**Ann Corbett
For the Registrar
The Comptroller-General**