

O/294/21

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO. 3438551
BY INOVEIGHT LIMITED

TO REGISTER:

inov-8 TERRAULTRA

AS A TRADE MARK IN CLASS 25

AND

IN THE MATTER OF THE OPPOSITION THERETO
UNDER NO. 418950 BY
IW APPAREL LLC

BACKGROUND AND PLEADINGS

1. Inoveight Limited (“the applicant”) applied to register **inov-8 TERRAULTRA** as a trade mark in the United Kingdom on 23 October 2019. The application was accepted and published on 1 November 2019. The specification contains the following goods:

Class 25

*Trainers designed for fell, hill and trail running; soles for trainers designed for fell, hill and trail running.*¹

2. On 31 December 2019, the application was opposed by W-D Apparel Company, LLC (“W-D”). The opposition is based on sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”) and concerns all the goods in the application.

3. Under section 5(2)(b) of the Act, W-D relied on the following marks:

Earlier Marks	Goods Relied Upon
<p>EU Trade Mark No. 004939773²</p>  <p>Filing date: 3 March 2006 Registration date: 17 November 2009</p>	<p><u>Class 9</u></p> <p><i>Shoes for protection against accidents, irradiation and fire; clothing for protection against accidents, irradiation and fire; protective helmets, protective masks, gloves for protection against accidents, gloves for protection against x-rays for industrial purposes; workman’s protective face shields.</i></p>

¹ The application had originally been made for *Trainers; soles for trainers*, but an amendment to the specification was filed on 27 January 2020.

² Although the UK has left the EU and the transition period has now expired, EUTMs and International Marks which have designated the EU for protection are still relevant in these proceedings given the impact of the transitional provisions of The Trade Marks (Amendment etc.) (EU Exit) Regulations 2019, SI 2019 No. 269, Schedule 5. Further information is provided in Tribunal Practice Notice 2/2020.

Earlier Marks	Goods Relied Upon
<p data-bbox="204 248 655 282">EU Trade Mark No. 017914185</p> <p data-bbox="204 360 549 394">TERRA WORKS HERE</p> <p data-bbox="204 472 549 506">Filing date: 7 June 2018</p> <p data-bbox="204 528 751 562">Registration date: 20 September 2018</p>	<p data-bbox="810 248 943 282"><u>Class 25</u></p> <p data-bbox="810 304 1235 338"><i>Clothing, footwear, headgear.</i></p>

4. W-D claimed that the contested mark was closely similar to the earlier marks, that the contested goods were identical or similar to the goods covered by the earlier marks, and so there was a likelihood of confusion on the part of the public in the UK. Further, it asserted that the earlier marks had an enhanced level of distinctiveness and that the dominant TERRA element was a distinctive part of the contested mark.

5. Under section 5(3) of the Act, W-D claimed that the earlier marks had a reputation for the goods on which it was relying under section 5(2)(b) and that use of the applicant's mark without due cause for all the goods in the application would take advantage of, or be detrimental to, the distinctive character or reputation of the earlier marks. In particular, it claimed that:

- As a consequence of the similarity of the marks and the distinctiveness of the earlier marks, consumers would “inevitably” make an association between the earlier and the contested marks, and that this connection would attract consumers to the applicant's goods. The applicant would thus be able to take unfair advantage of the distinctive character and repute of the earlier marks by exploiting the W-D's investment.
- There was a significant risk that, if the applicant's goods were of lower quality than W-D's, this could damage the reputation of the earlier marks for high-quality goods.
- The use of the contested sign would cause the ability of the earlier marks to identify the goods covered as coming from W-D to be weakened.

6. Under section 5(4)(a) of the Act, W-D claimed to have used the unregistered sign **TERRA** throughout the UK since at least 2012 for *Boots, shoes, clothing*. W-D claimed to have acquired substantial goodwill in this sign and that use of the contested mark would amount to a misrepresentation to the relevant public that the applicant's goods were connected with W-D. It claimed that it was inevitable that damage, or a likelihood of damage, would flow from such a misrepresentation.

7. The earlier rights were later assigned to IW Apparel, LLC, who confirmed on 9 December 2020 that they stood by the statements made in the notice of opposition, had seen all the evidence and statements, and accepted liability for costs should they be unsuccessful. From now on, I shall refer to IW Apparel, LLC as "the opponent".

8. The applicant filed a defence and counterstatement denying the claims made and requesting proof of use of EUTM No. 4939773. It submitted that the average consumers of the parties' goods were different and denied that the earlier marks had an enhanced level of distinctiveness. Further, it submitted that the marks were different and that the goods were not similar. Consequently, it denied that there would be a likelihood of confusion under section 5(2)(b). It put the opponent to proof of the reputation claimed under section 5(3) and the ownership of goodwill claimed under section 5(4)(a) and denied these grounds of opposition.

9. The matter came to be heard before me by video link on 10 February 2021. The opponent was represented by Samuel Carter of Counsel, instructed by Morgan, Lewis & Bockius UK LLP, and the applicant by Lee Curtis of HGF Limited.

EVIDENCE AND SUBMISSIONS

10. The opponent's evidence in chief comes from Christine Hernandez, Vice-President/Secretary and General Counsel of W-D Apparel Company, LLC. It is dated 16 July 2020. Her company is part of the VF Corporation, which acquired the workwear company Williamson-Dickie in 2017. Williamson-Dickie had itself acquired Kodiak Group Holdings, which owned the TERRA brand, in 2008. At the time of her witness statement, Ms Hernandez's company managed the intellectual property portfolio of the

Williamson-Dickie brands.³ The evidence goes to the use made of the earlier marks and the claims to reputation and goodwill.

11. The applicant's evidence comes from Michael Price, Chief Operating Officer of Inoveight Limited since September 2016. His witness statement is dated 16 September 2020 and provides information on sales of goods claimed to have been sold under the contested mark. His evidence also seeks to show use by other undertakings of the word "TERRA" in connection with footwear.

12. The opponent's evidence in reply comes from Nicholas Bolter, a partner at Morgan, Lewis & Bockius LLP, the opponent's representatives. His witness statement is dated 12 November 2020 and comments on the applicant's evidence.

13. Written submissions were filed on behalf of the then opponent on 24 July 2020.

14. I have taken all the evidence and submissions into account when making my decision. I shall not summarise them here but will refer to them where appropriate during the course of my decision.

PRELIMINARY REMARKS

15. Both parties referred to previous proceedings between them before this tribunal.⁴ On that occasion, the opponent's predecessor in title opposed an application for TERRAULTRA *solus*. Mr Carter submitted that, although I was not bound by that decision, I might find it of assistance in its setting out of the law, and its assessment of the first earlier mark and of the opponent's evidence, although he noted that this had been updated for the present proceedings. Mr Curtis, on the other hand, was at pains to draw my attention to the differences in the applicant's marks and specifications in each case.

³ Ms Hernandez's witness statement, paragraphs 8-10.

⁴ BL O/508/19.

16. I have read the earlier decision; indeed, many of the submissions made at the hearing highlighted particular passages. I have, however, come to my own decision based on the evidence before me and the submission made on paper and at the hearing.

DECISION

17. Although the UK has left the EU, section 6(3)(a) of the European (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case law of EU courts.

Proof of Use

18. Both marks relied upon by the opponent qualify as earlier marks within the meaning of section 6(1) of the Act because they have filing dates earlier than the filing date of the contested application. The opponent refers to these marks as the “TERRA Logo” and the “TERRA WH Mark” respectively. I shall do the same.

19. The TERRA Logo mark completed its registration procedure more than five years before the application date of the contested mark and, as a result, it is subject to the proof of use provisions contained in section 6A of the Act. As the TERRA WH mark did not complete its registration procedure more than five years before that date, the opponent is entitled to rely on all the goods for which it stands registered.

20. Section 6A of the Act is as follows:

“(1) This section applies where

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the relevant period.

(1A) In this section ‘the relevant period’ means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the relevant period the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes –

(a) use of a trade mark includes use in a form (the ‘variant form’) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Union.

(5A) In relation to an international trade mark (EC) the reference in subsection (1)(c) to the completion of the registration procedure is to be construed as a reference to the publication by the European Union Intellectual Property Office of the matters referred to in Article 190(2) of the European Union Trade Mark Regulation.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

21. Section 100 of the Act is as follows:

“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

22. The relevant period in which use must be shown is the five years before the date the contested application was made: 23 October 2014 to 22 October 2019.

23. The case law on genuine use was summarised by Arnold J (as he then was) in *Walton International Limited v Verweij Fashion BV* [2018] EWHC 1608 (Ch):

“114. *The law with respect to genuine use.* The CJEU has considered what amounts to ‘genuine use’ of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited

above), Case C-416/04 *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundersvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Marken BV v Hagelkruis Beheer BV* [EU:C:2012:816] [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are

manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

24. As the TERRA logo is an EUTM, I must consider the EU as the market in which the opponent is required to show genuine use: see *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, paragraph 36.

Form of the mark

25. The evidence shows that the earlier marks have been used in a number of forms. I must first consider which of these constitute acceptable variants of the TERRA logo as registered. In *Colloseum Holdings AG v Levi Strauss & Co*, Case C-12/12, the Court of Justice of the European Union (“CJEU”) held that:

“... the ‘use’ of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.”⁵

26. Where the issue is whether the use of a mark in a different form, rather than with, or as part of, another mark, constitutes genuine use of the mark as registered, the

⁵ Paragraph 32.

decision of Mr Richard Arnold QC (as he then was), sitting as the Appointed Person, in *NIRVANA Trade Mark*, BL O/262/06, is relevant. He said:

“33. ... The first question [in a case of this kind] is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period ...

34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter’s distinctive character. ... this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all.”

27. For convenience, I reproduce the TERRA logo below:



28. The TERRA logo consists of the word “TERRA” in a stylised script. All letters except the second are in capitals. Above the word is a white diamond with a black border. Inside the diamond is an image of a person working, with that image being similar in style to the “people at work” road sign. Both the word and the device contribute to the distinctive character of this mark, although the greater part is played in my view by the word, as the relevant public is more likely to keep verbal elements in mind to identify the mark (see *Migros-Genossenschafts-Bund v European Intellectual Property Office (EUIPO) (CReMESPRESSO)*, T-189/16, paragraph 52).

29. I note that the opponent has also shown use of the plain word “TERRA”, for example in connection with items of footwear for sale on www.dickiesstore.co.uk.⁶ As this does not reproduce either the stylisation or the device in the TERRA logo, I shall consider it no further.

Variant 1

30. The variant shown below was used in various colourways on the European-facing Terrafootwear website during the relevant period between 7 November 2015 and 24 September 2018 and on the Dickies UK website on 19 December 2017.⁷ It can also be seen in a Dickies footwear catalogue for 2018 which I take to be aimed at the UK market⁸ and advertising that Ms Hernandez states comes from 2017 and 2018.⁹ There are also some undated examples.



31. The distinctive characteristics of the TERRA logo are present here, albeit in different positions. However, I do not consider that that difference alters the distinctive character of the mark and neither, in my view, do the different colourways. The variant also includes the phrase “TERRA WORKS HERE”, but in this context it is my view that the phrase will be seen as a strapline, reinforcing the message conveyed by the device of a person engaged in heavy labour and the brand name “TERRA”. I find that this is an acceptable variant of the TERRA logo.

Variant 2

32. The variant below appears on undated blog posts on the Dickies website.¹⁰ As can be seen, it is similar in layout to Variant 1. It also appears in a different colourway

⁶ Exhibits CH25 and CH26.

⁷ Exhibits CH24 and CH25 respectively.

⁸ Exhibit CH20. The contact address in the catalogue is in the UK.

⁹ Exhibit CH21.

¹⁰ Exhibits CH6 and CH7.

on a screenshot dated 19 November 2017 from the Dickies website showing footwear for sale.¹¹ “SAFETY FOOTWEAR” is descriptive of the goods which are the subject of the posts and so does not alter the distinctive character of the TERRA logo. I find that this is an acceptable variant of the TERRA logo.



Variant 3

33. The sign below is shown on a Blackcomb boot sold on www.amazon.com.¹² The price of the goods is in US dollars and the screenshot was taken on 22 October 2018. The word TERRA appears in white in a slightly different stylisation, surrounding by a six-sided shape. There is no device. These differences do alter the distinctive character of the TERRA logo and so I find that this sign is not an acceptable variant. Even if it were, there is no direct evidence that it has ever been used on the EU market.



Variant 4

34. Variant 4 appears on invoices to customers in Denmark and Somerset dated 4 and 5 March 2019 and 15 November 2019.¹³ The last of these is after the relevant date. It consists of the two elements of the TERRA logo in different positions. These positions are, as I have already discussed, minor variations that do not alter the distinctive character of the registered mark. Neither does the yellow colour of the

¹¹ Exhibit CH25.

¹² Exhibit CH11.

¹³ Exhibit CH17.

device. It is also shown on some of the in-store advertising that Ms Hernandez states was used in Copenhagen in June 2019.¹⁴ This is an acceptable variant.



Variant 5

35. The variant below is shown in an undated exhibit depicting advertising samples, including point-of-sale material and a web banner.¹⁵ The variant is the same as Variants 1 and 2, albeit in a slightly different colourway, with the web address appearing below "TERRA" instead of "TERRA WORKS HERE" or "SAFETY FOOTWEAR". The distinctive character of the earlier mark as registered is unaltered and so I find that this is an acceptable variant.



Variant 6

36. The final variant appears on photographs of in-store and external advertising that Ms Hernandez states were taken in Copenhagen in June 2019.¹⁶ It is shown in the image below:



¹⁴ Exhibit CH23, page 5.

¹⁵ Exhibit CH22.

¹⁶ Exhibit CH23.

37. While the word “TERRA” is present, along with the descriptive “SAFETY FOOTWEAR”, the device is absent. This alters the distinctive character of the TERRA logo as registered, and so I find this sign is not an acceptable variant.

Use of the mark

38. Whether the use shown is sufficient to constitute genuine use will depend on whether there has been real commercial exploitation of the EUTM, in the course of trade, sufficient to create or maintain a market for the goods at issue in the EU during the relevant five-year period. In making my assessment, I am required to consider all relevant factors, including:

- the scale and frequency of the use shown;
- the nature of the use shown;
- the goods for which use has been shown;
- the nature of those goods and the market(s) for them; and
- the geographical extent of the use shown.

39. Mr Carter submitted that the evidence adduced by the opponent showed that the TERRA logo had been genuinely used during the relevant period. However, he acknowledged the difficulties the opponent had experienced in collating sales figures, as a result of changes in ownership and methods of distribution over the years. These were also referred to by Ms Hernandez.¹⁷

40. Exhibit CH8 contains a summary of the revenue (in Euros) generated by sales of TERRA goods bearing the marks from Kodiak to wholesale customer accounts from 2012-2017. Although the details have been redacted, Ms Hernandez understands that these all relate to sales to UK customers. For his part, Mr Carter understood that these figures did not represent a complete record of sales achieved. Sales to 17 wholesale customers generated revenue of €597,366.51 from 18,394 items. For the relevant period, the figures can be broken down to approximately €80,000 in 2014, €156,000

¹⁷ Witness statement of Christine Hernandez, paragraph 14.

in 2015, €64,000 in 2016 and €157,000 in 2017. A proportion of the 2014 sales is likely to have been generated before the start of the relevant period on 23 October 2014.

41. Ms Hernandez states that around March 2017, Williamson-Dickie Europe Ltd began selling directly to UK customers. Her witness statement contains two tables, the first showing sales by calendar year and the second by financial year (April to March).¹⁸ The tables cover a variety of countries and, if the non-EU countries are removed, they show sales of £53,671.82 for the calendar year 2014, £15,794.85 for 2015, £17,362.94 for 2016, £16,641.35 for financial year 2017, £165,308.46 for calendar year 2017, £194,812.63 for financial year 2018, £124,930.05 for calendar year 2018, and £155,619.73 for financial year 2019.

42. Ms Hernandez also supplies a selection of invoices in three different currencies.¹⁹ While all the addresses are redacted, she confirms that they relate to sales to UK- and EU-based customers. Sales of TERRA products amounted to €26,433.53 between 2 May 2015 and 18 October 2018, £260 between 8 March 2018 and 17 October 2019, and \$139,724.80 on 4 March 2019 and 5 March 2019.

43. Images of each of the items of footwear that are listed on the invoices are to be found in Exhibits CH11-16 and CH18-19. They are undated. Mr Carter submitted that it would be legitimate for me to infer that the use shown in these exhibits could be taken to show use within the relevant period. However, these are not the only exhibits showing individual products being marketed. The 2018 Dickies catalogue referred to in paragraph 30 above contains images of the Terra Spider Safety Trainer, Pacer Safety Trainer, Velocity BOA Safety Trainer, Dart Safety Boot, Bolt BOA Safety Boot, all of which are shown on the invoices.²⁰ The images of the trainers and boots are not altogether clear, but the word "TERRA" and a diamond device can be seen on them. Variant 1 of the TERRA logo is used in the catalogue itself.

44. Further adverts can be found in Exhibit CH21. Ms Hernandez states that these date from 2017-18. Here, the images of the shoes are clearer.

¹⁸ Paragraphs 16 and 17. Larger versions of the tables may also be found in Exhibit CH9.

¹⁹ Exhibits CH10 and CH17.

²⁰ Exhibit CH20.



45. These trainers and boots are shown on sale on the Dickies UK website in a series of three screenshots obtained via the Wayback Machine. The earliest is dated 6 July 2017 and the latest 19 November 2017.²¹ The last of these shows Variant 2 of the TERRA logo.

²¹ Exhibit CH25.

46. Exhibit CH22 contains point of sale advertising materials for the opponent's goods. Ms Hernandez states that they were used in the UK, but she does not say when and the exhibit itself is undated. The point of sale advertising shown in the photographs in Exhibit CH23 was used in Copenhagen in June 2019.

47. I have considered the evidence as a whole. It is possible for an accumulation of evidence to show use, even if individual items of evidence would on their own be insufficient proof: see *New Yorker SHK Jeans GmbH & Co KG v OHIM*, Case T- 415/09, paragraph 53. In my view, the figures provided by the opponent and the examples of marketing materials do represent efforts to create and maintain a share of the EU market for safety footwear. The sales shown in paragraph 41 amount to over £400,000 in the relevant period if the financial year figures are used and over £320,000 if calendar year figures are used. I have also taken into account the sales figures shown in paragraph 40, although because of the difference in currencies I have not included them in the calculations I have just made. I find that genuine use of the TERRA logo has been shown and it now remains for me to determine what would be a fair specification.

Fair specification

48. In *Euro Gida Sanayi ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs QC, sitting as the Appointed Person, summed up the law as follows:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”²²

49. Mr Carter submitted that a fair specification would be *Safety and work shoes for protection against accidents*, as found by the Hearing Officer in the earlier decision.

²² Pages 10-11.

Following Mr Curtis’s submissions that I should remove the word “and” from this specification, Mr Carter responded that he would be happy with *Safety shoes* or *Safety shoes for protection against accidents*. In my view, *Safety shoes for protection against accidents* has the virtue of greater clarity and I am content that it accords with the perceptions of the average consumer, who would see “safety footwear” referred to on websites,²³ while not broadening the meaning to include goods that would not be covered by the original specification, the relevant part of which, I remind myself, is as follows:

Class 9

Shoes for protection against accidents, irradiation and fire.

50. I consider that a fair specification for the TERRA logo is *Safety shoes for protection against accidents*.

Section 5(2)(b)

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

“A trade mark shall not be registered if because –

...

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

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

52. In considering the opposition under this section, I am guided by the following principles, gleaned from the decisions of the CJEU in *SABEL BV v Puma AG* (Case

²³ See, for example, Exhibit CH25.

C-251/95), *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* (Case C-39/97), *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* (Case C-342/97), *Marca Mode CV v Adidas AG & Adidas Benelux BV* (Case C-425/98), *Matratzen Concord GmbH v OHIM* (Case C-3/03), *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* (Case C-120/04), *Shaker di L. Laudato & C. Sas v OHIM* (Case C-334/05 P) and *Bimbo SA v OHIM* (Case C-519/12 P):

a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;

b) the matter must be judged through the eyes of the average consumer of the goods or services in question. The average consumer is deemed to be reasonably well informed and reasonably circumspect and observant, but someone who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them they have kept in their mind, and whose attention varies according to the category of goods or services in question;

c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

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

f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

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

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

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

j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; and

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

Comparison of goods

53. It is settled case law that I must make my comparison of the goods on the basis of all relevant factors. These may include the nature of the goods, their purpose, their users and method of use, the trade channels through which they reach the market, and whether they are in competition with each other or are complementary: see *Canon*, paragraph 23, and *British Sugar Plc v James Robertson & Sons Limited (TREAT Trade Mark)* [1996] RPC 281 at [296]. Goods are complementary when

“... there is a close connection between them in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking.”²⁴

54. The goods to be compared are shown in the table below:

²⁴ *Boston Scientific Ltd v OHIM*, Case T-325/06, paragraph 82.

Earlier goods	Contested goods
<p>TERRA Logo:</p> <p><u>Class 9</u></p> <p><i>Safety shoes for protection against accidents.</i></p> <p>TERRA WH mark:</p> <p><u>Class 25</u></p> <p><i>Clothing, footwear, headgear</i></p>	<p><u>Class 25</u></p> <p><i>Trainers designed for fell, hill and trail running; soles for trainers designed for fell, hill and trail running.</i></p>

The TERRA Logo

55. Mr Carter submitted that the applicant's *Trainers designed for fell, hill and trail running* were similar to a medium degree to the opponent's *Safety shoes for protection against accidents*. This was on the basis that they have the same nature (shoes), the same purpose (providing protection and warmth to the feet), the same method of use, and some of the same users and trade channels. Mr Curtis, on the other hand, submitted that the goods were different and noted that the current specification was narrower than the one that had been considered in the previous proceedings.

56. I have considered the comparison of goods made by the Hearing Officer in the earlier decision, but I note that it is not binding upon me. I have made my own assessment based on the factors set out in the case law and to which I have referred above.

57. I agree with Mr Carter that the goods have the same nature, both being shoes, and method of use, being worn on the feet. I am also prepared to accept that there is likely to be some overlap in users, with people wanting safety shoes and fell, hill and trail running trainers for slightly different purposes. From this, it will be seen that I do not go as far as Mr Carter in considering that the goods share the same purpose. In my view, it is appropriate to recognise that both of these goods have specialist uses.

The opponent's goods protect the feet from accidents; the applicant's are intended to help the wearer cross rough ground safely and quickly. The goods are not, therefore, in competition and neither are they complementary. I have no evidence to show whether the goods share trade channels. Mr Carter pointed me to Exhibit CH25, which shows that safety and non-safety footwear were both for sale on the Dickies website in 2017.²⁵ "Non-safety footwear" is, however, a very broad category. Taking all the factors into account, I find that *Trainers designed for fell, hill and trail running* are similar to *Safety shoes for protection against accidents* to a low degree.

58. The applicant's *Soles for trainers designed for fell, hill and trail running* are parts of those shoes. Their purpose is different to that of the opponent's goods, although there may be some similarity in physical nature in terms of the materials used. I have no evidence on whether there is a market for these soles for the purposes of repair, or whether users simply buy a new pair of trainers when the soles become damaged, but in my view the likely users of the applicant's goods will be manufacturers of trainers for fell, hill and trail running. It is possible that those businesses will also purchase safety footwear for the staff, but the overlap in users is likely to be fairly small. In my view, the trade channels are unlikely to coincide. The goods are neither in competition, nor are they complementary. In my view, they are dissimilar, but if I am wrong in this, the similarity is extremely low.

The TERRA WH mark

59. Mr Curtis admitted that the applicant's *Trainers designed for fell, hill and trail running* are identical to the opponent's *Footwear*.

60. The applicant's *Soles for trainers designed for fell, hill and trail running* are parts of a type of *Footwear*. The opponent's goods are finished products aimed at the general public, while, in my view, the applicant's will usually be bought by manufacturers of the trainers. However, there will be an overlap in users. There will also be some similarity in physical nature. I find that *Soles for trainers designed for fell, hill and trail running* are similar to *Footwear* to a low degree.

²⁵ Exhibit CH25, page 3.

Average consumer and the purchasing process

61. In *Hearst Holdings Inc & Anor v A.V.E.L.A. Inc & Ors* [2014] EWHC 439 (Ch), Birss J (as he then was) described the average consumer in these terms:

“The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The word ‘average’ denotes that the person is typical. The term ‘average’ does not denote some form of numerical mean, mode or median.”²⁶

62. The average consumer of the opponent’s goods and the applicant’s *Trainers designed for fell, hill and trail running* is a member of the general public. When selecting the applicant’s trainers or the opponent’s safety shoes, the average consumer is likely to pay an above average degree of attention, given the importance of those shoes for protection or exercise. The evidence indicates that they are likely to be moderately expensive. A review of the applicant’s trainers states that they retail at £140 with “a £20 premium”,²⁷ suggesting a benchmark price of £120 for this type of trainer. The Dickies website showed the opponent’s safety shoes on sale in 2017 for between £85 and £140 a pair.²⁸ The average consumer for both types of shoe will want to ensure that they provide the precise level of performance required.

63. When choosing *Footwear* more generally, the average consumer’s level of attention will vary depending on the cost and nature of the footwear. They will be considering factors such as size, colour, materials, style and price, which suggest that they will be paying at least an average degree of attention.

²⁶ Paragraph 60.

²⁷ Exhibit MP1, page 8.

²⁸ Exhibit CH25, page 3.

64. The purchase of footwear is likely to be primarily visual. The average consumer will buy the goods from a physical shop, a printed catalogue or the internet. They may also consult sales staff in a shop, so I do not discount the aural element.

65. The applicant's *Soles for trainers designed for fell, hill and trail running* are likely to be purchased directly from specialist suppliers, using printed catalogues or the internet. The average consumer, being a manufacturer, will in my view be paying a relatively high degree of attention as the quality of the soles will have a significant effect on the quality of the finished product. While the purchasing process will primarily be visual, the goods may be ordered by telephone, and so aural considerations may also be relevant.

Comparison of marks

66. It is clear from *SABEL* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated in *Bimbo* that:

“... it is necessary to ascertain in each individual case, the overall impression made on the target public by the sign for which the registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”²⁹

67. It would be wrong, therefore, artificially to dissect the marks, although it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

²⁹ Paragraph 34.

68. The respective marks are shown below:

Earlier marks	Contested mark
 <p>TERRA WORKS HERE</p>	inov-8 TERRAULTRA

69. The contested mark consists of the words “inov-8” and “TERRAULTRA”, the first in lower case and the second in upper case. Mr Carter submitted that both the applicant and third parties frequently did not use the first of these words at all and that as a consequence “inov-8” has a negligible impact. However, I agree with Mr Curtis that I must compare the marks as filed.

70. As a fallback, Mr Carter submitted that each word of the contested mark would have an independent distinctive role. I shall return to this point in more detail later, but I agree that the words do not hang together to form a unit. Neither is descriptive of or allusive to the goods covered by the mark, and neither dominates the overall impression of the mark. I also agree with Mr Carter that “ULTRA” in the second word is laudatory, meaning “extremely”, and that the average consumer will perceive it in this way. In “TERRAULTRA” the “TERRA” element will be the part to which the average consumer pays more attention.

71. I have already described the overall impression of the TERRA logo in paragraph 28 above. The device alludes to the use of the opponent’s safety shoes and for these reasons I find it makes a lesser contribution to the overall impression of the mark than

the word “TERRA”. I have already found that it is the verbal element that the average consumer will keep in mind to identify the mark.

72. The opponent’s TERRA WH mark consists of the three words “TERRA WORKS HERE” in capital letters. Mr Carter submitted that “WORKS HERE” was descriptive of or allusive to the opponent’s safety shoes and the situations in which they would be used. In my view, the phrase “WORKS HERE” does not necessarily imply a heavy work environment. It could equally mean that the products are particularly fit for purpose or refer to any kind of professional setting. However, in my view, it is “TERRA” that the average consumer would understand to be indicating the origin of the goods. To my mind, it is the “TERRA” element that makes the most significant contribution to the overall impression of the mark with “WORKS HERE” playing only a minor role.

Visual comparison

73. As I have already noted, the contested mark consists of two words: “inov-8” and “TERRAULTRA”. This second word wholly contains the verbal element of the TERRA Logo mark, although the stylisation of the opponent’s mark is not replicated, and neither is the device. I consider the marks to be visually similar to a low degree.

74. Both the contested mark and the TERRA WH mark contain the word “TERRA”, along with additional verbal material, but with no stylisation. “TERRA” appears in different positions in the marks. The length of the marks is similar: the earlier mark has 14 characters spread over three words; the contested mark 16, spread over two words. I find the marks to be visually similar to a low degree.

Aural comparison

75. The contested mark has seven syllables and it is my view that all of these would be articulated as follows: “INN-OH-VATE-TER-RA-UL-TRA”. The only element of the TERRA logo that can be spoken is the word “TERRA”. I find the marks to be aurally similar to a low to medium degree.

76. The TERRA WH mark has four syllables and will be articulated as “TER-RA-WURKS-HEER”. I find this mark is also aurally similar to the contested mark to a low degree.

Conceptual comparison

77. The first word in the contested mark will be understood by the average consumer as a play on the word “INNOVATE”, suggesting the use of new technologies, materials or forms of construction. “TERRA” is Latin for “earth” and the root of English words such as “terrain”. In my view, a proportion of average consumers will recognise this. However, I also consider that there is a proportion for whom the word will not have this connotation. To them, it will be an invented word. “ULTRA”, as I have already noted, is laudatory.

78. For those consumers who recognise the meaning of the Latin word “TERRA”, the contested mark will share a medium degree of conceptual similarity with the TERRA logo mark. The device, it will be recalled, alludes to the uses of the opponent’s goods. For those consumers who do not understand what “TERRA” means, the marks will be conceptually dissimilar, as in that case the only part of the contested mark to carry any meaning is “inov-8”, which is absent from the earlier mark. The device also presents a point of conceptual difference, although it is weak in distinctiveness.

79. I consider that the position is the same with regard to the TERRA WH mark, although the degree of conceptual similarity may be slightly lower for those consumers who understand what “TERRA” means, as “WORKS HERE” is likely to suggest that the products are either for professional environments or are particularly fit for purpose. Both marks therefore would convey some conceptual messages that are the same and some that are different.

Distinctive character of the earlier marks

80. In *Lloyd Schuhfabrik Meyer*, the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Alternberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered, the market share held by the mark, how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark, the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking, and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

81. Mr Carter submitted that both earlier marks had a high degree of inherent distinctive character that had been enhanced through use. Registered trade marks possess varying degrees of inherent distinctive character from the very low, because they are suggestive of, or allude to, a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. Mr Curtis submitted that the evidence did not show that the distinctiveness of the marks had been enhanced and that the “TERRA” element of the earlier marks was not particularly inherently distinctive.

82. Earlier in my decision, I found that the opponent had provided evidence that it had made genuine use of the TERRA logo for *Safety shoes for protection against accidents*. There is no information on the size of the market for these goods. Mr Carter submitted that:

“... [it] is a moderately specialised market. It is more specialised than just footwear and therefore although there is no direct evidence as to market share, since there is evidence as to scale of use, turnover figures and so on and in my submission that evidence shows substantial sales volumes, in my submission it is therefore legitimate for you to infer that in this moderately specialised market the TERRA logo has a substantial market share.”³⁰

83. In paragraph 40, I noted that sales to 17 wholesale customers generated revenue of €597,366.51 from 18,394 items. These can be broken down to approximately €80,000 in 2014, €156,000 in 2015, €64,000 in 2016 and €157,000 in 2017. Ms Hernandez said in her witness statement that she understood that these were all sales made to UK customers. In paragraph 41, I set out turnover figures for the EU. However, for my assessment of enhanced distinctiveness, it is the UK figures that are relevant. They are as follows: £26,257.64 for calendar year 2017, £32,526.89 for financial year 2018, £25,301.95 for calendar year 2018, and £36,712.51 for financial year 2019. Even taking into account the relatively specialised nature of the market for *Safety shoes for protection against accidents*, these seem to me to be insufficient to demonstrate enhanced distinctiveness. They are even less sufficient for the broader category of *Footwear* covered by the TERRA WORKS HERE mark.

84. I accept that the brand TERRA has been on the market for about 40 years, but this does not mean that it has been sold in the EU for the whole of this period. Ms Hernandez states that the marks have been used in the UK and Europe since at least 2009³¹ but the earliest use shown dates from 2012. This does not suggest particularly long-standing use of the marks in the UK.

85. Mr Carter also invited me to infer that “a substantial amount” had been invested by the opponent. In response to my question as to whether this was based on the turnover figures, on which he had just been submitting, he said:

³⁰ Transcript of the hearing, page 11.

³¹ Witness statement of Christine Hernandez, paragraph 13.

“For example, the fact that some of the evidence of use you have seen shows posters, TERRA logos plastered on billboards outside points of sale, catalogues, brochures, various other promotional materials you have seen. There is no direct evidence as to how much the Opponent has spent on creating those, but given how long they have been around for, how widespread they have been used and the fact that there are large signs affixed to the insides and outsides of buildings and points of sale and so on, in my submission you can infer that sort of manner of use does not come cheap, essentially, and a substantial sum must have been spent in promoting the marks.”³²

86. In my view, such a finding would be more in the line of a supposition than a logical deduction from the evidence before me. I cannot draw any conclusions on the extent to which the public might have been exposed to the marks, for example, through distribution of catalogues or presence in retail outlets in the UK. I find that the opponent has not shown that the distinctiveness of the marks has been enhanced through use, and so I turn now to consider their inherent distinctiveness.

87. The distinctiveness of the word “TERRA” itself is fairly high. It is not descriptive of or allusive to the goods and I found that the average consumer would see it either as a foreign or invented word. In the TERRA logo, the device will contribute to the distinctiveness of the mark, although, given its allusive nature, it will not do so to a very great degree. The inherent distinctiveness of this mark is high.

88. I now turn to the TERRA WH mark. The phrase “WORKS HERE” is likely to be seen to allude to a quality found in the goods, but I remind myself that this particular mark is registered for *Footwear* in general. In addition, it is the word “TERRA” that I found to play the greater role in the overall impression of the mark. I find that the inherent distinctiveness of the TERRA WH mark is also high.

³² Transcript of the hearing, pages 11-12.

Conclusions on likelihood of confusion

89. There is no scientific formula to apply in determining whether there is a likelihood of confusion. It is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle, i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods. It is necessary for me to take account of the distinctive character of the opponent's the average consumer and the nature of the purchasing process for the contested goods. In doing so, I must be aware that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them they have in their mind.

90. There are two types of confusion: direct and indirect. In *L.A. Sugar Limited v Back Beat Inc*, BL O/375/10, Mr Iain Purvis QC, sitting as the Appointed Person, explained that:

“Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognised that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but analysed in formal terms, is something along the following lines: ‘The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.’”³³

91. I now return to my finding that the two words in the contested mark were independent distinctive elements. In *Whyte and Mackay Ltd v Origin Wine UK Ltd &*

³³ Paragraph 16.

Anor [2015] EWHC 1271 (Ch), Arnold J (as he then was) considered the impact of the CJEU's judgment in *Bimbo* on the court's earlier judgment in *Medion*. He said:

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

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

20. The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meaning of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

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

92. As is clear from the case law, my finding that each word in the contested mark has an independent distinctive role does not automatically result in a likelihood of confusion. I must carry out a global assessment.

93. I found that the contested mark was visually similar and aurally similar to a low, or a low to medium, degree to the earlier marks and that some consumers would find that the marks were conceptually similar to a medium degree, while for others the marks would be conceptually dissimilar. I found that the applicant's *Trainers designed for fell, hill and trail running* were similar to a low degree to the opponent's *Safety shoes for protection against accidents*, and that the applicant's *Soles for trainers designed for fell, hill and trail running* were dissimilar to those goods. Turning to the TERRA WH mark, I recall that Mr Curtis admitted that the applicant's *Trainers designed for fell, hill and trail running* were identical to the opponent's *Footwear* and earlier in my decision I found that the applicant's *Soles for trainers designed for fell, hill and trail running* were similar to a low degree to *Footwear*.

94. I considered that the earlier marks were inherently highly distinctive, and that this distinctiveness had not been enhanced through use. In *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, Mr Iain Purvis QC, sitting as the Appointed Person, pointed out that the level of distinctive character of an earlier mark is only likely to increase the likelihood of confusion to the extent that it resides in the element or elements of the marks that are identical or similar.³⁴ The distinctiveness of the earlier mark rests in the word "TERRA" which appears in the contested mark, conjoined with the laudatory element "ULTRA".

95. In terms of the purchasing process, I found that it would largely be visual, with the average consumer paying a higher than average degree of attention when buying safety shoes, trainers for fell, hill and trail running and soles for those trainers. The consumer's attention would be closer to average when buying footwear as a general category.

³⁴ Paragraphs 38-39.

96. Given the low degree of similarity between the goods, I consider that the contested mark and the TERRA logo are not visually similar enough for there to be a likelihood of direct confusion.

97. At the hearing, Mr Carter submitted that indirect confusion was more likely. However, in my view, the device in the logo and the word “inov-8” are not obvious indicators of possible sub-brands. I agree with Mr Curtis that the word “inov-8” cannot be completely disregarded. The low similarity between the goods is also relevant here, as the interdependency principle comes into play. Taking all the factors into account, I find no likelihood of indirect confusion between the TERRA logo and the contested mark.

98. The opponent’s TERRA WH mark has a wider specification. I must consider this earlier mark to have been used in relation to all the goods covered by that specification: see *Roger Maier & Anor v ASOS & Anor* [2015] EWCA Civ 200, paragraph 78. Some of the goods are identical. I consider that the marks are not visually similar enough for them to be mistaken for one another. However, as TERRAULTRA has an independent distinctive role in the contested mark and ULTRA is laudatory, where the goods are identical, I find that the average consumer is likely to assume that the goods come from the same source or from economically connected businesses. They would be accustomed to seeing house marks and marks denoting particular styles of footwear. Examples can be found in the applicant’s evidence.³⁵ I find that there is a likelihood of indirect confusion in respect of *Trainers designed for fell, hill and trail running*.

99. Turning now to the applicant’s *Soles for trainers designed for fell, hill and trail running*, I find that the low degree of similarity between the goods is insufficient to overcome the low degree of similarity between the marks.

100. Mr Curtis claimed that the applicant had been concurrently using the contested mark. In his evidence for the applicant, Mr Price says that he is not aware of any instances of confusion between the marks at issue and gives his view that the term “terra” is widely used in the footwear sector. Exhibit MP4 contains eight examples of

³⁵ See Exhibit MP4.

the use of TERRA on footwear products, all of which he says were available in the UK before the date of application for the contested mark and one of which is used by a company in the same group as the opponent. He also states that his own company has been using the contested mark since June 2018 for trainers for hill, fell and trail running and has generated the following sales figures: £4,439 (2017), £400,326 (2018) and £852,439 (2019).

101. However, I agree with Mr Carter that the absence of any evidence of actual confusion is rarely significant: see *The European Limited v The Economist Newspaper Ltd* [1998] FSR 283 at page 291. I also agree with him that it is for the opponent to decide whether it wishes to bring infringement proceedings, and there is no evidence to say whether any such proceedings have been brought or pre-action letters written.

102. The evidence falls short of what would be required to mount a successful honest concurrent use defence. It must be shown that the public is able to distinguish between goods bearing the marks in question without any confusion as to trade origin, and the applicant has not done this.

103. The section 5(2)(b) ground succeeds with respect to *Trainers designed for fell, hill and trail running* and fails for *Soles for trainers designed for fell, hill and trail running*.

Section 5(3)

104. Section 5(3) of the Act is as follows:

“A trade mark which –

(a) is identical with or similar to an earlier trade mark,

[...]

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EU) in the European Union) and the use

of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

105. The conditions of section 5(3) are cumulative:

- a) the opponent must show that the earlier mark has a reputation;
- b) the level of reputation and the similarities between the marks must be such as to cause the public to make a link between the marks; and
- c) one or more of three types of damage (unfair advantage, detriment to distinctive character or repute) will occur.

106. It is not necessary for the goods to be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

Reputation

107. In *General Motors Corp v Yplon SA*, Case C-375/97, the CJEU held that:

“24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or services marketed, either the public at large or a more specialised public, for example traders in a specific sector.

25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it."

108. Mr Carter submitted that both marks had a reputation with a significant proportion of the relevant public at the relevant date, although he noted that the case was slightly stronger for the TERRA Logo mark than for the TERRA WH mark on account of the more specialised goods covered by the former. The relevant date is the date of application for the contested mark: 23 October 2019.

109. His submissions were based on the same evidence which he adduced to show the distinctive character of the marks have been enhanced through use. I have already made my assessment of what this evidence shows. Where the relevant public for enhanced distinctiveness is the UK public, for reputation it is the relevant public in the EU. However, this different territorial focus does not help the opponent. The evidence is, in my view, insufficient to show that the earlier marks are known by a significant part of the public concerned by the products for which the TERRA Logo mark has been genuinely used and which are covered by the TERRA WH mark. The opponent has failed to show that these marks have a reputation and so the section 5(3) ground fails.

Section 5(4)(a)

110. Section 5(4)(a) of the Act states that:

"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 or law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection 4(A) is met

...”

111. Subsection 4(A) is as follows:

“The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

112. In *Reckitt & Colman Products Limited v Borden Inc. & Ors* [1990] RPC 341, HL, Lord Oliver of Aylmerton described the ‘classical trinity’ that must be proved in order to reach a finding of passing off:

“First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying ‘get-up’ (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff’s goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by him are the goods or services of the plaintiff. Thirdly, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant’s misrepresentation that the source of the defendant’s goods or services is the same as the source of those offered by the plaintiff.”³⁶

³⁶ Page 406.

Relevant Date

113. In *Advanced Perimeter Systems v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, sitting as the Appointed Person, quoted with approval the summary made by Mr Allan James, acting for the Registrar, in *SWORDERS Trade Mark*, BL O/212/06:

“Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.”³⁷

114. In his witness statement, Mr Price states that the contested mark was first used in June 2018.³⁸ A selection of reviews from that year is found in Exhibits MP1 and MP2. Mr Curtis submitted that June 2018 should therefore be the relevant date for assessing whether the opponent has protectable goodwill. Mr Carter denied that the use shown was of the mark for which registration was sought.

115. The evidence does not provide a particularly clear picture. There is little from the applicant itself. For the opponent, Ms Hernandez adduced a set of screenshots from the applicant’s website to show whether the mark was used as in the application.³⁹ The words “inov-8” and “TERRAULTRA” do not appear side-by-side, but as the screenshots were taken on 29 October 2019, they do not tell me anything about whether the applicant used the mark before the date of application. The reviews adduced by Mr Price show use of the phrase “inov-8 TERRAULTRA” but also those two words separately.

³⁷ Quoted in paragraph 43 of BL O-410-11.

³⁸ Paragraph 3.

³⁹ Exhibit CH28.

116. On the basis of this evidence, I am not persuaded that the applicant used the contested mark (as opposed to the words separately) before the application date of 23 October 2019, which therefore is the relevant date for assessing whether the opponent has protectable goodwill.

Goodwill

117. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantages of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has the power of attraction sufficient to bring customers home to the source from which it emanates.”

118. The opponent claims to have used the sign **TERRA** in connection with *Boots*, *shoes* and *clothing* since 2012. I remind myself that it is not necessary for goodwill to be large to be protectable, but it must be more than trivial: see *Hart v Relentless Records* [2002] EWHC 1984 (Ch), paragraph 62. There is, in my view, enough evidence to support the claim that the opponent had protectable goodwill by 23 October 2019 for safety shoes and boots for protection against accidents, and that the sign TERRA was distinctive of the opponent's business at that date. I do not find that it had protectable goodwill for boots, shoes and clothing more broadly.

Misrepresentation

119. The relevant test was set out by Morritt LJ in *Neutrogena Corporation & Anor v Golden Limited & Anor* [1996] RPC 473 at [493]:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 at page 407 the question on the issue of deception or confusion is:

‘is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants’ [product] in the belief that it is the respondents’ [product].

The same proposition is stated in Halsbury’s Laws of England 4th Edition Vol. 48 para. 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd v June Perfect Ltd* (1941) 58 RPC 147 at page 175; and *Re Smith Hayden’s Application* (1945) 63 RPC 97 at page 101.”

120. When considering the opponent’s claim under section 5(2)(b), I found that the opponent’s safety shoes for protection against accidents were similar to a low degree to the applicant’s *Trainers designed for fell, hill and trail running* and dissimilar to the applicant’s *Soles for trainers designed for fell, hill and trail running*. I would have made the same finding had a fair specification for the opponent’s mark also included Safety boots for protection against accidents. It is not necessary under section 5(4)(a) for there to be a common field of activity: see *Harrods Limited v Harroddian School Limited* [1996] RPC 697 (CA) at page 714. Both the opponent’s and the applicant’s goods are footwear or components of footwear, so the field of activity is similar, although each operates in a relatively specialised part of that sector.

121. The sign and mark to be compared are as follows:

Earlier Sign	Contested Mark
TERRA	inov-8 TERRAULTRA

122. I accept that there is a greater degree of visual and aural similarity between the contested mark and the TERRA sign than there was between the contested mark and either of the EUTMs. To my mind, they are visually similar to a medium degree and aurally similar to no more than a medium degree. This comparison is based on the contested mark as a whole.

123. Misrepresentation requires a substantial number of the opponent's customers or potential customers to be deceived. They must, as Lord Oliver of Aylmerton said, be misled into purchasing the applicant's product in the belief that it comes from the opponent. The degree of similarity between the sign and the contested mark and the goodwill that the opponent possessed at the relevant date lead me to find that a substantial number of the opponent's customers would be deceived by the use of the contested mark for the goods for which registration is sought. Misrepresentation is made out.

Damage

124. In *Harrods*, Millett LJ described the requirements for damage in passing off cases as follows:

“In the classic case of passing off, where the defendant represents his goods or business as the goods or business of the plaintiff, there is an obvious risk of damage to the plaintiff's business by substitution. Customers and potential customers will be lost to the plaintiff if they transfer their custom to the defendant in the belief that they are dealing with the plaintiff. But this is not the only kind of damage which may be caused to the plaintiff's goodwill by the deception of the public. Where the parties are not in competition with each other, the plaintiff's reputation and goodwill may be damaged without any corresponding gain to the defendant. In the *Lego* case, for example, a customer who was dissatisfied with the defendant's plastic irrigation equipment might be dissuaded from buying one of the plaintiff's plastic toy construction kits for his children if he believed that it was

made by the defendant. The danger in such a case is that the plaintiff loses control over his own reputation.”⁴⁰

125. In *Ewing v Buttercup Margarine Company Limited* [1917] 2 Ch 1 (COA), Warrington LJ stated that:

“To induce the belief that my business is a branch of another man’s business may do that other man damage in various ways. The quality of goods I sell, the kind of business I do, the credit or otherwise which I enjoy are all things which may injure the other man who is assumed wrongly to be associated with me.”

126. I am satisfied that this type of damage would be likely if the contested mark were used for the goods in the application. The section 5(4)(a) ground succeeds.

Outcome

127. The opposition has been successful and the application is refused.

Costs

128. The opponent has been successful and is entitled to a contribution towards its costs in line with the scale set out in Tribunal Practice Notice (TPN) 2/2016. In the circumstances, I award the applicant the sum of £2550 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Preparing a statement and considering the other side’s statement: £350

Preparing evidence and considering the other side’s evidence: £1000

Preparing for and attending the hearing: £1000

Official fee: £200

TOTAL: £2550

⁴⁰ Page 715

129. I therefore order Inveight Limited to pay IW Apparel LLC the sum of £2550, which should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 22nd day of April 2021

**Clare Boucher
For the Registrar,
Comptroller-General**