

O-299-04

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2200142A
BY WAL-MART STORES INC
TO REGISTER A TRADE MARK IN CLASSES 4, 6, 9, 11, 17, 20 AND 22**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER No. 91170
BY OZARK-LONDON LIMITED**

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**IN THE MATTER OF Application No. 2200142A
by Wal-Mart Stores Inc to register a Trade Mark
in Classes 4, 6, 9, 11, 17, 20 and 22**

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**IN THE MATTER OF Opposition thereto under No. 91170
by Ozark-London Limited**

BACKGROUND

1. On 14 June 1999 Wal-Mart Stores Inc applied to register the trade mark OZARK TRAIL in Classes 4, 6, 9, 11, 17, 20 and 22 for the following specifications of goods:

Class 04:

Propane fuel.

Class 06:

Metal tent stakes.

Class 09:

Directional compass and signal whistles.

Class 11:

Lantern stands, grills, cookers, camp stoves.

Class 17:

Grommet and fastener kits.

Class 20:

Folding tables, chairs and benches, sleeping bags, all being adapted for camping and outdoor purposes.

Class 22:

Hammocks, tents, tarpaulins.

2. The application was accepted by the Registrar and advertised in the Trade Marks Journal. Sleeping bags were erroneously omitted from the Class 20 specification but it has been agreed that, if appropriate, the application could be re-advertised in respect of these particular goods.

3. On 17 October 2002 Ozark-London Limited filed a Notice of Opposition. In summary, the grounds (as amended) were:

- (i) Under Section 5(2)(b) of the Act because the mark applied for is similar to the following earlier trade marks owned by the opponent which cover identical and/or similar goods and services and a likelihood of confusion exists on the

part of the public – UK registration Nos. 2170828A, 2172780 and European Community Trade Mark registration Nos. 478768, 531988, 966044, 1062934. Details of these trade marks are at Annex One to this decision;

- (ii) Under Section 5(4)(a) of the Act by virtue of the law of passing off;
- (iii) Under Section 5(3) of the Act because the mark applied for is similar to the above mentioned trade marks owned by the opponent and to the extent that the applicant's mark is to be registered for goods which are not similar to those for which the opponent's marks are registered and those trade marks have a reputation, use of the applicant's trade mark without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier marks;
- (iv) Under Section 3(6) of the Act as the applicant applied for the mark in bad faith because it was aware of the opponent's trade marks at the date of application.

4. On 4 March 2003 the applicant filed a Counterstatement denying the above grounds. In particular, the applicant denies any knowledge of the opponent's mark at the time of filing and states that the individuals in Wal-Mart responsible for the Ozark Trial range of goods had no contact with the opponent.

5. Both sides ask for an award of costs in their favour and have filed evidence. The matter came to be heard on 18 August 2004 when the applicant for registration was represented by Mr Mosteshar of Counsel instructed by Cruickshank & Fairweather and the opponent by Mr Brandreth of Counsel instructed by Sauders & Dolleymore.

Opponent's Evidence

6. The opponent's evidence consists of a statutory declaration dated 29 May 2003 and a witness statement dated 27 August 2003 both by Leslie Creasey. Mr Creasey is Managing Director of Ozark-London Limited (the opponent company). He states that the opponent carries on business in the field of promotion/brand building and development.

7. Mr Creasey explains that Ozark is a region situated in the states of Missouri and Arkansas in the USA (popular for outdoor recreational activities), which he first became aware of through his business activities. When in 1994 he was given "a brief" to develop a fashion brand, he suggested OZARK as a name for the new company and brand. Consequently, Ozark-London Limited was incorporated in 1994 and a copy of its Certificate of Incorporation, issued by Companies House, is at Exhibit LC2 to Mr Creasey's declaration.

8. Mr Creasey goes on to refer to a copy of a witness statement by Eddie Prendergast (at Exhibit LC3 to his declaration) in previous proceedings between the parties to confirm that the name Ozark - London Limited was created independently by Mr Creasey and Mr Prendergast. Mr Creasey also refers to Exhibit LC4 to his declaration, which is a copy of correspondence dated January 1995 received by the opponent from their designer showing artwork to be used in respect of the OZARK brand.

9. Mr Creasey explains that the opponent approached national retailers to see if they would be interested in producing and developing a range of outerwear goods under license, using

the OZARK brand name. In June 1997 the opponent attended a meeting with Debenhams Retail plc and meetings have been ongoing with Debenhams. Mr Creasey adds that since February 2000 onwards OZARK ranges of furniture have been available through the Debenhams Direct Catalogue. Furthermore, in April 2001 Debenhams' Southampton branch began displaying and selling furniture under the opponent's mark. Debenhams' Carlisle and Guildford stores subsequently followed suit.

10. Mr Creasey states that on 16 October 1998 the opponent attended a meeting with the Divisional Merchandise Manager of Wal-Mart about the possibility of launching the OZARK brand in North America. He adds that while Wal-Mart were not interested in pursuing this option, discussions were subsequently held on another potential project, which ultimately did not come to fruition.

11. Mr Creasey goes on to state that an OZARK range of furniture was offered in the Freemans Spring/Summer 2000 catalogue and was available from January 2000. Also, the opponent provides a range of tableware under the OZARK trade mark to Johnson Brothers following a license agreement put in place on 1 January 1999. Mr Creasey states that as of June 2001 the total amount of royalties earned was in the region of £17,000. A copy of a 2000 brochure showing tableware available under the OZARK trade mark is at Exhibit LC8 to Mr Creasey's statement.

12. Mr Creasey lists a number of businesses to which the opponent has promoted the concept of the OZARK brand and he adds that in 1999 the opponent entered into license agreements with the following parties:

Asiatic Carpets Limited; Cloverleaf Group Limited; Croydex Co; Fiskars UK Limited; The Gift Business; Graham & Brown Limited; H & R Johnson Tiles Limited; ISE International Furniture Limited; Johnson Brothers; Millcroft Designs Limited; Roger Monk & Sons Limited; Lamont Textiles Limited (Moygashel); and Turner Bianca PLC.

13. Mr Creasey explains that under the terms of the licenses, the opponent is entitled to a royalty, being a percentage of the sales of products bearing the opponent's mark. He states that the amount of royalties earned under the license agreements up to June 2001 is in the region of £119,000.

14. In his witness statement, Mr Creasey says that since 1997 the opponent has spent more than £150,240 in "pulling together" the brand and these expenses include the creation and production of brochures and presentation packs, the commissioning of design experts, photographers and marketing agents and the design and erection of display/exhibition stands. At Exhibits B and C to his statement are a schedule breaking down those costs and supporting invoices.

15. Mr Creasey states that the opponent employed Brookes & Vernons, Marketing Agents and Exhibit D to Mr Creasey's statement consists of folders setting out Brookes & Vernons advice that the brand be promoted to the younger mid-market consumers, to advertise in a range of magazines and to make products available in store and via mail order catalogues. He adds that the opponent has, where possible, set about doing this and he believes that the brand OZARK is recognised by a wide range of consumers.

Applicant's Evidence

16. This consists of a statutory declaration by Campbell Newell dated 11 December 2003. Mr Newell is a partner in the firm of Cruikshank & Fairweather (the applicant's professional advisors in these proceedings).

17. Mr Newell outlines the history of the application to the Trade Marks Registry for the mark in suit and he explains that the Registry's Examiner accepted the application in suit on the basis that the goods of the applicant and opponent could be distinguished.

18. Mr Newell also draws attention (at Exhibits CN6 and CN7 to his statement), to the decision of the Cancellation Division of OHIM in respect of invalidity proceedings raised by Wal-Mart against Ozark-TRAIL London Limited's European Community Trade Mark registration No. 1062934. Furthermore, at Exhibits CN8 and CN9 are copies of the Notices of Appeal against those decisions. The applicant submits that the marks OZARK and OZARK TRAIL are distinguishable in the context in which they are used and that the respective goods are different.

Opponent's Evidence in Reply

19. This consists of a witness statement by Victoria Anne Cowland dated 8 March 2004. Ms Cowland is a registered trade mark attorney employed by Saunders & Dolleymore (the Opponent's professional representatives in these proceedings).

20. Ms Cowland refers to Exhibit VAC1 to her statement, which consists of copies of two applications for invalidity filed against the current opponent's Community Trade Mark Registration Nos. 966044 and 1062934. Ms Cowland states that the goods included goods contained within the application in suit and adds that, at the time of filing the invalidation actions, the current applicant asserted that identical and similar goods were involved.

21. Ms Cowland goes on to draw attention to the opponent's Australian Trade Mark application No. 781727 in which, she states, the opponent (the current applicant) claims a reputation in Australia because of use of the mark OZARK TRAIL in the USA. She adds that the basis of this appears to be the existence of the website www.walmart.com.

22. This completes my summary of the evidence filed in this case. I turn now to the decision.

23. In a letter dated 11 August 2004 (a week prior to the hearing), the opponent's representatives made it clear that only the Section 3(6), Section 5(2)(b) and Section 5(4)(a) grounds of opposition were being pursued.

DECISION

Section 5(2)(b)

24. “5.-(2) A trade mark shall not be registered if because -

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

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

25. An earlier right is defined in Section 6, the relevant parts of which state:

“6.-(1) In this Act an "earlier trade mark" means -

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

26. I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723.

It is clear from these cases that:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v. Puma AG*, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.*
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v. Puma AG*;
- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by

the marks bearing in mind their distinctive and dominant components; *Sabel BV v. Puma AG*;

- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*;
- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v. Puma AG*;
- (g) account should be taken on 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 was registered; *Lloyd*;
- (h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v. Puma AG*;
- (i) further, 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; *Marca Mode CV v. Adidas AG*;
- (j) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*.

27. At the hearing it was made clear that the opponent was not pursuing the Section 5(2)(b) ground in respect of Classes 4, 6, 9 and 17 of the application. Furthermore, in respect of Class 22 of the application the ground was being pursued only in relation to “hammocks and tents” and not in relation to “tarpaulins”.

28. On the opponent’s evidence going to the use of the earlier registered trade marks, the opponent agreed that this did not suffice to demonstrate a sufficient reputation in these marks at the relevant date for the purposes of Section 5(2). Therefore the penumbra of protection awarded to the opponent’s earlier registrations is not to be widened on the basis of reputation.

29. In essence the test under Section 5(2) is whether there are similarities in marks and goods which would combine to create a likelihood of confusion. In my consideration of whether there are similarities sufficient to show a likelihood of confusion I am guided by the recent judgements of the European Court of Justice mentioned above. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different elements taking into account the degree of similarity in the goods, the category of goods in question and how they are marketed. As I have no evidence to demonstrate use of the respective marks in relation to the relevant goods prior to the relevant date, I must compare the mark applied for and the opponent’s registrations on the basis of their inherent

characteristics assuming normal and fair use of the marks on the goods covered within the respective specifications.

30. Turning to a comparison of the respective goods I have to decide whether the goods covered in Classes 11, 20 and 22 of the application (with the exception of tarpaulins) are the same or similar to the goods covered by the opponent's earlier registrations.

31. In determining whether the goods covered by the application are similar to the goods covered by the opponent's trade mark I have considered the guidelines formulated by Jacob J in *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 (pages 296, 297) as set out below:-

“The following factors must be relevant in considering whether there is or is not similarity:-

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of services;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in particular they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

32. Whilst I acknowledge that in view of the *CANON-MGM* judgement by the European Court of Justice (3-39/97) the *TREAT* case may no longer be wholly relied upon, the ECJ said the factors identified by the UK government in its submissions (which are listed in *TREAT*) are still relevant in respect of a comparison of goods and/or services.

33. In his skeleton argument and at the hearing, Mr Brandreth for the opponent made it clear that he believes the opponent's most relevant mark is that of its UK registration number 2170828A. I agree. Accordingly, many comparisons take particular account of this registration for the word OZARK which contains its widest specification of goods.

34. In the comparison of the respective goods I turn firstly to the applicant's Class 20 specification, which is for folding tables, chairs and benches, sleeping bags, all being adapted for camping and outdoor purposes. The opponent submits that the applicant's tables, chairs and benches are all furniture, notwithstanding the references to outdoor use and camping, and are therefore highly similar to “furniture” in Class 20 of the opponent's earlier registration. Furthermore, the opponent submits that the applicant's “sleeping bags” in Class 20 are identical to the opponent's registration for “sleeping bags” in Class 24.

35. In response the applicant denies identity or similarity and has made the following submissions:-

The Goods of the Opponents are:	The Goods of the Applicant are:
Designed to be used in the home	Designed to be used outdoors, in parks and camping areas
Intended to be used by home-makers	Intended for use by campers and hikers
Are household quality, such as soft furnishings	Are lightweight and transportable
Sold in department stores and specialist shops, such as Debenhams and Johnson Brothers	Sold in supermarkets [VAC Statement, para 5; JR Declaration, para 4]
Sold as special “brand” or fashion items. See Creasey Declaration & Statement	Sold as “Sporting Goods” and “Camping & Hiking” items [VAC Statement, para 5, JR B]

36. It seems to me that the opponent is manifestly correct when it states that “Folding tables, chairs and benches” are all items of furniture, notwithstanding that they are adopted for camping and outdoor purposes. Collins English Dictionary (5th Edition first published 2000) includes the following definition of “furniture”:-

“the movable, generally functional, articles that equip a room, house etc”

My underlining.

37. At the hearing Mr Mosteshar on behalf of the applicant indicated that “furniture” from a practical perspective should be interpreted as referring to household furniture. I do not see why. My own knowledge and experience tells me that the word or term “furniture” includes a variety of products, including “office” furniture and “garden” or “outdoor furniture”. Indeed “outdoor furniture” is often designed to be light, collapsible, easy to store and multi-functional eg it can be used in the garden, or transported for picnics or camping purposes. It is available from a wide variety of sources, including high street stores, supermarkets, garden centres and specialist suppliers. I see no reason why folding tables, chairs and benches, albeit adapted for outdoor and camping purposes should not fall under the term “furniture” at large. Accordingly, it is my view that identity of goods exists in respect of these products but even if I am wrong on this point I believe the respective goods to be very closely similar.

38. “Sleeping bags” are present in the applicant’s Class 20 specification and the opponent’s Class 24 specification. The applicant’s sleeping bags are for camping and outdoor purposes. By virtue of falling within Class 24 the opponent’s sleeping bags are of sheeting material. However, there is no restriction as to their purpose or use and indeed they could be used for camping or outdoor purposes eg on hot, sticky summer nights. Both forms of sleeping bags ie light-weight sheeting and heavier-weight or light-weight non-sheeting, could well be available through the same outlets eg specialist shops for camping/outdoor enthusiasts, or in the same department within large stores. In my view these respective goods are very closely similar, if not virtually identical in a practical context.

39. I now go to “Hammocks, tents” in Class 22 of the application in suit, which the opponent contends are, in effect, items of furniture, in particular, as hammocks can be used indoors as can some tents eg play-tents. In the opponent’s submission hammocks and tents are similar to the opponent’s registration for furniture in Class 20.

40. A hammock consists of a length of canvas, net etc suspended at the ends and used as a bed. It may be used outdoors or indoors as an object upon which a person may sleep or rest. Accordingly, a hammock is an alternative to a bed, sun-lounger or camp-bed. These latter items are articles of furniture – a bed being for “indoor” use, while sun-loungers or camp-beds are for “outdoor” use – and as such, fall within the opponent’s Class 20 specification. In my view a hammock shares similar uses to and may be an alternative to the articles of furniture I have mentioned. It could be sold to the public through the same channels in particular by “outdoor” furniture specialists, or in “outdoor furniture” departments within large stores or in garden centres. I find that “hammocks” are similar to goods falling within the wide definition “furniture” in Class 20.

41. A tent is a portable shelter or portable accommodation and it seems to me that a tent does not resemble an article of furniture and is not sold as an alternative to an article of furniture. While “play-tents” may be used indoors, they are, in essence an alternative to a “play-house” rather than an item of furniture. Although tents may be sold in the same outlets or department as outdoor or camping furniture, it seems to me that the nature and uses of the respective goods are very different. On balance, I do not consider there to be any similarity in relation to such goods.

42. On now to Class 11 of the application in suit which is for Lantern stands, grills, cookers and camp stores. The opponent contends that these goods are similar to its “furniture” in Class 20 and its “household or kitchen utensils or containers” in Class 21. It seems to me that in relation to these respective goods, their nature and uses are very much apart. They are not alternative purchases and they are not in competition. Furthermore, the outlets or departments from which they are sold are likely to differ. Even within a retailer specialising in outdoor/camping products, the respective goods would be in different sections of the shop or catalogue. On balance, I do not consider similarity to exist in relation to such goods.

43. I now go on to compare the mark in suit with the opponent’s earlier marks. As mentioned earlier, the opponent’s best case lies with its trade mark for the word OZARK. I will limit my comparisons accordingly.

44. The application is for the mark OZARK TRAIL while the opponent’s earlier registration is for the mark OZARK. The evidence shows that OZARK is a geographical location in the USA. However, there is no evidence to show that OZARK would be recognised as a geographic region by the UK public at large or that the region has a reputation or link with any particular type of goods. In my view the word OZARK is likely to be perceived by the average UK customer for the relevant goods as an invented word but, in any event, it is a distinctive word, fully capable of distinguishing opponent’s goods in the market place and as such it deserves a good penumbra of protection. The word TRAIL, which appears in the applicant’s mark is an obvious dictionary word and in the context of the applicant’s mark is likely to be perceived as a track or a path linked to or running through OZARK. In itself the word is in my view, a distinctive element in relation to the relevant goods, but it may be perceived as an allusion to the ‘outdoors’, thus possessing an indirect reference to goods for use in the ‘outdoors’ or ‘open air’.

45. The guiding authorities make it clear that I must compare the marks as a whole and by reference to overall impression. However, as recognised in *Sabel BV v Puma AG* (mentioned earlier in this decision) in my comparison, reference will inevitably be made to the distinctiveness and dominance of individual elements. It is, of course, possible to over analyse marks and in doing so shift away from the real test which is how the marks would be perceived by customers in the normal course and circumstances of trade. I must bear this in mind when making the comparisons.

46. I turn to a visual comparison of the respective marks. An obvious difference is apparent in that the applicant's mark contains the word TRAIL. Notwithstanding this difference, they share the word OZARK, which comprises the opponent's mark and is the first word in the mark in suit. On the information before me, the word OZARK, given its prominence must be regarded as a distinctive and dominant component within the applicant's mark. In totality, it seems to me that considerable visual similarity exists between the applicant's and opponent's marks.

47. Going to an aural comparison, the presence of the word OZARK in the opponent's mark would, once again, be readily apparent. As in the visual comparison, the word OZARK is a dominant, distinctive and striking component within the applicant's mark. In totality there is considerable aural similarity.

48. Next I turn to a conceptual comparison of the marks. It seems to me that the word OZARK is likely to be perceived as an invented word by the majority of the relevant public, although there will be some who recognise it as a geographical location. The addition of the word TRAIL to the word indicates a track or path linked to or running through OZARK (which could be perceived a fictitious or actual location), and in my view, this re-enforces the OZARK element within the applicant's mark. Considerable conceptual similarity exists.

49. In my considerations relating to the global appreciation of a likelihood of confusion I must consider the goods at issue and the average customer for the goods. It seems to me that the customer for the relevant goods would include the public at large and in many instances those persons with a particular interest in camping and the outdoors. While I have no evidence before me on the point, I believe that the goods at issue would be purchased with reasonable care and that the relevant customer would be relatively careful and discerning – this is not a 'bag of sweets' case.

CONCLUSIONS

50. I now turn to my conclusion on whether there is a likelihood of confusion on the part of the public. I have found that:

- (i) the applicant's "folding tables, chairs and benches, all being adapted for camping and outdoor purposes" in Class 20 are identical or closely similar goods to the opponent's "furniture" in Class 20;
- (ii) the applicant's sleeping bags in Class 20 are closely similar goods to the opponent's sleeping bags in Class 24;

- (iii) the applicant's hammocks in Class 22 are similar to goods included within the opponent's Class 20 specification for "furniture" at large, but that "tents" are not similar to the goods covered by the opponent's earlier registrations;
- (iv) the applicant's goods in Class 11 are not similar to the goods falling within the opponent's earlier registrations;
- (v) the applicant's marks are closely similar – visually, aurally and conceptually – to the opponent's OZARK trade mark.
- (vi) the customer for the goods is the public at large, in particular those members of the public with an interest in camping or the outdoors, who would be relatively careful and discerning.

51. On a global appreciation taking into account the above findings and my reasons for reaching those conclusions, it is my view that the applicant's mark would capture the distinctiveness of the opponent's earlier OZARK trade marks in notional, fair use in the market place in relation to all those goods on which I have found identity and similarity. There is a likelihood of confusion on the part of the public if the applicant's mark is used in respect of such goods.

52. In reaching a decision in relation to the likelihood of confusion I have particularly borne in mind the following comments of the European Court of Justice in *Canon*:

"Accordingly, the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically linked undertakings, constitutes a likelihood of confusion within the meaning of Article 4(1)(b) of the Directive (see *SABEL*)."

53. The opposition under Section 5(2)(b) is successful in relation to:

- (i) The goods within Class 20 of the application; and
- (ii) "Hammocks" in Class 22.

54. It fails under Section 5(2)(b) in respect of :-

- (i) The goods within Class 11 of the application; and
- (ii) "Tents" in Class 22.

55. The opposition under Section 5(2)(b) was not pursued in relation to Classes 4, 6, 9, 17 and "tarpaulins" in Class 22.

Section 5(4)(a)

56. Next the Section 5(4)(a) ground. Section 5(4)(a) of the Act states:-

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

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or
- (b)

57. I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC in the *WILD CHILD* case [1998] 14 RPC 455. In that decision Mr Hobbs states that:

“The question raised by the ground of opposition is whether normal and fair use of the designation WILD CHILD for the purpose of distinguishing the goods of interest to the applicant from those of other undertaking (see Section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Article 4(4)(b) of the Directive and Section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the applicant in accordance with the law of passing off.”

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

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

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

58. The date at which the matter must be judged is not entirely clear from Section 5(4)(a) of the Act. This provision is clearly intended to implement Article 4(4)(b) of Directive 89/104/EEC. It is now well settled that it is appropriate to look to the wording of the Directive in order to settle any matter of doubt arising from the wording of equivalent provisions of the Act. It is clear from Article 4(4)(b) that the earlier right had to have been “acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed” The relevant date is therefore the date of the application for the mark in suit.

59. Earlier in this decision I found that there was no likelihood of confusion in relation to use of the applicant's mark in respect of the goods applied for in Class 11 and "tents" in Class 22. For the reasons given earlier, I do not believe that the necessary misrepresentation required by the test of passing off exists in relation to these goods. The opponent's case under Section 5(4)(a) is no stronger than its case under Section 5(2)(b) – a point conceded by the opponent at the hearing.

60. The opposition under Section 5(4)(a) of the Act fails.

Section 3(6)

61. Finally, the Section 3(6) ground. Section 3(6) of the Act states:

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

62. The opponent contends that the application was made in bad faith because, at the time of filing, the applicant was aware of the opponent's earlier rights and knew that a clash of rights would occur. Mr Brandreth confirmed at the hearing that the ground applied to the application as a whole ie all the goods applied for.

63. In *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367, Lindsay J considered the meaning of “bad faith” in Section 3(6) of the Act and stated (at page 379):

“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.”

64. In a decision of the Appointed Person on the *Royal Enfield Trade Marks* [2002] RPC 24, paragraph 31, Simon Thorley QC in relation to Section 3(6) stated that:

“*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 MR in Associated Leisure v Associated Newspapers [1970] 2QB 450 at 456) and if made should be distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts (see Davy v Garrett (1878) 7 Ch D 473 at 489). In my judgment precisely the same consideration applies to an allegation of lack of bad faith made under Section 3(6). It should not be made unless it is distinctly proved and this will rarely be possible by a process of inference.*”

65. Furthermore, I take into account the following comments of Neuberger J in *Knolls Trade Mark* [2003] RPC 10 at paragraph 27, where in relation to Section 3(6) he said:

“The precise meaning of bad faith may vary depending upon its linguistic context and purpose but it must, I think, always involve a degree of dishonesty, or at least something approaching dishonesty.”

66. While bad faith can arise where there is no actual dishonesty, it is nevertheless a serious allegation and the onus is on the opponent to satisfy the Registrar that the ground is made out.

67. In support of the ground the opponent draws attention to the meeting in October 1998 with Wal-Mart managers in the USA about the possibility of launching the OZARK brand in the USA. The opponent contends that as a result, the applicant must have known about the opponent’s interests and rights in the OZARK trade mark and its application for the mark in suit was made in the light of this knowledge and was to the applicant’s detriment.

68. I have a number of difficulties in relation to the opponent’s contentions on this ground. I am asked to infer that Wal-Mart managers passed information on to those responsible in the business for making UK trade mark applications, with the aim of forestalling and damaging the legitimate business interests of the opponent. This is not supported by the evidence and indeed, supporting evidence shows that Wal-Mart has used and registered its OZARK TRAIL mark in the USA for some considerable time, a fact which could well infer that the applicant had a genuine interest in using the mark outside the USA, particularly as it is well known that Wal-Mart now owns the major supermarket chain ASDA in the UK. Furthermore, at the relevant date (the date of application), the opponent does not appear to have made any sales to the UK public under its OZARK trade marks and this makes it less likely that the applicant would be fully aware of the nature and extent of the opponent’s business and interests.

69. In any event, in relation to the Classes 4, 6, 9, 11, 17 and the Class 22 goods for which the application is proceeding, the opponent has not been able to demonstrate a likelihood of confusion or, in the wider context, demonstrate that the opponent’s conduct would take an unfair advantage in relation to the sale of such goods.

70. To sum up, the onus rests with the opponent and on the basis of the evidence before me, the opponent has not shown and I feel unable to infer that, the application was made in bad faith.

71. The ground of opposition under Section 3(6) fails.

OUTCOME

72. The opposition has succeeded under Section 5(2)(b) in relation to Class 20 and has partially succeeded in Class 22 ie for “hammocks”. However, the opposition has failed in respect of Classes 4, 6, 9, 11, 17 and that part of the Class 22 specification which covers “tents, tarpaulins”. Accordingly, the application may progress to registration if within twenty eight days of the expiry of the appeal period the applicant filed a Form TM21 restricting its specifications to those goods for which the opposition has proved unsuccessful. If the applicant fails to file a Form TM21 restricting the specifications (as above) the application will be refused in its entirety.

COSTS

73. At the hearing Mr Mosteshar on behalf of the applicant made a number of submissions in relation to costs, in particular that the opponent's late non-pursuit of certain grounds had resulted in the applicant incurring unnecessary expense, a factor which, he submitted, I should take into account. These grounds related to Section 3(1) and Section 5(3) of the Act. Turning to Section 3(1) it seems to me, following very early amendment of the Statement of Case, this ground was not pleaded. Indeed the Counterstatement and subsequent evidence from both parties makes no mention of Section 3(1). On Section 5(3), the evidence submitted goes to reputation, which of course, is also relevant to the Section 5(4)(a) ground which was pursued. While the position in relation to Section 5(3) and the fact that the opponent decided not to pursue the Section 5(2) ground in relation to all goods applied for, may have resulted in some inconvenience to the applicant in its preparation for the hearing, the opponent's position saved time and inconvenience to the applicant at the actual hearing. I do not believe it appropriate to penalise the opponent on this point.

74. On the opposition itself, both parties have achieved a measure of success. The opposition has succeeded in relation to Class 20 and partly in relation to Class 22, but has failed in respect of the other classes of goods applied for and in respect of tents and tarpaulins in Class 22.

75. Accordingly, it seems to me fair that I make no order as to costs in respect of these proceedings.

Dated this 29th day of September 2004

**JOHN MacGILLIVRAY
For the Registrar
The Comptroller-General**

ANNEX ONE

NUMBER	MARK	EFFECTIVE DATE	SPECIFICATION OF GOODS/SERVICES
UK 2170828A	OZARK	30.06.1998	<p>Class 08: Cutlery.</p> <p>Class 09: Sunglasses, sunglass cases, spectacles, spectacle frames and spectacle cases and goggles.</p> <p>Class 14: Jewellery and costume jewellery; bracelets, earrings, necklaces, chains, charms, broaches and ornamental pins; articles of precious metal or coated with precious metal; watches, watch cases, watch bands and watch straps.</p> <p>Class 19: Floor tiles and wall tiles, covings, mouldings, ceiling roses, figurines, wall plaques.</p> <p>Class 20: Furniture, mirrors and picture frames; cushions.</p> <p>Class 21: Household or kitchen utensils and containers; glassware, porcelainware, stoneware, earthenware, tableware not of precious metal, ceramics articles; storage jars, mixing bowls, ovenware, drinking vessels, vases, bowls, figurines, ornaments, wall plaques.</p> <p>Class 24: Textile piece goods not for use in clothing; bed linen; bed spreads, blankets, coverlets, eiderdowns, quilts, duvet covers, mattress covers, pillow cases; sleeping bags; bath linen; towels, face towels; table linen; table covers, table cloths, place mats of textile, table mats; household linen; furniture coverings of textile and plastics; covers for cushions; loose covers for furniture; curtain holders of textile, curtains of textile; travelling rugs; wall hangings of textile; blinds of textile; handkerchiefs; tea towels, tea cloths.</p> <p>Class 27: Wall coverings; wallpaper, wall hangings (not of textile); floor coverings; carpet, carpet underlay, carpet for automobiles; artificial turf; mats, bath mats, door mats, rugs;</p>

UK 2172780	OZARK	22.07.1998	linoleum; vinyl floor coverings. Class 42: Catering for the provision of food and drink; catering services; café, cafeteria, bar, snack-bar, restaurant, self-service restaurant and canteen services.
European Community 478768		24.02.1997	<p>Class 09: Sun glasses, sun glass cases, spectacles, spectacle frames, spectacle cases and goggles.</p> <p>Class 14: Jewellery and costume jewellery; bracelets, earrings, necklaces, chains, charms, brooches and ornamental pins; articles of precious metals or coated with precious metals; watches, watch cases, watch bands and watch straps.</p> <p>Class 18: Handbags, wallets, card cases and note cases; articles of luggage, suitcases and briefcases; bags; parasols and umbrellas.</p> <p>Class 25: Articles of clothing; articles of outerwear, articles of casualwear and articles of underwear; boots, shoes and slippers; socks, stockings and tights; belts, gloves, scarfs, shawls, sashes, earmuffs, braces; swimwear and sports clothing; night clothes.</p>
European Community 531988		30.04.1997	<p>Class 24: Textiles; textile piece goods; bed linen; bed spreads, blankets, coverlets, eiderdowns, quilts, duvet covers, mattress covers, pillow cases; sleeping bags; bath linen; towels, face towels; table linen; table covers, table cloths, place mats of textile, table mats; household linen; furniture coverings of textile and plastics; cushions, covers for cushions; loose covers for furniture; curtain holders of textile, curtains of textile, travelling rugs; wall hangings of textile, blinds of textile; handkerchiefs; tea towels, tea cloths.</p> <p>Class 27: Wall coverings; wallpaper, wall hangings (not of textile); floor coverings; carpet, carpet underlay, carpet for automobiles; artificial turf; mats, bath mats, door mats, rugs; linoleum; vinyl floor coverings.</p>

<p>European Community 966044</p>	<p>OZARK</p>	<p>26.10.1998</p>	<p>Class 16: Paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching materials (except apparatus); plastic materials for packaging (not included in other classes); playing cards; printers' type; printing blocks.</p> <p>Class 20: Furniture, mirrors and picture frames; cushions.</p> <p>Class 21: Household or kitchen utensils and containers; glassware, porcelainware, stoneware, earthenware; tableware not of precious metal; ceramics articles; storage jars, mixing bowls, ovenware, drinking vessels, vases, bowls, figurines, ornaments, wall plaques.</p> <p>Class 24: Textiles; textile piece goods; bed linen; bed spreads, blankets, coverlets, eiderdowns, quilts, duvet covers, mattress covers, pillow cases; sleeping bags; bath linen; towels, face towels; table linen; table covers, table cloths, place mats of textile, table mats; household linen; furniture coverings of textile and plastics; covers for cushions; loose covers for furniture; curtain holders of textile, curtains of textile, travelling rugs; wall hangings of textile, blinds of textile; handkerchiefs; tea towels, tea cloths.</p> <p>Class 25: Articles of clothing; articles of outerwear, articles of casual wear and articles of underwear; boots, shoes and slippers; socks, stockings and tights; belts, gloves, scarves, shawls, sashes, earmuffs, braces; swimwear and sports clothing; night clothes.</p> <p>Class 27: Wall coverings; wallpaper, wall hangings (not of textile); floor coverings; carpet, carpet underlay, carpet for</p>
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			automobiles; artificial turf; mats, bath mats, door mats, rugs; linoleum; vinyl floor coverings.
European Community 1062934	OZARK	03.02.1999	<p>Class 03: Cosmetics and cosmetic products, toiletries, soaps, perfumery, haircare preparations.</p> <p>Class 08: Cutlery; knives, forks and spoons; scissors; tin openers; tongs; choppers, shredders and slicers for vegetables; nutcrackers.</p> <p>Class 19: Floor tiles, wall tiles, flooring materials.</p>