

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK Application
No. 2134358 to register trade a mark in the name of
5 ISA (International Shoes Agencies Limited**

**AND IN THE MATTER OF Opposition
No. 48782 thereto by the Pebble Beach Company.**

10 **Decision**

ISA (International Shoe Agencies) Limited, 29-35 Rathbone Street, London, W1P 1AG applied on 30th May 1997 to register the mark PEBBLE BEACH for 'Footwear' in Class 25.

15 The application is opposed by the Pebble Beach Company, California on the basis of ss 3(6), 5(1), 5(2), 5(3) and 5(4) of the Act. The applicants deny the grounds and both parties ask for their costs. The opponents have their own PEBBLE BEACH registration (N^o. 1366067) registered on 28th November 1988 , which specifies the following goods:

20 'Shirts, jackets, trousers, skirts, blouses, dresses, sweaters, vests, underpants, shorts; scarves; articles of sports clothing; hats; neckties; jeans; caps, gloves, belts, aprons; swimwear; all included in Class 25.'

25 No hearing was requested by the parties. After a careful study of the material submitted, I have come to the following decision.

The Evidence

30 The applicants have submitted no evidence. For the opponents, there is one Statutory Declaration, by Mr Kim Canales, the Participant Affairs Manager of the Pebble Beach Company.

Mr Canales states that his Company:

35 '...has a long history, much of it connected with the game of golf. The Pebble Beach Golf Links was opened in 1919 in Monterey, California and has for many years been established as one of the most famous golf courses in the world, if not the most famous. The course first hosted the US Open championship in 1972 and has played host to the same championship in 1982 and again in 1992. Pebble Beach is once again to be the venue for
40 the US Open in 2000, which will be the 100th anniversary of this competition.'

He then refers to fourteen exhibits in the remainder of his Declaration. I will not be summarising these in any detail, as I do not believe that the majority of them add any significant substance to the opponents' case. Most of the evidence contained therein is dated
45 after the relevant date of 30th May 1997, but even where it is not, none establishes a reputation for footwear or for clothing in general before this, in the UK. Exhibits KC-7 and KC-8 contain two brochures showing some articles of clothing. The first of these is dated before the relevant date, but there is nothing to show that the products therein were marketed in the UK. Licencing agreements are mentioned by Mr Canales (Exhibits KC-11 and KC-14) but, again,

there is no documentary evidence of the same in this country, though Mr Canales states:

5 ‘The Company has several licensees within the UK who have entered into agreements with
the Company because of their desire to use the PEBBLE BEACH mark in relation to their
own goods and services. Specific licensees within the UK are Brian Morgan Golf
Photography, English Pewter Company, Waterford Crystal for AT&T PEBBLE BEACH
National Pro Am trophies and EA Sports.’

10 It is not stated that any of these licensees resulted in the sale of clothing. From their titles I
think I can assume that the majority did not.

15 Exhibit KC-11, however, contains evidence of clothing sales outside the USA: to Australia,
Canada, France, Japan and Singapore. There are also three ‘sample’ orders for clothing that
originated in the UK (Exhibit KC-12). All the orders are, however, after 30th May 1997.
Nevertheless, Mr Canales states:

20 ‘PEBBLE BEACH has been first used in the United Kingdom for many years, with sales of
approximately US\$24,000-36,000 per annum over the last five years. Sales have recently
increased by about 300% because of the company’s new Internet shopping site. This use
has been in connection with various sports goods and accessories.’

25 Mr Canales’s Declaration was made on 31 August 1999. Taking an exchange rate of \$1.6 to
£1, a generous estimate of the sales before the relevant date is approximately £60K. Even if I
assumed that this was all clothing - a brave assumption in view of the reference to ‘..various
sports goods and accessories..’ - this represents a *de minimus* amount against the background
of the huge turnover I can assume was typical of that particular market in the UK over the
same period.

30 I have thus come to the conclusion that the opponents possessed no particular reputation in
the sale of clothes at the relevant date. I think I can infer, however, based on the exposure
that the American Open Golf tournament has in this country, that the opponents have some
reputation in a golf course called ‘Pebble Beach’. However, the extent of this - and whether it
extends beyond the awareness of those interested in golf - is not demonstrated. There is no
35 limitation on the applicants’ specification and I think it is fair to regard the ‘average consumer’
in this case as the public at large, for whom golf is an interest of the minority. I cannot assume
therefore, that the words PEBBLE BEACH has any particular connotation for the majority.

The Decision

40 Let me deal with the ‘bad faith’ point first, under s 3(6). S 3(6) states:

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

45 Although ‘bad faith’ may extend to matters which fall short of outright dishonesty - see
Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd [1999] RPC 367, at page 379 (and
the decision of Mr Geoffrey Hobbs QC as Appointed Person in *Demon Ale Trade Mark*
[2000] RPC 345 at page 356, lines 13 & 14) - a claim that an application was made in bad
faith implies some deliberate action by the applicants which they know to be wrong, or as put
by Lindsay J in *Gromax* ‘...includes some dealings which fall short of the standards of
50 acceptable commercial behaviour..’. It is a serious objection which places an onus of proof

upon the party making the allegation. I cannot see how the applicants' choice of mark for footwear falls below the standards of acceptable commercial behaviour. I have seen no evidence that would displace this view. This ground fails.

5 The grounds under ss 5(3) and 5(4) can also be shortly dealt with. To even 'get out of the starting blocks', both grounds require a reputation (or goodwill) in the UK. As none has been established, both objections are thus bound to fail as well.

The opponents' case thus rests on ss 5(1) and 5(2). These state:

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'(1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods and services for which the earlier trade mark is protected.

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

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

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(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.'

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By virtue of their registration N^o 1366067, and s 6(1), the opponents have an earlier mark for the purposes of s 5.

I note, in passing, in their Counterstatement the applicants state:

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'Though it is admitted that the opponent is the proprietor of British Trade Mark 1366067, it is believed that Coast Galleries Pebble Beach of 17 Mile Drive (located across the road from THE LODGE hotel) which is owned by Gary Koeppel and in the area known as Pebble Beach, Monterey, California, is a feature of commercial value and is not in the exclusive control of Pebble Beach Company. Accordingly, it is submitted that under the condition of registration of Trade Mark 1366067, it should now be voluntarily surrendered.'

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I have no idea what this means. There is a licencing agreement, as shown in Exhibit KC-14, between the opponents and a Mr Gary M Koeppel, which appears to follow a very standard format. Whether PEBBLE BEACH is a '..feature of commercial value..' or not is irrelevant to the opponents' ownership of the mark, or indeed their *locus standi* in pursuing their action. It is not obvious to me either, without further explanation, how it could affect the integrity of their registration. If it does, then it is always open to the applicants to make out a case under s 47 of the Act.

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As for this case, it appears to turn on the identity, or otherwise of the goods at issue. The applicants agree that the marks are identical. But then state, in paragraph 1 of their Counterstatement: 'It is submitted that 'clothing' does not, whether it be normal clothing or sports clothing, include footwear', and at paragraphs 3 and 4:

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5 'It is agreed in numbered paragraph 2 of the Statement of Grounds that the applicants' mark is identical with the opponents' earlier trade mark, but it is not agreed that the goods for which the earlier mark is protected are identical with the goods for which Application 2134358 has been advertised. With respect to numbered paragraph 3 of the Statement of Grounds, it is again agreed that the applicants' mark and the opponents' earlier trade mark are identical, but it is not agreed that the goods for which the earlier mark is protected are identical with the goods for which Application 2134358 has been advertised.'

10 Though Class 25 is divided into the categories 'Clothing, footwear, headgear' this does not mean that these items are *prima facie* different; classification of goods has been established for administrative purposes and therefore cannot be decisive for the question of similarity or otherwise. In my view, a common sense interpretation of the phrase 'articles of clothing' could include footwear. Thus 'articles of sports clothing' will encompass 'footwear' that is used for sporting purposes (trainers, golfing shoes etc..). And it follows that a sub-set of the opponents' 'articles of sports clothing' is identical to a subset of the applicants' goods (footwear for sporting purposes). If I am right in this, the goods are identical to this extent and the application must partially fail under s 5(1).

20 However, I think the opponents have a stronger case under s 5(2)(a), which I will consider now. (I disregard s 5(2)(b), because the marks are identical).

25 In approaching this matter under s 5(2)(a), I have taken into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199 at 224, *Canon v MGM* [1999] ETMR 1 and *Lloyd Schufabrik Meyer & Co GmbH v Klijsen Handel BV* [1999] ETMR 690 at 698. Though these cases were primarily concerned with s 5(2)(b), it is clear that the following will also apply to s 5(2)(a) as well:

30 (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/services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant;

35 (c) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and *vice versa*;

40 (d) 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.

45 Again, as under s 5(1), the issue here is the extent to which the goods at stake are similar. Similarity of goods has previously been determined by the criteria established by Jacob J in *British Sugar plc v James Robertson & Sons Ltd* [1996] 9 RPC 281. The latter have been confirmed in *Canon*:

'In assessing the similarity of the goods or services concerned... all the relevant factors relating to those goods or services themselves should be taken into account...includ[ing], *inter alia*, their nature, their end users and their method of use and whether they are in competition with each other or are complementary..'

To this list, Jacob J included the respective trade channels through which the goods enter the market.

5 I reached the conclusion above that ‘articles of sports clothing’ include certain types of footwear. Though in the past the Registry has tended to consider that boots, shoes and sandals are not goods of the same description as any other specifically listed articles of clothing, except for slippers, if one adheres to the principles established by Jacob J, I do not believe this stands up in the modern market for clothes and footwear. ‘Shirts, jackets, 10 trousers, skirts, blouses, dresses, sweaters, vests, underpants, shorts; scarves; articles of sports clothing; hats; neckties; jeans; caps, gloves, belts, aprons; swimwear’ are all routinely sold in the same store, these days, as shoes. Their nature and end users are either the same or similar, as is their method of use (items that are ‘worn’; fashion items etc.). They are complementary products. I think it is very likely that to-day’s average consumer would regard footwear and specific items of clothing as, as the very least, similar, and regard any sharp distinction as 15 peculiar.

Further, I am not sure that the ‘old’ Registry stance on this holds water in this case, against the back ground of the case law cited above (see particularly points (c) and (d)). It seems to me that such a distinction has its roots in a consideration of s 12 under the 1938 Act, while the 20 new law seeks to address a composite analysis which does not separate the similarity of the goods from the similarity of the trade marks themselves and, *inter alia* the nature of the marks. The mark PEBBLE BEACH is a very distinctive mark for the goods at issue. There is no link that might be made between them. In my view it is as distinctive for goods in Class 25 as is the (over and oft quoted) example of NORTH POLE for bananas. The marks at issue are 25 also identical.

In view of this, any distance that one might in other circumstances place between ‘footwear’ and ‘clothing’ cannot, I believe, overcome the very likely conclusion of the average consumer that both products carrying the mark would come from the same trade source. The opposition 30 succeeds under s 5(2)(a), and the application is refused.

I order the applicants to pay the opponents £235. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful. 35

Dated this 21st day of August 2000

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45 **Dr W J Trott**
Principal Hearing Officer
For the Registrar
the Comptroller-General