

TRADE MARKS ACT 1994

**IN THE MATTER OF INTERNATIONAL REGISTRATION No. 855906
AND A REQUEST BY NOWHERE CO. LIMITED
FOR PROTECTION IN THE UNITED KINGDOM IN CLASSES 18 AND 25**

**AND IN THE MATTER OF OPPOSITION THERETO UNDER No. 71288
BY CONVERSE INCORPORATED**

**AND IN THE MATTER OF AN APPEAL TO THE APPOINTED PERSON
BY THE APPLICANT
AGAINST A DECISION OF MR. G. W. SALTHOUSE
DATED 11 JUNE 2009**

DECISION

Introduction

1. International Trade Mark number 855906 standing in the name of Nowhere Co., Ltd. ("the Applicant") is represented as follows:



2. Based on a Japanese home registration, it was entered on the International Register on 7 December 2004 with protection being sought under the Madrid Protocol *inter alia* in the United Kingdom for the following goods and services:

Class 18

Vanity cases (not fitted); bags and the like; pouches and the like; rucksacks; boston bags; wallets, not of precious metal; purses, not of precious metal; beach bags; briefcases; suitcases; travelling bags; handbags; knapsacks; sports bags; waist bags; backpacks; tote bags; shoulder bags; carry-on bags; shopping bags; coin purses, not of precious metal; card cases; key cases; umbrellas

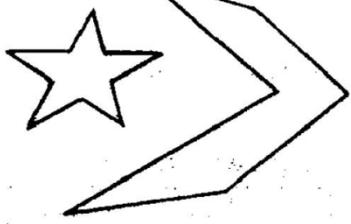
Class 25

Shoes and boots; leather shoes; half-boots; beach shoes; sandals; slippers; inner soles (for shoes and boots); sports shoes; clothing; coats; overcoats; jackets (clothing); jumpers (shirt fronts); blousons; anoraks; slacks; suits; waistcoats; overalls; pants; jeans (clothing); breeches (for wear); children's wear; infant wear; liveries; parkas; Aloha shirts; shirts; sport shirts; polo shirts; underwear; underpants; undershirts; underclothing; swimming caps; swimsuits; swimming wear; sweaters; pullovers; sweat shirts; sweat pants; jerseys (clothing); cardigans; tank tops; pajamas; Tee-shirts; clothing of leather; clothing of imitations of leather; collar protectors; bandanas (neckerchiefs); scarfs; ear muffs (clothing); gloves (clothing); mittens (clothing); socks; headgear for wear; fur hats; caps (headwear); hats; sun visors; turbans; belts (clothing).

3. The designation was published for opposition purposes in the Trade Marks Journal on 4 November 2005. On 3 February 2006, Converse Inc. ("the Opponent") filed Notice of opposition grounded on section 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 against the grant of protection to the mark in the United Kingdom.
4. The Opponent's earlier trade marks relied on under section 5(2)(b) and 5(3) for which either the Applicant accepted use or the Hearing Officer held that the requisite use had been shown¹ were:

Trade mark	Number	Class	Goods
	1486517	18	Sports bags; backpacks
	1309095	25	Footwear included in Class 25
	1491118	25	T-shirts, shirts, vests, singlets, sweatshirts, shorts, trousers, trunks, pants, jumpers, jackets, tops; anoraks, parkas, raincoats and coats; headwear, hats, hoods and caps; footwear; all included in Class 25.

¹ All of the earlier trade marks relied upon by the Opponent were subject to the proof of use conditions in section 6A of the Act. The Hearing Officer held that use had not been established in respect of the Opponent's UK Trade Mark number 1556023 which has therefore been omitted from the list.

	1046939	25	Footwear
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In 1486517 there was a disclaimer for the words “Taylor” and “All Star”, and in 1309095 and 1491118 disclaimers for the words “All Star” and “Chuck Taylor”.

5. The Opponent’s earlier right relied on in connection with section 5(4)(a) was a five pointed star device identical to that shown in the first three of the Opponent’s earlier trade marks.
6. The applicant took issue with the grounds of opposition in a Notice of defence and counterstatement dated 8 May 2006. Both parties filed evidence and were represented by Counsel at the hearing below. The Hearing Officer issued his decision under reference number BL O/161/09 on 11 June 2009.

The Hearing Officer’s decision

7. The Hearing Officer’s findings were in brief:

Section 5(2)(b)

- (a) Although the Opponent possessed reputation in each of its trade marks for footwear and to a lesser degree in its two marks for clothing², its extent did not justify an enhanced level of protection (*STEELCO*, BL O/268/04).
- (b) Nevertheless, all of the Opponent’s earlier marks were inherently distinctive. The Applicant had provided no evidence to support its contentions that the marks were inherently non-distinctive because:
 - (i) other footwear and clothing marks on the register contained star devices. In any event “state of the Register” evidence was not conclusive;
 - (ii) the use of star devices on clothing, bags and footwear was common to the trade.
- (c) The average consumer was the general public.
- (d) The respective goods were either identical or highly similar.

² The Hearing Officer included for this purpose the Opponent’s UK Trade Mark number 1556023 registered for clothing and footwear. Although no use of the mark was filed the Hearing Officer included it in his consideration of reputation because it was asserted in the statement of grounds of opposition that the mark had been used.

- (e) The respective trade marks must be compared as wholes. The disclaimed elements in the Opponent's marks, 1486517, 1309095 and 1491118 could not be discounted completely.
- (f) The purchase of clothing was primarily a visual act (*REACT Trade Mark* [2000] RPC 285). Although this did not remove the need for aural and conceptual comparisons, it meant that slightly greater weight could be given to the visual aspect. Footwear, e.g., training shoes, was often displayed sideways on, on shelves in shops.
- (g) Although the Applicant described its mark as a "comet" device, it was to the Hearing Officer's mind a star device combined with lightning.
- (h) The sheer size of the star device meant that it visually dominated the Opponent's marks numbers 1486517, 1309095 and 1491118 and was recognisable from a distance. However, the word elements in those marks were not negligible and must be taken into account.
- (i) While the Applicant had used its mark in the UK for some time, it had by the Applicant's own admission been used very sparingly. The alleged lack of confusion to date was noted but was not compelling.
- (j) When used on footwear by the Applicant, the lightning element in the mark applied for was considerably extended making the star aspect more prominent. A photograph of the Applicant's training shoe was attached at Annex 1.
- (k) Taking into account the interdependency of relevant factors and consumers' imperfect recollection of marks, there was a likelihood of confusion between the Opponent's marks and the goods in the Application, and the objection under section 5(2)(b) was made out.

Section 5(4)(a)

- (l) The Applicant claimed to have first used the mark in suit in April 2001.
- (m) The Opponent had established on the evidence goodwill in its star device by that date in relation to footwear, bags and clothing
- (n) Use by the Applicant of the mark in suit on identical goods would lead to a misrepresentation that the goods originated from the Opponent or a connected source.
- (o) Since both parties operated in the same field of activity, damage would follow. The low volume of sales under the Applicant's mark and limited places of sale accounted for damage not yet occurring. The objection under section 5(4)(a) was also made out.

Section 5(3)

- (p) Given the above findings there was no need to decide the objection under section 5(3).

The appeal

8. On 9 July 2009, the Applicant filed Notice of appeal to the Appointed Person under section 76 of the Act against the Hearing Officer's decision to allow the opposition under section 5(2)(b) and 5(4)(a).
9. Shortly before the hearing of the appeal, the Opponent sought to serve a late Respondent's Notice that the opposition should additionally be allowed on the basis of the objection raised by the Opponent under section 5(3). It was agreed that the question whether the Opponent should be granted permission to introduce its late Respondent's Notice arose for determination only if the Applicant's appeal against the Hearing Officer's findings under section 5(2)(b) and 5(4)(a) was successful.
10. At the hearing of the appeal, the applicant was represented by Mr. Michael Edenborough of Queen's Counsel instructed by Mischon de Reya. The Opponent was represented by Mr. Nicholas Saunders of Counsel instructed by Wynne-Jones, Laine & James LLP.

Standard of appeal

11. This appeal is a review and not a rehearing. Mr. Saunders set out some principles he said emerged from the case law, which Mr. Edenborough accepted as uncontroversial:
 - (i) In the absence of the Hearing Officer receiving oral evidence, an appellate court should show a real reluctance, but not the highest degree of reluctance, to interfere in the absence of a distinct and material error of principle (*REEF Trade Mark* [2003] RPC 101, Robert Walker L.J., para. 28).
 - (ii) The appellate court should not treat a judgment or written decision as containing an error of principle simply because of its belief that the judgment or decision could have been better expressed (*REEF*, Robert Walker L.J., para. 29).
 - (iii) When a judgment is unclear the test is whether the Hearing Officer "was not entitled to take the view that he did" (*BUD and BUDWEISER BUDR □ U Trade Marks* [2003] RPC 477, Sir Martin Nourse, para. 12).
 - (iv) The mere fact that another Hearing Officer might have taken a different view is not a relevant factor (*BUD*, Sir Martin Nourse, para. 12).
 - (v) It must be said that the Hearing Officer's view was one "to which no reasonable hearing officer could have come" in order to establish the required error of principle (*BUD*, Sir Martin Nourse, paras. 12 and 13).
 - (vi) Even when a Hearing Officer's conclusions are "surprising" to the appeal court, in the absence of a significant error of principle the appeal court does not have a free choice to set aside the Hearing Officer's findings (*BUD*, Lord Walker, paras. 48, 52 and 53).

The grounds of appeal

12. There was no challenge to either the Hearing Officer's statements of law³ or summaries of the parties' evidence. Instead the Applicant criticised the Hearing Officer's application of the law.
13. Mr. Edenborough described the appeal as raising one central issue namely the proper approach to dealing with graphic elements of low or non-distinctive character when determining the existence of likelihood of confusion under section 5(2)(b) and the acquisition of goodwill and related issue of misrepresentation under section 5(4)(a).
14. As I understood his argument, that in turn involved the following aspects:
 - (a) The public would perceive the star device in the Opponent's marks as decoration/laudatory. Accordingly the respective marks were insufficiently similar to justify the Hearing Officer's conclusion that there existed a likelihood of confusion.
 - (b) In view of the star element's low or non-distinctive character, the Hearing Officer was wrong to find in the absence of overwhelming evidence that the Opponent's star device *simpliciter* enjoyed goodwill at the relevant date.
 - (c) The Hearing Officer mischaracterised the Applicant's mark as a star device coupled with lightning whereas it was a comet device or a representation of a lightning bolt.
15. I believe it worth mentioning at this stage, irrespective of the merits of this appeal, that the Court of Justice of the European Union has consistently held that the weak distinctive character of an earlier mark does not preclude a finding of likelihood of confusion even where the goods or services are not identical or the marks are not identical or very similar. The distinctive character of an earlier mark is just one of the factors to be taken into account in the global assessment of likelihood of confusion. Other factors include the degree of similarity between the goods and services at issue, the degree of similarity between the marks at issue and any association the public might make with the used or registered sign (Case C-235/05 P, *L'Oréal SA v. OHIM* [2006] ECR I-57, para. 45 and see, for example, Joined Cases T-305/06 to T-307/06, *Air Products and Chemicals Inc. v. OHIM* [2008] ECR II-220, paras. 59 – 60 and Case T-557/08, *mPAY24 GmbH v. OHIM*, 7 July 2010).

³ Regarding section 5(2)(b) the Hearing Officer instructed himself by reference to the Registry's standard summary of principles derived from the case law of the Court of Justice of the European Union in particular: Case C-251/95, *Sabel BV v. Puma AG* [1997] ECR I-6191, Case C-39/97, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc.* [1998] ECR I-5507, Case C-342/97, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel BV* [1999] ECR I-3830, Case C-425/98, *Marca Mode CV v. Adidas AG* [2000] ECR I-4881, Case C-120/04, *Medion AG v. Thomson multimedia Sales Germany & Austria GmbH* [2005] ECR I-8551 and Case C-334/05 P, *OHIM v. Shaker di L. Laudato & C. Sas* [2007] ECR I-4529. Regarding section 5(4)(a), the Hearing Officer referred to the decision of Mr. Geoffrey Hobbs QC sitting as the Appointed Person in *WILD CHILD Trade Mark* [1998] RPC 455.

Merits of the appeal

16. The Hearing Officer rejected the Applicant's contention that the Opponent's earlier trade marks lacked inherent distinctive character. First, the Opponent had provided no evidence to corroborate its statement that a number of clothing and footwear marks on the register also had such devices. In any event state of the register evidence was inconclusive. Second, the Applicant had additionally failed to file evidence of the use of star devices on clothing, bags and footwear. The Applicant made no attempt to adduce further evidence on appeal but continued to rely upon its bald contention.
17. Mr. Edenborough opened his case with section 5(4)(a) fastening on a comment by the Hearing Officer that the evidence establishing goodwill in the Opponent's star device *simpliciter* was "not overwhelming".
18. The passage in question reads:

"55) Under this ground of opposition [section 5(4)(a)] the opponent is relying upon its use of a star device. The device is exactly the same as the star which can be seen in the opponent's trade marks 1486517, 1309095 & 1491118. The opponent filed evidence which showed that it uses the star device *simpliciter* upon some of its goods, in particular, footwear and bags; and to a lesser extent on clothing. It is also used upon packaging material and catalogues which are used upon/show all goods. This evidence is not overwhelming but I believe that it is enough for me to accept that the applicant had, at the relevant date, April 2001, goodwill in its "Star" device *simpliciter*. The opponent therefore overcomes the first hurdle in this ground of opposition ..."
19. Mr. Edenborough submitted that on the contrary the evidence needed to be overwhelming in view of the [alleged] non-distinctiveness of the Opponent's star device.
20. Mr. Saunders took me through the Opponent's evidence. I agree that the evidence showed that the star device constituted the focal point of the Opponent's branding in relation to the goods in question. Moreover, the star device appeared (alone or as part of a device) in places where the consumer would expect to see branding, for example, on the side of training shoes (*D Jacobson & Sons Limited v Globe GB Limited and Globe Europe SAS* [2008] EWHC 88 (Ch), Etherton J., para. 132), on packaging and swing tags, and on neck labels and breast pockets of clothing (*Arsenal Football Club plc v. Reed* [2001] ETMR 77, Laddie J., para. 67). I am satisfied that the Hearing Officer was entitled to find that the Opponent had established goodwill in its "Star" by the relevant date.
21. Even assuming goodwill, Mr. Edenborough contended that the Hearing Officer mischaracterised the Applicant's mark for the purposes of misrepresentation. The Hearing Officer said:

"55) ... I now turn to the issue of misrepresentation. Earlier in this decision I described the applicant's mark thus:

44) The applicant describes its mark as a “comet” device. To my mind comets are usually depicted as spherical with a diminishing trail of debris behind them. The applicant’s mark is, to my mind, a star device combined with lightning. I note that at paragraph 14 of the applicant’s skeleton evidence Mr Wilson describes his client’s mark as “The Trade Mark in suit is itself inherently distinctive because the lightning flash effect on the right hand side gives it a very different overall appearance from that of a star *simpliciter*”. It would therefore seem that the applicant’s representative views the mark in suit as a star device with a lightning strike added.”

56) Given that the opponent has shown use of a star device, the issue here is whether the applicant’s mark of a star device with a lightning flash attached when used on identical goods to those of the opponent will lead the average consumer to believe that the goods originated from the opponent or from a source connected to the opponent, thus giving rise to misrepresentation. To my mind this will occur. When the actual use of the mark in suit is considered as referred to in paragraph 49, particularly on footwear then the question of misrepresentation is a foregone conclusion as both parties would effectively be using simple star devices.”

22. Mr. Edenborough argued that the Hearing Officer erred in holding that the “applicant’s representative views the mark in suit as a star device with a lightning strike added.” A fair reading of the passage quoted from Counsel’s skeleton below was that the mark in suit was very different from a star *simpliciter* and that it was not a modified star in some form. Rather the Applicant’s mark was a comet device or lightning bolt as confirmed in the Notice of defence and counterstatement where it was stated (para. 8.3.3.1):

“... the Comet Mark is best described as a combination of a four pointed shape with a form of swish protruding from a place between two of the points to form a shape akin to a lightning bolt.”

23. Returning to his central plank of the star device’s *prima facie* non-distinctiveness, Mr. Edenborough contended that the Hearing Officer also erred in failing to recognise that the public would be alert to details which differentiated the respective marks so that there could be no misrepresentation. Thus in *STEELCO Trade Mark*, BL O/268/04, Mr. David Kitchin, sitting as the Appointed Person said (para. 17⁴):

“... In the case of marks which are descriptive, the average consumer will expect others to use similar descriptive marks and thus be alert for details which would differentiate one mark from another. Where a mark has become more distinctive through use then this may cease to be such an important consideration. But all must depend upon the circumstances of each individual case.”

⁴ Mr. Kitchin was in fact speaking in the context of likelihood of confusion for section 5(2).

24. Mr. Saunders reiterated that the Applicant had provided no evidence in support of its contention that the Opponent's star device was non-distinctive.
25. He took me to two photographs in magazine articles about the Applicant and its founder, Tomoaki "Nigo" Nagao (Affidavit of Toby Feltwell, dated 26 May 2008, exhibit TF5). The first picture was of the Applicant's Bapester sneakers and Bathing Ape t-shirts on display in a shop in Tokyo. In the midst of the sneaker display was one of the Opponent's trainers. I accept Mr. Saunders' observation that this was recognisable because of the Opponent's star device. The second picture was of Nigo standing outside one of the Applicant's stores in Hong Kong wearing a pair of the Applicant's sneakers. I also accept Mr. Saunders' comment that the most noticeable thing about the trainers was what looked like a star device on the side.
26. The text of The Face article first referred to stated:
- "In the mid-Nineties, Bape brought out its own unofficial tribute to the shelltoed Adidas Superstar – the "Skulltoe", with the famous three stripes replaced by Nigo's own shooting-star design ..."
27. I am not persuaded that the Hearing Officer fell into error in deciding that the ground of opposition under section 5(4)(a) was made out. Accordingly this part of the appeal fails.
28. The Applicant's appeal under section 5(2)(b) ran along similar lines. Mr. Edenborough argued that the marks were dissimilar and that since one of the cumulative conditions for section 5(2)(b) was missing, the Hearing Officer erred in his assessment of likelihood of confusion.
29. The Hearing Officer's comparison of the respective marks was as follows:
- "45) I shall first consider the opponent's mark 1491118 which represents three marks which are identical other than minor differences to their disclaimers. The mark has a very large star device, which is emphasised with the words "ALL STAR" printed underneath. It also has the word "CONVERSE" printed in the same large print above the star device. Whilst the word "converse" has a number of dictionary meanings such as to talk, reversed or opposite etc the word when used on goods in Classes 18 & 25 has no relevance to the goods. It does not provide a conceptual image. Lastly, trade mark 149118 has a signature "Chuck Taylor" in much smaller print. Both sides engaged in a debate over whether the words "Chuck" or "Chuckie" or even "Chuckie T's" had become a generic term for canvas high topped trainers. However, the evidence, such as there is, is very sketchy and relates to alleged conversations in Japan and the USA. To my mind, this was unconvincing and it is my view that the average UK consumer will have no idea who Chuck Taylor is or was. They will see the mark as a "Converse All Star" mark with a large star device in the middle. The sheer size of the star in the centre of the mark means that it dominates the mark visually, and is recognisable from a distance. The word elements of the mark cannot be said to be negligible and have to be taken into account when comparing the marks.

46) Comparing 1491118 to the mark in suit, visually, the marks are similar in that they both have a star device even though the applicant's mark has the addition of a lightning strike. The opponent's mark also has a number of words. Overall, there are similarities and differences in the marks. Aurally the applicant's mark does not have any words, although if the image were verbalised it would, in my opinion, be as a Star device with a lightning strike. The opponent's mark would be said to be a "Converse All Star" mark. Conceptually, the word element "Converse" does not create an image when used on clothing or footwear, the words "All Star" bring to mind the large star device and/or a team comprising the best players from around the league. The disclaimers deny the opponent any rights in the words "Chuck Taylor" or "Taylor" and also "All Star".

47) I now turn to consider the mark in suit to the opponent's mark 1046939. The opponent's mark consists of a star device and a chevron device. Visually the two marks are similar in that they both have a star device, but whereas the mark in suit has a lightening device attached to the star, the opponent's mark has a chevron device alongside it. The marks have the same similarity and differences when considered aurally or conceptually.

[...]

49) I also have to take into account actual use. As part of its evidence the applicant provided photographs of clothing, bags and footwear with the mark in suit shown on them. I assume that the applicant would regard this as fair and normal use otherwise it would not have filed these in an effort to further its case. On the images of clothing and bags the whole of the mark applied for, including the end of the "lightning strike" can be seen. However, with regard to its use on shoes the situation is different. This was chosen as the exhibit consists of a single image of a shoe. Other similar images were included in Exhibit TF3 but were not paginated. The photograph shows the mark in suit applied to a training shoe. The "star" device appears near the middle of the shoe whilst the lightning strike has been considerably extended as it disappears round the heel of the shoe, presumably to meet up with the lightning strike from the star device on the other side of the shoe. Used in this way the jagged end of the lightning strike is not in view when the consumer first sees the shoe. The way in which the applicant uses its mark on shoes is such that the "star" element appears to have been placed atop a stripe. Thus, when used in such a manner the star and lightning strike device becomes simply a star device, thus increasing the similarity of the parties' marks."

30. Criticism at the hearing centred on the Hearing Officer's treatment of actual use which, it was said, led the Hearing Officer to compare the wrong marks. Mr. Edenborough's argument was that the use described by the Hearing Officer on the Applicant's shoes would not have constituted genuine use of the mark in suit if registered. Therefore the Hearing Officer was making the comparison with a different mark.
31. Mr. Edenborough argued his points eloquently. However, I am satisfied that: (a) the example of use on the Applicant's training shoe(s) was use of the mark in suit; and

(b) the Hearing Officer did not make his comparison under section 5(2)(b) with a different mark, i.e., a simple star, but with the mark as represented in the Application. The fact that Mr. Edenborough was able to construct such an argument might indicate a weakness of expression, particularly at the end of paragraph 49 of the decision but in my judgment there was no error of principle.

32. Overall, the Hearing Officer found that there were similarities and differences between the respective marks. His conclusions on likelihood of confusion were as follows:

“50) I now consider the issue of “Likelihood of confusion”. It is clear from the case law that there is interdependency between the various factors that need to be taken into account when deciding whether there exists a likelihood of confusion. I must also take into account that marks are rarely recalled perfectly with the consumer relying, instead, on the imperfect picture of them he has kept in his mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27). Taking the opponent’s 1486517, 1309095 and 1491118 marks first, the goods in both Classes 18 and 25 are considered by the applicant to be identical or very similar. There are visual and conceptual similarities between the marks and also some differences. Taking account of all of the above I believe that there is a likelihood of consumers being confused into believing that the goods provided by the applicant are those of the opponent or provided by some undertaking linked to them. I now move onto the opponent’s mark 1046939. The goods covered by this mark are identical or similar to those in Class 25 of the mark in suit. This mark has considerable visual and conceptual similarities with the mark in suit as well as certain differences. Taking account of all of the above I believe that there is a likelihood of consumers being confused into believing that the goods provided by the applicant are those of opponent or provided by some undertaking linked to them.”

33. Mr. Edenborough sought to convince me that the degree of similarity found by the Hearing Officer to exist between the mark in suit and 1046939 increased in between paragraphs 47 and 50 of the decision. I do not think that there is anything in this.
34. I have not been shown that the Hearing Officer erred in arriving at his multi-factorial decision under section 5(2)(b) of the Act. This part of the appeal also fails.

Conclusion

35. In the event the appeal was unsuccessful⁵. The Hearing Officer ordered the Applicant to pay the Opponent the sum of £1,800 towards the costs of the opposition. I will order that the Applicant pay to the Opponent a further sum of £700 towards the costs of this appeal, both sums to be paid within seven days of this decision.

Professor Ruth Annand, 20 August 2010

⁵ Accordingly it became unnecessary to determine the Opponent’s application to serve a respondent’s notice out of time.