

O-337-08

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2412909
BY ION ASSOCIATES LIMITED TO REGISTER THE
TRADE MARK MUDDIES IN CLASS 25**

AND

**IN THE MATTER OF OPPOSITION NO 95297 BY
PHILIP STANTON & JEFFREY STANTON**

TRADE MARKS ACT 1994

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MUDDIES in Class 25**

And

**IN THE MATTER OF Opposition No 95297 by
Philip Stainton and Jeffrey Stainton**

BACKGROUND

1. On 3 February 2006 Ion Associates Limited applied to register the mark MUDDIES in Class 25 of the International Classification System for a specification that reads:

“Children's waterproof and non waterproof equine, horticultural, agricultural and general outdoor leisure boots.”

2. The application proceeded to publication on the basis of ‘honest concurrent use with registration No E4614913’.

3. On 25 June 2007 Philip Stainton and Jeffrey Stainton filed notice of opposition to this application. There are two grounds of opposition. The first is under Section 5(2)(b) of the Act and is based on the above mentioned Community Trade Mark No 4614913, TAYBERRY MUDDIES COLLECTION, covering clothing, footwear and headgear. The opponents deny that there has been honest concurrent use with their own mark and claim that the applicant’s use is “a mere style name much the same as a model number in a range of shoes”.

4. The second ground is under Section 5(4)(a) based on the sign MUDDIES. The opponents describe their use as follows:

“Mr Philip Stainton and Mr Jeffrey Stainton (the Opponents) are the directors and owners of G H Tayberry & Co Limited a company which has a high profile and reputation in the outdoor leisure-wear trade. The Opponents’ company has used the MUDDIES trade mark on all marketing and promoting of a particular range of wellington boots and shoes, which bear the MUDDIES trade mark, since September 2005. The MUDDIES trade mark has been clearly depicted on the side of each MUDDIES boot and shoe since this time.

The Opponents will produce evidence of their company’s goodwill and reputation in the MUDDIES trade mark in relation to footwear. While the use by the Applicant of the name MUDDIES as a style name would not necessarily constitute passing off, if the Applicant were to use the name MUDDIES as a trade mark, as it clearly intends to, having now applied to register the MUDDIES mark, such trade mark use would clearly amount to passing off. The use of the opposed mark is thus liable to be prevented in the

United Kingdom by virtue of the law of passing off protecting the Opponent's MUDDIES trade mark in relation to footwear."

5. In response to the question on the Form TM7 inviting the opponents to say when the earlier right was first used they indicated:

"At the GLEE Trade Fair on 18, 19 and 20 September 2005, which took place at the NEC in Birmingham. The MUDDIES collection of footwear was introduced and promoted to outdoor leisure-wear traders."

6. These objections relate to the whole of the applied for specification.

7. The applicant filed a counterstatement denying the above grounds and claiming to have used its mark from a time (2002) that is prior to the use and filing date of the TAYBERRY MUDDIES COLLECTION mark. It put the opponents to proof as to their earlier rights.

8. Both parties have filed evidence as follows:

Opponents' evidence in chief:

Witness statement by Philip Stainton with exhibits PS1-PS33

Witness statement by Emma Catlin (no exhibits)

Applicant's evidence in support:

Witness statement by David Foster with exhibits DF1-DF4

Witness statement by Stephen Joseph with exhibits SJ1-SJ4

Witness statement by David Stuart-Monteith (no exhibits)

Opponents' evidence in reply:

Witness statement by Philip Stainton with exhibits PS1-PS3

9. Mr Stainton is one of the joint opponents and co-owner and Director of G H Tayberry & Co Ltd. Ms Catlin is a buyer in that firm.

10. Mr Foster is a Director of Ion Associates Ltd. He filed evidence at the examination stage to establish honest concurrent use. That evidence has also been adopted into these proceedings. Mr Joseph is the Managing Director of Protectoplast Ltd, a firm that purchases goods from Ion Associates Ltd. Mr Stuart-Monteith is a Director of Belstane Marketing Limited, another distributor of the applicant's goods.

11. The matter came to be heard on 3 December 2008 when the applicant was represented by Mr J Groom of G W W Groom, Wilkes & Wright LLP and the opponents by Ms A Michaels of Counsel instructed by Loven.

The opponents' trade

12. The opponents trace the history of their interest in the mark MUDDIES to late 2002/early 2003 following a research visit to The Canton Fair in China in October 2002. Mr Stainton gives a very full and detailed account of the preparations that

were made for the launch of a new range of boot based on information obtained at the Fair. For reasons that will emerge it is not necessary to record all the information supplied by Mr Stainton. The following chronology will give a sufficient indication of how matters progressed.

- February 2003 - MUDDIES emerges as the preferred brand for the new boot range.
- August 2005 - re-commencement of the project after a period where financial restrictions delayed progress.
- 7 September 2005 - G H Tayberry & Co Ltd registers the domain name muddies.co.uk.
- 26 September 2005 - TAYBERRY MUDDIES COLLECTION applied for as a Community Trade Mark.
- September 2005 - some of the proposed MUDDIES boot and shoe range exhibited at the GLEE Trade Fair.
- 26 & 28 October 2005 - instructions to the printer for the MUDDIES logo on neoprene boots and shoes and swing tickets.
- October 2005 - orders placed with the factory in China.
- November 2005 - further correspondence with Chinese supplier on branding issues.
- 14/15 November 2005 - Jeffrey Stainton visits the factory in China to view samples and deal with any outstanding matters.
- December 2005 - concertina-style leaflets produced with a print run of 10,000
- 20 December 2005 - (not 2007 as indicated in the covering witness statement) invoice from the Chinese supplier for a delivery of MUDDIES neoprene boots.
- January 2006 - price list available and opponents ready to take orders for MUDDIES footwear.
- 6 January 2006 - direct marketing and a mail shot to customers with new price list to be effective from 15 February 2006 (said to be the 'first official use').
- 18 January 2006 - opponents receive a letter from Ion Associates regarding their claimed rights in MUDDIES.

- 8 February 2006 - opponents' company files an application in the UK for MUDDIES.
- February 2006 - orders from retailers for MUDDIES footwear (the earliest appears to be 8 February 2006).
- September 2006 - opponents have a display of the MUDDIES footwear collection at the GLEE Trade Fair in Birmingham.

The applicant's trade

13. Ion Associates was set up in April 2000 to act principally as an importer of shoes and boots that had been developed in the USA by The Original Muck Boot Company. Ion Associates distributes goods in the UK through Belstane Marketing Ltd and Protectoplast Ltd both of whom are supplied with a range of footwear under the house brand The Original Muck Boot and individual brands such as MUDDIES. This latter brand was introduced to the UK in July 2002 in respect of a range of children's boots.

14. Belstane and Protectoplast distribute mainly via equine, farm and garden stores. The goods are also available from the following internet retailers:

- (i) wildchicken.com
- (ii) equusdirect.com
- (iii) riders-equestrian.co.uk
- (iv) equusukgroup.co.uk
- (v) redpostequestrian.co.uk
- (vi) saddlery.biz
- (vii) chobhamrider.com

15. The value of sales of MUDDIES goods supplied to Belstane and Protectoplast is as follows (summarised from a more detailed tabulation of the figures):

	Pairs	Wholesale Value
June 2001 to June 2002	688	£11,008
July 2002 to June 2003	696	£11,136
July 2003 to June 2004	896	£14,336
July 2004 to June 2005	1752	£28,032
July 2005 to present	2104	£33,664

16. It is noted that the figures for the last three periods include references to Norway, Sweden and Finland. Whether these are export sales is not indicated but the covering witness statement confirms that the sales were to Belstane and Protectoplast (in fact most of the items refer to 'Belst'). The goods are sold on to independent shoe outlets. A Belstane Muckboots price list for 2005 (showing, inter alia, MUDDIE and MUDDIE COLOURED) is exhibited along with invoices to a number of retail outlets. Promotional activity has mainly been through internet references and point of sale material provided by the two wholesalers/distributors

along with references in magazines such as Country and Equestrian Trade, Equestrian Trade News and The Horse & Pony Magazine (examples are exhibited).

DECISION

Section 5(2)

17. The relevant part of the statute reads as follows:

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

(a)

(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.”

18. On 27 April 2006, the European Court of Justice (ECJ) handed down a reasoned Order disposing of the appeal in *Case C-235/05P L’Oreal SA v. OHIM*. The relevant legal principles, drawn principally from the Court’s earlier judgments in *Sabel* [1998] RPC 199, *Lloyd Schuhfabrik Meyer* [2000] FSR 77 and *Canon* [1999] RPC 117 are set out in that Order, the relevant part of which is re-produced below:

“34 It is settled case-law that likelihood of confusion on the part of the public must be assessed globally, taking into account all factors relevant to the circumstances of the case (see, to that effect, *Case C-251/95 SABEL* [1997] ECR I-6191, paragraph 22; *Case C-342/97 Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 18; and order of 28 April 2004 in *Case C-3/03 P Matratzen Concord v OHIM* [2004] ECR I-3657, paragraph 28).

35 That global assessment implies some interdependence between the relevant factors, and in particular a similarity between the trade marks and between the goods or services covered. Thus, a lesser degree of similarity between those goods or services may be offset by a greater degree of similarity between the marks, and vice versa. Accordingly, it is necessary to give an interpretation of the concept of similarity in relation to the likelihood of confusion, the assessment of which depends, in particular, on the recognition of the trade mark on the market and the degree of similarity between the mark and the sign and between the goods or services covered (see *Canon*, paragraph 17, and *Lloyd Schuhfabrik Meyer*, paragraph 19).

36 In that regard, as the more distinctive the earlier mark, the greater the risk of confusion (*SABEL*, paragraph 24), marks with a highly distinctive character, either *per se* or because of the reputation they

possess on the market, enjoy broader protection than marks with a less distinctive character (see *Canon*, paragraph 18, and *Lloyd Schuhfabrik Meyer*, paragraph 20).

.....
40 In the first place, it is settled case-law that in order to assess the degree of similarity between the marks concerned, it is necessary to determine the degree of visual, aural or conceptual similarity between them and, where appropriate, to determine the importance to be attached to those different elements, taking account of the category of goods or services in question and the circumstances in which they are marketed (see *Lloyd Schuhfabrik Meyer*, paragraph 27).

41 In addition, the global assessment of the likelihood of confusion must, as regards the visual, aural or conceptual similarity of the marks in question, be based on the overall impression created by them, bearing in mind, in particular, their distinctive and dominant components. The perception of the marks in the mind of the average consumer of the goods or services in question plays a decisive role in the global assessment of the likelihood of confusion (see *SABEL*, paragraph 23, *Lloyd Schuhfabrik Meyer*, paragraph 25, and the order in Case C-3/03 P *Matratzen Concord v OHIM*, paragraph 29).”

19. The opponents rely on a single mark, TAYBERRY MUDDIES COLLECTION. It is an earlier trade mark within the meaning of Section 6(1)(a) of the Act having a filing date of 26 September 2005. It has progressed to registration during the pendency of these proceedings. The opponents were not required to make a statement of use in relation to this registration.

Comparison of goods

20. The earlier trade mark’s specification covers clothing and footwear. The applicant’s goods (children’s boots) are simply a particular subset of goods within the term footwear and as such are identical.

The average consumer

21. Both parties are targeting the waterproof footwear market. The opponents’ mark may be used on a somewhat broader range of boots and shoes and is not limited to the children’s footwear market. The relevant public in each case would be substantially the same. It is true that the applicant has focussed its attention on children’s boots but a parent or other adult will usually be involved in the purchasing process.

22. It would seem that the wholesale price of boots is typically in the £15 to £25 range (see Exhibits DF5 and 6 (within DF1) of the applicant’s evidence and Exhibit DS 28 and 29 of the opponents’ evidence). They are thus neither particularly cheap nor the sort of very expensive purchase that is likely to require considerable care. Nevertheless, issues of style, size, durability and general fitness for purpose need to be considered so I would not expect purchases to be made without some degree of care. The purchase of boots is also an occasional rather than a regular occurrence

with consequential impact on the precision (or imprecision) of recollection on the part of the consumer.

Comparison of marks

23. In reaching an overall view on the marks themselves and the likelihood of confusion I was referred to the ECJ's judgment in *Medion AG v Thomson multimedia Sales Germany & Austria GmbH*, Case C-120/04. In that case the referring court had requested the ECJ to rule on the following question:

“.....whether Article 5(1)(b) of the directive is to be interpreted as meaning that where the goods or services are identical there may be a likelihood of confusion on the part of the public where the contested sign is composed by juxtaposing the company name of another and a registered mark which has normal distinctiveness and which, although it does not determine by itself the overall impression conveyed by the composite sign, has an independent distinctive role therein.”

24. The question was asked in the context of proceedings in the German Courts regarding use by Thomson in the composite sign 'THOMSON LIFE' of the registered mark LIFE which belongs to Medion. The Court answered the question in the following terms:

- “28 The global appreciation of the likelihood of confusion, in relation to the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The perception of the marks by the average consumer of the goods or services in question plays a decisive role in the global appreciation of that likelihood of confusion. In this regard, the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (see, in particular, *SABEL*, paragraph 23, *Lloyd Schuhfabrik Meyer*, paragraph 25, and *Matratzen Concord*, paragraph 29).
- 29 In the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see *Matratzen Concord*, paragraph 32).
- 30 However, beyond the usual case where the average consumer perceives a mark as a whole, and notwithstanding that the overall impression may be dominated by one or more components of a composite mark, it is quite possible that in a particular case an earlier mark used by a third party in a composite sign including the name of the company of the third party still has an independent distinctive role in the composite sign, without necessarily constituting the dominant element.

- 31 In such a case the overall impression produced by the composite sign may lead the public to believe that the goods or services at issue derive, at the very least, from companies which are linked economically, in which case the likelihood of confusion must be held to be established.
- 32 The finding that there is a likelihood of confusion should not be subject to the condition that the overall impression produced by the composite sign be dominated by the part of it which is represented by the earlier mark.
- 33 If such a condition were imposed, the owner of the earlier mark would be deprived of the exclusive right conferred by Article 5(1) of the directive even where the mark retained an independent distinctive role in the composite sign but that role was not dominant.
- 34 This would be the case where, for example, the owner of a widely-known mark makes use of a composite sign juxtaposing this mark and an earlier mark which is not itself widely known. It would also be the case if the composite sign was made up of the earlier mark and a widely-known commercial name. In fact, the overall impression would be, most often, dominated by the widely-known mark or commercial name included in the composite sign.
- 35 Thus, contrary to the intention of the Community legislator expressed in the 10th recital in the preamble to the directive, the guarantee of the earlier mark as an indication of origin would not be assured, even though it still had an independent distinctive role in the composite sign.
- 36 It must therefore be accepted that, in order to establish the likelihood of confusion, it suffices that, because the earlier mark still has an independent distinctive role, the origin of the goods or services covered by the composite sign is attributed by the public also to the owner of that mark.
- 37 Accordingly, the reply to the question posed must be that Article 5(1)(b) of the directive is to be interpreted as meaning that where the goods or services are identical there may be a likelihood of confusion on the part of the public where the contested sign is composed by juxtaposing the company name of another party and a registered mark which has normal distinctiveness and which, without alone determining the overall impression conveyed by the composite sign, still has an independent distinctive role therein.”

25. The circumstances in the case before me are in one sense the reverse of those pertaining in the above case in as much as it is the later mark that consists of an element from the earlier composite mark. Nevertheless, the principle seems to me to be the same.

26. As the *Medion* case makes clear, the overall impression given by marks must have regard to their distinctive and dominant components. The applied for mark reproduces the second word of TAYBERRY MUDDIES COLLECTION. Self evidently

the latter consists of three words as opposed to one. In fact, like the 'Thomson Life' mark that featured in *Medion*, the opponents' mark is the result of bringing together a second element/second tier mark (MUDDIES) with the company name (TAYBERRY). The customer-facing material at, for instance, PS9 and 10 suggests that the company name is in evidence in promotional material. However, as Ms Michaels' submission acknowledged, some consumers would not know the name of the company that was behind the mark or that TAYBERRY was a company name. But, even assuming for present purposes that TAYBERRY was not recognised as the company name or housemark, there is no obvious synergy or connection between the first two words of the opponents' mark. They do not, for instance, create a new idea. Rather, they seem to me to have independent distinctive character within the composite mark. Furthermore, even if MUDDIES is not the dominant element it is certainly not negligible within the context of the guidance in *Shaker di L Laudato & C. Sas v OHIM*, Case C-334/05P at paragraphs 42 and 43.

27. The third element of the mark is the word COLLECTION. First impressions suggest that consumers would be unlikely to regard this element as contributing to the distinctive character of the mark. However, some care is needed where ostensibly descriptive or weakly distinctive words appear in marks. The words 'Business Information' in the sign 'Reed Business Information' were considered to be "too general to be wholly and specifically descriptive" in *Reed Executive PLC v Reed Business Information Ltd*, [2004] R.P.C. 40. Likewise, 'Compass Logistics' was held not to be identical to 'Compass' in *Compass Publishing BV v Compass Logistics Ltd*, it being held that there "is nothing in *LTJ*¹ or *Reed* to suggest that noticeable differences should be ignored because they have only limited trade mark significance". But both of those cases were concerned with whether there was Section 10(1) infringement (or Article 9.1(a) of the Community Trade Mark Regulation).

28. In the *Shaker* case (*supra*), it was held that it is only if all the other components of a composite mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element. It is possible, therefore, for an element within a mark to be negligible from the consumer's perspective. That might come about either because an element is so visually unobtrusive that it simply does not attract attention in the normal circumstances of trade or it might be so utterly descriptive (the name of the goods for instance) that the consumer would not regard it as contributing to the distinctive character of the mark.

29. The earlier trade mark here gives equal prominence to the three component elements. Nevertheless, the word COLLECTION is a commonly used one in the clothing trade to indicate a range of items brought together under a particular brand or by a particular designer or supplier. If the average consumer does accord it any distinctive significance at all it can only, in my view, be at an extremely low level. It follows that I regard the distinctiveness of the earlier trade mark as being heavily weighted towards TAYBERRY MUDDIES. But, as indicated above, I regard those two elements as having independent distinctive character.

¹ Case C-291/00 SA Société LTJ Diffusion SA v Sadas Vertbaudet SA [2003] E.T.M.R. 83, [2003] F.S.R. 34

30. Considerations of visual and aural similarity flow naturally from the above analysis. The respective marks have the element MUDDIES in common but differ in the number of words and hence the length of the respective marks. To the extent that MUDDIES may obliquely allude to the circumstances or effect of use of the goods the marks also share a conceptual point of similarity. Overall, the marks have a certain degree of similarity on account of the common element.

Likelihood of confusion

31. Likelihood of confusion is a matter of global appreciation in which the principle of interdependency plays a key part. In particular, a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods (the goods in this case being identical). There is also a greater likelihood of confusion where the earlier trade mark has a highly distinctive character. TAYBERRY MUDDIES COLLECTION seems to me to be an entirely distinctive mark with MUDDIES making a meaningful contribution to the totality notwithstanding the allusiveness inherent in the word.

32. No claim was made at the hearing to any further enhancement of the intrinsic qualities of the earlier trade mark based on acquired distinctiveness. I examine the use position below in considering the passing off ground. Suffice to say at this point that any such claim would in my view be bound to fail having regard to the use described below and the guidance in *Steelco Trade Mark*, O-268-04 (at paragraph 17).

33. In summary the goods are identical and of a kind where the consumer can be expected to pay a reasonable (but not the highest) degree of attention when making a purchase. The marks share a point of similarity but also differ principally because of the presence of the word TAYBERRY. In my view the presence of that element is not sufficient to avoid a likelihood of confusion. This would arise because the average consumer encountering MUDDIES would consider that the goods so branded were from the same trade source as TAYBERRY MUDDIES COLLECTION and represented use of that mark without the additional identifier (no matter whether TAYBERRY was seen as a company name or housemark). Furthermore, the non-distinctive word COLLECTION would not assist in rebalancing the matter in the applicant's favour.

34. That outcome should not come as a particular surprise to the applicant. Firstly, I understand that the applicant sought (unsuccessfully) to oppose the CTM relied on by the opponent. It filed evidence of honest concurrent use at the examination stage in the face of the opponents' (then) pending CTM application. It also wrote to Mr Philip Stainton on 18 January 2006 claiming that the proposed launch of TAYBERRY MUDDIES COLLECTION would infringe its intellectual property rights based on the word MUDDIES (see exhibit DF3). Clearly, therefore, the applicant recognised the scope for conflict.

35. Nevertheless, it was put to me in Mr Groom's skeleton argument and in submissions at the hearing that the applicant's use in the locality albeit at a low level justified continued use of the mark. In particular I was referred to Article 6.2 of First Council Directive 89/104 which reads:

“2. The trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade, an earlier right which only applies in particular locality if that right is recognized by the laws of the Member State in question and within the limits of the territory in which it is recode.”

36. The argument was developed as follows:

“We claim that the right which recognises the use in a particular locality would also by any equitable approach also justify trade mark registration in the locality. An equitable decision requires the respective rights of the parties to be considered and this case is one where the Opponent has a Community Trade Mark right which the Applicant could not defeat on the basis of its right in a mere locality. The quantity of use in the interpretation of passing off was not deemed sufficient for the purposes of defeating a Community Trade Mark, but we submit that this is use of a mark within the locality as recognised by Article 6.2 and within the locality it justifies registration.”

37. Article 6.2 deals with the limitation of the effects of a trade mark in the context of the approximation of the laws of Member States relating to trade marks. In the context of a Community trade mark, Article 8.4 of Council Regulation 40/94 deals with opposition to registration by the proprietor of a non-registered trade mark or other sign which is of “more than mere local significance”. Ion failed in its opposition to the opponents’ Community trade mark based on this provision. Council Regulation 40/94 also deals with the protection afforded to local rights in the face of a Community trade mark. In particular Article 107.3 reads:

“3. The proprietor of the Community trade mark shall not be entitled to oppose use of the right referred to in paragraph 1 [a right applying only to a particular locality] even though that right may no longer be invoked against the Community trade mark.”

38. These provisions appear to be concerned with the protection to be afforded to continued use of local rights. But I see nothing that points to any consequential or corresponding entitlement for that right to be registered in the locality in which it is said to exist in the face of a Community trade mark registration. I am aware of two case in the UK Courts where the scope of the provision has been considered (*Compass Publishing BV v Compass Logistics Ltd*, [2004] R.P.C. 41 at paragraph 52 et seq and, more recently, *Hotel Cipriani and Others v Cipriani (Grosvenor Street) Ltd and Others*, [2008] EWHC 3032 (Ch) at paragraph 183 et seq. I can see nothing in either of these cases that supports the position contended for by the applicant.

39. The applicant’s counterstatement also referred to Section 7(2) of the Act and thereby sought to bring into play ‘honest concurrent use’. For honest concurrent use to be of assistance to an applicant it must be possible for the tribunal to be satisfied that the effect of concurrent trading has been to suggest that the relevant public has shown itself able to distinguish between goods bearing the marks in question i.e. without confusing them as to trade origin. That implies that both parties are targeting an approximately similar, or at least overlapping, audience and that the use by the parties in nature, extent and duration of trade has been sufficient to satisfy the

tribunal that any apparent capacity for confusion has been adequately tested and found not to exist (see *Codas Trade Mark* [2001] R.P.C.14 at paragraphs 20 to 25). However, in this case, as there had in reality been no or minimal exposure of the competing marks to consumers by the relevant date any such claim cannot assist the applicant.

40. The opposition thus succeeds under section 5(2)(b).

Section 5(4)(a)

41. The relevant part of the statute, Section 5(4)(a), reads as follows:

“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)

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

42. Mr Groom noted that it is the opponents’ company, G H Tayberry & Co Ltd, that is said to be the owner of goodwill arising from a business conducted under the sign MUDDIES whereas the opposition has been filed in the name of Philip and Jeffrey Stainton. His skeleton argument went on to say that “[a]lthough Section 38(2) of the TMA recognises any person may oppose an application, the Opponent should, in relative grounds, be party to the proceedings. There is an appropriate procedure for joint opponents”.

43. This opposition was filed on 25 June 2007. There was no requirement at the time that a party needed to be the proprietor of the earlier right relied on in order to launch opposition proceedings. Such a provision was subsequently introduced by means of The Trade Marks (Relative Grounds) Order 2007 (see Article 2). Article 6 (Transitional provisions) further provides that Article 2 shall not apply to an application for registration of a trade mark which was published before the coming into force of the Order. This application was published on 23 March 2007 prior to the commencement date of the Order on 1 October 2007. The position prior to the Relative Grounds Order was considered in *Wild Child Trade Mark* [1998] R.P.C. 455 with Geoffrey Hobbs QC, sitting as the Appointed Person, noting that that “there appears to be no requirement under the Act for the person claiming protection for an “*earlier right*” to be the proprietor of the right for which protection is being claimed”.

44. Furthermore, any more general concern that the applicant has on this point seems to me to be unfounded. Messrs Philip and Jeffrey Stainton are the directors and owners of G H Tayberry & Co Ltd. The company is in effect their corporate vehicle and it is not unexpected or surprising that it would enjoy the benefit of any goodwill that arises.

45. Turning to the substance of the claim, the requirements for a passing off action can be summarised as being:

(1) that the opponents' goods have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the applicant (whether or not intentional) leading or likely to lead the public to believe that goods offered by the applicant are goods of the opponents;

and

(3) that the opponents have suffered or are likely to suffer damage as a result of the erroneous belief engendered by the applicant's misrepresentation.

46. The opponents' claim is based on an earlier right in a business conducted under the sign MUDDIES since September 2005. As will be apparent from the chronology of events set out earlier in this decision the opponents' interest in the sign can be traced back to February 2003. It is not disputed that activity between these dates constituted preparations for trade in the form of discussions on the brand to be used, establishing the source of supply in China and the other steps that necessarily have to be undertaken as a prelude to the launching of a commercial venture.

47. The significance of the September 2005 date is that the opponents had a stand at the GLEE Trade Fair on the 18th to the 20th of that month at the NEC Birmingham. It is said that some of the MUDDIES foot and shoe range was shown at that event supported by what Mr Stainton describes as a 'pop-up'. It seems from the evidence that the opponents' company did not have any products available for sale at this point in time. Reference is made to continuing activity on preparation of swing tickets and brochures in October 2005 and to orders being placed with the factory in China in the same month. The exhibited sample order (No 3883) is dated 27 October 2005 and the sales confirmation from the Chinese company is dated 6 December 2005 with shipment to be made 'before Jan. 25, 2006'.

48. The impact of the presence at the GLEE Trade Fair cannot be gauged from the evidence. I infer that other G. H. Tayberry products were exhibited but what prominence was given to the MUDDIES brand is not stated. Nor is there any information on enquiries received let alone any advance orders being placed.

49. Consistent with the preparations that were in hand in the period October to December 2005 the company was in a position to start actively promoting the range in the early part of 2006. On 6 January 2006 a mail shot was sent to customers indicating, inter alia, that forward orders were being taken with an anticipated commencement of shipment in the week of 13 February 2006. The earliest orders were subsequently received on 8 February 2006. By that time the applicant had lodged the current trade mark application on 3 February 2006.

50. The position is, therefore, that no actual trade under the sign with UK customers has been documented at a date that precedes the filing date of the application. Nevertheless, the opponents had taken steps to prepare for such trade and to promote the sign to customers through the medium of the GLEE Trade Fair and the January mail shot.

51. The authorities on trade preceded by advertising are considered at 3-60 et seq of *The Law of Passing-Off* by Christopher Wadlow (Third Edition). The principal ones are *Allan v Brown Watson*, [1965] R.P.C. 191, *BBC v Talbot*, [1981] F.S.R. 228 and *My Kinda Bones v Dr Pepper*, [1984] F.S.R. 289. In the *BBC v Talbot* case for instance the Vice-Chancellor held that it had been:

“... clearly established by many affidavits and letters, many articles and references in newspapers and periodicals, a television programme broadcast in the “Top Gear” programme in March 1980 which is estimated to have been seen by some 3 million people, and the distribution of over 100,000 copies of “Radiomobile News” and a broadsheet at the Motor Show in October 1980; and the results of some market research in the Birmingham area on behalf of Talbot themselves show that even if the sample was a true sample, which Mr Morritt did not accept, some 1.2 million of the population of this country knew of the BBC’s CARFAX system.”

52. There was, therefore, considerable market awareness of the sign. On the basis of the pre-trade promotion and publicity summarised in this passage it was accepted that an actionable goodwill had been established. Even so there is a suggestion at 3-61 of Wadlows that this case may have misunderstood the earlier authority in relying on pre-launch activity alone. It was, however, accepted in *My Kinda Bones* that, on the basis of the earlier cases cited above, there was at least an arguable case that a passing off action may be made on the back of ‘definite and substantial preparations’ for trade coupled with evidence that, as a result, a ‘substantial number’ of persons know of and desire to acquire the goods when available.

53. Ms Michaels also referred me to two later cases that are not mentioned in the discussion in Wadlow’s at 3-60 and 3-61 but do feature amongst the examples referred to at 3-63. These cases are *Marcus Publishing Plc v Hutton-Wild Communications Ltd* [1990] R.P.C.576 and *Labyrinth Media Limited v Brave World Limited* [1995] E.M.L.R 38. Both were interlocutory injunction cases and do not seem to have established the principle beyond doubt. Moreover, Dillon LJ indicates (on page 584 of the first of these judgments) that “If the courts were to introduce some such qualification to established law, that would be a matter for the trial of the action rather than for decision on an interlocutory application”.

54. In these circumstances I consider it necessary to approach the claim to goodwill based on pre-trading activity with caution. It is in any case not necessary for me to try to resolve any apparent tension between the above cases. The reason for that is, taking the opponents’ evidence in the round, it is some way short of establishing that a substantial number of persons had become acquainted with the sign MUDDIES.

55. As noted earlier there is insufficient supporting detail about the opponents' participation in the GLEE Trade Fair in 2005 to be able to gauge what impact was made.

56. A 10,000 print-run leaflet was produced in December 2005 but there is no indication as to when or where the leaflets were used. The 6 January 2006 mail shot is described by Mr Stainton as the 'first official use' of MUDDIES (paragraph 24 of his witness statement) though it should be noted that, strictly, the letter referred throughout to Tayberry Muddies Collection or Tayberry Muddies (and not MUDDIES solus).

57. No information has been given as to the number of letters sent out or to whom they were sent (save for the general reference in paragraph 13 of Mr Stainton's reply evidence to it being sent to 'many contacts in the footwear and outdoor and leisure wear trade'). I infer that the letter went to distributors and/or stockists. I draw this inference from the fact that the orders placed on 8 February 2006 all came from garden centres or other businesses. It follows that there is no identifiable level of end consumer awareness at the relevant date (in fact I cannot see that there would have been any) and an uncertain degree of market penetration amongst actual or potential stockists of the new products.

58. Taking into account also the fact that the January mail shot took place less than a month before the relevant date it seems to me to be an inescapable conclusion that a claim based on goodwill arising from pre-trading advertising/publicity must fail. It also follows that the opponents could not have had a claim at the date of the act first complained (which if not the filing date of 3 February 2006 would be either the applicant's claimed launch date of July 2002 or the date of the first exhibited invoice namely 11 June 2003).

59. A further consequence is that I do not need to give further consideration to the applicant's use or determine whether the applicant's use is, as the opponents suggest, simply as the name of a style of boot. I should also record that correspondence was received after the hearing seeking to clarify an aspect of the applicant's sales figures. This was in response to a point raised by Ms Michaels at the hearing. The letter from Groom Wilkes & Wright drew a response from Loven on behalf of the opponent. In the light of the above I do not propose to give consideration to the content of these letters.

COSTS

60. The opposition has succeeded under Section 5(2)(b). The opponents are entitled to a contribution to their costs. I order the applicant to pay the opponents the sum of **£2200**. 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 the case if any appeal against this decision is unsuccessful.

Dated this 23rd day of December 2008

**M Reynolds
For the Registrar
The Comptroller-General**