

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK Application

Nº: 2050662 to register trade

5 **marks in the name of Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer**

AND IN THE MATTER OF Opposition

Nº: 46380 by South Cone Incorporated.

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Decision

15 The applicants, Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (A Partnership) t/a Reef of 8 Station Parade, Barking, Essex, IG11 8DN, applied on 10th January 1996 to register the mark REEF for:

Class 25: 'T-shirts, sweat shirts, jackets, hats and headbands; all being promotional or souvenir articles relating to a music group', and

20 Class 26: 'Badges, buckles and ornaments all for wear; tie clips; buttons.'

25 The application is opposed by South Cone Incorporated. The grounds are based on ss 5(1), (2), and (4) of the Act, and on s 32(3). The opponents are the proprietors of mark N^o-1340547, REEF BRAZIL which is registered for 'Footwear included in Class 25'. They claim common law rights in the UK for REEF solus, for footwear, t-shirts, caps, stickers, key-chains, tattoos and other goods.

30 The applicants deny the grounds and both parties ask for their costs. A Hearing took place on 25th September 2000, with Mr Wyand QC, instructed by WH Beck Greener, appearing for the applicants, and Mr Morcom QC, instructed by Wildbore and Gibbons, appearing for the opponents.

The Evidence

35 The opponents enclose a number of declarations; the two substantive declarations are by Peter Caldwell (dated 12th November 1997; Mr Caldwell is the Managing Director of the Watersports Company Limited, the sole importer of the opponents' goods) and by Chris W. Thompson, the opponents' Chief Financial Officer. Other declarations are by Jeremy Peskett, Sarah Ellen Elliot, Ian Mark Gregorelli, Ian Peter Madden and Howard Ogden. I think it is
40 fair to describe these as evidence from the (opponents') trade. There is also a further declaration by Mr Caldwell (dated 5th January 1999), which replies to the applicants' single declaration by Christopher Paul Gilks, the applicants' manager.

45 I do not intend a detailed, declaration by declaration summary of this evidence. Rather I think I must establish the nature and extent of the parties' use of the mark before the relevant date of 10th January 1996. If I consider the opponents first, I note the following:

! Mr Caldwell states: 'The products sold by South Cone Inc. under the mark are principally supplied to surfers, and the main product line consists of surfing footwear.'

5 ! The opponents' products have been imported since 1989. Retail sales of '..primarily sandals..' (Mr Caldwell), but including '..socks, bags, back packs and key rings' are:

10	YEAR	£ STERLING	NUMBER OF UNITS SOLD
	1991	264,682	13,234
	1992	340,978	15,499
	1993	586,528	24,439
15	1994	1,018,208	42,425
	1995	2,192,410	78,300
	1996	3,687,426	115,232

20 ! A price list, dated Summer 1992, mostly contains prices for footwear, but also refers to these other products.

! I note that the opponents' mark appears on a number of other products, e.g. surf boards, snow-boarding wear, skate boards and T-shirts - an example of the latter, with a base-ball style cap, is included in evidence (and undated).

! The vast majority of the evidence from Mr Thompson is irrelevant, as it refers to jurisdictions other than the UK. One invoice for sales in the UK - of sandals, dated 27 February 1989 for \$48549.12 - is included (Exhibit D), and UK sales figures are provided. Extensive promotion activity is referred to, in the UK and elsewhere. Again this is concentrated on footwear, particularly sandals, though examples of 'bags' sold under the mark are given in Exhibit K. This material is undated.

35 At the hearing, Mr Wyand pointed out very significant inconsistencies between Mr Caldwell's and Mr Thompson's evidence on sales. For example, for 1991 Mr Thompson gives a figure of 55,581 units, Mr Caldwell 13,234. Mr Morcom suggested that 'sole' (in terms of the Watersports franchise of the opponents' goods) might not mean 'exclusive', and added, whatever the explanation, in any view, the sales cited by Mr Caldwell were significant.

40 Turning, now to the 'trade' evidence, I think I must treat this with some slight caution. As was pointed out at the hearing, there is no information on how these declarants were chosen, on the size of the industry they represent and the questions that solicited their declarations.

45 The first declaration, by Jeremy Peskett, a director of a publishing company with three magazines directed at surfers and snow-boarders that have a combined circulation of 32,000, states: '[t]hroughout my time in the publishing business, I cannot remember anyone ever referring to the Reef Brand range produced by Southcone Inc. as anything other than "Reefs".

I cannot remember anyone ever calling them “Reef Brazil”’. Mr Peskett confirms that the opponents are particularly associated ‘..with shoes and sandals..’. He also says that ‘..in the last four or five years..’ they have ‘..broadened out into more formal shoes, tee-shirts, hats and other clothing.’ Mr Peskett’s declaration is dated 18 December 1998, and this might suggest
5 use of the opponents’ mark on products other than shoes occurred by December 1993 at best. However, the reference to ‘four or five years’ is rather nebulous and the word ‘broadened’ implies an on going process which may have been insignificant before the relevant date of 10th January 1996; there is nothing here that allows me to quantitatively evaluate this one way or another. References to adverts in ‘lifestyle’ magazines are undated and thus irrelevant. Mr
10 Peskett believes that ‘[t]he brand name is particularly well known amongst surfers..’.

A more precise date on the opponents’ use of their name on items other than footwear is given in the declaration by Ms Elliott, who is joint manager of a retailer in surf, windsurf, body-board and snow-board hardware and clothing. She states: ‘We sell primarily Reef Brand shoes and sandals - although we have also stocked Reef Brand socks, baseball caps and t-shirts on and off since 1996.’ This is at, or after, the relevant date.
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Much of the rest of these declarations repeat what is said by Messrs. Peckett and Elliott. For example, Mr Gregorelli states that his business (a retailer of sports hardware, clothing etc.) has
20 ‘..sold Reef Brand sandals and shoes for around 6 years, and the other products, on and off, for at least three years.’. Again, this would put sales of non-footwear items at around the beginning of 1996. He does says that ‘[t]he Reef Brand has also crossed over into the ... street-wear market..’ and ‘..over the last three or four years become well established in the leisure-wear market as a whole.’ But this, again, is at or around the relevant date. Mr
25 Madden and Mr Ogden follow a similar line - that their customers refer to ‘Reef’ not REEF BRAZIL, that this mark has been used on items other than footwear in the past ‘four years or so’ (Mr Ogden) and that the band Reef are associated with surfing. All the declarants assert this link between the band and surfing. Most also state that confusion would be likely. For example Mr Ogden says: ‘If I saw clothing bearing the Band’s name I would, without any
30 doubt, associate it with the Reef Brand and be confused. I would think that Southcone Inc had introduced a new range of clothing into the UK.’

Turning to the applicants’ evidence, there is one declaration by the Band’s manager, Christopher Paul Gilks, dated June 1998. The evidence is mostly irrelevant, but it does
35 establish that Reef have had a degree of success as a rock band in the UK. Mr Gilks states:

‘From mid 1995 onwards, the band’s music sales took off dramatically...of particular note is their album “Glow” released on 27th January, 1997 which was top of the album charts. I am informed by Sony .. that by 8th May, 1998 “Glow” had sold more than 747,800 copies.’
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There are a number of articles from the ‘rock’ press which confirm the band’s fame. None of this is disputed by the parties, and I will not dwell on it. There is nothing to show, however, that the applicants traded in the goods specified by their application before the relevant date. Mr Gilks states: ‘Now produced and shown to me marked CPG-6 are transaction sheets and
45 invoices from the companies who manufacture REEF clothing on the band’s behalf both before and after the application date. I estimate that approximately 95% of such merchandise is sold in the UK.’ This statement is inaccurate. None of the invoices are before the application date.

The Decision

5 The first ground I wish to consider is that under s 32(3). This is not a genuine ground of opposition - it really goes to bad faith under s 3(6) - and this was the basis of the opponents' submission on this ground at the hearing, and was not disputed by the applicants. These sections state:

10 '3(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.'

'32(3) The application shall state that the trade mark is being used, by the applicant or with his consent, in relation to those goods or services, or that he has a bona fide intention that it should be so used.'

15 Mr Morcom argued that the applicants' use of their mark was not as a trade mark. He pointed out that they have produced only a small amount of evidence of use of the sign, and that that there is (the T-shirt in CPG-4) clearly has 'SCREEN STARS by FRUIT OF THE LOOM' in the neck label. The marking of REEF is being used to promote the band. Mr Morcom states:

20 '..the Registrar, of course, has a lot of experience in dealing with this matter and section 32(3), statement about intention to be used. Here so far it appears .. there is no intention to use other than promotional in the way we have seen on Mr Gilks' Exhibit 4. Now, if that is the case, we say that is not a trade mark use and therefore that statement is not a valid statement.'

25 As far as the reference to 'promotion' in the applicants' specification (which only appears in relation to the Class 25 goods), I think Mr Morcom's contention could be right. The role of a trade mark is clear from the decision of the European Court of Justice in *Canon* (see below):

30 '.. the essential function of the trade mark is to guarantee the identity of the origin of the marked product to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin. For the trade mark to be able to fulfil its essential role in the system of undistorted competition which the Treaty seeks to establish, it must offer a guarantee that all the goods or services bearing it have originated under the control of a single undertaking which is responsible for their quality..'

40 A mark whose sole purpose is to promote something other than the article it appears on cannot be acting as an indicator of origin for that article - as where T-shirts carrying the mark REEF are intended to 'sell' the band (i.e. their music etc.) and not the T-shirt. By classifying their clothing items as promotional', it may be argued that the applicants have effectively and conclusively indicated that they have no intention of using their mark as an indicator of a trade in the goods they seek registration for in Class 25. Where such goods are sold, they are done so on the basis of the band's notoriety as music group and, in turn, the sales are a means of
45 extending that notoriety, i.e. endorsing the band (not the items in question).

However, I think this is rather an extreme conclusion. It is equally possible that the applicants also aim to trade in the ‘promotional’ goods for which they have sought registration, under their *trade* mark: it really is a matter for the evidence. Then there is the reference to ‘souvenir’ articles in the specification for Class 25 goods. A mark used in respect of souvenir items could, equally, designate the origin of the goods, as well as the subject matter - a ‘souvenir’ article is a thing in itself, that is purchased for its own sake, and may well be perceived as ‘sourced’ from the enterprise for which it is a token.

Each case must be decided on its own facts. Certainly, the presence of another trade mark where one would expect to find a trade mark - such as on the neck label of a T-shirt - creates a *prima facie* case for concluding that the (unrelated) name that appears on the front of the said shirt is not being used for trade mark purposes. In practice, however, one well might resile from such a finding where the evidence compelled it. Mr Wyand gave the example of a Manchester United replica football shirt bought at Old Trafford; in this case a purchaser may well treat such an item as a shirt sourced from that football club who, among other things, would be considered responsible for its quality, whatever name the neck label carried.

The Hearings Officer in *Trade Mark Application m 1530989* (Opposition *m 41247*; *John Smith*) dated 10th June 1998 was referred to the following passage in *Kodiak Trade Mark* [1990] FSR 49 (a case Mr Morcom also alluded to):

‘... if the word “Kodak” had stood alone, it might well be said that this is a mark indicating the trade source of the shirts, despite the prominence of the mark on the shirt which is not the usual place where you expect to find a trade mark on clothing. But here, as it seems to me, the sole purpose of the legend was to advertise films and plates. It is not a case here of showing the source of the T-shirt, and incidentally of advertising the general business of the proprietor: it is a case of primarily advertising the business of the proprietor. To my mind the shirt is principally a vehicle. It is, of course, not a mere vehicle as was the packing case, which had no other function than a convenient method of conveying the goods. It would be wrong simply to describe the shirt as a mobile advertising hoarding; it had use as an article of clothing, but the principal and avowed purpose of it was as promotional material.’

The Hearings Officer agreed in *John Smith* that the use on clothing in that case went beyond mere advertising. There, the mark at issue appeared on the left breast of a shirt, which was considered a very traditional position for a clothing manufacturer’s trade mark - far removed from the slogan-type advertising style which featured in the *Kodiak* case. It also ‘stood alone’, and thus would be more likely to be seen as a trade mark indicating the trade source of the shirts. This example can be contrasted the *Wild Child* trade mark case (see below), where the mark at issue was much more of a slogan in appearance and was not alone, there being another sign on the garment in question.

The only example of the applicants’ products included in evidence (Exhibit CPG-4) is similar to that in *John Smith*, where REEF rather discreetly appears on the left breast of a T-shirt. I also note that many of the invoices included in evidence are from ‘Fresh Air’, described as ‘Printers of *Promotional* leisurewear’.

Despite this latter observation, I do not think that the evidence in this case is enough to support a bad faith finding, based on a lack of intention to use REEF as a mark of trade. Really - in view of the seriousness of the allegation - the onus is on the opponents to prove bad faith, and I do not think they have done so. In paragraph 3 and 4 of his declaration, Mr Gilks states: 'As a rock band, REEF's main business lies in selling prerecorded CD's and in giving live performances. However, as is usual with a rock band, various articles are sold to fans through the fanclub newsletter and merchandising is also sold at some of the band's concerts.....[t]he applications were made to protect this merchandising side of REEF's business.' To merchandise is to engage in the commercial purchase and sale of goods. That appears to be the applicants purpose and is one that is hardly inimical to use of their mark as a trade mark.

I do think, however, that the limitation put on the applicants' specification for the Class 25 goods is poorly chosen. Describing goods as 'promotional or souvenir' does not, in any way, alter the character of the goods. Nor - and this is of particular importance in this case - does it really restrict them at all. As Mr Morcom pointed out, they are none the less articles of clothing because of the restriction in the specification - '.. there is absolutely nothing to stop these products being sold wherever there is a market for them.' Despite this, I have come to the conclusion that there is not enough evidence to say that the applicants acted *mala fides*, and this first ground of opposition fails.

Turning to the next, under s 5(2)(b), this section states:

'(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.'

(I have ignored the grounds under ss 5(1) and 5(2)(a), as the marks are not identical and neither are the goods - this was accepted at the hearing).

The opponents are the owners of an earlier mark under the Act, by virtue of registration N^o-1340547, and s 6(1)(a).

In approaching this matter, 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. It is clear from these cases that:

(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 - 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;

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

10 (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;

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

15 (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.

20 Thus a 'multi-factorial' comparison is required, taking into account the goods, the similarity of the marks, the perception of the consumer and the distinctiveness of the earlier mark etc. My best effort to do this makes a likelihood of confusion finding, as required by s 5(2)(b), untenable. Though the earlier mark subsumes the later one, it consists of two words, not one. I have to consider the marks as a whole, and I do not think I can take a contraction of REEF BRAZIL to REEF - which is suggested by the opponents' evidence as the practice of their customers (and by Mr Morcom at the hearing) - as normal and fair use of the opponents' mark. The opponents registered their mark as two words, not one, and it is on this basis that I must carry out the comparison.

30 Further, if I consider the distinctive and dominant components of the marks, both words in the opponents' mark have no connection with the goods at issue and will carry, in my view, equal weight with potential purchasers. I note that BRAZIL is disclaimed - Mr Morcom asserted that this was because it is non-distinctive for the goods of the kind under discussion. However, this disclaimer refers only to exclusive use of the word 'Brazil'. *Prima facie* the distinctive character of REEF BRAZIL depends upon both words. BRAZIL cannot be discarded because it is disclaimed. The opponents have no right to BRAZIL solus, and the disclaimer does not automatically mean that they have a right to REEF solus either.

40 Then there is the extent to which footwear and 'T-shirts, sweat shirts, jackets, hats and headbands' can be considered to be the same. Though I consider these goods to be similar, that is a matter of degree; the goods are not so similar that they override the differences I have noted between the marks; rather the opposite - the goods are far enough apart to confirm them. Clearly, it logically follows from this result that confusion is even less likely for the items in Class 26: 'Badges, buckles and ornaments all for wear; tie clips; buttons.'

45 In coming to this conclusion, I do not believe that the opponents' reputation provides them with any assistance in establishing a likelihood of confusion (see point (f) above). I discuss this below, under the s 5(4) point, but conclude here that they have not provided sufficient

evidence for me to conclude that their reputation, such as it is, would alter the scales in their favour. This ground also fails.

The final ground of opposition is under s 5(4). This 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-

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

15 Following from *Wild Child* [1998] RPC 455, at page 460ff, to succeed in a passing off action, it is necessary for the opponents to establish, at the relevant date (10th January 1996) that: (i) they had acquired goodwill under their mark; (ii) that use of the applicants’ mark would amount to a misrepresentation likely to lead to confusion as to the origin of their goods; and (iii) that such confusion is likely to cause real damage to their goodwill.

20 There is little doubt that the opponents had significant goodwill in footwear, mainly sandals, at the relevant date. But I do not think that there is enough evidence to extend this to other products, in particular, clothing. I mentioned in the evidence summary the differences between Mr Thompson’s estimate of the opponents’ trade in the UK and that of Mr Caldwell’s; the former’s is, typically, well in excess of the latter’s. In citing his figures (Exhibit E), Mr Thompson refers only to sandals, and not to any other product. He says ‘To date we have sold 560,147 pairs of sandals in the United Kingdom’. This emphasis is rather highlighted by another of the opponents’ trade marks (not a subject of this opposition), used liberally throughout their literature, which appears to be a stylised sandal:



35 In his second declaration, Mr Caldwell states: ‘Exhibit PC/1 to my earlier statutory declaration, being a 1992 UK price list, lists a number of items of clothing available for sale bearing the Reef Brand. These items include socks, tee-shirts, hats, bags, backpacks and key-rings. Such items have continued to be sold since then.’ However, I have checked the price list cited very carefully, and there is no reference in it to clothing, apart from footwear.

40 As to the presence of their mark on ‘..socks, bags, back packs and key rings’ and even T-shirts, few examples are enclosed in evidence. That that is, is either undated (the base ball cap in Exhibit PC/1), or is undated and seems to be analogous to use of the opponents’ name on surfboards: it appears to promote the sale of sandals and other footwear. For example, the opponents’ marks on the T-shirt in Exhibit PC/1 are arguably not presented as trade marks at all (following the test proposed by Mr Morcom, there is a different mark on the neck/inner labels of this product). The brochure entitled REEF BRAZIL FALL 97 SHOES, also in
45 Exhibit PC/1, is pertinent here. The opponents’ mark is widely used on a range of items - but only as part of a commercial strategy explicitly emphasised as residing in footwear. The brochure states:

‘Reef Brazil shoes and sandals are worn by the best and most demanding surf, snow, wake and skateboarders around the world. The traditional quality and comfort found in our sandals for the last 10 years are an essential part of every pair of Reef Brazil shoes. Guaranteed! To increase consumer demand for our shoes and sandals, Reef Brazil sponsors the best team of athletes in our markets including several former, current and future World Champions. Our advertising campaign covers over 75 countries and includes double page color ads in every issue of Surfer, Surfing, TW Snowboarding, Snowboarder, Wakeboarding and full pages in every issue of TW Skateboarding. Along with these magazines, Reef Brazil advertises in over 90 additional magazines worldwide. This for a total of well over 1,000 ads per year. Something unheard in our markets. *In 18 months Reef Brazil transformed itself from being the top sandal company in the world, to a brand identified with quality sandals and shoes, becoming one of the main players in the Extreme/Active shoe categories around the world.*’ (Emphasis mine).

Further, this document is dated spring 1997, a year (at least) after the relevant date, and even then the opponents’ main business appears to be centred around sandals and shoes. I recognise that this brochure may not be an exhaustive expression of their trade intentions, but to extend the opponents’ goodwill to other products - to clothing - would require evidence of a similar commitment to sales in these items as well. Materially, there is little or none of this; rather the opponents appear to rely on what I have called the ‘trade’ evidence, that which is contained in the declarations of Messrs. Peskett, Elliot, Gregorelli, Madden and Ogden.

I discuss this evidence on pages 2 and 3 above. It certainly confirms my view that the opponents had a reputation in footwear, amongst those engaged in surfing, well before January 1996. But I think it fair to conclude that this is a minority sport in the UK, and I do not believe that there is enough information here for me to extend this reputation to wider audience or, indeed, to other clothing products, before this date.

Thus, in January December 1996 the opponents have a goodwill in the UK, mainly amongst the surfing community, limited to footwear, particularly sandals. Was this enough to result in the necessary misrepresentation, as required by the law of passing off?

Wildchild referred to the following passage in Halsbury’s Laws of England 4th Edition Vol 48 (1995 reissue) in paragraph 184:

‘To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

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In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

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(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

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(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

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(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.'

The opponents' reputation was primarily amongst surfers. Would they be confused about the source of products carrying the applicants' mark?

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The trade declarants all say they, personally, would be susceptible to such confusion (e.g. page 3 above, lines 29-31). This, however, appears to give their state of their minds well after the relevant date - after the opponents had reportedly extended their product range. For example, Mr Peskett says (paragraph 7 of his declaration, dated December 1998.) '..the REEF Brand is **now** a well known brand in the UK..' (emphasis mine). I have been given no information on the response of these traders customers, surfers and the like, who are the relevant class of the (allegedly) confused.

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Then there is the respective fields of business activity. I think I must struggle to believe that the required misrepresentation will take place. I do not accept that the opponents' goodwill in specialist footwear will carry over into clothing in general, such that the typical surf fan, considering a purchase in January 1996, will assume clothing carrying the REEF name comes from the opponents.

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Considering the need for a 'common field of activity' Mr Morcom referred me to the *LRC International Ltd. v Lilla Edets Sales Co. Ltd.* [1973] RPC 560 (the *Marigold* case). He said:

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'..the plaintiff plainly sold household gloves and plastic pants for babies under the mark *Marigold*. And the product which was the subject of the action was toilet tissues, and the defendant objected the plaintiffs were really seeking to secure a monopoly in the word "marigold". It was held that the defendants were entitled to raise the question as to how far beyond their own specific field of activities the plaintiffs were entitled to extend the area within which they ought to be given protection. However, on the admitted reputation of

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the plaintiffs in their own particular field, and on a consideration of the nature of the good in which the defendants were dealing, and the nature of the goods in which the plaintiffs were dealing and proposed to deal, it would be right for an injunction to be granted. And at page 563 Whitford J said this at line 7:

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“I am in no doubt whatsoever, in view of the admitted established reputation of the plaintiffs, that if a housewife went into a shop and saw the defendants’ toilet paper on sale there she would think, to use the language loved by lawyers, that it came from the same manufacturing source as she was accustomed to buy gloves and baby pants from. Of course she would not think so in so many words inside her head, but assuming that she had been buying the plaintiffs’ gloves, or the plaintiffs’ plastic pants, and had been satisfied with these articles sold under this brand name ‘Marigold’, I have no doubt she would anticipate she would be similarly satisfied, because of the way ‘Marigold’ is presented in this particular manner, with the defendants’ toilet rolls. I think myself that it is almost impossible to imagine that confusion would not in fact result.

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I am of course aware that so far the plaintiffs do not appear to have ventured into this particular field, but I do think that upon the evidence and upon such knowledge as one must have on matters of this kind, that the fields in which the defendants and plaintiffs are operating are not wholly dissimilar. They are to my mind fields which are likely to overlap.”

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Sir, that, in my submission, is applicable to the present case. Even if for the moment it was said that the opponents’ reputation was confined to sandals, nevertheless, the reputation is there, particularly amongst the surfing fraternity, which appears to be of particular interest to the applicant, but here they have already, albeit on a smaller scale, ventured into the clothing and badges, or decals, and other areas, and, again, what is one likely to see in these shops? They are fields which are likely to overlap. And on that basis, if this band, with their interest in using the surfing idea, which whether they like it or not has happened, is happening, as shown by their own evidence, is going to lead to people who see a REEF brand emanating from the applicants, saying, that must be the REEF brand which we already-know, so that is traditional passing off, so for those reasons we say that ground as well as the other grounds are amply made out on the evidence.’

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I think there is force in this submission. However, as Mr Wyand pointed out, this case was a motion for an interlocutory injunction, and therefore of persuasive value only. It can also be distinguished: Whitfield J also says that the Defendants and the Plaintiff’s products are both available through the same sort of trade outlet ‘..supermarkets or through chemists businesses, or through other retail establishments, very often perhaps not far from one another within the shop, they are all products which are associated with what the plaintiffs describe as “hygienic purposes” and there is a strong likelihood that there will be the probability of some connection.’ Is this really the case with T-shirts, sweat shirts and the like, and ‘beach’ sandals associated with surfing? It would take some effort for me to accept this.

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Both Mr Morcom at the hearing, and the trade declarants, refer to a link between the band and surfing. For example, Mr Madden says:

‘Before being asked to swear this statutory declaration I was aware of a band known as Reef (‘the Band’). They are, in my opinion, an Indie/rock band aimed at the youth market, and have a clear surfing background and definitely appeal to a surf audience in my opinion. They get a fair bit of exposure in the surfing press.’

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Mr Morcom thought that the possibility of misrepresentation could be enhanced by the applicants’ obvious interest in surfing. He pointed out a large number of references to surfing in the applicants’ evidence (two members of the band apparently surf). I am not sure that this link helps the opponents’ case. If the relevant public - surfers - are also aware of the band REEF are they more or less likely to be confused as to the origin of the latter’s products? I think less likely. They would be able to make a distinction between T-shirts and the like merchandised by the rock band, and sandals known as REEFS.

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This last issue came up in the hearing, that is, whether, the opponents have promoted their products as REEF products, as opposed to REEF BRAZIL products. Mr Wyand stated:

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‘..if you look at Exhibits L1 through L9, I have not found a single reference to REEF on its own. I have found only references to REEF BRAZIL ... I am afraid that Mr Thompson is slightly careless with his dropping of the BRAZIL in circumstances where it is convenient to him not to mention BRAZIL.’

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Conversely, Mr Morcom pointed out a number of instances where the word BRAZIL was in much smaller type than REEF. There is also the statements of the trade declarants, who say that the opponents’ products are typically known as ‘REEFs’.

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I might regard the submissions on this issue as a ‘score draw’, but I do incline, I think to Mr Morcom’s view. The evidence suggests that the opponents’ customers would contract REEF BRAZIL to REEF. However, when Ms Elliot says that the REEF Brand is ‘..particularly well known amongst surfers. Even the old and middle aged surfers who come into our store ask specifically for REEFs.’ What are they referring to when they do? On the evidence, I think it must be sandals. This is where the opponents’ goodwill rests, and I do not accept that they would call T-shirts ‘REEFs’ in a similar manner. Mr Wyand emphasised this point when he said:

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‘.. it is for the opponent to raise the objections and to establish on the balance of probabilities its case ... He has to say that in January 1996 he could have stopped my clients from using the trade mark within the specification of goods for which they have applied. Now, sir, what I say is on a balance of probabilities the only evidence of use that he has got before that date is surfing sandals, and, sir, I say that is not enough to establish a passing off case.’

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In summary, the opponents have not proved to my satisfaction that the applicants’ goods would be passed off as the opponents. This ground also fails, and the opposition fails.

The applicants are entitled to an award of costs. I order the opponents to pay them £1000. This sum is to be paid within seven days 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.

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Dated this 14th Day of November 2000.

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