

**TRADE MARKS ACT 1994  
IN THE MATTER OF APPLICATION No 2178578  
BY ABERDIN S.L.**

**AND**

**IN THE MATTER OF OPPOSITION THERETO UNDER No 49720  
BY C & J CLARK INTERNATIONAL LTD**

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**IN THE MATTER of Application No 2178578**  
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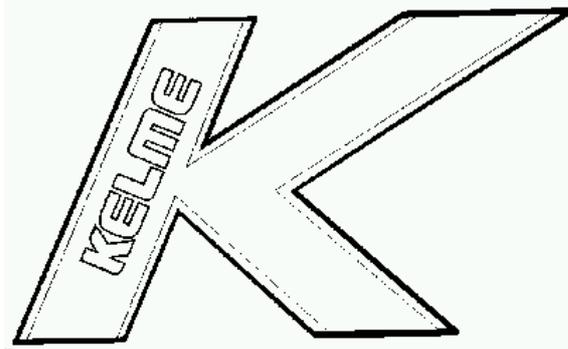
**IN THE MATTER OF Opposition thereto under No 49720**  
**by C & J Clark International Ltd**

**Background**

1. On 1 October 1998, Aberdin S.L. applied under the Trade Marks Act 1994 to register the trade mark shown below for a specification of goods which reads:

Class 25

Articles of sports clothing, sports footwear and headgear.



2. The application is numbered 2178578.

3. The application was accepted and published and on 4 May 1999, C & J Clark International Ltd filed notice of opposition to the application. The statement of grounds accompanying the notice of opposition set out various grounds of opposition, however, those pursued at the hearing can be summarised as follows:

- (a) under section 5(2)(b) of the Trade Marks Act 1994 in that the trade mark the subject of the application is similar to the opponents' earlier trade marks K and K (script) and is to be registered for goods identical or similar to the goods for which the earlier trade marks are protected;
- (b) under section 5(4)(a) of the Act, having regard to the opponents' prior common law rights in the earlier trade marks, the application is liable to be prevented by the law of passing off; and
- (c) under section 3(6) in that the applicants do not have a bona fide intention to

use the trade mark as applied for.

4. The applicants filed a counterstatement denying the grounds of opposition. Both sides seek an award of costs. The matter came to be heard on 21 July 2001. The applicants were represented by Mr Giles Fernando of Counsel, instructed by Edward Evans & Co. The opponents were represented by Mr James Graham of Counsel instructed by Dechert.

#### Opponents' Evidence

5. Both parties filed evidence in the proceedings. The opponents filed two statutory declarations. The first dated 27 October 1997 is by Ms Judith Edith Derbyshire, Company Secretary of C & J Clark International Limited.

6. Ms Derbyshire states that the trade mark "K" was first used in relation to footwear in 1865. At JED1 she exhibits an extract from a book entitled "K Shoes - The First 150 Years 1842-1992". She states that the letter "K" is distinctive of footwear and bags supplied by the opponent and that the opponent, consequently, enjoys an extensive goodwill in the trade mark "K". Ms Derbyshire states that the trade mark "K" has been used extensively in relation to boots, shoes, sandals and all types of footwear and parts and fittings therefor and all types of bags and parts and fittings therefor. Examples of such use are exhibited at JED2. This consists of examples of some shoes and one handbag all bearing the K(script) trade mark. Ms Derbyshire goes on to refer to worldwide registrations of her trade mark and at JED3 exhibits a schedule of these registrations. Ms Derbyshire also gives separate sales figures for footwear under the trade mark "K" in the United Kingdom for the years 1986-1999 inclusive. The figures for pairage sales in the United Kingdom are as follows:

<b>Year</b>	<b>Pairage (000s)</b>
1986	3,298.3
1987	3,213.2
1988	3,255.6
1989	3,359.6
1990	3,352.6
1991	3,160.8
1992	2,233.2
1993	1,562.9
1994	1,306.2
1995	860.6
1996	1,172.0
1997	1,236.0
1998	1,792.0
1999 to date	1,581.0

7. Ms Derbyshire also refers to sales in respect of bags. She gives figures for units sold but is unable to identify how many were sold under the "K" trade mark. As I cannot determine the number of bags sold under the mark, I need not summarise these figures. Ms Derbyshire says that the opponent annually spends approximately £1.3 million in advertising the goods in the United Kingdom and Ireland combined. She states that advertisements had appeared in

various trade journals and other printed publications, including: Daily Telegraph, Sunday Telegraph, The Times, Sunday Times, Daily Mail, Mail on Sunday, You Magazine, The Express, Sunday Express, Irish Independent Saturday Magazine, RTE Guide, Good Housekeeping Magazine. Examples of such advertisements are exhibited at JED4.

8. Ms Derbyshire states that the opponent produces point of sale material such as leaflets, brochures and catalogues; see exhibit JED5. She states that for the current year the opponent's budget was £849,000 for this type of material. At JED 6 she exhibits a list of the locations of the opponent's principal outlets and goes on to say that the opponent also attends and participates in exhibitions.

9. Ms Derbyshire concludes by stating that use or registration of other trade marks consisting of or containing prominently the letter "K" will be likely to cause confusion in the minds of consumers.

10. The opponents' second statutory declaration, dated 26 November 1999, is by Mr Clarke Trevor Graham, a registered Trade Mark Attorney. Mr Graham states that on 11 February 1999 he filed observations with the Patent Office in respect of its acceptance of the application in suit. At CTG-2 he exhibits a copy of the Office's response dated 1 March 1999.

#### Applicants' Evidence

11. The applicants' evidence consists of a single statutory declaration by Mr Michael Arthur Lynd, a Registered Trade Mark Agent and partner in Edward Evans & Co, the applicants' representatives in this matter. He states that the facts contained in his declaration are comprised of information known personally to him and of information supplied to him by his instructing principals Ikur S.L. on behalf of Aberdeen S.L.

12. Mr Lynd makes various statements regarding the arrangements of the elements in the mark the subject of the application. He says that the applicants' trade mark consists of two elements, being a letter K in outline with the word KELME arranged to lie on the upright of the letter K. Mr Lynd notes that the applicants possess many registrations in the United Kingdom in respect of their KELME trade mark. At MAL2 he exhibits details of these registrations. Mr Lynd states that the applicants have traded in the United Kingdom on a more or less continuous basis ever since 1982, under and by reference to their KELME trade mark. This use has been in respect of sports footwear, football boots, sportswear and socks. He says that sales have been made throughout the United Kingdom. In 1998 he states that turnover in the United Kingdom was £935 and in 1999, £3,500. At MAL3 he exhibits a list of clients dated 19 January 1999 and observes that all the companies listed are located in the United Kingdom. At MAL 4 he exhibits examples of invoices which he says are sent by the applicants via their subsidiary company Industrias del Calzado y Prendas Deportivas SA to customers in the United Kingdom. These are all dated 1999 or 2000 and are after the relevant date.

13. Mr Lynd says that the applicants feature prominently on the satellite television channel EuroSport and at MAL 5 he exhibits a video tape of two short pieces which were broadcast

on the EuroSport channel. The features show a bicycle racing team who wear KELME clothing. Mr Lynd also refers to contracts that the applicants have with EuroSport and three of these are exhibited at MAL6, 7 and 8. MAL6 is an agreement concerning the cycling team run by the applicants as the 'KELMES Costa Blanca/EuroSport Team'. The applicants provide advertising space at a set rate for EuroSport and EuroSport grant Aberdin air time for broadcast of promotional sports on EuroSport at a set rate. The contract covers advertising slots in the period August 1997 - October 1997. The contract at MAL 7 is a Barter Deal Agreement 1997/1998 and Mr Lynd states that it is in a similar manner to the document at MAL6. Aberdin supply advertising space on its cycling team for EuroSport promotions and in return for the advertisements, EuroSport gives to Aberdin air time for the broadcast of promotion sports on EuroSport. The agreement lists four pages setting out the times of the broadcasts of the KELME advertisements and he observes that these four pages are all headed "Products Category: Sport Shoes".

14. Referring to exhibit MAL8 Mr Lynd states that this is entitled Contrato de Difusion and covers the periods 28 June 1997 to 25 August 1997 and 27 June 1998 to 24 August 1998. The products are said to be "Zapatos de Deporte" which he takes to mean sports shoes. He observes that during this period there are a total of 164 advertising spots. 88 of these were broadcast by EuroSport during the Tour de France with other advertisements being broadcast during football and tennis events.

15. Mr Lynd refers to the copies of web pages from [www.eurosport.com](http://www.eurosport.com) exhibited at MAL9. He notes that "Kelme-Costa Blanca" is listed amongst "2000 1<sup>st</sup> Division Teams" in the cycling section of the website. At MAL10 he exhibits copies of pages taken from the applicants' world wide web site at [www.kelme.com](http://www.kelme.com). Mr Lynd observes that the company has been manufacturing footwear since 1963 and that the company has been using the KELME trade mark since 1977. Exhibit MAL 11 consists of print outs from the applicants' US company KELME USA. Mr Lynd also makes reference to various oppositions in other jurisdictions that have been withdrawn. These are not relevant to the instant proceedings and I need not summarise them.

16. Mr Lynd then goes on to make various submissions concerning the opponents' evidence, I need not summarise these. I should, however, note that he states that the opponents have not supported their assertion that the letter K trade mark has been used on all types of footwear as in his view, none of the examples shown in their evidence could be considered sports footwear.

#### Opponents' Evidence in Reply

17. In reply to the applicants' evidence, the opponents filed a further statutory declaration by Ms Derbyshire dated 27 June 2000. Much of this statutory declaration consists of submissions made in reply to the evidence of Mr Lynd and I need not summarise it here. In relation to the opposition proceedings in other jurisdictions, Ms Derbyshire states that her company assigned its rights and no longer sells its goods in overseas markets and so the oppositions were withdrawn.

18. Ms Derbyshire also refers to a previous dispute with a company called Industrias del

Calzado y Prendas Deportivas SA of Spain, a previous owner of the KELME trade marks and/or principal company of the group including Kelme and or Aberdin SA. The dispute involved the import of football boots which were marked with a letter K into the United Kingdom. Ms Derbyshire states that her company moved to protect its exclusive rights in the letter K trade mark in respect of footwear and the other side provided her company with an undertaking not to use the letter K in respect of football boots or any other footwear in consideration of them not commencing infringement proceedings. At JED1 she exhibits a copy of the undertaking.

19. Replying to the comments of Mr Lynd concerning the absence of any evidence of use of the opponents' trade marks on sport footwear, Ms Derbyshire says that her company's registrations cover such goods and therefore the earlier rights of her company cover goods which are identical to those for which the applicants seek registration. Further, she says that sports footwear and footwear are of sufficient similarity in the market place that consumers would be confused. Ms Derbyshire also refers to a licence agreement which has existed since 1992 between the opponents and K Swiss International. The agreement relates to the licensed use of the K trade mark in respect of various kinds of sports shoes to K Swiss International. The goodwill from the use of this mark by K Swiss International would, she states, be owned by her company by virtue of the licence.

20. That concludes my review of the evidence.

## **Decision**

21. The grounds of opposition as set out in the statement of grounds refer to sections 3(6), 5(2)(b), and 5(4)(a) of the Trade Marks Act 1994. The relevant provisions read as follows:

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

“5.- (1) .....

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

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

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

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

(3) .....

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

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

(b) .....

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.

22. The term ‘earlier trade mark’ is defined in section 6 of the Act as follows:

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

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

23. I will consider first the opponents’ ground of objection under section 5(2)(b). In determining the question under section 5(2), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v. Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v. Adidas AG* [2000] E.T.M.R. 723. It is clear from these cases that:-

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v. Puma AG* page 224;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v. Puma AG* page 224, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* page 84, paragraph 27.
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v. Puma AG* page 224;
- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v. Puma AG* page 224;

- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* page 132, paragraph 17;
- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v. Puma AG* page 8, paragraph 24;
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v. Puma AG* page 224;
- (h) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v. Adidas AG* page 732, paragraph 41;
- (i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* page 133 paragraph 29.

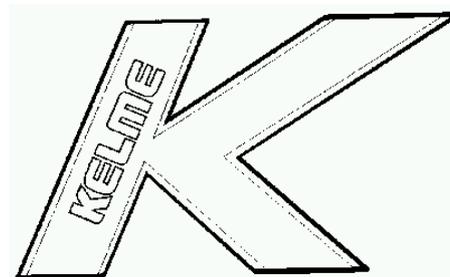
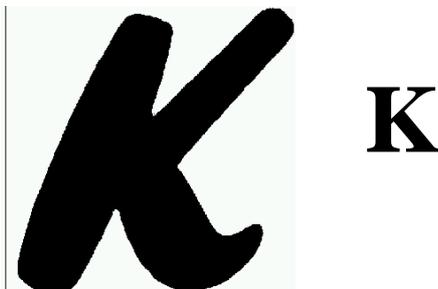
24. All three of the opponents' trade marks, United Kingdom registrations 401594, 813989 and 813990 are earlier trade marks within the definition of section 6 of the Act. The specifications for two of these registrations cover:

Articles of footwear and parts thereof, all included in Class 25

25. These are reproduced below alongside the applicants' trade mark

Opponents' trade marks

Applicants' trade mark



Class 25

Articles of sports clothing, sports footwear and headgear.

26. The likelihood of confusion must be appreciated globally taking into account the various factors listed above. There were many points of discussion during the hearing of this matter and I will deal with each in turn.

#### Inherent Distinctiveness/Reputation of the Opponents' Earlier Trade Marks

27. Mr Graham suggested that the opponents' trade marks were inherently distinctive for the goods for which they are registered. Both the opponents' earlier trade marks are for the single letter K albeit that one is of a script form of the letter. The Trade Marks Registry Work Manual, Chapter 6 para 3.11.3 says of single letter marks:

“The Registrar will object to single letter marks on the basis that they are devoid of any distinctive character. They will continue to be acceptable if supported by evidence of acquired distinctiveness.”

28. A Practice Amendment Circular on Letters and Numerals (PAC 05/00) also deals with single letter marks, the relevant part states:

“13. The registrar will continue to regard a single letter of the alphabet as devoid of any distinctive character unless it is presented with a distinctive stylisation. A plain rectangular or oval border is unlikely to make a single letter distinctive. However, a fancy or unusual border may be enough. Colour may also assist in providing the mark as a whole with the necessary power to individualise the goods/service of one undertaking.”

29. In my view, neither of the opponents' earlier trade marks can be said to possess a high degree of inherent distinctiveness. However, as noted in the summary of the evidence, the trade mark K has been used in relation to footwear since 1865. The evidence in my view shows a long and continuous use. Mr Graham took me through a careful analysis of his clients' evidence to show that extensive use had been made of both the stylised K and of K simpliciter. I agree that the evidence submitted shows that both trade marks have been used; examples of the stylised K and K simpliciter can be seen throughout JED4, these cover advertisements dating from 1920's to dates close to the relevant date in these proceedings.

30. Whilst use in itself does not necessarily equal reputation, such sustained use across a prolonged period of time does in my view give me grounds to infer that both of the opponents' trade marks enjoyed a reputation with the public at the relevant date. It is therefore necessary to establish the extent of that reputation. Both parties made submissions on this point. Mr Fernando's case, at its extreme, was that the opponents' reputation was for 'black brogues' whilst Mr Graham urged me to find that the opponents' reputation extended to sports footwear. Mr Graham referred me to the second statutory declaration of Ms Derbyshire where she states that the opponents have licensed the use of the K trade mark to K Swiss International, but I do not have a copy of the licence in evidence nor is there any evidence of use of the mark by K Swiss International on sports footwear (or indeed any footwear). The opponents' evidence therefore does not show use of either of their trade marks on products which might be termed sports footwear. Consequently, I cannot accept Mr Graham's submissions on this point, this also leaves aside the moot point as to whether any goodwill from such use would accrue to the opponents.

31. Equally, I do not accept Mr Fernando's submission that the opponents' reputation is limited to 'black brogues'. There is evidence of use of the trade mark across a range of boots and shoes for men, women and children. It is fair in my view to summarise that use as being on the more traditional type of shoe. Therefore, on the basis of the evidence that is before me I am of the view that the opponents enjoy a reputation in respect of their two registrations and that such reputation extends to boots and shoes. Although I have already stated my view that the opponents' marks are not of themselves inherently distinctive, the trade marks are earlier registered trade marks and as such that is prima facie evidence of the validity of the marks; section 72 of the Trade Marks Act 1994. Consequently, I must of course take into account notional and fair use of the opponents' trade marks in relation to the goods for which they are registered. From the evidence it seems that the applicants' turnover in the United Kingdom prior to the relevant date is very modest but I must also assume notional and fair use of the applicants' mark; *Reactor* [2000] R.P.C. at page 288.

#### Effect of any reputation

32. Mr Fernando made detailed submissions as to the effect if any of the opponents' reputation. In *Sabel* page 224, the ECJ commented:

"In that perspective, the more distinctive the earlier mark, the greater will be the likelihood of confusion. It is therefore not impossible that the conceptual similarity resulting from the fact that two marks use images with analogous semantic content may give rise to a likelihood of confusion where the earlier mark has a particularly distinctive character, either *per se* or because of the reputation it enjoys with the public."

33. This statement has been repeated in subsequent ECJ case; see for example *Canon*; page 132 paragraph 18 and *Lloyd* page 83 paragraph 21. In *Canon* the ECJ also concluded:

"...[t]he distinctive character of the earlier trade mark and, in particular its reputation, must be taken into account when determining whether the similarity between the goods or services covered by the two trade marks is sufficient to give rise to the likelihood of confusion."

34. These statements and others made by the ECJ have been the subject of comment in cases before the Appointed Person and the High Court. An example of the former can be seen in *Raleigh International Trade Mark Application* (unreported SRIS 0-253-00. Mr Hobbs, Q.C. sitting as the Appointed Person cites the above extract from *Canon* and comments:

"It follows that an objection can succeed under section 5(2) on the strength of the distinctiveness and reputation of the earlier trade mark, even if people might not otherwise (ie. apart from the use of the marks in contention) expect the same undertaking or economically linked undertakings to be supplying goods or services of the kind in contention."

35. Mr Pumfrey has passed comment in two cases. In *Decon Laboratories Limited v. Fred Baker Scientific Limited* [2001] R.P.C. 17, he states in relation to the provisions of section 10(2) of the Act:

“12. In its judgment in the *Lloyd* case, the Court of Justice referred to the need to take into account the “inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or service for which it has been registered; the market share held by the mark; how intensive geographically wide spread and long standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other professional associations.”

13. Some of these considerations seem strange to an English trade mark lawyer, but it is clear that the underlying concept is that of the reputation enjoyed by the mark and the extent of that reputation. To this extent, therefore, the relevant factors go wider than Jacob J’s “goods of the same description” test articulated in *Treat* while retaining aspects of it. Thus, in considering infringement under section 10(2), consideration of actual reputation enjoyed by the mark is central.”

36. In *Daimler Chrysler A.G. v. Javid Alavi* (unreported 26 January 2000) CH 1998 D 5179 at paragraph 80 point (5) Mr Pumfrey comments thus:

There is a greater likelihood of confusion with very distinctive marks (*Sabel, Canon, Lloyd*). This is a very surprising proposition (and perhaps only a presumption of fact, since this cannot be a legal issue), since normally it is easier to distinguish a well-known word mark from others close to it. But it seems to me to make more sense when one comes to consider device marks. I have difficulty understanding how it can affect the similarity of goods, but that is the law.”

37. Mr Fernando referred me a recent article by Mr Justice Jacobs in the European Intellectual Property Review; “Trade Marks and the Olympic Games Throughout the Years” [2001] 23(1) E.I.P.R. 1. In particular, he referred me to the following passage:

“Most of these [well known trade marks] are so well known that small deviations are enough for the public to notice the difference. There is a world of difference between water associated with Chanel and water associated with a canal. Or between “Harrods” and “Horrids”. Why is the Olympic symbol different? I think it is probably because it is purely visual - a mark consisting of graphics alone. Other visual marks may be similar in that respect, although there are limits here.....Word marks in the real world are generally more precise of definition and of recognition. They are generally more important than purely visual marks.

Without distinguishing between word and graphic marks, The European Court of Justice has said: “the more distinctive the earlier mark, the greater the risk of confusion”. It added that “marks with a highly distinctive character, either per se or because of the reputation they possess in the market enjoy broader protection than marks with a less distinctive character.” So far as variants of a distinctive mark are concerned, that statement is (1) plain wrong and (2) cannot be a statement of law. Whether one mark is confusingly similar to another is not a question of law. One can understand the factual proposition that the more distinctive a mark is, the more its use

on different sorts of goods may confuse.”

38. It is clear from these cases and the comments made by Mr Justice Jacobs that this is an area of some debate at present. That said, I need not express any view on this issue as it seems to me that the opponents’ reputation does not assist them in this case. They can be in no better position than if I consider notional and fair use of their trade marks. I will explain my reasoning below.

### Similarity of Goods

39. The opponents argued that the term ‘sports footwear’ falls within the specification of their earlier trade marks. In my view that is correct, and I did not understand Mr Fernando to disagree although he did make submissions as to the way in which sports footwear is purchased and I will deal with this point below. Thus, at least in part, the opponents’ registrations cover goods identical to those for which the applicants seek registration.

40. In relation to the other goods within the applicants’ specification, Mr Graham argued that the public were accustomed to seeing sports clothing and headgear which carried the same name as those found on sports footwear. He argued that the goods in question were similar. In assessing the question of the similarity of goods, Mr Fernando referred me to the test set out by Mr Justice Jacobs in *British Sugar Plc v James Robertson & Sons Ltd* [1996] R.P.C. 281 at page 296. Adapted to the instant case they can be stated as:

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

41. These factors were referred to in the opinion of the Advocate General in *Canon*; page 127, paragraphs 45-48. In its judgment, the ECJ stated at paragraph 22:

“22. It is however, important to stress that, for the purposes of applying Article 4(1)(b), even where a mark is identical to another with a highly distinctive character, it is still necessary to adduce evidence of similarity between the goods or services covered. In contrast to Article 4(4)(a), which expressly refers to the situation in which the goods or services are not similar, Article 4(1)(b) provides that the likelihood of confusion presupposes that the goods or services covered are identical or similar.

23. In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their end users and their method of use

and whether they are in competition with each other or are complementary.”

42. In so far as ‘articles of sports clothing’ also includes ‘sports footwear’ the goods are again identical to the term footwear falling within the opponents’ registrations. In relation to the other goods encompassed by ‘articles of sports clothing’ and ‘headgear’ these are all articles that one can wear on the body. Mr Fernando described this as a ‘superficial’ similarity. However, I would point out that the terms used in the applicants’ specification are broad. Clearly there will be goods where there is more than a superficial similarity, for example socks, and others where there is less similarity, for example baseball caps. The users of the respective goods, be it sports footwear or sports clothing or headgear would be ordinary members of the public. Whilst it is not uncommon for footwear to be sold in distinct retail outlets that specialise in the sale of footwear, it is also common for one shop to sell a range of goods. In particular, shops may sell a range of sports clothing, sports footwear and headgear. Thus, they have the same end users, some similarity in uses and potentially have the same channels of trade. Mr Fernando argued that one would not see a pair of black brogues next to jogging bottoms. That may be so, but the opponents’ specification covers sports footwear and one might expect items of sports clothing and sports footwear to be located close to one another. That said, I agree with Mr Fernando that the goods are not in competition with each other; as Mr Fernando stated, one would not enter a shop intending to purchase a pair of sports shoes and leave with a baseball cap instead. At the same level, one might purchase sports shoes and clothing from the same brand but the goods are not complementary. Taking into account the end users, the nature of the goods and the common channel of trade I consider that those goods of the application in suit which are not identical to those covered by the opponents’ earlier registrations are similar.

#### Comparison of the Trade Marks

43. The case law also tells us that I must take into account the fact that members of the public are unlikely to see the two trade marks side by side but instead must carry around an imperfect picture of them kept in their minds. With these considerations in mind I go on to consider the visual, aural and conceptual similarities between the trade marks by reference to the overall impression created by the marks but taking into account their distinctive and dominant components.

44. Visually, the opponents’ two earlier trade marks each strike the eye as a single letter K. The degree of stylisation on the K (script) mark is in my view slight. It has the appearance of an italic lettering for K but is instantly recognisable as the letter K. The applicants’ trade mark also, as a matter of first impression, strikes the eye as a letter K. On closer inspection one can see that it is made up of two elements being the letter K in outline and the word KELME on the first downward strike of the letter K. However, in my view the dominant component of the applicants’ trade mark is the outline of the letter K. It is that which would first catch the eye of the consumer. It is the larger of the two elements and the fact that the word KELME is written within the letter K would in my view result in it having less impact on the eye of the consumer.

45. It has been accepted that the purchase of clothing and footwear is primarily by the eye. Thus, the visual impact of the applicants’ trade mark is an important consideration when

assessing the likelihood of confusion. However, the purchase of clothing or footwear is not likely to be a hasty one. The consumer would try on the sports shoe for fit and comfort before making the purchase. During that process any hasty confusion would be dispelled. Mr Fernando also argued that the consumer of sports clothing was particularly circumspect. He or she was likely to be very brand conscious and have a clear recollection in their mind of the type and brand of clothing that they wished to purchase. That may be so in respect of the more fashionable end of the sports clothing and footwear market, many companies invest millions of pounds in seeking to create the right image for their trade mark. Sports clothing and footwear are purchased by a whole range of individuals, across all ages and for many different purposes often unrelated to the sport for which the goods are intended. Unsupported by evidence, I cannot accept the general proposition that the average consumer of sports clothing is any more circumspect than the average consumer of clothing in general.

46. Orally, the opponents' trade marks would be referred to as K. Visually I reached the view that K is the dominant element of the applicants' mark and so orally that too may be referred to as K. However, in oral use the KELME element would in my view receive greater prominence and would act to some degree to distinguish the opponents' and applicants' trade marks.

47. Conceptually, both contain the element K but as noted above it is inherently non distinctive for the goods in question and as such there is no conceptual similarity between the marks.

#### Conclusions on section 5(2)(b)

48. Mr Hobbs Q.C., sitting as the Appointed Person in *Balmoral Trade Mark* [1998] R.P.C. 297 at page 301, found that section 5(2) raised a single composite question. Adapted to this case it can be stated as follows: are there similarities (in terms of marks and goods) which would combine to create a likelihood of confusion if the opponents' trade mark K and the applicants' trade mark K(Kelme) were used concurrently in relation to the goods for which they are respectively registered and proposed to be registered?

49. This has not been an easy case to determine. The opponents' trade mark undoubtedly enjoys a recognition amongst the public but this is limited in my view to shoes and boots. As such, it seems to me that this is a case where the opponents' reputation cannot be of much assistance to them. Their registrations cover footwear per se and so cover items of 'sports footwear' which fall within the applicants' specification; albeit that the mark of itself is not inherently distinctive for such goods. The goods are identical and the marks are in my view visually and orally similar. Taking into account notional and fair use of the opponents' trade mark K in relation to sports footwear, and use of the applicants' trade mark on sports footwear I find that Mr Hobb's question must be answered in the affirmative. Such use would result in a likelihood of confusion.

50. Further, even if the differences between the two trade marks were sufficient to avoid the likelihood of direct confusion. The similarities between the trade marks are such that in my view, the average consumer on seeing the applicants' trade mark in use would wrongly believe that the goods came from the opponents or an economically linked undertaking. It

seems common for manufacturers to produce sub-brands; examples in JED 4 include K Gold Label, K Middies, K Skips, Exact K, others shoes names include Flavia, Fenella, Gaucho, Chester. Some from 1959 include K Caress, K Petula and K Gay. Consequently, the presence of KELME within the K element of the mark could imply a sub-brand of the K mark. As such, I find that there is a likelihood of confusion within the meaning of section 5(2)(b) of the Trade Marks Act 1994 if the applicants' trade mark were used on sports footwear.

51. In relation to use on sports clothing not being footwear and headgear, these goods are not identical to the goods covered by the opponents' registrations. Whilst I have found that they are similar, having the same users and potentially, the same channels of trade, I reach the view that as the goods are merely similar and not identical, this is sufficient to offset the likelihood of confusion. It is also in my view sufficient to avoid the public wrongly believing that the goods come from the opponents or an economically linked undertaking. In reaching that view I have taken into account the same factors as those listed above, that is, the reputation of the opponents' for boots and shoes, and the fact absent such reputation, their trade mark is not inherently distinctive. Therefore, in relation to use on sports clothing not being footwear and headgear I find that the opponents' case under section 5(2)(b) must fail.

#### Section 5(4)(a)

52. I will go on to deal with the opponents' ground of opposition under section 5(4)(a). This point can be dealt with quite shortly. Mr Graham did refer to use of the trade mark on handbags, however, no detailed turnover figures for such use have been given in evidence and absent such evidence I cannot find that they have a reputation in such goods. The ground was not the subject of detailed submissions at the hearing, both sides acknowledging that the opponents can be in no better position under section 5(4)(a) than under section 5(2)(b). I agree, the opponents have a goodwill and reputation in respect of boots and shoes, however for the reasons given above, I find that the applicants' use on headgear and sports clothing not being footwear would not result in a misrepresentation that the goods in question were the goods of the opponents.

#### Section 3(6)

53. The opponents' final ground of opposition falls under section 3(6). The opponents' in their skeleton argument set out their argument on this point as follows:

“17. Undertakings were given by one of the applicant's subsidiaries (Industrias del Calzado y Prendas Deportivas SA) not to “export to the United Kingdom or sell, offer for sale, advertise for sale, distribute or otherwise deal in or dispose of in the United Kingdom, football boots or any other footwear which bears the “K” mark.

18. Either the applicant does not intend to use the mark applied for in relation to these goods in the UK or it intends to “circumvent” the undertakings. If it does not intend to use the mark then the application was made in bad faith. If the applicant does intend to use the mark then such use would fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular

area being examined<sup>1</sup>. In either case the application was made in bad faith within the meaning of the act.”

54. Mr Fernando argued that I should not consider this point as the evidence relating to the undertaking was only filed with the opponents’ evidence in reply. He suggested that substantive evidence which allegedly went to bad faith should be filed as evidence in chief thus giving the applicants an opportunity to file evidence in reply. I agree with the thrust of Mr Fernando’s submissions on this point. It has been said many times that an allegation of bad faith is a serious one. There is an onus on the party seeking to show bad faith to set out their ground of opposition clearly and to bring forward evidence in support of that ground in their evidence in chief. Although the statement of grounds was filed before the recent cases criticising pleadings before the registrar, it was open to the opponents to seek to particularise their ground of opposition by seeking to amend their statement of grounds. The first mention of this undertaking occurs in the opponents’ evidence in reply. The first mention of the company the subject of the undertaking occurs in the applicants’ evidence and it may be that this prompted the opponents to recall the undertaking between the parties. If that is so, then they could have requested to file further evidence in chief in the light of that information. Although, if the applicants wished to challenge this evidence then they could have raised the issue at an earlier stage in these proceedings.

55. Given the comments of the applicants, which as I have noted I find are well founded, it could be argued that I should dismiss the opponents’ ground of opposition under section 3(6) without further consideration. However, in my view it is better to go on to consider the merits of this ground on the basis of the evidence that is before me. The undertaking in question at exhibit JED1 to Ms Derbyshire’s second statutory declaration is dated 15 November 1993. It refers at the end of paragraph 1 to use of “footwear which bears the ‘K’ mark”. I have no further information before me as to the nature of the ‘K’ mark to which that undertaking relates.

56. Whilst I found that K is visually the dominant element of the applicants’ trade mark it is not the only element. It may be that the applicants in applying for registration of this trade mark were seeking to go as close to the boundaries of this agreement as possible. That may or may not be so but absent evidence showing the nature of the trade mark to which this undertaking relates I am not willing to infer that the applicants’ acted in bad faith in making this application to the extent that the specification covers footwear. The opponents’ ground of opposition under this section falls to be dismissed.

### Conclusions

57. Under section 5(2)(b) I have found that the opponents have succeeded in part with their objection. The application is to be refused in respect of ‘sports footwear’. As noted above, sports footwear could fall within the term ‘articles of sports clothing’. Therefore, the application may proceed in respect of the following specification in Class 25:

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<sup>1</sup> See *Gromax Plasticulture Ltd v. Don & Low Nonwovens Ltd* [1999] R.P.C. 367 at page 379.

Article of sports clothing none being footwear, and headgear.

58. The applicants should file a Form TM21 within one month of the expiry of the appeal period from this decision, restricting their specification in Class 25 to the wording shown above. If no Form TM21 is filed, the application will be refused in its entirety.

59. The opponents have been successful albeit in part and are entitled to a contribution towards their costs. In the event that the specification is limited as shown above, I order that the applicants pay the opponents the sum of £635-00 as a contribution towards their costs. In the event that no Form TM21 is filed and the application is refused in its entirety then I order that the applicants pay the opponents the sum of £1035-00. If there is no appeal, then the appropriate sum is to be paid within one month of the expiry of the period set for filing of the Form TM21. In the event of an appeal then the costs will be payable within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 09 day of October 2001**

**S P Rowan  
For the Registrar  
the Comptroller General**