

TRADE MARKS ACT 1994  
IN THE MATTER OF United Kingdom  
Trade Mark Application No. 2061604 in  
the name of VALUCCI DESIGNS LIMITED  
T/A HUGO HOGS  
-and-  
Opposition No. 45580 thereto by  
IPC MAGAZINES LIMITED

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**DECISION**

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1. This is an Appeal by I.P.C. Magazines Limited (I.P.C) from a Decision of Mr. Foley, the Officer acting for the Registrar, dated 21st January 2000 in an Opposition by I.P.C. to the registration of the trade mark LOADED in Class 25 in respect of Articles of Clothing for Men, Women and Children, excluding Footwear. This mark was applied for under No. 2061604 in the name of Valucci Designs Limited, trading as Hugo Hog's (Valucci) on 20th March 1996.
2. I.P.C. are the Registered Proprietors of an earlier trade mark, No. 1554526 also for the word mark LOADED in respect of Printed Publications; all included in Class 16. There is no dispute that this is an earlier trade mark within the meaning of Section 6 of the Trade Marks Act 1994.
3. Since April 1994, I.P.C.'s trade mark has been used as the title of a magazine aimed at young men between the ages of 20-35 which includes, inter alia, features on fashion, celebrities, travel, lifestyle and sport. I.P.C. contend that by reason of the reputation developed in the trade mark LOADED as being the title of that magazine over the period from April 1994 to 20th March 1996, the date of application for the mark opposed, that that mark should not be registered having to the provisions of section 5(3) and section 5(4)(a) of the 1994 Act. They also contend that registration should be refused having regard to the provisions of section 3(6) of the Act because, they contend, that the application was made in bad faith.

4. Mr. Foley decided against I.P.C. on all these grounds and accordingly permitted the mark applied for to proceed to registration.
5. It is against this decision that I.P.C. appeal. A full and reasoned Statement of Grounds of Appeal and case in support was filed and this has been supplemented by a skeleton argument by Mr. Baldwin Q.C. who appeared on this appeal on behalf of I.P.C. Valucci were represented on this appeal, as they were before Mr. Foley, by Mr. Burkill of Counsel who also supplied me with a full and reasoned skeleton argument. I am grateful to both Counsel for the assistance they have give me both in writing and orally at the hearing on an appeal which I have not found easy to decide.

#### **Issues on this Appeal**

6. Although registration was opposed before Mr. Foley on the basis of section 5(3), section 5(4)(a) and section 3(6), in the final event, before me, Mr. Baldwin accepted that on the facts of this case, if his clients could not succeed under section 5(3), they could not succeed under section 5(4)(a). Mr. Baldwin maintained his objection under section 3(6) and, in particular, contended that his clients were entitled to succeed under this sub-section even if they were to lose on the argument based upon section 5(3). I propose to deal first with section 5(3) and thereafter with section 3(6).
7. Section 5(3) of the 1994 Act provides as follows:

*"A trade mark which -*

  - (a) *is identical with or similar to an earlier trade mark, and*
  - (b) *is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,*

*shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, the European Community), and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark".*

8. This section is to be contrasted with section 10(3) which provides
- "10(3) A person infringes a registered trade mark if he uses in the course of trade a sign which -*
- (a) is identical with or similar to the trade mark and,*
- (b) is used in relation to goods or services which are not similar to those for which the trade mark is registered,*
- where the trade mark has a reputation in the United Kingdom and the use of the sign, being without due cause, takes unfair advantage of or is detrimental to, the distinctive character or the repute of the trade mark".*

9. The similarities between these two provisions is obvious. The law as applicable to one will, in general, be equally applicable to the other. The only difference, to my mind, between the two is that in the case of section 5(a) it will be necessary and proper to make a comparison between a notional and fair use of the trade mark the subject of the opposition with a notional and fair use of the trade mark the subject of the reputation, whereas, in the case of section 10(3) the comparison will be between the actual use of the alleged infringement with a notional and fair use of the trade mark of the reputation.

**The law under Section 5(3)**

10. These sub-sections and their equivalent provisions in the European Directive (the first Council Directive of 21st December 1988 to approximate the laws of Member States relating to trade marks, 89/104/EEC), Articles 4(4) and 5(2) have been the subject of consideration both by the European Court of Justice and by the High Court in this country. (See particularly *General Motors Corporation v. Yplon S.A.* (2000) RPC 572, *Pfizer Limited v. Eurofood Link (UK) Limited* (2000) IP&T 280 and *Premier Brands U.K. Limited v. Typhoon Europe Limited* (Neuberger J.) - 21st January 2000).
11. Since both Mr. Baldwin and Mr. Burkill accepted that the law was correctly stated in those decisions and, indeed, since I am bound by them, I do not propose to rehearse the law at length in this decision

12. In any consideration of an attack based upon section 5(3) it will be necessary for the tribunal to consider
- (i) whether the trade mark opposed is identical with or similar to the earlier trade mark
  - (ii) whether the trade mark opposed is sought to be registered for goods or services which are not similar to those for which the earlier trade mark is protected
  - (iii) whether, and to what extent, the earlier trade mark has a reputation in the United Kingdom
  - (iv) whether the use of the later trade mark is "without due cause"
  - (v) whether the use of the later trade mark
    - (a) takes unfair advantage of; and/or
    - (b) is detrimental to the distinctive character or the repute of the earlier mark.
13. In the present case no question arises on the similarity of the marks or the dissimilarity of the goods. Equally there was no suggestion that Valucci had any "due cause" to use the mark applied for, if otherwise its use would be contrary to section 5(3). The two questions therefore that arose for decision before Mr. Foley and arise on this appeal relate to issues (iii) reputation and (v) unfair advantage and/or detriment.

### **Reputation**

14. The nature of the reputation required successfully to invoke section 5(3) was considered in general terms in *The General Motors* case by the European Court of Justice and paragraphs 23-26 of the Judgment of the Court concluded as follows:

*"23. Such a requirement is also indicated by the general scheme and purpose of the Directive. Insofar as Article 5(2) of the Directive, unlike Article 5(1) protects trade marks registered for non-similar products or services, its first condition implies a certain degree of knowledge of the earlier trade mark upon the public. It is only where there is a sufficient degree of knowledge of that mark that the public, when confronted by the later trade mark, may possibly make an association between the two*

trade marks, even when used for non-similar products or services and that the earlier trade mark may consequently be damaged. (underlining added).

24. *The public amongst which the earlier trade mark must have acquired a reputation is that concern by the trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector.*

25. *It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.*

26. *The degree of the knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public considered by the products or services covered by that trade mark.*

27. *In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it* (underlining added).

15. It is plain that the extent of the reputation is of particular significance when considering section 5(3) or section 10(3) since an analysis of the likelihood of unfair advantage and/or detriment must be dependent upon the magnitude of the reputation in the earlier mark. Where a mark has become a household word, there will plainly be a greater propensity for the public to associate a similar mark used on dissimilar goods with the mark enjoying the reputation than in cases where the reputation is of a less extensive nature.

16. In *Premier Brands*, Neuberger J. stated the matter thus:

*"Mr. Arnold contended that the effect of section 10(3) was that the stronger the distinctive character and reputation of a particular mark,*

*the easier it would be to establish detriment to it. In my Judgment, that is a good point. First it seems to follow as a matter of inevitable logic from the way in which section 10(3) is expressed as supported by the above discussion. Secondly I think the contention is supported by the reasoning of the ECJ in General Motors ..... paragraphs 23-27."*

17. So far as concerns unfair advantage/detriment, whilst these are alternative provisions, very often they will go hand in hand. It is now well settled law that the requisite detriment/unfair advantage can be proved without proving confusion of a nature required under section 5(2) and section 10(2) - confusion as to origin between similar marks used on similar goods, (see Pfizer paragraphs 28-32 and Premier Brands, transcript pages 25-26). It follows that the requisite detriment/unfair advantage can be proved by satisfying the Tribunal that the public makes a connection between the later and the earlier mark and that that connection is prejudicial to the earlier mark.
18. Mr. Baldwin contended however that if he were able to prove the type of "origin confusion" necessary for success under section 5(2), this must mean that his client's mark would suffer detriment for the purposes of section 5(3). Whilst each case must depend upon its facts, I anticipate that this may well be the case. Certainly it would be correct on the facts of the present case. However, as Mr. Baldwin correctly pointed out, even if he were to fail in satisfying me that this type of origin confusion was likely, nonetheless he could still succeed under section 5(3) on the basis of a lesser association which was prejudicial to his client's earlier mark.
19. Accordingly on this aspect of the case, I must have regard to questions of "origin confusion" and of association of a lesser nature and to the resulting prejudice, or otherwise, arising from that confusion or association. In the case of confusion, the likelihood of prejudice in a normal case is obvious. The same cannot be said of association where there may or may not be prejudice depending on the facts of each case.
20. Finally, it is vital to bear in mind that the relevant date at which this matter falls to be decided is 20th March 1996, the date of application by Valucci. This decision

cannot be affected by considerations that such as those which seemed to underlie some of Mr. Burkill's submissions, namely had Valucci applied a little earlier, I.P.C. would have been in no position to complain, or, indeed, those of Mr. Baldwin where he sought to emphasise the ever growing reputation of LOADED Magazine in the years following March 1996.

**Onus of proof**

21. Although not raised in the Statement of Grounds of Appeal or in Mr. Baldwin's skeleton, he sought to contend before me that, in Opposition proceedings, the onus of satisfying the Tribunal that the mark should be registered lay upon the applicant for registration. This indeed was the position in respect of oppositions under the former Act, The Trade Marks 1938. Although Mr. Burkill had not come prepared to argue this, he submitted, from first principles, that the law was not the same under the new Act and that the normal rules as to onus applied; namely, that the onus of proving any assertion lay on the party asserting it. Since I was aware that this question had been the subject of debate in previous cases, I invited both counsel to consider the matter and, if they wished, to reduce their submissions to writing. As a result Mr. Burkill supplied some written observations but Mr. Baldwin was content to rely on his oral submissions.
  
22. Having considered all of this, I am satisfied that Mr. Burkill is correct. First, it is to be noted that it was held in *Premier Brands* and in *Pfizer* that the onus of proving "without due cause" lay upon the alleged infringer (see *Premier Brands* pages 30-31 and *Pfizer* paragraph 34).
  
23. But, perhaps more importantly, in *Audi-Med Trade Mark* (1998) RPC 863, Mr. James, acting on behalf of the Registrar, had to consider a submission in relation to section 5(3) that once the opponents had established that they had a reputation under the mark, the onus was on the applicants to show that the use of their mark was not contrary to the provisions of section 5(3). Mr. James rejected that submission in the following terms  

*"I have the following difficulties with those submissions;*

*(i) because the new law is based upon the provisions of an E.C. Directive, one needs to exercise caution in looking at the decided cases*

*under the old national law for guidance in deciding the appropriate approach under the new law.*

*(ii) in the Eurolamb Trade Mark case (1997) R.P.C. 279, Geoffrey Hobbs Q.C. sitting as the Appointed Person on appeal from the Registrar, decided that Section 37 of the Act was neutral as concerns the relationship between the Registrar and an Appellant. If that is right it is difficult to see why there should be a greater onus on an Applicant if there is a subsequent opposition.*

*(iii) there is nothing in section 38 of the Act (which provides for opposition to an application) which is akin to the express requirement in section 37 of the Act for the Registrar to refuse registration unless he is satisfied that the requirements for registration are met. It is therefore difficult to identify any specific provision in the statute which could have the effect of placing an overall onus on the applicant in an opposition.*

*Further, I note that the wording of section 5(3) of the Act closely follows the wording of section 10(3) of the Act which makes similar provision with regard to infringement proceedings. In an infringement action the onus would usually be on the Plaintiff to make out his case, reflecting the usual approach under English law that he who asserts must prove. Section 3 of the Act, with the possible exception of sub-section (6), is concerned with protecting the rights of the trade as a whole from unjustified monopolies and other matters connected with the protection of the public and/or public policy. In contrast, section 5 is concerned with the relative property rights of two or more parties. It appears to me that the approach underlying Article 4 of the Directive (and hence section 5 of the Act) is that a mark should be registrable unless another party was in a position to prevent the applicant from using the mark applied for at the date of the application. If (Counsel for the Opponent) is right and the onus under section 5(3) is the reverse of that under section 10(3) of the Act, the result would be that a proprietor of an earlier mark or right who was not able to prevent an applicant from using his mark in the United Kingdom may nevertheless be able to prevent him from registering it. Member States appear to be free to decide matters such as onus, but if Parliament had intended to introduce*

*an overall onus in Opposition proceedings under section 5(3) of the Act on the applicant one would have expected the Act to have contained some wording to bring about that result. As I have already noted, it does not.*

*I conclude that the onus under section 5(3) of the Act is on the opponent to show that use of the mark applied for will take unfair advantage of and/or be detrimental to the opponent's earlier mark or its reputation. If he succeeds in doing so the applicant must, in order to avoid the refusal of his application, show that he nevertheless has "due cause" to use the mark applied for".*

24. Having considered both the oral and written submissions of Counsel, I have reached the conclusion that Mr. James' analysis is entirely correct. Accordingly I hold that the onus of proving both the reputation and detriment/unfair advantage lies upon I.P.C.

**Reputation - The Facts**

25. In his decision, Mr. Foley provided an exhaustive analysis of the contents of the various statutory declarations relied upon. I do not propose to repeat that detail in this decision. The primary criticism raised by Mr. Baldwin was to Mr. Foley's conclusion on page 4 line 27 of his decision where he stated:

*"Ms. Rathan says that the magazine has become very well known and somewhat notorious, saying that references such as LOADED readers have become generic in the media and refers to exhibit LR2 which consists of extracts from other publications, some from the media industry, referring the to the emergence, and in some instances, the success of the magazine in the market. These are however all dated after the relevant date and can be given little if any weight".*

26. Mr. Baldwin contended that in dismissing the comments in exhibit LR2 in this summary way, Mr. Foley fell into significant error since although they were written after the relevant date a proper reading should have been sufficient to satisfy Mr. Foley of the extensive reputation in the mark LOADED in relation to magazines as at the relevant date. As a result Mr. Baldwin said that Mr. Foley's conclusion on page 13 line 8 et seq as to reputation was in error. Mr. Foley concluded:

*"In respect of a publication I would consider the circulation figures to give the most reliable indication of any likely reputation. In terms of the overall market for publications the sales of LOADED have not been massive, but when put into the context of the stated target readership are, in my view, sufficient to establish that at the date of application the opponent's trade mark is likely to have been well known and to have acquired a reputation in respect of the magazine amongst a sufficient proportion to the public concerned, and to a lesser extent, amongst women in the same age range. The magazine has been sold throughout the United Kingdom and I consider it reasonable to infer that the trade mark's reputation covers a similar area. I have no evidence of the uniqueness or otherwise of the word LOADED in the marketplace, and, as an ordinary English word which could be apt for use in connection with the goods, for example, the magazine is "Loaded with essential facts and features", I do not consider it to have such a high degree of distinctiveness so as warrant a wide penumbra of protection".*

27. Mr. Baldwin contended that had Mr. Foley correctly approached the evidence he would have concluded not only that the trade mark LOADED enjoyed a reputation in relation to magazines but also that it was a trade mark which enjoyed a high degree of distinctiveness which did warrant a wide penumbra of protection.
28. It is with this contention in mind that I turn to the evidence. There is no doubt from the evidence of Ms. Rathan, summarised in Mr. Foley's decision on pages 3 and 4 that the launch of LOADED magazine was extraordinarily successful, so much so that by August 1995 it had become the best selling men's magazine in the U.K. In both 1995 and 1996, James Brown, LOADED's editor, was named Editor of the Year by the Periodical Publishers Association (PPA). Of particular relevance is an item in the Journal "Campaign" of April 1996 (a document contemporaneous with the relevant date) which states in relation to men's magazines the following:

*"There seems little to worry about in the men's sector, with penetration of the market standing at a low 7% for men aged 18 to 44, suggesting room*

*for growth. The big question for the section is just how far can LOADED go? I.P.C. is confident it will easily reach the 200,000 mark, but even it seems fazed by its phenomenal success, and steers clear of capping its potential sales.*

*FHM (a rival magazine) has also recorded stunning growth. It attributes its success to treating its male readers like women; that is, giving them information that will help them make decisions about their lifestyle.*

*Esquire, the only men's magazine to have lost sales, regards its decline as strategic and the NatMags publishers, John Wisby, rules out any revision of the magazine's editorial environment to try to grab a slice of LOADED's success."*

By that date LOADED has become the largest selling the magazine in the sector.

29. I believe Mr. Foley was wrong not to take into account the material contained in exhibit LR2. In my judgment he should have done so but should have been careful in doing so to ensure that he only placed weight on the information in that exhibit which did relate back to the period prior to March 1996.
30. In my judgment the evidence of Ms Rathan does establish a significant reputation in the trade mark LOADED as used as the title of a magazine. I do not believe that the word had become a household name by March 1996, in the sense that the marks Viagra, the subject of the Pfizer case, and Typhoo, the subject of the Premier Brands case, had undoubtedly done on the facts of those cases. Nonetheless, in the field of magazines, I am satisfied by Ms. Rathan's evidence that a substantial reputation had been established in the trade mark LOADED in relation to the magazine amongst a significant section of the public, being those involved in publishing magazines and the young male reader who plainly purchased, read and enjoyed the contents of the magazine. To this extent therefore Mr. Foley was in error. The mark had a high degree of distinctiveness but within the limited field indicated above and not amongst the public generally.
31. What then is the penumbra of this distinctiveness? Mr. Baldwin drew my attention to the fact, which was not in dispute, that more than 50% of the advertisements in

the magazine were for fashion clothing and that many of the features in the various editions of the magazine were about men's clothing. Many of the currently famous manufacturers of clothing had seen fit to advertise in LOADED magazine prior to March 1996. On the basis of this Mr. Baldwin submitted that the magazine was a vehicle for the trade of those advertisers and that there was therefore a significant connection between LOADED magazine and the business of marketing fashion clothing.

32. He sought to add to this submission by inviting me to place weight on the opinion evidence of other deponents which he contended was expert evidence from appropriately qualified experts. He criticised Mr. Foley for not doing so (see Mr. Foley's decision page 15 lines 36 - 40 where he concluded that the evidence of these deponents was little more than personal opinion).
33. Mr. Burkill supported Mr. Foley's conclusion and indeed went somewhat further suggesting that the evidential value of these statements was none, primarily because the witnesses all worked in the media and therefore could give no useful evidence as to what the clothes-buying public would think, that many of them were connected with I.P.C. and that their creditability was undermined by some extraordinary statements in their declarations.
34. In order to resolve this aspect of the case, I have reminded myself as to the functions of an expert witness and particularly of the observations of Millett L.J. in The European Limited -v- The Economist Newspaper Limited (1998) FSR 283 at 291;

*"The function of an expert witness is to instruct the Judge of those matters which he would not otherwise know but which it is material for him to know in order to give an informed decision on the question which he is called on to determine. It is legitimate to call evidence from persons skilled in a particular market to explain any special features of that market of which the Judge might otherwise be ignorant and which may be relevant to the likelihood of confusion. It is not legitimate to call such witnesses merely in order to give their opinions whether the two marks are confusingly similar. They are experts in the market, not on*

*confusingly similarity .... in the end the question of confusingly similarity is one for the Judge. He was bound to make up his own mind and not leave the decision to the opinion of the witnesses.*

35. Whilst that observation was made in relation to evidence as to confusion, it is important in this case on reputation as well in that it directs attention to the necessity to have regard to the expertise of the deponent in question so that the relevant judge can be informed as to matters within the trade which he would otherwise be ignorant of. Weight can only be attached to an expert's opinion when it is an opinion which
- (a) is based upon his experience and
  - (b) is explained in sufficient detail so that the court can comprehend the reason why the expert holds that opinion and can assess by reference to the explanation the weight that is to be attached to it.

#### The Expert Evidence

36. With that in mind I turn to the expert evidence. I shall consider its effect both as regards reputation and confusion/association. The first is from Clare Derry, the managing director of Link Licensing Limited, an agency which acts on behalf of companies who wish to extend their brands into other merchandise. She had been working in this area for 15 years and claims to speak with authority on the topic of brand extensions and merchandising generally. However, with one exception, she does not give opinion evidence on those topics. In paragraph 2 she gives evidence of her awareness of LOADED magazine and indicates that sometime in 1997 her company approached IPC Magazines regarding a possible licensing arrangement for LOADED and some other titles. Unfortunately she goes into no detail, so that I am unable to assess the impact of that approach in relation to clothing, nor am I able to assess the impact of that approach (being as it was in 1997) on the factual position existing at the relevant date in March 1996. I therefore do not believe that this evidence assists me in assessing the reputation of LOADED magazine as at 1996.
37. The bulk of the remainder of her evidence consists of a criticism of the quality of the product marketed by Valucci and gives her opinion that

*"people certainly between the ages of fifteen and thirty five would associate a product bearing the trade mark LOADED to be authorised by the magazine".*

In my judgement Ms. Derry has not qualified herself to give that evidence and anyway, as appears from the citation from Millett L.J. above, that it a matter for me and not her.

38. The one aspect of expert evidence which she does give and to which I am entitled to attach weight is in paragraph 5 of her declaration where she states

*"In producing merchandise as a brand extension, it is essential that the image of the core product is maintained and that the peripheral merchandise has a synergy with the main product".*

I shall return to this when considering the question of detriment/unfair advantage.

39. The next declaration is from Lucy Barclay who is a press manager at Target Media Limited and whose job is to buy advertising space in any medium appropriate for a client. She has been working mainly for clients in the leisure and entertainment business for the last 8 years. In the course of her job she has to know which brands are popular in any of the fashion industries. This evidence qualifies her to give the evidence which she does in paragraph 2 of her declaration:

*"I was first aware of LOADED magazine when it was launched in 1994. I remember well the launch publicity. It was a distinctive and different magazine right from the outset. It is witty and stylish and saucy. It is directed at young men with an interest in beer, football and girls, the term "loaded lad" is well understood. In other words a type of young man can and is defined by reference to the magazine. Girls read it too. Its features and advertisements are for trendy products."*

This evidence is deserving of weight and is entirely consistent with the conclusion that I reached on the basis of Ms. Rathan's evidence.

40. In paragraph 3 of her evidence however, she gives evidence that she would have assumed Valucci's product was connected with LOADED magazine. She gives no supporting reasoning for his and I presume that her assumption was due solely to

the use of the word LOADED. However she goes on to express her surprise because she does not believe that the nature of the Valucci product is one with which LOADED magazine would wish to be associated. Whilst it may well be that somebody in Ms. Barclay's position may become aware of the nature of products that are endorsed by magazines and therefore be able to give opinion evidence as to why the public would be likely to associate a particular product with a particular magazine, it is difficult for me to give weight to her bare assertion. She gives no evidence of any trend in the field for magazines to endorse products, gives me no examples of magazines who have endorsed products and, in these circumstances, I do not believe it would be proper to attach any weight to her opinion on this issue.

41. The third expert is Alex Randall who is employed by the advertising agent Carat as a press planner buyer, a position he has occupied for three years prior to the date of his declaration, which was 30th September 1998. He acts for companies who wish to place advertisements in newspapers and magazines and therefore was well placed at the relevant date to know about the press and the typical readership of each publication. I can therefore attached weight to his evidence about how LOADED magazine was perceived and the kind of advertisers who would place advertisements in the magazine. In paragraphs 3, 4 and 6 he states as follows:

*"(3) I first encountered LOADED magazine in spring 1994. I remember it around this time because I was still at college, about to do my finals when a friend bought it. I remember that it had a feature about Paul Weller. The magazine was memorable because it stood out from the "aspirational" image of men's magazines at the time.*

*It pioneered a new kind of philosophy, the philosophy of the "new lad" and featured items about beer, girls and drugs. This had not been done before. In many ways it targeted an audience not previously targeted by men's magazines' most particularly the man in his 20s, as the men's magazines in existence at the time were targeted more at men over 30.*

*(4) I was asked what kind of products and brands would be advertised in LOADED. There is definitely a lot of fashion advertised in the magazine generally. Fashion and apparel brands do not advertise on TV and glossy magazines are therefore the main advertising medium for fashion.*

*The average reader of LOADED would certainly be interested in fashion, otherwise he would not be buying a glossy magazine. In the case of LOADED, this is mainly "street fashion", for example brands such as CATERPILLAR, BEN SHERMAN, FRED PERRY and FIRETRAP. Advertisements for alcohol, grooming products and fragrances would also appear but clothing is in my view dominant. Advertisers would advertise in LOADED for two main reasons. Firstly, because they are targeting the same market as the magazine, in this case the younger male, interested in fashion. Secondly, an advertiser would advertise to be associated with other advertisers also placing advertisements in the magazine. In other words, the advertiser would place an advertisement in a magazine where his main competitors were, in order to place himself in the market and benefit from association with other brands.*

*(6)I was asked whether people in the fashion trade would have been likely to know of LOADED magazine in 1986. LOADED was already a big success by this time and had opened up a large part of the men's market and consequently it is unlikely that fashion manufacturers and advertisers would not have known of the magazine by 1996".*

42. This evidence again confirms the conclusion I reached on the basis of Ms. Rathan's declarations but, more importantly, emphasises the natural empathy between the magazine and fashion clothing and gives cogent reasons why manufacturers of fashion goods would wish to advertise in the magazine.
43. In paragraph 8 however he goes on to give evidence that he thinks that the Valucci product could deceive the public. This is not a matter for him as he gives no evidence that he has any experience in the clothing market over and above that of an ordinary purchaser. I can therefore attach no weight to this aspect of his evidence.
44. The next expert is Jake Linwood who is an editorial director at Ebury Press. It is not however clear precisely what his responsibilities are. He has had a connection with I.P.C. since he was responsible for producing the Christmas 1996 compendium of articles from the LOADED team and has more recently produced a book about

the history of LOADED magazine. Since plainly he has had a significant involvement with LOADED magazine, I am entitled to place weight upon his evidence which is, in essence, evidence of fact. In particular, in paragraph 4, he draws attention to the fact that because of the lifestyle content of LOADED magazine it attracted corresponding advertisers, usually for men's clothing or fragrances, including, in 1995, Benetton, Caterpillar and Armani.

45. In paragraph 5 he gives evidence that he did not believe that the Valucci product was anything to do with the magazine but since he has given no evidence qualifying him to be an expert on matters such as this, I can attach no more weight to his opinion than I do to the contrary opinion expressed by others.
46. Next, Jeremy Pall, an employee of Mediavest UK, who is a strategic media planner specialising in the field of advertising and had been acting in that field since about 1990. He advises clients, who are advertisers, about how consumers associate images to their choice of media and hence advises them on the advertising strategies and use of media. Plainly this experience qualifies him to assist me in assessing the reputation of LOADED magazine from the point of view of both of potential advertisers in it and of the reaction of the target audience to the magazine and those advertisements.
47. In paragraph 2 he gives evidence that he was aware of LOADED magazine in early 1995, that the magazine was ground breaking at the time, that the image of the magazine was self deprecating and self parodying and that it opened up a whole new market.
48. In paragraph 3 he gives evidence as to why advertisers would place advertisements in LOADED magazine. This will be for both quantitative and qualitative reasons. He states that a product which associates itself with the LOADED "mind set" will be believed to have a "fast track" to that reader. He identifies clothing and more particularly Ben Sherman and Fred Perry as being the types of brand that he would expect to be advertised in the magazine.

49. This is valuable evidence which again supports my prima facie conclusion on reputation but again, as with Mr. Linwood and Mr. Randall, goes further in developing the association between the magazine and clothing.
50. In paragraph 5 he goes on to consider the Valucci shirt and gives evidence of his belief that the shirt is seeking to gain "standout" from its competitors and access to customers by associating itself with LOADED magazine and the emotional values of that magazine. In contrast to the evidence of Ms. Barclay I am satisfied that, not only has Mr. Paul the experience to give this evidence, the reasoning in paragraphs 2 and 3 of his declaration entitles me to place weight on it.

**Detriment/unfair advantage**

51. It is on the basis of this reputation that I must now turn to consider the likelihood of detriment or unfair advantage.
52. Mr. Baldwin contended that the evidence put forward on his client's behalf was sufficient for me to make a finding of "origin confusion", in the sense in which that word is used in section 5(2) - the risk that the public might believe that the goods in question come from the same or economically linked undertakings - see Canon K.K. v. Metro-Goldwyn Meyer Inc. (1999) RPC 117 paragraphs 17 - 29.
53. What then is the evidence that the public will believe that LOADED clothes come from the same undertaking as those responsible for LOADED magazine. I have indicated above the difficulties that I have with the expert evidence on this issue and have concluded that I can place little weight upon it. Plainly the marks are the same but I have no evidence that there is a propensity amongst those responsible for publishing magazines to licence their name to manufacturers of goods in general or clothing in particular. The only evidence is a passing comment in paragraph 6 of Mr. Pall's declaration that a magazine known as FHM produce a range of authorised clothing under the FHM trade mark. Since he gives no evidence as to when this practice commenced nor identifies the nature of the goods and the market, I cannot place any weight upon it.

54. Without such evidence Mr. Baldwin's submission amounts to no more than this: that any reader of a magazine sold under a particular trade mark and which advertises particular types of goods is likely to assume, when seeing any one of those goods sold under the same trade mark as that used for the magazine, that there is an economic linkage between the two enterprises. This is a sweeping submission of significant width which I am unable to accept on the basis of the evidence before me in this case. The highest the evidence goes is in the second declaration of Ms. Rathan who says that by the latter part of 1995 the publishers of LOADED magazine were receiving regular enquiries from companies wishing to have a licence to use the LOADED name on products and services. She does not however give any details as to the products and services involved. She goes on to give evidence as to enquiries being made in 1997 but even by that stage no evidence could be given as to enquiries from clothing manufacturers. Evidence is also given as to the distribution by LOADED magazine of some T-shirts and jackets bearing the trade mark LOADED. There was some dispute as to whether the mark would be seen as being the trade mark of the clothing or whether the reference to the word LOADED would be seen as an advertisement for the magazine but I do not think anything turns on this. The magnitude of the dealings in these garments was small and I am not satisfied that it created in the minds of the readers of LOADED magazine any connection between LOADED magazine and the business of marketing clothing under that name.
55. For all these reasons Mr. Baldwin has failed to satisfy me that "origin confusion" was proved on the facts of the present case. This however is not an end of the matter. As indicated above it is well settled that this type of confusion is not necessary in order to succeed under section 5(3). I therefore have to consider the extent to which there will be an association between the Valucci clothing and LOADED magazine and then to consider the extent to which that association could lead to detriment or unfair advantage.
56. The possibility of association is manifest. The trade marks are the same. Any one familiar with LOADED magazine, seeing clothing marketed under the trade mark LOADED could well call to mind the magazine. It would be surprising if they did not having regard to the reputation, which I have held to be proved, that amongst a

significant proportion of the public LOADED magazine is well known and is known inter alia, for its fashion content and for advertisements for currently popular fashion clothing. It is, I think, inevitable that a substantial number of those familiar with the reputation will call the magazine to mind on seeing clothing marketed LOADED. Once the reputation is proved, I do not believe I need evidence to reach this conclusion.

57. The much more troubling question is whether such "calling to mind" will lead to any significant detriment to I.P.C. or benefit to Valucci. Will the calling to mind of the memory of LOADED Magazine result in the "goodwill" attached to LOADED magazine being transferred to LOADED clothing and thus dilute the image linked to LOADED magazine? (see *Pfizer* paragraph 35).
58. In the *Premier Brands* case, Neuberger J. considered at length the concepts of dilution, blurring and tarnishing (see pages 22-27 and 32-46) and it was that type of damage that featured at the forefront of Mr. Baldwin's submissions to me. He contended that here there was detriment by reason of dilution, blurring, tarnishing and inhibition. Mr. Baldwin accepted that inhibition was a new category. Inhibition, he said, arose on the facts of this case because of the antecedent distribution by LOADED magazine of the T-shirts and jackets referred to above. He contended that if the mark opposed was registered, it would be open to Valucci to oppose any further marketing of that clothing on the grounds of infringement. Since it was a natural and proper course for I.P.C. to adopt to promote the magazine, this he said would be an unfair fetter and hence cause detriment.
59. There is in my judgment substance in this. It is common practice nowadays for people to use clothing as a promotional vehicle. It is a natural thing for a magazine to wish to do as the activity of LOADED magazine demonstrates. But the weight to be attached to it has to be tempered by reference to section 11(3) of the Act which does give a defence to traders in possession of an "earlier right".
60. In his address to me Mr. Burkill did not deal directly with this contention. He accepted that in March 1996 LOADED magazine was quite well known but drew attention to the absence of any reputation in the clothing field or of any adequate

evidence associating the magazine industry with the clothing industry. The magazine, he contended, would be perceived as being a vehicle for advertising other people's goods, it would not be seen as providing a natural extension into the clothing field under the same trade mark. Correctly, he urged me to consider the matter in the round and to have regard not only to the evidence given, which he contended was of little value, but to the fact that relevant evidence has not given. Whilst I see the force of this, the onus is on I.P.C. and I must therefore have regard to their evidence. If that satisfies me on unfair advantage/detriment then the absence of other evidence is irrelevant.

61. The evidence given on which Mr. Baldwin particularly relied was as follows:
- (i) Derry paragraph 5. - the evidence that in producing merchandise as a brand extension it was essential that the image of the core product was maintained and that the merchandise has a synergy with the main product. This I accept but there is no evidence that clothing is widely recognised as being a brand extension of a magazine.
  - (ii) Barclay paragraph 3. - I have already indicated that her evidence is no more than the evidence of an ordinary consumer so that I can place no weight upon it.
  - (iii) Randall paragraphs 3-6 and 8. - I have dealt with paragraphs 3-6 above. In paragraph 8 he stated that  
*"If there is a misconception that the product is a brand extension, this could reflect badly on the magazine and be detrimental to it".*  
This paragraph however suffers from the disadvantage that I have no evidence that clothing would be considered to be a brand extension of the magazine.
  - (iv) Linwood paragraphs 4-6. - which I have dealt with above.
  - (v) Pall paragraph 5. - This is undoubtedly the strongest evidence and I again I have considered its effect above.
62. In the end therefore, on the evidence, I am left with this. Registration of the mark applied for might inhibit IPC from marketing further promotional clothing bearing the trade mark LOADED and it may well affect advertisers perception of the magazine and their willingness to advertise in the publication. Is this enough? The

onus is on IPC to demonstrate that there is a real tangible risk of advantage or detriment of a sufficiently significant degree to warrant restraining what is, on the facts of this case, a non confusing use. See Pfizer paragraph 37.

63. I regard this as a borderline case and have hesitated in reaching a conclusion. The evidence is not strong. There is however expert evidence on which I can place some weight for the reasons given above and there are the undoubted facts that the trade marks are the same, that LOADED is not a natural term to use as a trade mark in relation either to magazines or clothing and that the reputation which I have found to be established in the word LOADED in relation to a magazine is in relation to a magazine a significant proportion of which is devoted to the fashion industry. It is I believe inescapable that some of the kudos of LOADED magazine will accrue to any clothing sold under the LOADED trade mark. Equally the possibility that the widespread use of the trade mark on clothing could materially affect the ability of LOADED magazine to obtain advertisements from others for their clothing in the magazine is real not fanciful for the reasons not given by Mr. Paul.
64. In the final event I have concluded that this case falls just on the right side of the line from I.P.C's point of view. They have just succeeded in discharging the onus upon them. I have concluded that as at March 1996 use of the mark LOADED in relation to clothing would cause, on the facts of this case, sufficient detriment to I.P.C. and a sufficient likelihood of unfair advantage to Valucci for it to be wrong for the mark opposed to be registered. Accordingly the Appeal succeeds.
65. As indicated above, neither party contended that the case under section 5(4) was better than that under section 5(3). I should however make it plain, since I understand there is an action for passing off in being, that nothing said in this decision can influence the outcome of that action which must be decided on the evidence before the court hearing the trial.
66. The final argument was based on section 3(6). This section provides that  
*"3(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith".*

67. Since I have found in Mr. Baldwin's favour under section 5(3) I do not propose to say much about this. Bad faith is a serious allegation and must be strictly proved. In the present case evidence has been given by a director of Valucci, Manoj Puri, as to the way in which the mark was selected, the reasoning behind that selection and as to the searches undertaken at the Registry before the application was made. Mr. Baldwin challenged this evidence and indeed drew my attention to certain portions of it which, he contended, were difficult to comprehend and he invited me to draw the inference that the mark was selected well knowing of the reputation of LOADED magazine. Indeed some of the expert witnesses tried to give evidence that anybody in the fashion industry must have heard of LOADED magazine and that therefore Manoj Puri must have done. I found this evidence singularly unpersuasive.
68. The difficulty in Mr. Baldwin's way is this. On the face of Manoj Puri's evidence the mark was selected innocently and that whatever Valucci may have known of LOADED magazine did not alert them to the possibility that I.P.C. had any interest in clothing. If I.P.C. wished to challenge that evidence, this should have been done by way of cross examination. Without this I am not prepared to draw any of the inferences which Mr. Baldwin sought to draw as to the bad faith of Valucci. This ground of opposition accordingly fails. However, for the reasons given the appeal succeeds under section 5(3), the decision of Mr. Foley must be set aside and the trade mark opposed must be refused registration.
69. Mr. Foley made an award of costs in the applicant's favour in the sum of £635.00 on the basis that the opposition had failed on all grounds. It has now succeeded on appeal on section 5(3) but not under section 3(6) and Mr. Baldwin did not pursue the case under section 5(4). Mr. Foley's order must be set aside and, in the exercise of my discretion, taking into account the fact that I.P.C. did not succeed on all grounds, I have concluded that the correct order as to costs is that the applicant should pay the opponent one sum to represent a contribution to the costs of both the proceedings before Mr. Foley and of this appeal and that that sum should be £1000.

