

Neutral Citation Number: 2008 EWHC 88 (Ch)

Case No: HC06C00058

**IN THE HIGH COURT OF JUSTICE**  
**CHANCERY DIVISION**

Royal Courts of Justice  
Strand, London, WC2A 2LL

Date: 25 January 2008

**Before :**

**Mr Justice Etherton**

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**Between :**

**D JACOBSON & SONS LIMITED**

**Claimant**

**- and -**

**(1) GLOBE GB LIMITED**

**Defendants**

**(2) GLOBE EUROPE SAS**

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**Mr John Baldwin Q.C. and Mr Robert Onslow** (instructed by **DLA Piper UK LLP**)  
for the **Claimants**

**Mr Roger Wyand Q.C. and Nicholas Saunders** (instructed by **Bird & Bird**  
**Solicitors**) for the **Defendants**

Hearing dates: 10<sup>th</sup> – 14<sup>th</sup> December 2007

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**JUDGMENT**

**Mr Justice Etherton :**

### **Introduction**

1. This case is about the designs and logos on the side of training shoes (“trainers”).
2. It raises, in the context of trainers, the familiar and important issue of the extent to which a mark is a mere matter of design rather than a genuine badge of origin, or, put a different way, the extent to which a manufacturer can claim a monopoly over a particular design by registration as a trade mark.
3. The Claimant, D Jacobson & Sons Ltd (“Jacobson”), claims that the Defendants, Globe GB Limited and Globe Europe SAS (together “Globe”), have infringed Jacobson’s registered trade marks for its “Wing Flash” logo (“the Wing Flash logo”) by the use of markings on Globe’s shoes, and have passed off their footwear as Jacobson’s.
4. Jacobson claims an injunction, destruction of Globe’s offending marks, an enquiry as to damages or an account of profits, and other relief.
5. Globe, for its part, denies infringement and claims that the registrations of the Wing Flash logo as a trade mark have at all times been invalid.
6. The issue at the heart of these proceedings is an important one generally, and particularly in the context of the market for trainers. That market is vast. In the region of 52% of the general public purchase trainers at some time during the course of the year. It is common for trainers to bear designs and logos on their sides.

### **Jacobson’s business**

7. Gola was first registered as a brand for footwear in 1905 by a manufacturer of football boots. The Gola brand was very popular in the 1960s and 1970s for football boots and trainers.
8. Jacobson was incorporated in 1982. It designs, imports, sells and exports all types of ladies’, men’s and children’s footwear. In the UK Jacobson usually sells direct to retailers. It rarely sells to wholesalers, and even more rarely sells direct to the public.

9. Jacobson bought the Gola brand from Porter Chadburn plc together with all goodwill and other associated intellectual property (“IP”) rights in 1996. Gola was seen by Jacobson as a brand which had not been exploited to its full potential for a number of years, and was a “sleeping giant”.
10. So far as concerns these proceedings, there are two strands to the Gola brand. At the premium end of the trainer market, Jacobson created GOLA Classics. Footwear in this range has generally been sold at premium prices in top end retail outlets and in selected independents. The second strand is the GOLA Sport range. This is aimed at the volume end of the market. It has generally been sold at lower prices in major multiple retailers and in many small independents across the UK.
11. In 2006 Jacobson turned over approximately £70 million, of which approximately 40% was attributable to the Gola brand.
12. Jacobson is the registered proprietor of the two registered trade marks in issue in these proceedings. It is the registered proprietor of the UK registered trade mark No. 1113779 for the Wing Flash logo, registered as of 4.5.1979 for shoes and boots in class 25 (“the UK Mark”). This was one of the IP rights acquired by Jacobson when it purchased the Gola brand in 1996. The UK Mark is registered as the following design, with the following description:

“The Trade Mark consists of a single colour applied in two parallel bands of uniform width extending from the waist to the facing of footwear and in a tapered horizontal band extending from the aforesaid band nearest to the heel to the seam of the heel itself, the colour contrasting with the colour of the shoe, as shown in the representation attached to the form of application.”



UK 1113779

13. Jacobson is also the registered proprietor of the Community registered trade mark No. 001909837 for the Wing Flash logo, registered as of 4.10.2000 for (among other things) footwear in class 25 (“the CTM”) with the following graphic representation:



CTM 1909837

14. It appears that the Wing Flash logo was produced in the early 1960s.
15. It also appears that the description of training shoes as “trainers” originated with shoes launched by Gola in 1968 called the Harrier Trainer.
16. In 2005 Jacobson sold 2,212,521 pairs of Gola footwear, with a trade value of £14.425 million, and a estimated retail value of £35.2 million, of which 44% were trainers which had the Wing Flash Logo.

### **Globe’s business**

17. The First Defendant sells footwear in the UK. The Second Defendant imports footwear into the UK. They are associated companies. Their parent company is listed on the Australian Stock Exchange.
18. Globe was originally founded in Australia in the mid 1970s by Stephen and Peter Hill. The Hill brothers had a passion for skateboarding. They helped to promote skateboarding in Australia.
19. The Globe brand was started in the 1990s to serve skateboarding and surf enthusiasts. The intention was to develop skateboarding footwear for the action sports market. Globe is a major sponsor of skateboarding and surfing events and elite skateboarding and surfing athletes.
20. Globe produces, among other footwear, the Globe Finale, the Globe Wedge and the Globe Motto shoes. Those shoes bear certain features, including a stripe design on the sides (“the Globe Side Design”), the word “globe” and another design on the sole and elsewhere (“the Globe Device”). The following are pictures of the Finale.



21. In the Wedge and the Motto styles there is no word “globe” on either side of the shoe, but there is on the tongue.

22. Jacobson first became aware of the Globe Side Design in 2005.

### **Jacobson’s complaint**

23. Jacobson issued the Claim Form in January 2006.

24. Jacobson claims that Globe has wrongly infringed the UK Mark and the CTM (together “the Gola Trade Marks”) because the Globe Side Design on its Finale, Wedge and Motto trainers is similar to the Gola Trade Marks, and is likely to cause confusion on the part of the public as to an association between the Gola Trade Marks and the Globe Side Design.

25. Jacobson relies, for that claim, on the Trade Marks Act 1994 (TMA 1994) s.10, Article 5 of the First Council Directive 89/104/EEC of 21 December 1988 (to approximate the laws of member state relating to trade marks) (“the Directive”), and Article 9 of Council Regulation (EEC) No. 40/94 of 20 December 1993 on the Community trade mark (“the Regulation”).
26. Jacobson further claims that it has goodwill or reputation attached to its shoes with the Wing Flash logo, and Globe, by marking its Wedge, Motto and Finale trainers with the Globe Side Design, has misrepresented to the public that its trainers are those of Jacobson; and Jacobson has or will be likely to suffer damage by reason of that erroneous belief generated by Globe’s misrepresentation.

### **Globe’s case**

27. Globe admits that it has imported, offered for sale, and sold in the UK its Finale, Wedge and Motto shoes.
28. Globe claims, however, that the Gola Trade Marks are, and have been at all material times, invalid. Globe counterclaims a declaration by the Court to that effect pursuant to s.47 (1) of TMA 1994 and Article 51(1)(a) of the Regulation.
29. Globe claims that the UK Mark is invalid because its registration was and is contrary to the provisions of TMA 1994 s.3(1)(a), (b) and (d).
30. Globe claims that the CTM is, and has been at all material times, invalid because it is registered contrary to Article 7 (1)(a), (b) and (d) of the Regulation.
31. Specifically, Globe’s case is that the Gola Trade Marks are and were invalid because (a) the Wing Flash logo is not a sign capable of distinguishing the goods of Jacobson from those of other undertakings (contrary to TMA 1994 s.3(1)(a) and Article 7(1)(a) of the Regulation); (b) the Wing Flash logo is devoid of any distinctive character (contrary to TMA 1994 s.3(1)(b) and Article 7(1)(b) of the Regulation); and (c) the Wing Flash logo is a sign or indication which has become customary in the bona fide and established practices of the trade (contrary to TMA 1994 s.3(1)(d) and Article 7(1)(d) of the Regulation).
32. Further, Globe claims that the Wing Flash logo has not acquired a distinctive character in relation to footwear as a result of any use that has been made of it by Jacobson.

33. Globe claims that, even if the Gola Trade Marks are and were validly registered, Globe has not unlawfully infringed those Trade Marks because Globe's Side Design is not confusingly similar to the Gola Trade Marks.
34. Globe also denies the allegation of passing off. It claims that it has made no representation that its trainers are Jacobson's trainers.
35. Globe further says that Jacobson has not proved any loss or damage or any likelihood of loss or damage as a consequence of the matters of which Jacobson complains.

### **TMA 1994, the Directive and the Regulation**

36. TMA 1994, the Directive and the Regulation contain parallel provisions. As Kitchin J observed in *Julius Sämaan Ltd v Tetrosyl Ltd* [2006] EWHC 529 (Ch.), [2006] FSR 42 at para [46], TMA 1994 must, so far as possible, be interpreted in accordance with the Directive, and the relevant provisions of the Directive conform to those of the Regulation.
37. Community trade marks are governed by the Regulation.
38. It is convenient and appropriate, therefore, in the present case to refer principally to TMA 1994 (for the UK Mark) and the Regulation (for the CTM), with reference to the Directive only where necessary.

### **TMA 1994**

39. The relevant provisions of TMA 1994 are as follows:

#### **“Trade Marks**

- 1 (1)In this Act a “trade mark” means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings.

A trade mark may, in particular consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging.

...”

### **“Absolute grounds for refusal of registration**

3 (1)The following shall not be registered –

- (a) signs which do not satisfy the requirements of section 1(1)
- (b) trade marks which are devoid of any distinctive character,
- (c) ...
- (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of trade:

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.

...”

### **“Infringement of registered trade mark**

10(1) ...

(2) A person infringes a registered trade mark if he uses in the course of trade a sign where because –

- (a) ...
- (b) the sign is similar to the trade mark and is used in relation to goods or services identical with or similar to those for which the trade mark is registered,

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

...”



### **“Grounds for invalidity of registration**

47.-(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

...”

### **“Registration to be prima facie evidence of validity**

72. In all legal proceedings relating to a registered trade mark (including proceedings for rectification of the register) the registration of a person as proprietor of a trade mark shall be prima facie evidence of the validity of the original registration and of any subsequent assignment or other transmission of it.”

40. The UK Mark was registered under the law in force prior to the commencement of TMA 1994. For the purposes of infringement and invalidity proceedings, the provisions of TMA 1994 apply: TMA 1994 Schedule 3 paras 4(1) and 18(2).

### The Directive

41. It is necessary to refer only to Article 5 of the Directive, which, so far as relevant, provides as follows:

*“Article 5*

### **Rights conferred by a trade mark**

1. The registered trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

(a) ...

- (b) any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trade mark.

...”

### The Regulation

42. The relevant provisions of the Regulation are as follows:

*“Article 4*

#### **Signs of which a Community Trade Mark may Consist**

A Community trade mark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.”

*“Article 7*

#### **Absolute grounds for refusal**

1. The following shall not be registered:
  - (a) signs which do not conform to the requirements of Article 4;
  - (b) Trade marks which are devoid of any distinctive character;
  - (c) ...
  - (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade.

...

3. Paragraph 1(b), (c) and (d) shall not apply if the trade mark has become distinctive in relation to the goods or services for which registration is requested in consequence of the use which has been made of it.”

“Article 9

### **Rights Conferred by a Community Trade Mark**

1. A Community trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

(a) ...

- (b) any sign where, because of its identity with or similarity to the Community trade mark and the identity or similarity of the goods or services covered by the Community trade mark and the sign, there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark;

...”

“Article 51

### **Absolute Grounds for Invalidity**

1. A Community trade mark shall be declared invalid on application to the Office or on the basis of counterclaim in infringement proceedings,

- (a) where the Community trade mark has been registered contrary to the provisions of Article 7;

...”

### **The evidence**

43. Witness statements were made, and oral evidence was given, on behalf of Jacobson, by Harvey Jacobson, the Managing Director of Jacobson, and by Matthew King, Maureen Enoch, Daniel Robinson, Darren King, Gary McDermott, Eleanor Oxberry and Karie Atkins, all of whom participated in a market research survey (“the Survey”) conducted by MDL Research Limited (“MDL”) on Jacobson’s behalf for the purpose of these proceedings. They all

gave their evidence in a clear and straightforward manner, and I have no reason to doubt their truthfulness.

44. Expert evidence was given, on behalf of Jacobson, by Tom Blackett. He wrote a report and gave oral evidence. Mr Blackett has held the position of Deputy Chairman of the Interbrand Group since 1996. Interbrand was founded in London in 1974 and now has 33 offices in 22 countries and employs 1200 people. It specialises in all aspects of the development and management of brands. Its services include brand valuation, brand strategy, corporate identity design, packaging design, internal brand communication and brand name development. Prior to joining Interbrand Mr Blackett worked for 5 years with Inbucon Management consultants as Research Director in their marketing consultancy division. Before then, he worked for 5 years with Research International, then Unilever's market research subsidiary, and for 3 years with Attwood Statistics, another leading market research firm.
45. Mr Blackett plainly has considerable experience in his field, and has also experience as an expert witness. He was a careful, cautious and balanced witness.
46. Jacobson relies on witness statements of Graeme Orchison, Jacobson's solicitor, who is a partner in DLA Piper UK LLP, and a witness statement of David Green, Jacobson's finance director, neither of whom were required by Globe to attend trial for cross examination.
47. In addition, Jacobson relies on a witness statement of Moray McHattie, and an unsigned witness statement of Stephen Street, in respect of both of which a hearsay notice was given. Mr McHattie and Mr Street participated in the Survey. The employer of Mr McHattie, who resides in Scotland, was unwilling to release him to attend the trial. Mr McHattie has approved and signed his witness statement. Mr Street informed Jacobson's solicitors that he had signed and approved his witness statement and he had returned it in the post, but it never arrived. They were unable to make further contact with him.
48. A hearsay notice was also served by Jacobson in respect of a number of completed questionnaires used in the Survey, in cases where Survey participants did not consent to being contacted to give evidence and their contact details were not made available to Jacobson by MDL.
49. A witness statement was made, and oral evidence was given, on behalf of Globe, by Matthew Wong, the President of the Second Defendant. For the most part, I found his evidence to be clear, straightforward and reliable. There were occasions, however, when he appeared to be adopting a less straightforward approach to the questions being asked in cross examination, and to be hedging and qualifying his answers in a partisan manner.

50. Expert evidence was given, on behalf of Globe, by Professor Leslie De Chernatony. He wrote two reports and gave oral evidence. Professor de Chernatony has been Professor of Brand Marketing and Director of the Centre of Research at the University of Birmingham since October 2000. Prior to that he was Professor of Brand Marketing and Director of the Brand Management and Marketing Research Unit at the Open University from 1 November 1994. He had an earlier commercial career in what he describes as “the marketing function of consumer (Cadbury Schweppes, Whitbread, Polycell) and business to business (Lucas Industries) organisations”. In addition, he works on ad hoc projects, in a consultancy capacity. He has a PhD in brand marketing, and is a Fellow of the Chartered Institute of the Market Research Society. He has undertaken a significant amount of research in brand marketing, and has published extensively on the subject.
51. Professor de Chernatony was an extremely careful witness. Prior to this case, he had no experience of the market for branded trainers. He had not bought a pair of trainers himself for about 5 years. He approached his evidence for the case in much the same way as other research projects. He has not undertaken any primary research, that is to say, conducted interviews, in relation to the way consumers of branded trainers identify and purchase them, but he has tried to obtain as much secondary evidence, that is to say evidence in the public domain, as possible. Predominantly, this comprised visits to 17 shops selling trainers in Scarborough and York, and about 3 stores in Solihull; study of a market research report by Mintel; and examining various websites, including, in particular, the websites of Nike and Adidas; and considering documents given to him by Globe’s solicitors. He accepted, in cross examination, that he was not an expert on the purchasing behaviour of branded trainers.
52. In keeping with the meticulous standards to be expected of a leading academic scholar, he was not prepared to venture views without knowledge of data that would support them. At the same time, he placed considerable weight on marketing theory, including consumer behaviour theory. His view, expressed in cross examination, was that: “good theory enables prediction to be made”. This resulted in an impression that, on occasions, he was being overly cautious, and sometimes overly theoretical. He said in cross examination, for example, that he did not have sufficient data to say whether BT is a successful brand. In the absence of information about its market share, he refused to accept that Puma was a major brand. He was not prepared to accept that any of the designs in the appendix to this judgment, other than Nike and Adidas, were recognised brand logos, that is to say would be recognised by ordinary consumers, in the absence of evidence as to marketing and consumer recognition for each of them. He had no knowledge of ASICS, Diadora or Converse as brands.
53. Globe also relied on witness statements of Mark James Hilton, a partner with Bird and Bird, Globe’s solicitors, to which Jacobson made no objection.

54. Mr Blackett and Professor de Chernatony signed a joint statement pursuant to an order for directions of Master Bragge and CPR 35.12 setting out those issues on which they agreed and those on which they disagreed, with a summary of the reasons for their disagreement.

### **The Survey**

55. Master Bragge gave agreed directions on 4 December 2006, including directions as to the service by either side of any survey evidence upon which they intended to rely at the trial. He also gave permission to each party to adduce evidence from an expert in the field of footwear branding and marketing.

56. As I have already said, Jacobson arranged for the Survey to be carried out on its behalf by MDL. 1130 people participated in the Survey, which was conducted between 6 and 10 July 2007.

57. An initial recruitment question ascertained whether the participants had ever bought trainers or leisure shoes or would consider buying them. Only those who responded affirmatively to either of those questions continued to be interviewed.

58. 563 participants (“the T Sample”) were shown photographs of a Gola shoe, with the Wing Flash logo, but all other Gola marks removed. 567 participants (“the F Sample”) were shown photographs of a Globe shoe, with the Globe’s Side Design, but all other means of identification removed or obscured. The participants were asked to look at the photograph of the shoe, and to state whether anything on it indicated the make of the shoe. If the respondent answered affirmatively, they were asked what it was about the shoe that indicated the make, and they were also asked to name the make if they could.

59. A Research Technical Report prepared by MDL (“the RTR”) explained the interviewing method. An appendix to the RTR dated August 2007 was prepared by MDL, which explained the way in which quotas were imposed on age, gender and region so as to ensure that the sample selected was representative of the population of adults in Great Britain aged 20-40.

60. Neither side called anyone from MDL to give evidence in respect of the Survey.

61. In his report Mr Blackett makes references to, and draws various conclusions from, the Survey.

62. Globe claims that Mr Blackett was not authorised by Master Bragge’s directions order, nor was Mr Blackett qualified by his experience, to verify the methodology of the Survey or to draw conclusions from it. Globe claims that, in the

circumstances, the Survey cannot be relied upon by Jacobson for any useful purpose in connection with these proceedings.

63. Globe issued a written application dated 4 December 2007 to exclude certain evidence about the Survey in Mr Blackett's report. That application was made on the first day of the trial by Mr Roger Wyand Q.C, leading Mr Nicholas Saunders, for Globe. Having heard full argument from them, and from Mr John Baldwin Q.C., leading Mr Robert Onslow, for Jacobson, I said that, for the reasons I then explained, I would not give an immediate judgment, but would give a decision in the course of my Judgment on the action, following the trial.
64. Mr Blackett stated in his report that he was asked by Jacobson's solicitors to advise them on the choice of a market research agency to set up and conduct a survey to determine whether the Globe Side Design is confusingly similar to the Wing Flash logo, and that he introduced them to MDL. He described MDL as "an extremely good firm that I have used on many occasions in the past". He said that he was involved in discussions regarding the design of the Survey and the content of the questionnaire used in the Survey.
65. Mr Blackett stated that a representative sample of respondents in the target market - "(people aged between 20 and 40 who have 'ever bought or would consider buying trainers or leisure shoes')" - was interviewed in the street. Globe seeks to exclude the description of that sample as "representative".
66. Objection is also taken by Globe to the statement in Mr Blackett's report: "Thus there was no possibility that the interviewers could influence responses".
67. Objection is also taken to the following passages:

"26. The sample was drawn to represent the population of Great Britain aged between 20 and 40 (Sources: 'Mid-2005 Population Estimates', published by the Office of National Statistics; and the General Register Office for Scotland). Quotas were imposed on gender and age, and the interviewing was spread by regional proportion to population. Two samples of 500 respondents (one seeing T-Gola; one seeing F-Globe) were matched on these criteria. Inspection of the other profile data collected shows close matching on other demographics such as socio-economic group, household size, working status and marital status. The resultant sample comprised a total of 1130 respondents of which 563 saw Stimulus T (Gola) and 567 saw Stimulus F (Globe)."

"27. The survey was conducted according to the requirements of ISO 20252, the international market research quality standard. All interviewers had been fully trained on the standards required by the Interviewer Quality Control Scheme."

68. Mr Blackett reported that 31% of the participants shown the Gola shoe and the Globe shoe stated that there was something on the shoe to indicate the make of shoe. Objection is taken by Globe to the following passage in relation to that observation:

“30... I am not surprised that identical proportions of each sample replied “yes”. The samples were of good size and were matched exactly in terms of representing people who had ‘ever bought or would consider buying trainers or leisure shoes’. They were also matched exactly in terms of age (20-40), and were matched very closely in terms of socio-demographic characteristics. They were also shown collages of shoes which in my view were visually very similar.”

69. Mr Blackett concluded that a strong majority of those who said there was something to indicate the make found this on the side of the shoe.

70. Mr Blackett then went on to state that 11% of the T sample correctly identified Gola; and none said “Globe”. In the F sample 2 people identified Globe correctly; but 12 participants, that is to say 2%, mentioned “Gola”. He concluded from an analysis of the responses that “the side flashes carried on the side of the shoe were a principal cause of confusion.”

71. Objection is taken by Globe to Mr Blackett’s next statements:

“34. I conclude from this that the Gola Wing Flash Logo is better known than the Globe side flash, and that there is greater scope for confusion between the Globe side flash and the Gola Wing Flash logo than between the Gola Wing Flash Logo and the Globe side flash.”

“35. This evidence demonstrates a significant level of confusion caused by the use of the Globe side flash...”

72. Objection is also taken by Globe to Mr Blackett’s statement that copies of witness statements and questionnaires, given to him by Jacobson’s solicitors, “help to explain what respondents perceive to be the distinguishing characteristics of the Gola Wing Flash Logo and why confusion arose”.

73. Objection is also taken by Globe to the following further passages in Mr Blackett’s report:

“51... The Wing Flash Logo had a good level of recognition amongst the survey sample, which was representative of potential buyers of trainers, and when grossed up from the survey base corresponds to approximately



1.4 million people. The Globe side flash... had by contrast an extremely poor level of recognition.”

“52... Gola, correctly identified by 11% of the T sample, and incorrectly identified by 2% of the F sample, is in my view vulnerable to confusion with Globe. Its distinguishing characteristics - the horizontal stripe and the combination of this with the vertical stripes – are confused with the Globe side flash, and this can lead to a loss in sales and damage to Gola’s reputation...”

“53. This report is based on... my interpretation of the results of the research survey conducted. The survey sample was based on people who we believe represent the main target market for trainers or leisure shoes: people aged between 20 and 40, who have ever bought or would consider buying trainers or leisure shoes. Demographically, the sample was based on two official sources: the ‘Mid-2005 Population Estimates’ report prepared by the Office for National Statistics, and the General Register Office for Scotland (these bodies are the official Government statisticians; each year they produce population estimates for England and Scotland respectively). The recruitment was carried out to high standards and the survey was conducted according to the requirements of the ISO 20252, the international market research quality standard. All interviewers had been fully trained to the standards required by the Interviewer Quality Control Scheme. I believe that the Court can have confidence that the results are representative of the opinions and beliefs of ‘people aged between 20 and 40, who have ever bought or would consider buying trainers or leisure shoes.’ MDL has estimated that this group represents at least 11.25 million people.”

74. The starting point of Globe’s objection to the parts of Mr Blackett’s report to which I have referred is that those passages can only properly be put in evidence by an expert in survey methodology, but Master Bragge gave no direction for any such expert evidence. Globe’s contention is that such an expert has a different field of expertise from the field of footwear branding and marketing, for which permission was given.

75. In his second report Professor de Chernatony describes survey methodology as comprising a number of specialists tasks, including designing a market research procedure which validly investigates the specific problem, designing questionnaires correctly and ensuring among other things that improper speculation is minimised, identifying a statistically representative sample, the supervision and proper conduct of fieldwork, the analysis of error margins in the data, investigating whether there are statistically significant findings and the statistical extrapolation of the survey results to the population at large.

76. Professor de Chernatony claims no expertise in survey methodology; although, as part of his marketing expertise, he is familiar with applying results obtained through market research to make qualitative conclusions about branding. Brand marketing, he says, is not the same as market research. Whereas he is an expert in brand marketing, other academics specialise in market research. Although he acknowledges that he needs to have some understanding of market research methodology, in his research he leaves the methodology and analysis of statistical data in qualitative research to his colleagues. Professor de Chernatony emphasises that a survey methodology expert would need to have considerable knowledge of the statistical principles involved in quota sampling, and would also need to understand sampling errors so they could then put confidence limits around findings from the survey to test whether any of the findings are statistically significant, neither of which areas of expertise are held by Professor de Chernatony.
77. I would observe, by way of initial reaction, that if Globe is correct in its basic submission that Master Bragge's directions did not embrace expert evidence on survey methodology, it is surprising that the directions were agreed in those terms, bearing in mind that both sides' solicitors and counsel are highly experienced in this area of the law and the directions plainly contemplated that the parties, or some of them, would wish to adduce survey evidence.
78. Having read the written evidence, and heard the oral evidence of Mr Blackett and Professor de Chernatony, I consider that the starting position of Globe is too sweeping. The agreed directions included permission for expert evidence on footwear marketing. Professor de Chernatony himself accepted, in cross examination, that marketing includes a number of disciplines, including market research. Market research is itself capable of encompassing market surveys. Accordingly, I find that the agreed directions did include permission to adduce expert evidence in relation to the methodology of any footwear marketing survey.
79. A quite separate issue is whether the expertise of the particular branding and marketing expert witness extends to surveys. As to that point, Globe claims that Mr Blackett does not have the expertise to make the statements which he did in his report to which objection is taken by Globe. I do not accept that his evidence should be excluded on that ground.
80. Jacobson's survey evidence was sent under cover of a letter dated 19 July 2007 from Jacobson's solicitors. In addition the RTR was received by Globe's solicitors on 30 July 2007.
81. On 1 August 2007 Globe's solicitors wrote to Jacobson's solicitors saying that expert evidence would be required as to whether the methodology was appropriate. They proposed that the order for directions be amended to allow both sides to call an expert in the field.

82. On 8 August 2007 Jacobson's solicitors wrote to Globe's solicitors saying, among other things, that, if Globe's case was that the methodology was flawed in some way, they should set out why and on what basis that assertion was made. Until that was done, Jacobson's position was that it could not see any need for any additional expert evidence, beyond that which the parties had agreed at the directions stage.
83. On 23 August 2007 Globe's solicitors wrote to Jacobson's solicitors stating that, in the absence of agreement by Jacobson that the order for directions should be amended so that both parties were able to call an expert in the field of methodology, it would be Globe's intention to make an application to the Court.
84. On 16 October 2007 Jacobson's solicitors wrote to Globe's solicitors saying that, as matters currently stood, they could see no reason or need for any second expert, but, if Globe would let them know the substance of the evidence on which Globe wished to rely, they would be happy to review the position.
85. Mr Blackett's expert evidence was served on about 8 November 2007.
86. It was not, however, until 4 December 2007, less than a week before the trial was due to commence, that Globe applied to exclude the parts of Mr Blackett's evidence to which I have referred.
87. Notwithstanding the documents relating to the Survey, which had been sent to Globe's solicitors, or which were available for inspection by Globe or those acting on its behalf, including all the questionnaires, Globe did not utilise the procedure under CPR 35.6 to ask written questions of Mr Blackett about his report.
88. Globe has made a few specific objections as to the way in which the Survey was conducted. It has established that, in breach of the instructions to the interviewers, two of the questionnaires were completed with two sets of answers. Further, an incorrect calculation was made of the results of the Survey in one particular respect, by giving a total of 9 instead of 8 of the F Sample who (incorrectly) identified the brand, in answer to the third question, from the pattern/markings/design on the Globe shoe. It has also established, from the oral evidence, that two of the interviews were not conducted in the street but at the house in which the participant was residing. Further, one of the answers was recorded incorrectly as "Don't know" when the lady participant identified the shoe as a Gola shoe. None of those matters is of statistical significance.
89. Globe also criticises the first of the questions put to participants (whether anything on the shoe indicated the make of the shoe) on the ground that it was a leading question and will have suggested to the participants that there was something on the shoe which might show origin.

90. Although, as Mr Blackett accepted, there was inevitably an artificiality about the circumstances in which the Survey was conducted, that is to say the questions asked and the responses to them, I take the view that the questions that were asked of participants, including in particular the first question, were, in all circumstances, reasonable. To have asked, as Mr Wyand suggested, wholly open questions would not have been practicable in the circumstances in which busy shoppers were being detained for a brief interview.
91. None of those criticisms made by Globe is a ground for excluding the evidence of the Survey or the statements of Mr Blackett in relation to them. They might, at best, go to the weight to be attributed to the Survey, but no more.
92. Globe has never itself presented any expert evidence undermining the methodology of the Survey.
93. In all the circumstances, I consider that Mr Blackett's evidence on the Survey is admissible, notwithstanding that much of it is based on what he was told by MDL. In so concluding, I take into account all the matters I have mentioned, as well as Mr Blackett's unchallenged professional endorsement of MDL's expertise, Mr Blackett's personal collaboration with MDL in connection with the Survey, his own marketing experience and expertise, and his knowledge and understanding of the RTR and the Appendix to it.
94. For the sake of completeness, I would add that, even if I am wrong in my conclusion that the agreed order for directions made by Master Bragge included permission to adduce expert evidence in relation to the methodology of any footwear marketing surveys conducted by the parties, I would myself grant permission for all Mr Blackett's evidence to be admitted in the light of the particular facts and circumstances which I have mentioned.
95. I reject the analogy which Mr Wyand sought to make with the judgment of Lewison J in *O2 Holdings Ltd v Hutchison 3 G Ltd (No. 2)* [2006] RPC 30. In that case Pumfrey J gave a direction that neither party had permission to adduce any survey evidence without first obtaining the leave of the court; and any application for such leave was to include details of the questions proposed to be used in any such survey. Without obtaining permission of the court, the claimants conducted a survey. It was proposed that an employee of a market research company which carried out the survey be called in order to describe how the exercise was carried out. It was also proposed to call 8 of the persons who participated in the survey. Lewison J held that the evidence of the employee was properly to be treated as expert evidence; and, if he did not give that evidence, then the results of the experiment could not be explained. He refused to allow the employee to be called because the claimants had not abided by the spirit or the letter of Pumfrey J's direction. Those facts have no parallel with the present case, in which there were agreed directions for permission to adduce expert evidence.

## **Validity of registration**

96. It is conventional, in trade mark infringement cases, when the defendant counterclaims for a declaration of invalidity, to deal with infringement first, and then invalidity. That approach, although counter-intuitive, is justified by the principle that, once registered, a trade mark is presumed to be valid (TMA 1994 s.72) and is assumed by the court to have been in use and to have developed a reputation and goodwill for the specification of goods for which it is registered (*Reed Executive plc v Reed Business Information Ltd* [2004] EWCA Civ 159, [2004] RPC 40, at paras [79] – [81]).
97. In the circumstances of the present case however, I prefer to take the more analytically straightforward course of dealing, first, with the validity of registration, and then infringement. I do so because there are a number of important issues, in the present case, which are common both to validity and infringement, and it is convenient and logical to consider them, first, in relation to registerability.
98. As I have said, Globe’s case is that the Gola Trade Marks are invalid because the Wing Flash logo is not a sign capable of distinguishing the goods of Jacobson from those of other undertakings; the Wing Flash logo is devoid of any distinctive character; and the Wing Flash logo is a sign or indication which has become customary in the bona fide and established practices of the trade.
99. The Gola Trade Marks were, as I have said, prima facie, validly registered (TMA 1994 s.72); and so the burden is on Globe to show the contrary.
100. Validity must be considered as at the date of registration, that is to say, in the case of the UK Mark, 4 May 1979, and, in the case of the CTM, 14 October 2000.
101. The starting point, which is common ground, is that the essential function of a registered trade mark is to indicate the source or trade origin of the goods or services in respect of which it is registered. As the ECJ put it in *Sieckmann Case C-273/00* [2003] RPC 38 at para [35]:

“...It is also clear from the Court’s case-law that the essential function of a trade mark is to guarantee the identity of the origin of the marked product or service to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish that product or service from others which have another origin and that, for the trade mark to be able to fulfil its essential role in the system of undistorted competition which the EC Treaty seeks to establish, it must offer a guarantee that all the goods or services bearing it have been manufactured or supplied under the control of a single undertaking which is responsible for their quality...”

102. The need for distinctiveness is related to the fundamental function of a trade mark as a guarantee of origin, and was summarised as follows by the ECJ in *Henkel v OHIM* Case C – 144/06P (4 October 2007 unreported):

“34. According to consistent case-law for a trade mark to possess distinctive character within the meaning of that article, it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings (Joined cases C473/12 P and C474/01 P *Procter & Gamble v OHIM v Euro Möbelwerk* [2004] ECRI-10031, paragraph 42)”

“35. That distinctive character must be assessed, first, by reference to the products or services in respect of which registration has been applied for and, second by reference to the perception of the relevant public (see Joined Cases C-473/01 P and C-474/01 P *Procter & Gamble v OHIM*, paragraph 33, and Case C-25/05 P *Storck v OHIM* [2006] ECR I-5719, paragraph 25).”

103. Distinctiveness must be assessed through the eye of the average consumer: *Julius Sämaan* at para [40].

104. Globe contends that the protection sought by Jacobson under trade mark law for the Wing Flash logo is not protecting an origin identity, but rather protecting an exclusive right to a design feature. As Globe emphasises, trade mark law is not directed at enabling manufacturers to obtain permanent monopolies in attractive or eye catching design features for their products where those shapes ought properly to be the subject of other IP rights, in particular those of limited duration such as registered and unregistered design rights.

105. Globe further emphasises that this case is not about the Gola brand. It is a case about the design of sport shoes: the issue is whether the particular stripe arrangement forming the Wing Flash logo, which is used on the side on some of Gola’s shoes, functions as a trade mark and whether it is infringed. It is not a case about the extent to which the Gola name is distinctive, nor is it about the extent to which the Gola name itself has goodwill.

106. Globe emphasises that, for the purpose of validity of registration as a trade mark, distinctiveness is to be assessed in relation to typical use of the mark on the relevant goods and the market for those goods. In the present case, the relevant goods are shoes, or more particularly, sport shoes.

107. Globe says that consumers of sports shoes are presented with a barrage of stripe designs on the side of the shoes. Globe maintains that, if a shoe manufacturer in that market wishes to promote a particular stripe arrangement on shoes as a trade

mark, that is to say as denoting the particular manufacturer, then they have to educate the consumers of their shoes that this is the case. Successful examples of such education are, Globe maintains, the Nike “swoosh” and, to a lesser degree, Adidas’ three stripes.

108. Globe contrasts the Gola Wing Flash logo arrangement of stripes with the distinctive non-stripe logos placed by other manufacturers on the side and other parts of their sport shoes to denote origin, such as Umbro, Kappa, Fred Perry, Lacoste and Le Coq Sportif. Their logos can be seen in the Appendix to this judgment. Globe maintains that the logo in those cases is overlaid or in some way separated from the underlying design of the shoe. They are not, Globe says, part of the “structural” design of the shoe, but are imposed on top, forming the dominant origin identifier of the overall design of the shoe.
109. Globe relies heavily on the evidence of Professor de Chernatony. He said in his first report that his initial reaction, as a branding expert, was that he did not see a trade mark other than the word “GOLA” on the Gola trainer with the Wing Flash logo, and that the stripes on the side of the trainer seem to him to be no more than a part of the general design of the trainer. His view, drawing essentially on what he calls “good theory”, was that in this particular market a rule has developed in the consumer’s mind that stripes on trainers are a design feature.
110. His position is that, unless educated otherwise, consumers are likely to consider stripes on the side of trainers as being nothing more than design features rather than brand logos; and that, in order to make design features themselves a recognised brand, an organisation would have to work on branding and marketing.
111. In his opinion, Nike’s “swoosh” and Adidas’ “three-stripes” stand apart from other trainer brands with a striped design, none of which, he says, has achieved anywhere near the same level of recognition.
112. Further, in his opinion, the large number of similar stripe designs on sport shoes means that it is unlikely that “any but the most fanatical consumer” would be able to associate correctly a stripe design with a specific brand without education. His evidence is that in a number of cases brand owners appear to have recognised that problem, and as a consequence “have used a word mark to communicate the brand values”.
113. Professor de Chernatony’s evidence, and Globe’s case, is that the way Gola shoes have been designed and promoted recognises that the Wing Flash logo does not operate as an effective mark of origin, and the public have never been educated to recognise it as such.

114. It is emphasised, on behalf of Globe, that when the Wing Flash logo has been used on the outer side of the shoe, where it is most prominent, it has almost always been overlaid with the word GOLA or “G” (although Jacobson has phased out the letter “G” over time). Although Jacobson’s evidence is that the Wing Flash logo on its own has nearly always featured on at least one or two designs in the Gola Classic range, it has become redundant in the later Gola Sport range. The evidence is that in 2005 only 0.28% of the Gola range of shoes sold in the UK used the Wing Flash logo which was not itself overlaid with another Gola trade mark.

115. Professor de Chernatony further observes that the tongue and other labels on Gola shoes (and other promotional material) tend to use one or both of the following registered marks:



**The “Classics Logo”  
“Wing Flash Mark II”**



**The “Mark 3 Logo”  
“Wing Flash Mark III”**

116. For a short period, Jacobson also used another logo called the Wing Flash Mark IV.

117. Various Gola shoes in the Classic range carry the Wing Flash Mark II and the word GOLA.

118. Promotional material and various items of clothing and goods also carry the Wing Flash Mark II, as well as GOLA.

119. The Wing Flash Mark III appears in the catalogues and brochures for the Gola Sport line, together with the word Gola in the following stylised form:

**GOLA**

120. Globe emphasises that both the Wing Flash Mark II and the Wing Flash Mark III are superimposed on the underlying design of the shoe; and, Globe contends, they function as the origin identifier, as distinct from the Wing Flash logo, which Globe describes as “a structural design feature” stitched into the side of the shoe.



121. Even on the small minority of shoes which feature the Wing Flash logo without GOLA or G overlaid on it, the word GOLA or G or the Wing Flash Mark II or the Wing Flash Mark III appear elsewhere.
122. In his first report, Professor de Chernatony refers to other aspects of the use of the Wing Flash logo which, he says, may detract from the effective education of the consumer.
123. Professor de Chernatony placed particular emphasis on the absence of a branding manual for Gola. In cross examination he said that it is essential to have a brand manual in order to develop a brand. In his second report he said that the absence of such a manual is a good indication that “there has been no effort to ensure that the Wing Flash logo is used in a consistent manner or that [Jacobson] has sought to educate consumers that the Wing Flash logo is a brand identifier, and that Jacobson itself sees it as a design rather than a brand identifier”.
124. In addition to all those points, Mr Wyand submitted that the only proper conclusions that, ignoring confidence limits, can be drawn from the Survey are fatal to Jacobson’s case. He submitted that those conclusions are, first, that the Wing Flash logo is just as likely to be taken as an indication of Adidas as of Gola; second, the level of confusion of the Globe shoe – when shorn of all marks of brand other than the Globe Side Design – with Gola is insignificant; and, third, Nike, Adidas and Vans trainers are just as likely to be confused with Gola as Globe shoes, or even more likely.
125. Notwithstanding those varied and well presented arguments by Globe, Globe has failed to establish that the registrations of the Gola Trade Marks are invalid.
126. Although the burden is on Globe to show that the Gola Trade Marks were not validly registered, and validity must be considered at the date of registration, Globe has adduced no evidence as to the position in the market place at either of the dates of registration of the UK Mark and the CTM.
127. Mr Baldwin’s starting position on validity is that the Wing Flash logo is an unusual design, and is inherently distinctive. I agree.
128. The real issue, however, is whether, in the particular context of the market for shoes, especially sport shoes, the Wing Flash logo, when placed on shoes, was at the dates of the registration of the UK Mark and the CTM sufficiently distinctive to operate as a mark denoting origin, or rather whether the average consumer in that market would have perceived it as such.
129. I am satisfied, taking the evidence as a whole, including evidence of matters since registration which may throw light on what the attitude of the average

consumer was at the earlier date of registration, that the Wing Flash logo on Gola shoes would have been recognised by the average consumer as a distinctive mark of origin of the shoes; that is to say, distinguishing the provenance of the Gola shoes from those produced by other manufacturers.

130. I accept Mr Blackett's evidence that the market for sports footwear has assumed the characteristics of a fashion and leisurewear market, where buyers identify strongly with brands, or "labels". Such a label or brand, in his words:

"... confers upon the wearer the confidence of knowing that they are dressed fashionably and appropriately ; it sends a message to their peer group that they are 'one of the gang'; and it tells the world at large that they have a particular lifestyle and attitude".

131. He said, and I accept, that in the sports shoe market:

"branding is exceptionally important, particularly within the performance and fashion segments, where some of the best-known brands – Adidas, Nike, Puma, Reebok, and Gola – enjoy reputations that are based on their sporting heritage. The major brands – particularly Adidas and Nike – have... now transcended their purely sporting roots – football and running respectively – and have become fashion statements, embodying style, quality and a way of life."

132. I accept Mr Blackett's evidence that brand recognition in the trainers market is informed to a significant degree by the logos manufacturers display on the sides of their shoes; and that this is something of which the retail trade is very aware and exploits in merchandising. In his view, typical buyers of trainers are now accustomed to using the signs on the sides of shoes as brand identifiers.

133. He considers that typical buyers of trainers would be likely to take the Wing Flash logo as the manufacturer's brand rather than serving a mere decorative purpose.

134. In my judgment, the weight of the evidence supports Mr Blackett's views.

135. Mr Jacobson has some 35 years experience of the UK footwear industry. He gave evidence, which I accept, that, if a brand wishes to promote itself on a shoe, it is quite difficult to place on the shoe a brand name which will be instantly recognisable and identifiable: when shoes are worn, it is difficult, if not impossible, to read small brand labels on them. For that reason, stripes down the side of training shoes are used to advertise and promote the brand.

136. As Mr Jacobson explained, and the evidence showed, the manner in which training shoes are marketed, including on the websites of various of the brand owners, demonstrates the importance of designs on the side of shoes. Most training shoes, Mr Jacobson explained, use some kind of side flash or other side design to associate the shoe with the manufacturer. His evidence, which I accept, was that the design on the shoes in the Appendix to this judgment would be recognised by ordinary consumers as brands.
137. Professor de Chernatony accepted that Mr Jacobson, with 35 years experience, has far more knowledge than himself of this market sector. Professor de Chernatony has, as he himself said, “rapidly tried to come up the learning curve to get there based on the knowledge that is in the public domain”. Exhibit LDC 5 to his first report contains images of a large number of different trainers and other shoes (other than Gola) with stripe side designs, but he accepted in cross examination that he was not able to say that they were representative of the market as a whole, or the time during which they have been on the market, or the advertising spend on them, or how they were promoted in the UK, including (apart from Nike and Adidas) their packaging or the levels of consumer awareness of them.
138. Professor de Chernatony further accepted, in cross examination, that his initial reaction, on being shown an image of a Gola trainer, that the stripes on the side were no more than a part of the general design rather than a trade mark, was his reaction as “a naïve consumer”, that is to say an ordinary person who has a long period between last buying a pair of trainers and who has no particular knowledge of the market.
139. Further, Professor de Chernatony himself accepted, in cross examination, that consumers look at the side of shoes and the top of shoes for any indication as to brand.
140. There is some evidential support for the views of Mr Blackett and the testimony of Mr Jacobson dating from prior to the registration of the UK Mark and specifically in relation to Gola.
141. There are in evidence advertisements from the early 1970s showing the Wing Flash logo on Gola football boots and trainers. In one particular advertisement, in a magazine published in September 1971, a picture of the Wing Flash logo on the side of a football boot is accompanied by the message to the reader: “Look for the distinctive Gola Straps”. That is plainly a reference to the stripes forming the Wing Flash logo.
142. Other evidence strongly supports the conclusion that, in this market, the average consumer recognises striped shapes and configurations of stripes prominently displayed on the side of the trainers as a mark of origin. 31% of the participants in the Survey recognised the stripes on the side of both the Gola shoes and

Globe's shoes as branding. I do not consider that the significance of that result is materially undermined by the framing of the questions they were asked. Nor is it undermined by the fact that 10% of the T Sample in the Survey incorrectly thought the shoe was Adidas rather than Gola.

143. Further, in a survey conducted for Gola in 2006, 18% of 943 participants identified the Wing Flash logo as the Gola brand.

144. As I have said, 11% of the participants in the T Sample in the Survey correctly identified the Wing Flash logo as denoting the Gola brand. I agree with Mr Blackett's evidence that this is a significant percentage.

145. Irrespective of the admissibility of the Survey, and the weight to be attributed to the findings that emerge from it, the oral evidence I heard from Jacobson's witnesses of fact strongly supports the same conclusions.

146. Mr Wyand submitted that those witnesses who participated in the Survey and gave evidence for Jacobson could not be taken as representative of any category of consumer. He submitted that they were no more representative than all those other participants in the Survey who did not recognise the Wing Flash logo on the shoes as denoting Gola, or who indeed did not see the Wing Flash logo or the Globe Side Design as marks of origin at all.

147. Further, Globe claims that the evidence of those witnesses was corrupted by virtue of the way their witness statements were prepared; in particular, the witnesses were contacted by telephone to discuss their answers to the questionnaires before witness statements were prepared for their approval and signature.

148. I do not accept that the evidence of those witnesses was of no or little value for those reasons. Like Kitchin J in *Julius Sämaan*, I found the consumer witnesses helpful in giving an idea of the way an average consumer would perceive the Wing Flash logo on Gola shoes and the Globe Side Design on Globe's shoes.

149. I see no reason to discount their evidence because they were contacted by telephone to discuss what evidence they would be able and willing to give in their witness statements. Mr Wyand was able to test the evidence of those witnesses who gave oral evidence by cross examining them.

150. It is true that certain of those witnesses had a particular interest in trainers, and might not properly be described as an average consumer in the trainers market. Matthew King, for example, described himself as "a sneakerologist" and said he had some 50 pairs of trainers. Gary McDermott described himself as a serial trainer buyer, and said he would probably buy a pair of trainers a month either for

himself, his daughter or his wife. Darren King said that he had probably more than 15 pairs of trainers himself and also sometimes bought trainers for his son, his fiancée and his nieces and nephews.

151. On the other hand, Mrs Maureen Enoch, who is a 37 year old mother with two children was not shown in evidence to be in any way out of the ordinary with respect to the purchase of trainers for herself and her children. She regularly buys trainers for them, but it has been a couple of years since she bought a pair for herself. She pays close attention to the brand when purchasing for her children.

152. Similarly Daniel Robinson, who is 24 years old and purchases around 2 pairs of trainers a year, Eleanor Oxberry who is 23 years old and buys a pair of trainers every 6 months or so, and Karie Atkins who is 32 and purchases a new pair of trainers about every 6 months and actually bought his last pair in January 2007, were not shown in evidence to be anything other than average consumers. They all gave evidence that logos, particularly on the side of shoes, are used by different brands to distinguish their shoes. They all identified the shoe they were shown in the photograph in the Survey as a Gola shoe by the Wing Flash logo. Mr Robinson said that he was able to recognise most of the logos used by the main brands. Mr McDermott gave similar evidence.

153. Mr Wong himself, in cross examination, accepted that the distinctive single white stripe on the side of a pair of Vans shoes was Vans' logo. He also accepted that ASICS uses the stripes on the side of their shoes in the same way, so that people will associate the stripes with ASICS.

154. Jacobson's case on validity is not in any way undermined by Jacobson placing the Wing Flash Mark II, the Wing Flash Mark III, G and Gola on its shoes. When used on shoes with the Wing Flash logo, they would normally not be visible when the shoes are worn. I accept Mr Blackett's evidence that the purpose of placing G and GOLA on the shoes is no more than to reinforce the message primarily carried by the Wing Flash logo.

155. In any event, irrespective of the use of those other marks, the evidence on which Jacobson relies shows that the Wing Flash logo would be perceived by the average consumer of training shoes as sufficiently distinctive to operate as a mark showing origin.

156. For the same reason, the absence of a branding manual for Gola does not undermine Jacobson's case. I consider, in the light of the evidence as a whole, including the evidence of Mr Blackett, that Professor de Chernatony's suggestion that the absence of such a manual shows that Jacobson itself sees the Wing Flash logo as a design, rather than a brand identifier, as speculation based on theory. For the same reason, I reject as an over statement his oral evidence that a brand manual is essential to develop a brand. This seems to me to be, rather, a theoretical statement of best practice.

157. For all those reasons, I conclude that Globe has failed to establish that the Gola Trade Marks are invalid. The Marks inherently possessed the necessary distinctiveness of a trade mark for the purposes of TMA s.3 and Article 3 of the Regulation.

158. Alternatively, taking the evidence as a whole, I am satisfied that the Gola Trade Marks had acquired a sufficiently distinctive character by the date of the registrations.

### **Infringement**

159. There is no dispute as to the relevant legal principles on infringement, which were summarised by Kitchin J in *Julius Sämaan* at paras [49-52].

160. The first step is to identify the allegedly offending “sign”: *Sämaan* at para [48].

161. To constitute infringement the offending use of the sign must be such as to affect or be liable to affect the functions of the trade mark, and in particular its essential function of guaranteeing to consumers the origin of the goods.

162. The use complained of must be such as to create the impression that there is a material link in the course of trade between the defendant’s goods and the undertaking from which they originate. The question on this point is whether consumers, including consumers confronted with the defendant’s goods after they have left the point of sale, are likely to interpret the sign as designating or tending to designate the undertaking from which they originate: *Sämaan* at para[50].

163. To make good its allegation of infringement the proprietor must show there is a likelihood of confusion. Kitchin J summarised as follows, in *Sämaan* at para [51], the basic well established principles to be applied in assessing the likelihood of confusion:

“i) The likelihood of confusion must be appreciated globally, taking account of all the relevant factors: Case C-251/95 Sabel BV v Puma AG [1997] ECR I-6191; 1998 R.P.C. 199 at [22] to [24]; .

ii) The matter must be judged through the eyes of the average consumer of the goods in issue, who is deemed to be reasonably well informed and reasonably observant and circumspect: Sabel at [22] to [24]; Case C-342/97 Lloyd Shuhfabrik Meyer & Co GmbH v Klijsen Handel BV [1999] E.C.R. I-3819; [2000] F.S.R. 77 at [26] to [27];

iii) In order to assess the degree of similarity between the marks concerned the court must determine the degree of visual, aural or conceptual similarity between them and, where appropriate, evaluate the importance to be attached to those different elements taking into account the nature of the goods in

question and the circumstances in which they are marketed: Lloyd at [27] to [28];

iv) 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. The perception of the marks in the mind of the average consumer plays a decisive role in the overall appreciation of the likelihood of confusion: Sabel at [22] to [24].

v) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details: Sabel at [22] to [24];

vi) 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 at [22] to [24];

vii) The average consumer 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; further the average consumer's level of attention is likely to vary according to the category of goods in question: Lloyd at [26] to [27];

viii) Appreciation of the likelihood of confusion depends upon the degree of similarity between the goods. A lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and *vice versa*: Case C-39/97 Canon Kabushiki Kaisha v Metro Goldwyn Mayer Inc [1999] R.P.C. 117 at [17] to [28];

ix) Mere association in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of the assessment: Sabel at [26];

x) But the risk that the public might believe that the goods come from the same or economically linked undertakings does constitute a likelihood of confusion within the meaning of the section: Canon at [29] to [30].”

164. At para [52] of *Julius Sämaan* Kitchin J noted one further general principle which it is important to bear in mind in considering infringement. The court must consider the likelihood of confusion arising from the use by the defendant of the offending sign, discounting added matter or circumstances. If the sign and the mark are confusingly similar, then the defendant cannot avoid liability by saying that he has distinguished his goods from those of the proprietor by something outside the actual mark itself.

165. Underlying these principles is the policy concern that:

“Unchecked use of the mark by a third party, which is not descriptive use, is likely to damage the function of the trade mark right because the registered trade mark can no longer guarantee origin, that being an essential function of a trade mark.” *Arsenal Football Club plc v Reed* [2003] EWCA Civ. 696, [2003] RPC 39, at para [45].

166. Globe accepts that, for the purposes of TMA 1994 s.10 (2)(b), Article 5(1)(b) of the Directive and Article 9 (1)(b) of the Regulation, its *Finale*, *Wedge* and *Motto* shoes are identical to the goods for which the *Gola* Trade Marks were registered;

but, aside from invalidity, Globe denies infringement for the following reasons. First, Globe says that its shoes do not bear a sign which is identical to the Gola Trade Marks. Second, Globe's shoes do not bear a sign which is confusingly similar to the Gola Trade Marks. Third, the Gola Trade Marks do not function as trade marks. Fourth, the Globe Side Design does not function as a badge of origin. Fifth, there is no likelihood of loss or damage to Jacobson.

167. Globe claims that the relevant sign, for the purpose of considering trade mark infringement in the present case, is the whole Globe shoe.

168. Globe relies on the following statement of Jacob LJ in *O2 Holdings Ltd v Hutchison 3G Ltd* [2006] EWCA Civ. 1656, [2007] RPC 16:

“34. I also see no good reason to say that the consideration (for either Art.5.1(a) or (b)) is limited to a comparison between the defendant's sign with the registered mark. Indeed the very Article clearly calls for an examination of the context of the use - you have to consider how the defendant is using the sign complained of to answer the basic question of whether he is using it "in the course of trade." So it is particularly artificial then to go on to try to isolate the sign of which complaint is made devoid from the context of its use. Nor am I impressed by the fact that the same test applies at the registration stage. For then any notional fair use of the mark applied for must be considered, whether it has in fact been used at all.”

169. Globe also relies on *Julius Sämaan*, in which Kitchin J did not exclude from the sign (a car air freshener made of scented cardboard in the form of a fir or pine tree on a base) any part of the entire product, including the base and the defendant's brand name “CarPlan” on the base.

170. Globe highlights the following features of Globe's Finale shoe, as depicted in paragraph 20 above, as key aspects of the relevant sign. First, the shoes are prominently branded by the word “globe” and the Globe Device. Second, the tongue of the shoe has a prominent label on it, including the word “globe” and the Globe Device. Third, the Globe Device appears on the toe. Fourth, the Globe Device appears on the side of the shoe. Fifth, the Globe Device appears on the heel of the shoe. Sixth, the Globe Device and the word “globe” appear on the insole. Seventh, the word “globe” appears on the reverse side of the tongue. Eighth, the Globe Device appears on the sole twice, the smaller roundel having the words “GLOBE SHOES GLOBE SHOES” embossed into it. Ninth, the Globe Side Design is different to the Gola Trade Marks. In particular, it consists of two stripes rather than three, the long stripe has a serif at the top; the long stripe is tapered along its length; the short stripe has “teeth”; and the long stripe turns at the sole of the shoe.

171. The other two styles of Globe's shoes, of which complaint is made, have most (but not necessarily all) of those features.



172. Globe also relies on limitations to the UK Mark. Some of the shoes sold by Globe do not have stripes which contrast with the colour of the shoe. Other shoes, such as the examples annexed to the Defence, have a two colour stripe arrangement, and so are not of a “single colour”. Third, none of the Globe shoes have stripes which are of “uniform width”.
173. Globe contends that the Gola Trade Marks are of low distinctiveness, and will only have a small penumbra of protection. It contends that an average consumer will not as readily accept the Wing Flash logo on the side of the shoe to be an indication of trade origin.
174. In relation to its own shoes, Globe claims that the Globe Side Design was not intended to be, and is not, a mark showing origin, but is mere decoration; and it would be treated as such by the average consumer.
175. Globe emphasises that, despite several years of Globe selling the allegedly infringing shoes, Jacobson has not provided evidence of any single example of an actually confused consumer.
176. So far as concerns the Survey, Globe contends that it strongly supports the case that there is not and has not been any likelihood of confusion. Globe relies on the fact that, although Jacobson’s own survey in 2006 showed that it had 83% recognition amongst adults aged 16-44, only 2% (12) of the participants in the F Sample in MDL’s Survey confused Gola with Globe. Moreover, that was on the basis of what Globe submits was a leading question about the Globe Side Design as a mark of origin. Globe further emphasises that, in the absence of confidence limits, that 2% may be even lower. Mr Wyand described that level of confusion as de minimis.
177. Mr Wyand again emphasised that, while about 11% (64) of the participants in the T Sample in the Survey correctly thought the shoe was a Gola, another 10% thought the shoe was an Adidas.
178. Further Globe submits that by removing the origin indicators (“globe” and the Globe Device) from Globe’s shoe, those participating in the Survey were not assessing the sign against the Gola Trade Marks. Globe claims, for the reasons I have mentioned, that all the features on the Globe shoe should have remained for the purposes of the comparative exercise.
179. In my judgment, Jacobson has made out the case of infringement.
180. I have already found that the average consumer is accustomed to see a combination of stripes on the side of trainers as a mark of origin, and that the average consumer would regard the Wing Flash logo to be such, irrespective of

the additional presence of the Wing Flash Mark II, the Wing Flash Mark III, “G” and “GOLA”.

181. I find that the average consumer would consider Globe’s Side Design to be a mark of origin. This is borne out by the witnesses of fact who identified the Globe Side Design as denoting Gola, and the 31% of the F Sample in the Survey who thought the Globe Side Design denoted brand and origin. In this connection, it is also to be noted that on Globe’s Wedge and Motto shoes there is no word “globe” on either side.

182. Indeed, even though Globe’s case, and Mr Wong’s evidence, is that the Globe Side Design is not intended to be a mark of origin but mere decoration, I find that Globe does use its Side Design as such. There are many examples in evidence of Globe’s shoes in its advertisements, a promotional internet video clip, and various other publications and images, in which the Globe Side Design is shown on the side of the shoe without any word “globe” or any Globe Device added or, at any event, visible on the shoe in the picture.

183. One plain example of the Globe Side Design being used as a mark of origin is the following statement in Globe’s catalogue for its Spring 2007 footwear collection in relation to its Wedge shoes:

“The upper features Globe’s prominent diagonal striping with pinking sheers edging.”

Mr Wong accepted, in cross examination, that this wording could be interpreted as saying the Side Design belongs to Globe.

184. Another example, on Globe’s website, is the following statement in relation to Globe’s Blitzkids shoes:

“An immediate classic. Here’s that trade mark Globe styling – an athletic retro quality melded with good old clean skate functionality.”

Indeed, in cross examination, Profession de Chernatony appeared to accept that this was a statement by Globe itself that its Side Design is a Globe trade mark.

185. Globe did not choose to produce any documentation concerning the origin and the design of the Globe Side Design to support its case that the Globe Side Design is mere design rather than a strategic logo to show brand and origin. Jacobson pressed for disclosure of such documents, but they were not produced because they were in the possession of Globe’s parent company. According to Mr Wong’s evidence, in cross examination, he decided not to ask the parent

company for any such documentation because Globe's solicitors said there was no obligation to do so and it would have involved effort and time on the part of the parent company to obtain the material.

186. Professor de Chernatony himself accepted, in cross examination, that the Globe Side Design sends a message to the wearer's friends that he belongs to part of a group, the "cool group".

187. Although there may be more than one mark of origin or sign on Globe's shoes, the relevant sign in the present case, for comparative purposes when considering the allegation of infringement, is the Globe Side Design. That is what the average consumer would say, rather than the whole shoe or any other features on it. That is the principal, and probably the only, feature, which would be seen on the shoe when in use.

188. In *Julius Sämaan*, by contrast, the registered trade mark was the whole tree, including the base. The court, unsurprisingly, had no difficulty including the whole of the defendant's tree, including the base and what was written on it, as the relevant sign for comparative purposes.

189. Jacobson has, in my judgment, established a likelihood of confusion in the mind of the public by virtue of Globe's sign, that is to say that the Gola shoe with the Wing Flash logo and Globe's Finale, Wedge and Motto shoes come from an economically linked undertaking. I would reach that conclusion even if the infringing sign was the whole Globe shoe.

190. While it is true to say that, at the point of sale, the average consumer will probably identify, and wish to ensure, that the shoe being purchased is marked somewhere with the Globe or Gola name, as I have said it will not usually be possible, when the shoe is worn, for those names to be apparent: cf. *Arsenal Football Club* at para [40]; *Julius Sämaan* at para [50]. As I have said, it is the mark or logo or brand which is visible when the shoe is being worn which the wearer and the manufacturer wish to highlight.

191. The fact that Jacobson has not been able to produce a single witness of actual confusion, while material, is not determinative: *Julius Sämaan* at para [58].

192. Although the Survey revealed confusion between the two brands of only 2% of the F Sample, it must be remembered that this represents about 7% of those who identified branding on the Globe shoe, and 18% of the number of people who recognised the Gola brand. Further, 2% of the total sales and sale value of Gola shoes with the Wing Flash logo is not inconsiderable. I agree with Mr Blackett's conclusion that this evidence demonstrates a significant level of confusion caused by the use of the Globe Side Design.

193. The evidence of the witnesses of fact also strongly supports the conclusion that there is real scope for confusion in the mind of the average consumer between the two brands by virtue of the Globe Side Design. Matthew King, Mrs Enoch, Darren King, Eleanor Oxberry and Stephen Street all mistook the Globe Side Design for the Wing Flash logo. In the case of some of them, their evidence was especially interesting because their particular knowledge of Gola shoes might have been expected to alert them to the difference.
194. Matthew King (the self-confessed “sneakerologist”), for example, not only has a particularly passionate interest in trainers, as I have mentioned, but his evidence was that he remembered the Gola Wing Flash logo from when he was a child and more recently when he saw it on some of his friend’s trainers. His oral evidence was that he looks at the trainers on the feet of people he passes when walking, and that he would expect to recognise all the main brands of trainers sold in England.
195. Darren King, a prolific purchaser of trainers, mistook the Globe Side Design for the Gola Wing Flash logo even though he had bought Gola trainers in the past. His evidence was that he could usually tell the difference between different brands of trainers by the logos they use on the side of trainers and he could recognise most of the main brands in that way. He himself had Gola shoes. His oral evidence in cross examination was that he would definitely say that the shoe he was shown was a Gola trainer looking at the side.
196. Mrs Enoch identified the Globe shoe as a Gola shoe even though her sister had recently purchased a pair of Gola trainers. Her evidence was that she thought they looked like her sister’s because of the combination of the brown colour and the stripes on the side.
197. Eleanor Oxberry wrongly identified the Globe shoe as a Gola shoe because of the markings on the side, even though she used to have Gola trainers herself and one of her friends had bought Gola trainers. Her evidence was that her friend’s Gola trainers were almost exactly the same, and she believed she correctly recognised the Gola shoe from her recollection of her friend’s shoes.
198. Mr Street, who is 20 years of age, regularly buys trainers and owns a large collection, and also buys for his girlfriend and daughter, and worked for about 12 months in a sports shop about a year before making his witness statement. He believed that he could identify the shoes he was shown as Gola shoes. They were, in fact, Globe shoes. In his witness statement he says that he has subsequently looked at the photograph of the shoe in more detail, and he still thinks that if he saw the shoe on someone’s feet he would think it was a Gola trainer.
199. Mr Wong himself accepted, in cross examination, that it is possible that, if Gola shoes were substituted for Globe’s Finale shoes on the feet of the skateboarder

Paul Machnau, in an internet video clip promoting Globe's shoes, few customers would spot the difference.

200. He also accepted that, in at least one other advertisement, featuring the skateboarder Mark Appleyard wearing Globe's Finale trainers, it is possible that nobody would know the difference if the shoes had been Gola's with the Wing Flash logo.

201. The fact that the goods here are identical makes it easier for confusion of the sign and the mark.

202. I do not accept Professor de Chernatony's evidence, and Globe's case, that Gola and Globe trainers fall into such different, distinct and separate markets for there to be no likelihood of confusion. Professor de Chernatony's opinion is that Jacobson's marketing approach promotes an assertion that the Gola brand is traditional and has stood the test of time, and that it is aimed at the more traditionally minded consumer and is not significantly appealing to teenagers. He says, by contrast, that Globe is aiming for the vibrant, trend setting market, particularly people who engage in activities such as skating and surfing.

203. Professor de Chernatony's view was not based on any marketing data, but on looking at the way in which, in his opinion, the two brands have been marketed using web material. Professor de Chernatony fairly accepted, in cross examination, that his conclusion was based on incomplete information, and that he would have felt more comfortable with it if he had more data to substantiate it.

204. Neither the evidence of the Survey, nor the witnesses of fact, support such a distinct separation of consumer markets. Further, the evidence shows that the consumer profile for Gola Classics is the age group 18-30 "[i]nterested in fashion, music and all things cool", including students.

205. On this aspect, I prefer the evidence of Mr Blackett that the Gola brand has a "retro" appeal, which is attractive to younger buyers.

206. Professor de Chernatony's view is, indeed, rather fatally undermined by Globe's own description of its Blitzkids shoes on its website (which I have mentioned earlier) as having, in relation to the "trade mark Globe styling", "an authentic retro quality".

207. Further, and in any event, Globe's Wedge shoe is not a skate shoe but a leisure shoe.

208. Whether or not Jacobson can prove actual past loss and damage is irrelevant to Jacobson's cause of action or infringement. Jacobson, as the owner of the Gola Trade Marks is entitled to control the use of them, including the way its products are advertised and marketed, with attribution to Jacobson as the manufacturer of Gola shoes.

### **Passing off**

209. The classic statement of the law in relation to passing off is by Lord Oliver in *Reckitt & Coleman Products Ltd v Borden Inc.* [1990] RPC 341, 406, as follows:

“The law of passing off can be summarised in one short general proposition – no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying “get-up” (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff's identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely upon a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name. Thirdly, he must demonstrate that he suffers or, in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.”

210. There can be no doubt that goodwill and reputation attach to Gola shoes. That is apparent from the surveys to which I have referred, the oral evidence, the long history of Gola shoes, and the advertisements which are in evidence going back very many years.

211. For the reasons I have given, it is equally clear that the Wing Flash logo is identified by many with the Gola brand.

212. For the reasons I have given earlier, the Globe Side Design on Globe's shoes misrepresents to the public that Globe's shoes are Gola shoes.

213. It is true that there is no evidence of actual loss and damage by reason of the confusion generated by Globe's shoes. Nonetheless, the confusion between the two brands, which arises on use as footwear, puts at risk Jacobson's goodwill since Jacobson is unable to control Globe's use of the Globe Side Design on Globe's shoes. For that reason, bearing in mind the confusion between the two brands, there is a real risk of injury to Jacobson's reputation in the mark and hence Jacobson's goodwill: see *Lego System Aktieselskab v Lego M. Lemelstrich Ltd* [1983] FSR155; *Dawney Day & Co Ltd v Cantor Fitzgerald Int'l* [2000] RPC 669,705 – 706; Kerly's Law of Trade Marks and Trade Names (14<sup>th</sup> ed) at para 15-029.

### **Conclusions**

214. For the reasons I have given, Jacobson has established that Globe has infringed the UK Mark and the CTM, and is liable for passing off.

215. I shall hear further submissions about the relief to which Jacobson is entitled.

## **ANNEX**