

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION

Royal Courts of Justice
Strand, London, WC2A 2LL

Date: 19/09/2013

Before :

THE HON MRS JUSTICE ROSE

Between :

(1) ROGER MAIER
(2) ASSOS OF SWITZERLAND SA **Claimants**
- and -
(1) ASOS PLC
(2) ASOS.COM LIMITED **Defendants**

MR. ROGER WYAND QC and MR. BENET BRANDRETH (instructed by Bird & Bird LLP) for the Claimants.

MR. DANIEL ALEXANDER QC and MR. ANDREW LYKIARDOPOULOS (instructed by Dechert LLP) for the Defendants

Hearing dates: 18, 19, 20, 21, 24, 25, 26 June 2013

Judgment

Mrs Justice Rose:

I. BACKGROUND

The parties' businesses

1. The First Claimant ('Roche Maier') is the Chief Executive Officer of the Second Claimant ('Assos') and the owner of the Community Trade Mark No 4580767. He is the son of the founder of the Assos business Anton Maier, known as Toni. Toni Maier was a keen cyclist. He began designing and making clothing for cyclists in the late 1970s having discovered that the type of clothing worn could make a big difference to the aerodynamics of the rider and bike and hence to the rider's speed. In collaboration with a designer of clothing for the Swiss skiing team, Assos produced the first pair of lycra cycling shorts – a significant improvement on the woollen shorts then commonly worn by cyclists.
2. In the early days, the clothes were made by hand at the Maier family home near Winterthur in northern Switzerland. In 1985 the business expanded and moved to Lugano in Switzerland where there was skilled sewing labour available. Roche Maier took over the business in 1995. Although the genesis of the brand was in cycling shorts, Assos developed a range of clothing for both men and women to include jersey tops, all-in-one body suits, tights (that is long, skin-tight leggings) and jackets.
3. Assos' main range of clothes – what was referred to in the course of the trial as their 'hardcore' cycling kit – is called the Campionissimo range. It includes a number of kinds of shorts (including bibshorts which have a pair of straps extending like braces from the waist over the shoulders), all-in-one body suits, tights, body insulators and warmers, jackets, hats and socks. Many of these items are described as 'heavily engineered' which means that the cut, construction and fabric is carefully designed to balance the competing needs for the garment to be comfortable (particularly through padding in critical areas), lightweight, durable, waterproof and aerodynamic. Some of them, particularly the bib shorts and skin-tight body suits, are not garments that a man or woman could expect to wear walking down the street without causing heads to turn. Others, particularly the tops, although equally carefully designed, are similar in superficial appearance to other less technical garments.
4. The extent to which Assos' product lines have extended beyond this hardcore range of clothing is one of the key issues in the case and I will discuss that later in this judgment.
5. Assos now sells its clothing in 37 countries worldwide. Within the European Union it sells its goods in 15 Member States including France, Germany, Italy, the Netherlands, Spain, Portugal and the United Kingdom. It primarily sells through a distributor which is appointed for each territory and granted the exclusive right to distribute the goods to retailers in that territory. Assos goods are available from over 150 stores in France, over 140 in Germany and over 150 in Italy. The vast majority of retailers selling Assos clothes are specialist cycling stores. Thus of the almost 900 retailers currently selling Assos clothes, fewer than ten are stores which are not purely cycling goods stores. Those ten are not general clothing stores but sell other types of sporting or outdoor activity wear.
6. Assos primarily advertises its goods in the specialist cycling press – about 80 per cent of its advertising spend is in magazines such as Cycling Weekly, Procycling and Cycling Active in the United Kingdom and similar publications in other European countries. Its estimated annual marketing spend in the EU for 2011 was about €1.6 million. Assos keeps a close eye on the content and placing of advertising by its distributors in the exclusive territories. In addition to paid-for advertising, Assos

enjoys substantial positive editorial comment in these magazines and publicity through photographs of well-known cyclists wearing Assos kit. Assos provides in-store display units and point of sale material for its dealers and it exhibits its goods at trade and consumer cycling shows in the United Kingdom and elsewhere in Europe.

7. Assos has not encouraged sales on the internet and prefers its distributors to sell through retail stores. Those retail stores do, in some cases, have an ancillary online business and may sell Assos clothing by that means. However, as Assos' main witness put it, although Assos recognises the internet as an important sales channel, they "need to try to ensure that the end consumer's purchasing experience is consistent with the high quality brand image of ASSOS (for example, via trusted website security and a user-friendly website)". To this end it has chosen a small number of Assos internet dealers who are listed as possible outlets on the www.assos.com website.
8. Assos' business has flourished. In the year 2000 the value of wholesale sales to distributors in the EU amounted to £1.1 million. It has grown steadily year on year to £13.8 million in 2011.
9. The word 'assos' means 'the best' in Greek and signals that Assos' cycling clothes occupy the very top end of the ranges of cycling apparel in terms of quality and price. Assos recognises that all its hardcore products are very expensive, even when compared to other similarly technical, highly engineered clothing. A pair of Assos shorts costs about £200 and the jackets and other items are commensurately more expensive. Assos' corporate strategy was summed up by Mr Erwin Groenendal, the Marketing & Design Director, in the following terms:

"I would say the company creed at Assos is always to aim higher. Assos prides itself on the very high quality of ASSOS clothing. Research and development activity is a big part of Assos's business. Roche Maier, the Assos CEO, goes out every day on the bike to test prototypes of new clothing Assos is developing. When Roche returns from his ride the clothing designers go and take notes of his feedback. From conception to shop floor, it takes a long time for Assos to come out with new clothing. Assos might go through 70 or 80 prototypes for a new model of shorts. Once the clothing is finalised, the final version is put in a glass cabinet known as the 'fridge' so that the product development team is not tempted to tinker with it further. Assos mainly tends to bring out a new clothing item having developed a new fabric or found a way to make the clothing fit even better than before. Where the clothing item is very popular and there is no improvement for it, Assos tends to keep making and selling it season after season (e.g. some pair of shorts do not change for several seasons).

...

In my experience people tend to think Assos is a bigger company than it is because of the power of the brand. In terms of numbers of employees Assos is a fairly small, family-owned

company, but the ASSOS brand gives Assos a really strong advantage. Toni Maier told me someone once said to him: *“Where are you in the pyramid? You’re not in the pyramid, you are on the point of the pyramid.”* The high quality of ASSOS clothing and the premium nature of the ASSOS brand means Assos is able to sell a high volume of clothing despite the very high prices.”

10. Assos has provided clothing to a number of cycling teams over the years including the Kazakh and Brazilian national cycling federations in 2006/2007 and currently to the Russian cycling federation. Assos sponsors the Swiss cycling federation and has produced specific kit for the members of the Swiss federation team. Over 250 cyclists who have achieved gold medals in Olympic and other international championships since the mid 1970s have done so wearing Assos clothing.
11. The First and Second Defendants (together ‘ASOS’) operate a global online fashion and beauty retail company aimed at fashion-conscious twenty-something year olds. The word ‘ASOS’ is an acronym of the original name of the business ‘As Seen On Screen’. That name reflected the idea behind the business which started in 1999 when one of ASOS’ founders read an article in the trade press reporting that an American television network had received 28,000 calls from people wanting to buy a lamp seen in the apartment of a character in the popular TV show ‘Friends’. The idea of As Seen On Screen was to source clothing, accessories and other items worn or displayed in photographs of celebrities or on TV shows and films. Thus, one of the earliest items sold by ASOS was an exact replica of the leather jacket worn by Brad Pitt in his portrayal of the character Tyler Durden in the 1999 film ‘Fight Club’. The First Defendant was incorporated in June 2000 and was initially called AsSeenOnScreen Holdings plc. It changed its name to Asos plc in August 2003.
12. ASOS has always been and is now purely an online internet retailer with no bricks-and-mortar shop. Between 2000 to 2003, ASOS’ main offering fell into two categories: ‘as seen on’ products which were identical to products seen on television or film and ‘in the style of’ products that were more affordable versions of what was seen on television or film. During 2003, ASOS started to move away from ‘as seen on’ products to more ‘in the style of’ products and then began to move away entirely from the link between the product and television/film to become a more general fashion retailer. In 2004 or 2005 (the precise date is a matter of dispute between the parties) ASOS started to design and sell its own-brand range of clothing including tops, trousers, skirts and lingerie in addition to a wide range of third party branded goods including not only clothes but jewellery, hair and beauty products, gifts and gadgets.
13. ASOS has now shed the initial ‘as seen on’ or ‘in the style of’ concept entirely and is a major online retailer of fashion clothing for men and women. It has enjoyed quite staggering success. In its first full year of business, the year ending 31 December 2001, ASOS earned turnover of just over £1 million. Ten years later this had risen to nearly £340 million (in the year ending 31 March 2011) and in the most recent year ending 31 March 2012 turnover was nearly £500 million. As at 18 December 2012 it had a market capitalisation of about £2 billion and is the second most traded stock on AIM by value. About half of its turnover is earned in the United Kingdom. ASOS now has country-specific websites targeting France, Germany, Spain, Italy, the USA

and Australia and hopes soon to expand into China, India and Russia. Its rapid growth is apparent from the following statistics: in the month of September 2004 it sold 59,000 units; in the month of September 2012 it sold 2.8 million units. In September 2004, ASOS carried just over 1000 product lines. In September 2012 this had risen to over 67,000 product lines including almost every kind of garment commonly worn by young men and women. As at September 2012, ASOS had a database of 13.9 million customers of which about 6.2 million were from the UK.

14. Sales of ASOS own label goods now account for about 55 per cent of global sales and comprise a variety of ranges including maternity and petite ranges, ASOS Salon (occasion wear inspired by vintage style), ASOS Green Room (an ethical or eco-conscious collection) and ASOS Beauty (a range of make up and make up accessories). It also sells over 400 different third party brands of womenswear. It features frequently in the media and has sponsored many fashion programmes such as “Next Top Model” in the US, UK, Canada and Australia. Its clothes have been worn by celebrities such as Fearne Cotton and Jessie J. Perhaps the most famous celebrities wearing ASOS clothing are Michelle Obama and her daughters Malia and Sasha. An article in the magazine *Grazia Daily* on 7 November 2012, following President Obama’s re-election, opened with the sentence “From a Jason Wu gown to an ASOS skirt, Michelle Obama has navigated the past four years as America’s First Lady in style”. The photograph of the President hugging his family on the evening of his re-election – voted “the most liked Facebook photo of all time” – featured the First Lady wearing an ASOS dress, reported to have cost \$90 on the ASOS online store.
15. In addition to its websites, ASOS has a strong internet presence on social media sites. As at 17 December 2012, ASOS’ Facebook page had 2.2 million ‘likes’ or followers, making it the third-ranked retailer in the UK behind TopShop and Amazon. It also has 1.4 million followers through Google+; 430,000 followers on Twitter (second only to TopShop); 383,721 Instagram followers and 20 Pinterest boards. Its YouTube channel launched on 30 October 2008 now has 8,500 subscribers and has been viewed over 11 million times. ASOS hosts four blogs featuring music, film, style advice and photos of celebrities and non-celebrities looking stylish and fashionable. It has received a slew of awards both for its fashion goods and for its financial performance. It was Online Retailer of the Year in the *Cosmopolitan Fashion Awards* in 2010 and in the same year was awarded Company of the Year by AIM. Nicholas Robertson, one of the founders of ASOS and now its Chief Executive Officer, was named the third most powerful person in British fashion (after Kate Moss and Alexander McQueen) by *Elle* magazine in March 2009. In 2011, he was awarded an OBE for services to the fashion industry.
16. Mr Robertson described the company’s business in the following terms:

“Asos’ target woman has always been a young, fashion conscious woman (in earlier years Asos’ target audience was women between the ages of 18 and 34, but it is now more specifically targeted towards 20 something women) with a particular focus on fast fashion, looking glamorous and feeling sexy.

...

... Asos is a fashion retailer. We specialise in designing fashionable, on trend, fast fashion clothing items which appeal to our target customer which is the fashion conscious woman in her 20s. ... Asos is fundamentally interested in putting looks together, creating outfits, styling, being inspirational and being first – in the sense that we are seen to be the pioneers of fast fashion”.

17. So far as ASOS’ own label menswear collection is concerned, Mr Robertson described their target customer as “a cool, fashionable, on trend guy in his 20s who has an interest in street culture (by street culture I mean what fashion trends are being set by hip, cool, fashionable young people in urban areas).”
18. ASOS has never sold Assos goods on its website and it has never sold technical cycling gear. As I describe later, ASOS did at one point sell what were described as cycling shorts, garments that were lycra, snug-fitting shorts finishing just above the knee which it was, for a time, fashionable for women to wear under a short skirt or dress. ASOS does sell a wide range of t-shirts, polo shirts and other casual tops, jackets and trousers both under the ASOS brand name and under third party brand names.

The parties’ trade marks, signs and logos

19. In November 2001 Assos applied for an international trade mark registration under the Madrid system for certain items in Class 12 of the Nice Classification namely ‘bicycles and parts thereof’ and in Class 25 namely ‘Clothing articles for sports, particularly clothing for racing cyclists’. The mark registered was the word ‘assos’ in lower case letters and the sign which is a stylised upper case A.
20. On 11 September 2006, this registration was replaced by a CTM 4580767 for the trade mark ASSOS. The priority application date for this registration was 14 June 2005, which is when registration for the mark was applied for in Switzerland. The registration was purely for the word Assos without any particular graphic representation. The Nice classifications covered are:
 - 3: bleaching preparations and other substances for laundry use; cleaning polishing, scouring and abrasive preparations, soaps, perfumery, essential oils, cosmetics, hair lotions, dentifrices
 - 12: Vehicles; apparatus for locomotion by land, air or water
 - 25: Clothing, footwear, headgear.
21. The logos used by Assos have varied only slightly over the years and comprise the word ‘assos’ in rounded, lower case letters:



or



22. The other logo used by Assos on its products is a logo referred to as the ellipse, with a stylised capital A suggesting both a road ahead sign and a truncated Swiss cross:



23. Assos also owns the domain name www.assos.com.
24. ASOS does not currently have a CTM trade mark for ASOS. It applied to register the mark ASOS in June 2005 but this application came shortly after Assos' application. Assos filed an opposition notice to the ASOS CTM application in April 2006 and this was allowed, in a decision on 9 November 2010, by the Opposition Division of OHIM in relation to, amongst others, Classes 3 and 25. ASOS appealed against that refusal to the Board of Appeal. That appeal was rejected except for a few categories of goods in class 18 on 17 October 2011. ASOS has appealed further to the General Court in Luxembourg and those proceedings are currently pending. The OHIM proceedings and appeals are based on the scope of the Assos mark as currently extant – ASOS has not sought in those proceedings to cut down the classes covered by the Assos mark as they have in these proceedings. Assos accepted that there was no 'formal overlap' between the OHIM proceedings and this claim. It argued that an assessment as to whether there is a similarity between the Assos mark and the ASOS sign is the same whether made in the context of those proceedings or in this claim. The existence and findings of the OHIM proceedings may also be relevant to the own name defence which I consider in paragraphs 145 onwards below.
25. ASOS does have a UK trade mark which was entered on the register on 7 December 2012. It covers a long list of specified goods in classes 3, 8 (comprising beauty gadgets such as manicure sets and hair tongs); 9 (sunglasses and spectacles); 11 (hair driers); 14 (jewellery); 18 (luggage and handbags); 21 (brushes and combs); 25 (clothing footwear and headgear); 26 (articles for the hair such as ribbons and barrettes); 35 (the service of bringing together goods on a website) and 36 (credit and debit card services). There is clearly some overlap between these classes and the classes covered by Assos' CTM in Class 3 (soaps, cosmetics and perfumery) and Class 25 (socks, t-shirts, polo shirts, shorts, casual jackets and body warmers). But there are many items listed in those classes in ASOS' UK registration which are not sold by Assos such as, for Class 3 mascara, face glitter, perfumed shimmer sticks and nail polish and for Class 25 slippers, lingerie, dresses, skirts and neckties.

26. ASOS has an international trade mark covering the same classes of goods as the UK trade mark designating Australia, Bulgaria, Switzerland, China, Croatia, Japan, the Republic of Korea, the Former Yugoslav Republic of Macedonia, Norway, Romania, the Russian Federation, Singapore, Turkey, Ukraine, the USA, Serbia and Montenegro. ASOS has applied for national trade marks in these and other countries and these applications have in some instances been opposed by Assos.
27. The ASOS logo has evolved over time. In 2002 the logo included the '.com' and the words 'Star style fashion'. The word used upper case letters and the '.com' on the website:



28. In 2005 the logo was simplified but still used capital letters and the '.com', sometimes with additional wording and sometimes without:



29. In 2008 there was a move to rounded lower case letters:



30. Since 2010 the logo has appeared thus:



31. ASOS owns the domain names 'asos.com' and 'asos.com' and other domain names for use in other countries. The number of unique visitors to asos.com (as opposed to total website hits) from the UK grew from 880,000 in the month of July 2005 to 2,857,000 in the month of July 2012.

The issues in summary

32. The claim raises the following issues:
- i) What is the proper scope of the Assos trade mark, that is to say:

- a) should it be revoked in part for non-use; or
 - b) is it invalid in part because of ASOS' pre-existing rights;
- ii) Whether ASOS' use of its sign constitutes an infringement of Assos' rights in its mark, in particular:
- a) whether there is a likelihood of confusion between the parties' goods (or between Assos' goods and ASOS' online service) in the context in which the mark and the sign are used;
 - b) whether ASOS can rely on the 'own name defence' because its use of its own name as a sign has been and is in accordance with honest practices in industrial or commercial matters;
- iii) Whether ASOS has been passing off its goods in the United Kingdom as being goods associated or connected with Assos;
- iv) If there is an infringement or passing off by ASOS, whether Assos is entitled to the injunctive relief sought and an inquiry into damages or whether the claims are barred by the doctrine of laches and/or estoppel or are time barred;
- v) Whether ASOS' United Kingdom registered trade mark is invalid pursuant to the Trade Mark Act 1994 because of the similarity of the marks and the identity or similarity of the goods covered by the ASOS and Assos marks.
33. The parties agreed that issue (v) would not be argued at the trial of this action and would await the outcome in this judgment. Issue (iv) was also covered only briefly in written and oral argument. The main issues for determination are issues (i) and (ii), because the answer to issue (iii) will in large part emerge from the answers to those first two issues.

The witnesses

34. There were a large number of witnesses although not all were called for cross examination.

For Assos

35. The main witnesses for Assos were Erwin Groenendal and Phil Griffiths and they both gave oral evidence. Mr Groenendal is, as I have already mentioned, the Marketing and Design Director of Assos. Mr Groenendal was a candid witness who answered questions clearly and fairly.
36. Mr Griffiths is a former racing cyclist and long-standing devotee of the Assos brand. He is the Managing Director of Yellow Limited which has been Assos' exclusive distributor in the United Kingdom since 1984. He has been a highly successful supplier of Assos goods in this country over many years and I have no doubt he is an excellent and popular salesman. He clearly has what is commonly known as 'the gift of the gab' although he rapidly discovered that this gift is considerably less useful when being cross-examined by Mr Alexander for ASOS than it is when visiting dealers to persuade them to stock items from the Assos catalogue. I do not accept

ASOS' criticism of him as being generally unreliable though I recognise that he had a tendency, especially when pressed, to make broad and bold assertions that he could not then back up with more detailed evidence.

37. The third witness for Assos who was cross-examined was David Quinn who is the Managing Director of Davies Brothers (Cycles) Limited, a specialist cycling shop in Chester trading as The Bike Factory. His store began selling Assos clothing in 1984/85 and he gave evidence primarily about the extent of sales of Assos leisure wear. He was clearly a helpful and truthful witness. Assos also relied on the expert evidence of Philip Malivoire who devised a survey carried out at the London Bike Show and analysed the results. I will discuss his evidence later.
38. Other witnesses gave evidence which either was not challenged or which was served under a Civil Evidence Act notice. Evidence about sales of the range of Assos goods was provided by Grant Young who is the Managing Director of Condor Cycles, a large specialist cycling shop on Gray's Inn Road in London. Other witnesses for Assos provided evidence about instances of confusion between the names Assos and ASOS; about purchases of goods made from the ASOS website; about finding ASOS goods being sold second hand in charity shops or on eBay; about the results of Google searches for Assos and ASOS and about the analysis of ASOS' Google analytics and similar information.

The ASOS witnesses

39. The main witness for ASOS was the Chief Executive Officer and co-founder Nicholas Robertson. Assos criticised his evidence on the grounds that it was careless and showed that he regarded these proceedings and the trial as an irritant which did not merit being taken seriously. I did not get that impression either from his very thorough and helpful written statements or from his answers when being cross-examined. He did get rather flustered at some points and his evidence about the timing of particular developments of the business was more tentative in his oral evidence than in his statement. Moreover, before confirming his witness statement he had to correct an important point about the date at which ASOS started using its name to describe its own brand goods on the website. His evidence also blurred the lines between what he could remember himself and what he had been told by his colleagues. Given the very rapid expansion of every aspect of the ASOS business since 2002 I do not regard these points as surprising or as substantially undermining his credibility as a witness.
40. ASOS' second main witness was its International Director, Jonathan Kamaluddin. Mr Kamaluddin is a chartered accountant and his evidence covered the facts and figures of ASOS' financial results. He was an impressive witness although he too had made the same mistake about the date on which the ASOS brand name was used to describe the own label goods on the website. The third witness to give evidence for ASOS was David Williams, Head of Customer Intelligence at ASOS. His role in the company is to oversee analysis of customer data such as website traffic, the customer database and social media activity. He described the services that ASOS uses to find out who its customers are in terms of demographics and location and to measure the numbers of customers visiting the websites. Other witnesses whose evidence was not challenged by Assos included Louise Dam who is the Customer Relationship

Management Manager and Sarah Beswick who was at that time the Global Social Media Executive at ASOS.

II. PARTIAL REVOCATION OF THE ASSOS CTM

41. The Assos CTM as registered cover goods in Classes 3, 12 and 25. ASOS' first challenge to the allegation of infringement is that the CTM should be partially revoked for non-use. ASOS relies on Article 51 of the Council Regulation 207/2009 on the Community Trade Mark, *Official Journal* 2009 L 78/1 ('CTMR') which provides as follows:

“Article 51

Grounds for revocation

1. The rights of the proprietor of the Community trade mark shall be declared to be revoked ... on the basis of a counterclaim in infringement proceedings:

(a) if, within a continuous period of five years, the trade mark has not been put to genuine use in the Community in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use; however, no person may claim that the proprietor's rights in a Community trade mark should be revoked where, during the interval between expiry of the five-year period and filing of the application or counterclaim, genuine use of the trade mark has been started or resumed; ...

...

2. Where the grounds for revocation of rights exist in respect of only some of the goods or services for which the Community trade mark is registered, the rights of the proprietor shall be declared to be revoked in respect of those goods or services only.”

42. There has clearly been some use of the mark in each of classes 3, 12 and 25. Assos accepts that there has been partial non-use in class 3 (where only three specific products have been made, see paragraph 63 below) and in class 12 (since only bikes and bike parts have been sold). Those two classes do therefore fall to be cut back under Article 51 of the CTM Regulation. At the hearing, the parties were hopeful that they would be able to agree an appropriate scope for classes 3 and 12 so those classes were not covered by the evidence or oral submissions. Unfortunately the parties were unable to agree so I set out my findings on those later.

Class 25: clothing footwear headgear

43. The main battleground in the case has been over the scope of use within Class 25 and whether there are grounds for revoking the registration from the very general 'clothing, footwear, headgear' to some narrower description of the goods in Assos'

product range. Assos argues that it has always sold clothing beyond a narrow class of specialist cycling gear and there is no appropriate sub-classification which properly describes the totality of Assos' range. ASOS argues that there are many kinds of clothing to which Assos has never fixed its mark and that the broad category of clothing, footwear and headgear is much too wide, having regard to the clothes that Assos actually supplies under its brand.

The case law on revocation for non-use

44. There is a substantial body of case law from both the European and the UK courts on partial revocation. The principles which can be derived from them and which are relevant to this case are:

- i) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue; the characteristics of the market concerned; the scale and frequency of use of the mark; whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; see for example Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-1159 ('*Ansul*') at paragraph 38.
- ii) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no *de minimis* rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul* at paragraph 39.
- iii) The burden of proving use lies on the person seeking to uphold the mark. Genuine use of the mark cannot be proved 'by means of probabilities or suppositions' but must be demonstrated by solid and objective evidence of effective and sufficient use of the mark on the market concerned: Case T-356/02 *Vitakraft-Werke Wührmann v OHIM – Krafft (VITAKRAFT)* [2004] ECR II-3445, paragraph 28.

45. The difficulty for the court lies where, as here, the trade mark proprietor has made genuine use of the mark in relation to some goods covered by the registration but not others. The proper approach in such a case was discussed by the General Court in Case T-126/03 *Reckitt Benckiser (España) SL v OHIM (ALADIN)* [2005] ECR II-2861:

"45. It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition proceedings, only for the sub-category or sub-categories to which the goods or services for which the trade mark has

actually been used belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not possible to make any significant sub-divisions within the category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.

46. Although the principle of partial use operates to ensure that trade marks which have not been used for a given category of goods are not rendered unavailable, it must not, however, result in the proprietor of the earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner. The Court observes in that regard that in practice it is impossible for the proprietor of a trade mark to prove that the mark has been used for all conceivable variations of the goods concerned by the registration. Consequently, the concept of 'part of the goods or services' cannot be taken to mean all the commercial variations of similar goods or services but merely goods or services which are sufficiently distinct to constitute coherent categories or sub-categories."

46. The *ALADIN* case was applied by the General Court in Case T-256/04 *Mundipharma v OHIM* [2007] ECR II-449. In that case the scope of the mark had been cut down by OHIM from 'pharmaceutical and sanitary preparations; plasters' to 'multi-dose dry powder inhalers containing corticoids, available only on prescription'. On appeal, the Court held that this class was too narrow and that the correct class was 'therapeutic preparations for respiratory illnesses'. The case is important for our purposes because in it the Court referred to consumers and the way that they view the product as being relevant to the question whether there is a coherent category of goods which can be treated as a sub-class (paragraph 29 of the judgment):

"The Court notes that in this respect, since consumers are searching primarily for a product or service which can meet their specific needs, the purpose or intended use of the product or service in question is vital in directing their choices. Consequently, since consumers do employ the criterion of purpose or intended use before making any purchase, it is of fundamental importance in the definition of a sub-category of goods or services."

47. The point of view of the consumer is also referred to in the domestic case law, with some discussion as to whether the test as developed in the domestic context differs from the test laid down by the Luxembourg courts. Arnold J helpfully set out how the court should go about the task of deciding whether it can identify coherent sub-categories in his recent judgment in *Stichtung BDO and ors v BDO Unibank Inc and ors* [2013] EWHC 418 (Ch). He referred to an earlier decision of his when he had been sitting as an Appointed Person in *NIRVANA Trade Mark* (at paragraph 55 of his judgment):

“In *NIRVANA Trade Mark* (BL O/262/06), when sitting as the Appointed Person, I reviewed the decisions of the English courts in *MINERVA Trade Mark* [2000] FSR 734, *Decon Laboratories Ltd v Fred Baker Scientific Ltd* [2001] RPC 17, *DaimlerChrysler AG v Alavi* [2001] RPC 42, *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2002] EWCA Civ 1828, [2003] RPC 32, *West v Fuller Smith & Turner plc* [2003] EWCA Civ 48, [2003] FSR 44, *Associated Newspapers Ltd v Express Newspapers* [2003] EWHC 1322, [2003] FSR 51 and *ANIMAL Trade Mark* [2003] EWHC 1589, [2004] FSR 19. I concluded at [57] that these were broadly consistent with *ALADIN*, but that to the extent there was a difference I was bounded by the English authorities. I went on:

"58. I derive the following propositions from the case law reviewed above:

(1) The tribunal's first task is to find as a fact what goods or services there has been genuine use of the trade mark in relation to during the relevant period: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [30].

(2) Next the tribunal must arrive at a fair specification having regard to the use made: *Decon v Fred Baker* at [23]; *Thomson v Norwegian* at [31].

(3) In arriving at a fair specification, the tribunal is not constrained by the existing wording of the specification of goods or services, and in particular is not constrained to adopt a blue-pencil approach to that wording: *MINERVA* at 738; *Decon v Fred Baker* at [21]; *Thomson v Norwegian* at [29].

(4) In arriving at a fair specification, the tribunal should strike a balance between the respective interests of the proprietor, other traders and the public having regard to the protection afforded by a registered trade mark: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [29]; *ANIMAL* at [20].

(5) In order to decide what is a fair specification, the tribunal should inform itself about the relevant trade and then decide how the average consumer would fairly describe the goods or services in relation to which the trade mark has been used: *Thomson v Norwegian* at [31]; *West v Fuller* at [53].

(6) In deciding what is a fair description, the average consumer must be taken to know the purpose of the description: *ANIMAL* at [20].

(7) What is a fair description will depend on the nature of the goods, the circumstances of the trade and the breadth of use proved: *West v Fuller* at [58]; *ANIMAL* at [20].

(8) The exercise of framing a fair specification is a value judgment: *ANIMAL* at [20].

59. I would add a point which in my judgment is implicit in most of the decisions, although not explicit, which is that it is for the tribunal to frame a fair specification and not the parties. This is not to say, however, that the tribunal is either obliged or entitled to ignore considerations of procedural justice and efficiency: see the observations of Advocate General Sharpston in Case C-239/05 *BVBA Management, Training en Consultancy v Benelux-Merkenbureau* [2006] ECR I-1458 at [62]-[68]. ..."

48. I was also referred to the judgment of the Court of Appeal in *West (trading as Eastenders) v Fuller Smith & Turner plc* [2003] EWCA Civ 48 where the issue was whether a mark registered for beer but in fact only ever used for bitter beers should be partially revoked for non-use. The Court of Appeal approved a test to the effect that the court's task should be carried out "so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court should inform itself of the nature of the trade and then decide how the notional consumer would describe such use" (see paragraph 50 of the judgment of Pumfrey J with whom Arden and Schiemann LJ agreed). Matters that can be taken into account include, the Court of Appeal considered, the channels of trade through which the goods are sold and the likely purchasers of the goods.
49. There are many examples of both EU and domestic courts carrying out this exercise in relation to a wide range of products. The one closest to the current case, and strongly relied on by Assos, is the judgment of Jacob J in *Animal Trade Mark* [2003] HCEW 1589 (Ch). In that case the claimant was the owner of a trade mark 'Animal' registered in Class 25 in respect of 'clothing, footwear, headgear, baseball caps, sweatshirts, T-Shirts'. The mark had been used on goods which had some sort of connection with surfing in that the target customers were young people who wanted to convey in their garments an association with surfing. The defendant used the mark "Animale" for clothing targeted at middle aged or older women looking for elegant casual garments. It was accepted that the claimants had made use of the mark for a range of garments including sundresses and cotton skirts. The defendant sought to limit the mark to itemised specific goods with the qualification that they all be "casual surf type wear for men or casual surf type wear for women under the age of 30". Jacob J dismissed this possible categorisation of the goods. He stated that the reason why public perception played a part in the test was because it is the public which uses and relies on trade marks. He went on (paragraphs 20 – 23 of his judgment):

"20. ... I do not think there is anything technical about this: the consumer is not expected to think in a pernicky way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. ... Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming

within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods – are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made.

21. Moreover, trade marks do not normally vanish at the time of purchase. Labels are a constant reminder of the maker. An average consumer would bear this in mind in formulating a fair description. That is a particular answer to Mr Mellor's [that is counsel for the Defendant's] suggestion that the fair description should be limited to the intended age of the purchaser. Today's girl surfer is tomorrow's wearer of elegant "Animale."

22. Thus I do not accept Mr Mellor's submission that the specification should be limited to exactly the kind (including "image") of goods for which use has been proved. It follows that I do not accept Mr Mellor's suggestion that the goods of the parties are so far distinct in commercial terms that there can be a sensible revocation confining "Animal" to "surf-type" goods. This would not be a meaningful distinction to most members of the public (including some of the witnesses). Nor does it make sense to try to limit the mark to younger adults. This is an exercise in pigeon holing which I do not think the ordinary consumer would undertake if asked to form, for trade mark purposes, a fair description of the goods for which the mark had been used.

23. So, should "clothing" in the specification be qualified in some other way? The term covers a very wide spectrum of different sorts of garments. But putting aside such specialist things as diving suits, wetsuits, bullet-proof vests and so on, there is a core of goods which are likely to be bought by ordinary consumers for different purposes in their daily wear. The same woman or girl is likely to own T-shirts, jeans, dresses, both formal and informal. Both parties' goods could easily end up in the same wardrobe or drawer. He or she knowing of the range of goods for which use has been proved would, I think, take "clothing" to be fair as a description. He or she might limit the clothing to "casual clothing" but I have concluded in the end that "clothing" is appropriately fair."

50. I take from these authorities that the question I must ask myself is this: having regard to the use that has actually been made by Assos of its mark, would the average consumer consider that 'clothing footwear and headgear' was a fair description of that use or would he or she describe the use as limited to some narrower category and, if so, what category? The average consumer is assumed to know that the purpose of

choosing that description is to provide Assos with absolute protection against anyone using a similar mark for identical goods and additional protection for someone using a similar mark for similar goods if that was likely to lead to confusion. When considering the scope of use, the consumer would not simply look at the Assos goods in a vacuum but would consider other factors such as channels of sale and intended use.

The use made by Assos of the mark

51. The relevant period for considering the use made by Assos of its mark is the five years ending on 17 January 2012, that being the date when ASOS served its Defence and Counterclaim seeking partial revocation. I must therefore examine the use made Assos of the mark since 17 January 2007. It is not disputed that Assos has made use of the mark for clothing that could compendiously be described as clothing for specialist racing cyclists. If their range had been limited to those kinds of clothes over the whole period I would have had little hesitation in cutting down the registration to wording closer to the earlier November 2001 registration focusing on clothes for racing cyclists. However, Assos has made some small-scale incursions into the market for more general leisure wear. The question is whether Assos' sales of casual wear outside the specialist cycling range now entitle it to occupy the whole terrain covered by 'clothing, footwear and headgear'.
52. There are three ranges of goods that Assos relies on, general casual wear, the Dopo Bici range and the Signature range. The first is the sale of t-shirts and shorts which were not made of technical fabric but are suitable to be worn as general casual wear. Mr Griffiths gave evidence that he has always sold some casual wear to dealers alongside the specialist cycling wear. He exhibited a catalogue dating from 1996/1997 at the back of which was a page showing a cotton T-shirt, a polo shirt, a pair of cotton shorts and a baseball cap, all displaying the Assos logo. He also exhibited to his witness statement invoices showing orders for these goods. My understanding of his evidence is that retailers find it useful to stock, in addition to the very expensive specialist range of clothing, some smaller, cheaper items that people can buy to acquire some product bearing the coveted brand name but without incurring the cost of an item in the Campionissimo range. He has in the past sourced and supplied items such as umbrellas, jotter pads and pens bearing the Assos brand name (with the approval of Assos in Switzerland). These can be bought, for example, by friends of a keen cyclist as a suitable gift requiring only modest outlay. His evidence in cross-examination was that sales of these goods has been continuous:

“A. ... the casual clothing was a seller, we were making profit on it, We have never ever had a year where we have not bought leisure casual clothing. We have made money from it. I have made money. Whether Assos has made or lost, I don't know. I have made money from the leisure clothing. I do not lose money. I mean, the good thing about Assos is that the collection normally lasts something like seven years, before you informed – you are only going to get 18 months' notice of a change. So, basically, you don't have to discount at the end of the year, you don't have to lose money on it. What does not sell this spring sells next spring. It is very good, from that point of view.”

53. His evidence was supported by the two retailers who gave evidence for Assos. Mr Young of Condor Cycles said that he has sold t-shirts, polo shirts and tracksuits. He estimates that sales of the leisure clothing were small compared to the core range, no more than 10 per cent of sales. He says:
- “Nowadays we would sell more of these sorts of t-shirts and polo shirts as the ASSOS brand is really big. In addition we generally sell more standard t-shirts now than in the past: people interested in cycling will buy them if they are cycling themed, and tourists buy them as gifts”
54. Mr Quinn of The Bike Factory also states that he has sold Assos leisure wear; polo shirts, quilted flat caps and baggy casual shorts. Although the volume of sales were not big, there was a definite following for the brand which led to sales of the Assos leisure wear.
55. I accept on the basis of this evidence that there has been a small-scale but steady and continuous sale of non-technical fabric t-shirts, polo shirts, casual shorts and hats bearing the Assos mark from the early years of Assos sales and into the five year period relevant for this part of the case.
56. The second range of goods on which Assos relies to support a wide trade mark registration is the Dopo Bici range. Dopo Bici is Italian for “after bike” and the range, referred to usually as just ‘DB’, was launched in 2006. Unlike the t-shirts and polo shirts which appear entirely ordinary in terms of manufacture and styling (and which sell at prices much lower than the technical cycling range), Dopo Bici is an expensive, luxury range made of similar high tech fabric and designed and sewn to the same exacting standards as the hardcore cycling clothes. The garments do not, however, have the skin-tight feature of the more specialist clothing. The range includes polo shirts in a range of colours, jackets and track-suit tops and bottoms as well as a baseball cap, travel bag and small backpack. The strap line in the advertising material is ‘The ride doesn’t end when you get off the bike’ and the clothes are said to provide ‘a smart, athletic, urban look’.
57. Mr Groenendal admitted that sales of the DB range were very modest. Mr Quinn’s evidence was that selling the goods online was not a success because the slim fit design of the clothing results in customers returning the goods because they have chosen the wrong size when buying online. He does, though, sell the range in his shop.
58. The third kind of casual wear is referred to by Mr Groenendal as the Signature range. This was launched in 2012 and, from the photos excerpted from the 2012 product catalogue and produced by Mr Groenendal the garments in this range comprise sporty looking t-shirts which are rather smarter than the earlier casual wear but not as smart as the DB range. They bear the Assos logo prominently as well as other wording such as ‘Have a good ride!’ or the emblem of the Swiss Federation cycling team.
59. What would the average consumer described by Arnold J and Jacob J in their judgments referred to earlier regard as a fair description of all these goods taken together? Mr Alexander, for ASOS, submitted that all the goods sold by Assos are related to cycling either because they are designed to be worn on the bike or, like the

Dopo Bici range, to be worn after cycling. He sought to distinguish this case from *Animal/Animale* where the claimant's clothes were not targeted at actual surfers but at young people who wanted to associate themselves with the image of surfing. Here the clothes are directed at people who are actually cyclists and who will wear the clothes whilst cycling or after cycling. He therefore proposes a classification which either lists all the garments in fact made by Assos or a categorisation linking the goods to cycling or cyclists. That, in my judgment, would be too narrow a class. Although the Dopo Bici goods are marketed to be worn after cycling, there is nothing about them that means they cannot be worn after some other sport or simply for any occasion where casual clothing would be appropriate. Indeed, the publicity material for the DB range shows the model wearing the clothes in an airport lounge. I do not consider that a description along the lines 'clothes to be worn during or after cycling' would make sense to an ordinary consumer. The casual clothes are not 'cycling themed' – there is nothing about the clothes themselves that is linked to cycling except for the mark 'Assos'.

60. On the other hand there are many substantial categories of ordinary clothing to which the Assos mark has never been attached: dresses of any kind, skirts of any kind, knitwear, shoes of any kind, blouses, jeans, baby clothes or general children's wear. This in my judgment distinguishes this case from the *Animal Trade Mark* case. It is relevant because although the range of garments to which the mark has been attached is wider than specialist cycling gear, there are many kinds of goods which fall within the definition of 'clothing, headgear, footwear' for which the mark has never been used. The position is therefore similar to that considered by Ms Anna Carboni sitting as an Appointed Person in *STANDARD LITE* (DECN O-208-08). She found that the opponent to the mark's registration, Standard Life, had clearly established the use of its trade marks across a wide range of financial services but that there were activities that fell within the term 'financial services' that it had not carried out. She therefore held that the term 'financial services' was too broad a description of their activities.
61. Assos pointed to other brand names that have their origins in sportswear and have now become associated with a wider range of clothes – not only wide ranging brands such as Nike and Adidas but brands such as Fred Perry. They say that a consumer would take into account that there has over recent years been a substantial cross over of sportswear into general casual clothes. That would tend to broaden the description that the average consumer would give to the Assos range. However, in my judgment the ordinary consumer would take into account that Assos has chosen **not** to go down the same route as those other brands. Assos has maintained a very focused approach, limiting the kinds of clothing to which the Assos brand name is attached. It has chosen not to market its clothes on the High Street or through general clothing outlets either in bricks-and-mortar shops or online. It has kept the sales almost entirely to specialist stores and advertised them largely in specialist cycling magazines. An ordinary consumer would not regard Assos as a company selling 'clothing' but as selling a distinct sub-set of clothing. He or she would not, on the basis of the use that has been made of the brand, consider that Assos was entitled to exclude anyone else from using the same or similar name from the whole category of clothing, headgear and footwear.

62. Assos' range can properly be described as specialist clothing for racing cyclists and casual wear including track-suits, t-shirts, polo shirts, caps and jackets. The registration of the mark should be revoked for non-use outside that range.

Classes 3 and 12

63. In addition to its clothing ranges, Assos has sold three toiletry or care products for several years. These are a Skin Repair Gel (for relieving discomfort and repairing skin damage caused by friction of the genital area against the saddle), Chamois Crème (aimed at reducing friction and preventing bacterial or fungal infections on the skin) and Active Wear Cleanser which is liquid detergent used to wash the clothes to help maintain the special qualities of the fabrics. Sales of these products are modest.
64. The current scope of registration of the Assos CTM in class 3 is for 'Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices'. ASOS argues that the specification should be cut back for non-use to 'saddle rash cream'. Bearing in mind what the General Court said in *Mundipharma* (quoted in paragraph 46 above), I consider that would be too narrow. I find that a proper description within Class 3 would be 'preparations for the treatment or prevention of ailments associated with cycling; cleaning products for specialist cycling clothes'. The CTM should be revoked for non-use apart from items within that description.
65. The specification for Class 12 currently covered by Assos' CTM is 'vehicles; apparatus for locomotion by land, air or water'. Assos does sell some bicycles and accessories. A proper description of its use of the mark would be 'Bicycles and parts and fittings thereof'. The mark should be revoked for non-use apart from that.

III. PARTIAL INVALIDITY UNDER ARTICLE 8(4) CTMR

66. Article 8(4) CTMR provides:

"4. Upon opposition by the proprietor of a non-registered trade mark or of another sign used in the course of trade of more than mere local significance, the trade mark applied for shall not be registered where and to the extent that, pursuant to the Community legislation or the law of the Member State governing that sign:

(a) rights to that sign were acquired prior to the date of application for registration of the Community trade mark, or the date of the priority claimed for the application for registration of the Community trade mark;

(b) that sign confers on its proprietor the right to prohibit the use of a subsequent trade mark."

67. ASOS' second line of defence against the allegation of infringement is that Assos' mark is partially invalid because ASOS would have been able to oppose the registration of the mark at the time it was applied for. This ground therefore overlaps

in large part – though not necessarily entirely – with the claim for partial revocation that I have already held succeeds. In case I am wrong on the partial revocation point, I will consider this second line of defence as well.

68. The basis for ASOS' opposition to the registration of Assos' mark would have been that the mark should not be registered because ASOS was the proprietor of a sign which it used in the course of trade and which conferred on ASOS, under the English law of passing off, the right to prohibit Assos' use of the trade mark applied for. If, therefore, ASOS can show that it could have prevented the registration of Assos' mark in June 2005 because notional fair use of that mark by Assos would amount to the tort of passing off actionable by ASOS, ASOS can establish that the Assos registration is invalid to the extent that Assos' notional fair use of the proposed mark could have been defeated by such a passing off claim.
69. The elements of the tort of passing off are:
 - i) that the claimant's goods have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
 - ii) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the claimant; and
 - iii) that the claimant has suffered, or is likely to suffer, damage as a result of the erroneous belief engendered by the defendant's misrepresentation.
70. ASOS' primary case in these proceedings is that there is no risk of confusion between the parties' goods. Its contention that it could have succeeded in a claim for passing off and therefore that it would have been entitled under Article 8(4) CTMR to prevent the Assos mark being registered is without prejudice to that primary contention. Putting the question of confusion of the public on one side, would ASOS have been able to establish that it could have succeeded in a claim for passing off against Assos if it had opposed Assos' application to register its mark for clothing, footwear and headgear in June 2005 (the priority date of Assos' application)? Normally in a passing off action the use *actually made* by the defendant of a confusing sign is the focus of examination. Here, given that this is a hypothetical passing off action challenging a mark that may not be in use at the time of registration, the passing off action posited in Article 8(4) has to assume that the hypothetical defendant to that hypothetical passing off action (in this situation, Assos) has made notional, fair use of the mark that it seeks to register. In other words, the question is not whether ASOS would have been able to succeed in a passing off action against Assos if Assos had attached its mark to the goods that it has in fact been selling over the years, but whether such a passing off action would have succeeded if Assos had attached its mark to the full range of articles in the scope of the classes it applied for, that is, as if Assos had made dresses, skirts or knitwear as well as the cycling gear and casual clothes it has in fact made.
71. A further complication concerns the date at which the extent of ASOS' goodwill should be assessed for the purposes of determining its likely success in the hypothetical passing off action. In a passing off claim, the correct date for determining whether the claimant has goodwill worth protecting against the

defendant's use of a confusing sign is the date of the commencement of the defendant's conduct complained of: see *Cadbury-Schweppes Pty Ltd v The Pub Squash Co Ltd* [1981] R.P.C. 429 at page 494. This may well be earlier than the date on which the passing off proceedings are launched. Is this element of the English law of passing off imported into the hypothetical exercise that Article 8(4) CTMR requires the court to carry out?

72. On this question (that is the question whether in applying Article 8(4) CMTR one should always look at goodwill as at the date of the challenge to the mark registration or whether one applies passing off law in full and therefore looks at goodwill as at the date that any pre-registration use of the mark commenced) the case law is unclear. In Cases T-114 & T-115/07 *Last Minute Network v OHIM* [2009] ECR II-1919 the General Court emphasised that for the purposes of Article 8(4) CTMR the Board of Appeal should have taken into consideration both the national legislation applicable by virtue of that provision and the case law of the Member State concerned; "On that basis, the applicant for a declaration of invalidity must establish that the sign at issue falls within the scope of the law of the Member State relied on and that it enables the use of a subsequent mark to be prohibited": see paragraph 47 of the judgment. The General Court held that the Board of Appeal had fallen into error in not applying a number of aspects of the domestic law of passing off. For example, the Board had assessed the misleading nature of the goods by reference to the likely response of an *average consumer* rather than, as required in a passing off action, by reference to the likely response of the *claimant's customers* (paragraph 67).
73. The Court referred at two points in its judgment to the temporal element in Article 8(4) CTMR. The Court said (emphasis added):

"50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.

...

96 It is true that there are difficulties in applying United Kingdom law on passing off in the context of an application for a declaration of invalidity pursuant to Article 52(1)(c) of Regulation No 40/94, as a result of the obligation laid down in Article 8(4) of Regulation No 40/94 (see paragraph 51 above) to consider the situation as it was on the date on which the application for the Community trade mark was filed and not the

date on which the defendant in the passing off action began to offer the goods and services at issue.”

74. This case was distinguished by the Board of Appeal in *SUN CAPITAL* (a decision of the Second Board of Appeal of OHIM of 14 December 2012) on the ground that it did not appear from the facts set out in *Last Minute Network* that the trade mark applicant had in fact relied on prior use to defeat the hypothetical passing off claim envisaged by Article 8(4): see paragraph 69 of that decision.
75. Given the uncertain state of the law, it is convenient to start by considering whether ASOS had established sufficient goodwill in its sign to be able to prevent Assos, as at June 2005, from registering its trade mark for ‘clothing, headgear and footwear’. Only if it had goodwill at that date, would I then need to consider whether ASOS also needs to show that it had established that goodwill by the earlier date when Assos started to use its mark prior to registration (i.e. when Assos had commenced the conduct that ASOS, as the claimant in the hypothetical passing off action, was complaining about).
76. Mr Robertson’s evidence is that by 2005 ASOS had completely moved over from being called As Seen On Screen to being called ASOS. At an early stage of the As Seen On Screen business, ASOS acquired the domain name www.asos.com and initially traffic to that domain was redirected to the www.asseenonscreen.com domain. The asos.com domain went independently live in July 2003 and from about that time, traffic to www.asseenonscreen.com was redirected to the new site. ASOS has provided a considerable volume of press coverage published before June 2005. Looking through that material I conclude that the publicity related to Asos.com as a website where one could either acquire a garment made by another branded maker or a garment similar to one worn by a celebrity. For example, in January 2005 an article in ‘Now’ magazine noted that a number of style setters such as Nicole Kidman and Kylie Minogue were wearing extra-long necklaces. The article shows some high street versions of extra-long necklaces said to ‘add instant style to any outfit’. These include an example available from ASOS.com. In a business profile in the Daily Telegraph also in January 2005, Mr Robertson was still stressing that the business concept was simple “It’s Asos, as seen on screen. It is exactly what it says on the tin”.
77. The press coverage shows that ASOS had built up goodwill as a website selling either third party branded goods or goods which were effectively unbranded but sold as being similar to items worn by a celebrity. This would not have enabled it to assert sufficient goodwill in the ASOS name to be able to allege that Assos was passing off its goods as ASOS’ goods when Assos attached its mark to a range of branded clothing.
78. In my view therefore it is critical to determine whether by June 2005, ASOS had also acquired goodwill in branded goods bearing the ASOS sign rather than simply being sold on the ASOS website. On this point, there was a dispute between the parties as to whether ASOS started to attach garment labels to its own-brand designs in 2004 or 2005. ASOS accepted that the earliest evidence that it could produce of a garment bearing an ASOS label sewn into the neck of the garment was a wool duffle bomber jacket supplied in July 2005. Both Mr Robertson and Mr Kamaluddin remembered, however, that the decision to introduce an own-brand label was made earlier than that,

in early or mid 2004. Whether it was 2004 or 2005, the more significant point is that both Mr Robertson and Mr Kamaluddin accepted that the goods with the ASOS label sewn in were not described on the website as being ASOS branded goods until much later – in 2007. Until that time, garments were described on the website either bearing the third party brand name, such as River Island or Fred Perry, or without any brand name attached, just as, for example, a ‘polka dot dress’, rather than as an ‘ASOS polka dot dress’.

79. The screen grab photographs from the ASOS website at this time show that the clothes are almost all presented on the website as worn on a model so that the label is not visible at the time the customer chooses the garment. The customer would only have seen the ASOS brand name attached to the goods on the sewn-in label or swing tag once the goods arrived at the customer’s home. On this basis I accept Mr Wyand’s submission on behalf of Assos that it would take much longer for goodwill in the ASOS sign as a brand name for clothes to be built up.
80. I therefore find that as at June 2005 the only goodwill that ASOS had built up was in relation to an online clothing store selling other brands of clothing and celebrity look-alike styles. It did not yet have sufficient goodwill as a supplier of goods bearing the brand name ASOS for it to have succeeded in showing that the average ASOS customer would, if confronted with a dress bearing the mark Assos, have mistakenly thought that the dress was made by ASOS or that it was made by someone associated with ASOS. ASOS’s goodwill as at June 2005 would not, therefore, have enabled ASOS to succeed in a passing off claim against Assos if Assos had begun to make fair use of the mark which it was seeking to register. Consequently it would not have enabled ASOS to prevent Assos from registering their mark as they did in June 2005, pursuant to Article 8(4) CTMR.
81. In my judgment, therefore, the claim for partial invalidity based on Article 8(4) CTMR fails.

IV. INFRINGEMENT OF TRADE MARK: ARTICLE 9(1)(b) CTMR

82. The infringement claim brought by Assos is put on two bases: Article 9(1)(b) CTMR which is concerned with confusion caused by similar signs being attached to identical or similar goods and Article 9(1)(c) CTMR which is concerned with signs which take undue advantage of, or are detrimental to, a sign which has a reputation in the European Union. I will consider each of these in turn.
83. Article 9(1)(b) CTMR provides:

“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:

...

(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;”

Similarity of the mark and sign and of the goods or services

84. The Assos mark and the ASOS sign, taken by themselves, are very similar. This is particularly the case in the way that the marks have been presented to consumers since 2008 when ASOS moved to using lower case letters in its logo, and indeed, lower case letters in a squat, round font that is rather similar to the font used in one of the Assos’ logos.¹ There is evidence from the survey at The Bike Show which I discuss later that the public did not consistently distinguish between the pronunciation of the two words using a long vowel (as in ‘day’) for ASOS and a short vowel (as in ‘cat’) for Assos. The interviewers conducting the survey were asked to distinguish in their transcription of what the interviewees said between different pronunciations of the parties’ names. 36 people who were clearly referring to Assos pronounced it with a short vowel and 11 referred to Assos using a long vowel. Conversely, 83 people who referred to ASOS when answering the questions pronounced ASOS with a short vowel and 96 pronounced ASOS with a long vowel.
85. ASOS accepts that ‘ASSOS’ is a common misspelling of its sign, a fact which led it to bid for a paid link in search engines when ‘ASSOS’ is entered as a search term. There is therefore in my judgment visual and aural similarity between the Assos mark and the ASOS sign.
86. I also accept that the Assos mark is inherently distinctive. Although, as I have said, the word does have a meaning in Greek (i.e. ‘best’) it does not have any descriptive connotation and there is nothing about either the Assos mark (or for that matter the ASOS sign) that associates it particularly with clothing.
87. So far as the comparison between the relevant goods is concerned, ASOS accepted that if the CTM were not limited to clothing for racing or sports cyclists then the use of the sign on the ASOS own label clothing, shoes and hats would be in respect of identical goods. I take this to mean that it would accept also that the use of its sign on its casual clothing amounts to use in respect of identical goods to the extent that the casual clothing sold by Assos is included in the partially revoked Assos CTM.
88. I must then consider whether the other goods that ASOS sells which are outside the scope of the Assos CTM, such as dresses, knitwear or shoes are similar to the Assos goods. The judgment of the Court of Justice in Case C-39/97 *Canon Kabushiki Kaisha v Metro Goldwyn Mayer* [1998] ECR I-5507 made clear that this question is not to be assessed by simply looking at the goods in abstract but by looking at the goods in the context of the distinctive character of the trade mark and its reputation. So the question I must answer is not simply ‘is a dress similar to a t-shirt?’ but ‘is a dress similar to an Assos t-shirt, bearing in mind the reputation and distinctive character of the Assos mark?’. This is an important point in this case because the

¹ This point is relevant to the question of honest use of own name, discussed in paragraph 166 below.

reputation of the Assos mark is as a maker of racing cycling clothing to be worn on the bike (albeit that they also make, as I have found, some casual clothing to be worn off the bike). Assos does not have a separate reputation as makers of casual clothing. Racing cyclists are unlikely to wear dresses or knitwear or shoes when on their bikes. It seems to me therefore that taking account of the reputation of the Assos mark, the goods sold by ASOS which are not identical with the Assos goods are not very similar to those Assos goods. Certainly the wider ranges of non-clothing items sold by ASOS such as cosmetics, jewellery and handbags are not similar at all to Assos goods.

89. So far as the ASOS website service is concerned, is this similar to the goods covered by the Assos mark? Given the prevalence of internet clothes shopping, it is likely that an internet shopping site bearing the name of a brand of clothing will be regarded as similar to that brand of clothing for the purposes of Article 9(1)(b). However, Assos, as I have described, does not market its goods strongly online although its retailers do sell the goods from their own websites. This reduces the similarity between the website service and the Assos goods covered by the CTM.
90. On the issue of whether the goods and services covered by the ASOS sign are identical or similar to the goods to which Assos could attach its mark, making fair use of the mark in its cut-down scope, I find that some of the goods, namely the casual clothes such as t-shirts and shorts are identical but that beyond that there is limited similarity, given that Assos' reputation is very closely linked to clothing suitable to be worn by racing cyclists.
91. I turn now to the likelihood of confusion. This depends in part on the identity of the average consumer of the products covered by Assos' mark. This does not mean the average consumer of the products that Assos actually sells, but the average consumer of products to which Assos would fix its mark, making notional fair use of the mark within the bounds of the registration which I have held is supported by Assos' genuine use of the mark. The next step is to consider the likely attention paid by the average consumer of those goods to the identity of the goods. Bearing in mind that the average consumer is unlikely to be making a direct comparison between the Assos mark and the ASOS sign looking at them side by side, their likely level of attention in terms of inspecting the goods prior to purchase is relevant to considering how likely they are to be confused.
92. Most of the goods to which Assos is likely to attach its mark are expensive and are directed at people who care about appearing stylish and athletic. Although Assos could, of course, attach its mark to mass market, cheap t-shirts, there is no suggestion that it intends to expand beyond the premium clothing sector and the few cheaper items that it currently sells. So far as the expensive goods are concerned, they are unlikely to be impulse purchases and the customer is likely to have done some research and brand comparison before investing that amount of money in a garment. So far as the cheaper goods are concerned, including the Signature range, the main attraction of these is the fact that they bear the Assos brand name and logo in a prominent position. The customer – whether buying them for himself or as a gift for a keen cyclist – is likely to pay attention to that brand name and be interested in ensuring that the item does have the provenance that he wants.
93. Similarly, although ASOS sell goods covering a wide price range (the price of polo shirts sold on their website range from £12 for an ASOS own-label shirt to £113 for a

Vivienne Westwood MAN shirt) they are all directed at young people who care about fashion and who aspire to look good in their clothes. In *Whirlpool Corp v Kenwood Ltd* [2009] R.P.C. 2, Geoffrey Hobbs QC sitting as a Deputy High Court Judge held that where both the parties were selling kitchen mixers that were premium priced products targeted at design conscious consumers, the viewpoint to be taken into account was the viewpoint of that consumer and not the average of all consumers of all kinds of electric beating and mixing machines covered by the trade mark: see paragraph 69. In this case, therefore, the attention level of the average consumer is of someone who is a discerning consumer of clothing and who pays attention to matters such as branding, style and quality.

94. In this case ASOS has stressed that it has been using the sign both as its domain name and as a label attached to its own-brand womenswear and menswear since at the latest 2005 and, it asserts, there is little evidence of actual confusion of the two brands. It is clear from the wording of Article 9(1)(b) that proof of actual confusion is not essential to establish an infringement. Indeed it would be odd to require a trademark proprietor to wait for his mark to be damaged by actual confusion before being able to take action to stop the use of a confusing sign. The question arises as to whether, where there has been parallel use of the mark and the sign over a long period, the absence of evidence of confusion in the past shows that confusion is unlikely in the future. In *Stichting BDO and others v BDO Unibank and others* [2013] EWHC 418 (Ch) Arnold J said (at paragraph 167):

“As I have said in a number of judgments, the absence of evidence of actual confusion is not necessarily fatal to a claim under Article 9(1)(b). The longer the use complained of has gone on in parallel with the use of the trade mark without such evidence emerging, however, the more significant it is. In the present case over eight years have elapsed without any evidence emerging. In my judgment this is an important factor.”

95. This can be contrasted with the comments of Laddie J in *Compass Publishing BV v Compass Logistics Ltd* [2004] EWHC 520:

“22 It is frequently said by trade mark lawyers that when the proprietor's mark and the defendant's sign have been used in the market place but no confusion has been caused, then there cannot exist a likelihood of confusion under Article 9.1(b) ... So, no confusion in the market place means no infringement of the registered trade mark. This is, however, no more than a rule of thumb. It must be borne in mind that the provisions in the legislation relating to infringement are not simply reflective of what is happening in the market. It is possible to register a mark which is not being used. Infringement in such a case must involve considering notional use of the registered mark. In such a case there can be no confusion in practice, yet it is possible for there to be a finding of infringement. Similarly, even when the proprietor of a registered mark uses it, he may well not use it throughout the whole width of the registration or he may use it on a scale which is very small compared with the sector of

trade in which the mark is registered and the alleged infringer's use may be very limited also. In the former situation, the court must consider notional use extended to the full width of the classification of goods or services. In the latter it must consider notional use on a scale where direct competition between the proprietor and the alleged infringer could take place.

23. This is of significance in this case because, as noted above, there is no suggestion that there has been any confusion in the market place between the activities of the Defendant under the sign "Compass Logistics" and the Claimant, or any other member of the Compass Group, under the mark "Compass". Mr Wyand relies on this as being a good indication that there is no likelihood of confusion. But in my view Mr Purvis is right when he argues that the question of infringement has to be answered by assessing the likelihood of confusion were the Claimant to use the mark "Compass" in a normal way in respect of all services covered by the registration, including for business consultancy services in the field of logistics, that is to say the same specialist field the Defendant operates in.

24. The test for likelihood of confusion has been considered in a number of ECJ decisions, including *Sabel BV v Puma AG* [1998] RPC 199. The likelihood of confusion must be appreciated globally, taking account of all relevant factors. It must be judged through the eyes of the average consumer of the goods or services in question. That customer is to be taken to be reasonably well informed and reasonably circumspect and observant, but he may have to rely upon an imperfect picture or recollection of the marks. The court should factor in the recognition that the average consumer normally perceives a mark as a whole and does not analyse its various details. The visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components. Furthermore, if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion."

96. In the present case, given my findings on the reduced scope of the mark, this is not a case where the absence of evidence of confusion could be explicable on the basis that Assos has not made extensive use of its mark. This is a case, therefore, where one would expect to see evidence of confusion, given that Assos and ASOS have been selling their clothes bearing their brand names for at least eight years. Further, when the claimant, as here, has taken steps to measure the likelihood of confusion for the purposes of the litigation by the witness gathering exercises I describe later, then the court is entitled to assess what is demonstrated by those exercises – the claimant cannot take the benefit of any results in its favour but then dismiss a negative result on the basis that no evidence of actual confusion is required by Article 9(1)(b) CTMR.

97. Assos submits that the absence of evidence of actual confusion does not indicate that its potential customer are not confused as to whether ASOS is connected with Assos or whether ASOS garments are made by Assos. They say that they are not in direct contact with their customers in whom any confusion is likely to manifest. I reject this submission. Assos is in close contact with its distributors in the Member States and collaborates with them over plans for marketing and promotion as well as over the product catalogue. Those distributors are themselves regularly in touch with the retail outlets. I would expect that if there were sufficient instances of confusion to cause the dealers concern, this would have been brought to the attention of the Swiss company. Further, there is a proliferation of special interest magazines both in print and online in which there is detailed discussion of the relative advantages of different items of clothing and kit. There is no evidence of confusion or of people discussing the two brand names in such magazines. These days consumers are not reticent about expressing their views on blogs and in chat rooms. A few examples of these have been presented as evidence but there is no reason to suppose that the instances seen are the tip of an unidentified iceberg.
98. The evidence of actual confusion in this case falls into three categories. There is some anecdotal evidence of spontaneous confusion among members of the public mistaking one company with the other. There are also the responses to witness-gathering exercises carried out by Assos for these proceedings. Finally there was evidence derived from an analysis of search engine use by customers, showing for example how many customers arrived at the Assos website having typed 'ASOS' into a search engine and how many people appeared to be searching for Assos garments on the ASOS website.

Anecdotal evidence of confusion

99. Mr Groenendal frankly accepted that he had not received any complaints from Assos dealers about confusion between the two brands. He accepted that if there had been a serious problem he would have heard about it. Assos put forward various instances of people apparently being confused between Assos and ASOS:
- i) Peter Hammerschmidt who at one time worked for Puma gave evidence that when he told his Puma colleagues that he was moving to work for Assos, four or five of them responded in a way which indicated to him that they thought he was going to work for ASOS.
 - ii) Cosima Neag who lives in Ireland gave evidence that she ordered clothing from ASOS and when she wanted to return some items she contacted the customer service address of Assos. Her mistake was corrected by the people at Assos and she then got a refund from ASOS.
 - iii) John Cooper also gave evidence of contacting Assos in order to return a misdirected parcel received from ASOS and spoke on the telephone to someone at Assos. When Assos was unable to identify the purchase on its site, Mr Cooper was redirected to ASOS who then collected the parcel.
 - iv) Mr Quinn of The Bike Factory describes a customer coming into his shop to buy an Assos top and recounting that she had tried to find the top on the ASOS website. He says:

“I have had several other conversations with customers in the shop where customers have said things which make me think they believe ASSOS is either the same as ASOS, or are a bit perplexed that there are two brands with such similar names. I would say this has happened at least 10 times.”

- v) Toby Bond who is a Junior Associate at the firm Bird & Bird LLP, solicitors for Assos, examined the customer service emails received by ASOS (revealed on disclosure) where the customer inquiry had included the word Assos. He records that in the majority of those cases, the inquirer had contacted ASOS and intended to contact ASOS but had typed the word ‘Assos’. There were some emails where it was not clear who was intended. There were five email chains where it appears that the person contacting the ASOS customer service address was in fact raising an issue about an Assos garment: someone from Philadelphia, USA complaining about a pair of Assos bib shorts; someone in Berkeley, California wanting a new zipper for their Assos vest; someone who realised after one email exchange that he had contacted the wrong company and who says “Sorry, I thought I was contacting Assos cycling apparel”; someone writing in Dutch with a complaint about a pair of Assos cycling shorts; and someone querying the return of two pairs of Assos cycling shorts.
 - vi) There were some print-outs of comments made in online forums included in Assos’ response to ASOS’ request for further information served in May 2013. One was on a discussion board called ‘looking good’ which is part of the website of Men’s Health Magazine. In May 2009 there was a thread of comments about the quality of ASOS clothes in which a contributor known as ‘Uber-Dude’ posted a comment that he thought the conversation had been about ‘stupidly priced cycle clothing’. There were two other threads on different sites, one hosted by a bike magazine in which people were clearly discussing Assos kit but misspelt it as ‘Asos’ (though there is no evidence that those contributors have heard of ASOS) and one hosted by zen cart, a site specialising in e-commerce, where one contributor compliments the ASOS drop down menus and where a contributor responds ‘OOOps my bad’ saying he went to Assos not ASOS to try to see the drop down menu being discussed.
100. Are these instances of the kind of confusion that is relevant to an allegation of trade mark infringement under Article 9(1)(b)? In *Stichting BDO* Arnold J referred to evidence of members of the public contacting the claimant’s London office when they were looking for the defendant’s business because that number came up on a search engine when BDO was typed in. The judge said that this confirmed what was self evident namely that the names of parties were sufficiently similar for one to be taken for the other in the absence of any differentiating context. He went on to say:

“Nevertheless, it does not establish that the average consumer of the registered services who encounters the use of the sign BDO Remit in relation to remittance services in the context in which the Defendants have used it will think that the provider of the service is BDO LLP or an undertaking economically connected with it”

101. In my judgment, the evidence of Mr Hammerschmidt, Ms Neag and Mr Cooper does not show that they thought that the ASOS garments were made by Assos but only that they intended to contact ASOS but accidentally contacted Assos instead. The evidence of Mr Quinn and the emails exhibited by Mr Bond also do not show that people have bought ASOS goods thinking that they were Assos goods. They show that people have bought Assos goods, intending to buy Assos goods but have contacted ASOS by mistake to follow up a point about the garment. This does not appear to me to show that they are confused about the origin of ASOS products or that they think there is a link between ASOS goods and Assos or that they are assuming that the ASOS website is connected with the Assos brand. As to this last point, Assos drew attention to the fact that people who contacted the customer service address must have clicked through various screens on the ASOS website without realising that they are on the wrong website. Having seen the website screen print out, and with all due respect to the inquirers involved, I do not accept that any person exercising a normal degree of care would have made the same mistake. Similarly the online forum comments show some confusion between the names or at least as to the proper spelling of Assos. They do not show that anyone thought that ASOS goods are connected with Assos.

The survey evidence

102. Assos engaged Mr Philip Malivoire, an independent market research consultant to design and oversee a survey to identify reactions to a photograph of a t-shirt bearing the label ASOS. Mr Malivoire gave evidence about the way the survey was conducted and the results. The survey involved showing people an A4 photograph of a folded-up white sleeveless t-shirt placed on a wooden table with an ASOS label sewn in the back of the neck and an ASOS swing tag attached to it. The interviewee was asked a series of questions opening with simply asking the interviewee what they could tell the interviewer about the photograph. If the respondent did not give the name of a company or brand in reply to the first question, the interviewer said “This is the name of a company. What if anything can you tell me about it?” Anyone who had mentioned the name of a company or brand was asked what they could say about that brand. There were three further questions:

- pointing to the card, the interviewer asked the respondent whether they had ever bought anything from “this company”. If they answered simply ‘yes’ they would be asked for more details;
- everyone was asked whether they had ever seen or heard anything about the company before;
- if the person said they had, they were asked a final question, “What can you tell me about it?”.

103. Interviews from 713 people were used in arriving at the report’s conclusions. Mr Malivoire analysed the answers to detect how many people related the picture to Assos, either by referring to cycling, or to Switzerland. He also recorded how many people realised that it was ASOS and how many people made clear that the photograph brought Assos to mind even though they realised that the spelling was ‘wrong’ or that the garment was not what they would expect to see if it had been from Assos.

104. Mr Malivoire concludes in his report that:
- 307 people did not make any connection with a brand they knew
 - 257 people associated the photograph with ASOS
 - 71 people associated the photograph with Assos
 - 35 people referred to clothing without specifying a brand
 - 33 people indicated that the photograph brought Assos to mind but they did not think it was an Assos garment
 - 17 people mentioned cycling or the brand Assos in their answers but without seeming confident
 - 8 people mentioned both cycling and online clothing in their answers but without seeming confident of a relationship with either.
105. The total adds up to more than 713 because 15 people indicated both that the photograph brought Assos to mind but then associated it positively with ASOS. In his report, Mr Malivoire runs through the ‘Whitford Guidelines’ as summarised by Lewison LJ in *Interflora v Marks and Spencer* [2012] EWCA Civ 1501 (paragraph 61) and explains why he concludes that the survey complied with those. So far as the results of the survey are concerned he concludes that 71 respondents (10 per cent) were confused, a further 25 (4 per cent) may have been confused but he cannot be confident; 33 respondents (5 per cent) although not confused, linked the sign shown to them with Assos; and 257 respondents (36 per cent) identified the sign shown to them as emanating from ASOS.
106. The design and conduct of the survey was strongly criticised by ASOS on a number of grounds. Some of these were concerned with whether the interviewers wrote down verbatim the respondents’ answers. These points do not appear to me to be material. One important criticism was that the survey was conducted at the London Bike Show which took place at Earls Court on 17th to 20th January 2013 (‘the Bike Show’). All the people interviewed were therefore people likely to know about the Assos brand because they were sufficiently keen on cycling to attend the Bike Show. They were also people less likely to have heard of ASOS, given the different demographic of the parties’ primary target markets. Moreover, Assos’ UK distributor, Yellow Ltd, occupied a large stand at the Bike Show, prominently displaying the Assos mark and its products. Some or all of the people interviewed might therefore recently have walked past the Assos stand and have been influenced consciously or unconsciously by that. Mr Malivoire said that his instructions were to obtain the views of members of the public interested in cycling. He believed that the Bike Show was a suitable venue to find such people.
107. I do not accept ASOS’ criticism of the survey in this regard. The survey should be designed to find out how many potential *customers of Assos* are likely to be confused into thinking that an ASOS garment is made by Assos. Given that Assos’ potential customers – even for its less engineered, casual clothes – are keen cyclists who know and value the brand, it makes sense to conduct the interviews in a place where there

are likely to be many such people. Mr Malivoire recognised that the potential contamination by their having recently seen the Assos stand displaying the logo was a disadvantage. But he thought that the Assos brand name was sufficiently well-known among the keen cycling fraternity that the photograph would call Assos to mind, if it was going to at all, whether or not the person had recently seen the Assos logo. I accept Mr Malivoire's explanation of why he did not reject the idea of locating the survey at the Bike Show on this ground. But I consider that it is a factor which should be taken into account when assessing the results of the survey since it may have skewed the result in favour of people associating ASOS with Assos.

108. ASOS' other criticism was that the photograph shown was not at all typical of how the ASOS logo is presented to potential customers. First the label in the photograph is attached to one of the very few products sold by ASOS which might be confused with a product produced by Assos – or even with a product within the fair notional use of the Assos mark. Secondly, the label and the swing tag bearing the ASOS name are very prominent in the photograph shown to respondents whereas on the website ASOS clothes are all shown on models so that the label and swing tag are not visible at all. The name ASOS is only shown on the website as part of the description of the goods in the caption to the photo of the model wearing the t-shirt. I consider that there is more force in this criticism than in the other complaints. The proper test for infringement is whether there is likelihood of confusion bearing in mind the context in which the alleged infringer is using its sign. ASOS does not use its sign by attaching it prominently to the garment itself when presenting the garment to a potential customer. Mr Malivoire fairly accepted that if the photograph had been a 'screen grab' of the ASOS web page displaying the same t-shirt rather than a photograph of the top lying folded on a surface with the label and the swing tag clearly visible then it is likely that fewer people would have been confused about the origin of the goods. The results of the survey must be evaluated bearing in mind that the way that the ASOS sign was presented was not the same as how it is in fact presented by ASOS to its customers but was presented in a way which was more likely to generate confusion.
109. My conclusion as to the survey evidence is that, given that the questions were directed at people who are very much part of Assos' key audience and very much **not** part of ASOS' key audience, and given further that the online fashion retailer context was removed from the photograph, it is very surprising that so few people thought the t-shirt was by Assos. If there was going to be any confusion between the two brands, one would have thought that it would have emerged very strongly in this survey. Yet only 10 per cent of the people asked thought that the item was an Assos garment. This was far fewer than the number who, despite the location and circumstances, correctly identified the garment as made by ASOS. I do not consider that the survey evidence supports a finding that there is a likelihood of confusion.

The prize draw evidence

110. As well as conducting the survey at the Bike Show, Assos placed an advertisement in the Guardian newspaper on 6 October 2012. The colour advertisement showed a young female model wearing a sporty zipped top and black cycling shorts. The clothing had the Assos name on it but not prominently displayed. The model appears to be standing on the Champs Elysee in Paris some way in front of the Arc de Triomphe, well known, amongst other reasons, as the finishing line of the Tour de

France cycle race. The advertisement says in bold letters “WIN A TRIP TO PARIS WITH ASSOS”. It invites the reader to answer two questions for a chance to be selected at random to win the prize of a 4 star weekend break in Paris:

- i) “Can you tell us what you think of Assos, giving examples of what you like or don’t like”; and
- ii) “What (if anything) have you bought from us in the past? Please include a few details (e.g. colour, description)”.

The reader is invited to enter the competition online.

111. There were 149 entries to the competition. Assos has examined the answers to the two questions to see how many of them indicate that the entrant thought he or she was answering about ASOS rather than Assos. The vast majority of entrants were clearly aware that they were dealing with Assos and referred to cycle clothing, praising the quality and complaining in some instances about the price. Some had not heard of the brand at all and there were one or two where the answer was too short or vague to indicate an association with either brand. There were about 10 answers where the entrant clearly thought they were being asked about ASOS as they referred a black pencil dress, a sequin embellished top or a pair of denim jeans as items bought in the past. Assos’ solicitors contacted some of the entrants who had answered in relation to ASOS. Some of them appear spontaneously to have realised that they were talking about a different company from the one advertising.
112. It does not appear to me that this evidence establishes that people are confused into thinking that goods bought from ASOS are in fact made by Assos. It is also striking that very few of the entrants were confused even though the advertisement was placed in a general readership newspaper whereas the great majority of Assos’ marketing is placed in specialist cycling magazines. The general audience is less likely to have heard of Assos as a brand and more likely to have heard of ASOS. It certainly does not show that potential customers of Assos are confused into buying ASOS goods, thinking that they are made by Assos.

The website analytics evidence

113. ASOS is an entirely online retailer and keeps a keen eye on how people access and use their website. There are two avenues of inquiry that might show that people are confused between Assos and ASOS. The first is to look at the searches people make when they are on the ASOS website and identify those which indicate that the person is looking there for Assos goods. The second is to examine how people who arrive on the ASOS website have got there using a search engine. The search engines – the main one being Google – record the term that was entered into the search engine by someone who then clicks onto the ASOS website. A third line of inquiry is to see what options come up when particular terms are typed into a search engine using the word ‘assos’ in the searched-for phrase. Evidence on all three lines of inquiry was given for Assos by William Deller who is a trainee solicitor at Bird & Bird. This evidence was relied on both as evidence of confusion for the purposes of Article 9(1)(b) CTMR and of dilution of the Assos brand for the purposes of Article 9(1)(c) CTMR discussed later.

114. ASOS also put forward evidence from its own witness, David Williams, who had conducted a similar analysis of ASOS data. In his witness statement and in oral evidence, he presented his own data and commented on that presented by Mr Deller.

(a) Searches made on the ASOS website looking for Assos products

115. Mr Deller analysed the information disclosed by ASOS in these proceedings derived from the ASOS raw log files covering the period October 2011 to April 2013 and for the ASOS websites in about 12 EU countries including the UK, France, Germany, Spain and Denmark. He identified how many searches made by people who have already arrived on the ASOS website mention (i) the word ‘assos’; (ii) a term specifically related to cycling (such as ‘cycle’ or ‘cycling leggings’) or (iii) each of 36 words distinctive of one of Assos’ products (such as ‘climajet’ or ‘robofoil’). He also analysed information derived from Google Analytics about searches on an ASOS website using any of those three categories of words. He used both the English words and their equivalents in French, German and Dutch. The results were as follows:

- i) 215 instances of someone searching an ASOS website for an item using the word ‘Assos’;
- ii) 19,927 instances of someone searching the ASOS website using a phrase related to cycles or cycling;
- iii) 23 instances of someone searching the ASOS website for an item with a distinctive name used by Assos for one of its product lines.

116. Mr Williams’ evidence relied on his analysis using Google Analytics data covering the years 2007 to 2013 and looking at instances where people on an ASOS website had performed a search containing the search term Assos. He found 9,825 searches, noting that the total number of searches made from which these instances were drawn was over 300 million.

(b) Getting to the ASOS website using an Assos linked search term

117. Mr Deller looked at both ASOS’ raw data logs and Google Analytics data. These show the path someone has followed to get to an ASOS branded website by searching on an ordinary search engine (that is, not a search engine of the ASOS website but of the whole internet) for something which is clearly related to Assos or to cycling, such as the word ‘cycle’ or a distinctive product name such as championissimo or laalalai. Analysis of the ASOS raw data showed that between October 2011 and April 2013, 1,319 people searched one of the 33 terms considered and then clicked onto the ASOS website. Mr Williams points out that over the relevant period ASOS platforms received a total of over 133 million sessions arising from searches on these search engines.
118. Analysis of Google Analytics data covered a longer period so far as clicks through to ASOS.com were concerned. In total there were 34,419 instances where the search of one of the chosen terms led to the searcher clicking onto one of the ASOS websites analysed. In each case by far the majority of instances were from searching ‘cycle’ or ‘cycling’ or ‘cycle shorts’.

(c) What links come up when you search for 'Assos'?

119. Toby Bond of Bird & Bird took some website screenshots showing what links come up when he searched on www.google.co.uk for eight terms: 'assos'; various garments preceded by the word 'assos'; and 'cycling shorts as'. He took a picture both of the drop down menu that Google suggests when you start typing in the search box and of the results shown – both the sponsored results in the cream-coloured box and the 'natural' results. For some of the terms ('assos hat', 'assos shorts', 'assos vest') all the results on the page he exhibits relate to Assos. For some of them ('assos shirt', 'assos top', 'assos trousers') all the results relate to ASOS and there is the Google comment "Showing results for [asos trousers](#) Search instead for assos trousers". When just the word 'assos' was entered, the two sponsored sites which came up were retailers of Assos clothing, followed by the Assos website and then the ASOS website.
120. Neither Mr Deller nor Mr Bond drew any conclusions from these figures in his evidence. Assos' closing submissions said only that the evidence was "strongly suggestive of confusion", in so far as people are searching for Assos product names on the ASOS website. Assos also submits that as well as showing that there is 'initial interest confusion', these results indicate that when browsers arrive at the ASOS website, that does not of itself dispel their confusion since they seem to continue on to search for Assos products rather than immediately realising that they are on the wrong website.
121. As to this last point, I do not consider that the fact that someone looks for Assos products on the ASOS website necessarily means that they think that ASOS and Assos are the same brand or that they are mistaken about whose website they are on. It may indicate simply that they think that Assos may be one of the many brands of clothing that are sold on the ASOS website, along with Fred Perry, Lacoste or Nike. Mr Williams also points out that people who type 'Assos' into a search engine may be misspelling ASOS and may not be aware at all that there is a brand Assos. The numbers of searches are, in any event, tiny. The comparison which Mr Williams makes of those numbers with the total number of searches on ASOS platforms is not particularly relevant because we are looking here for people who are likely to be Assos customers looking for Assos garments on ASOS websites. Assos did not provide evidence of the numbers of people who arrive at the Assos website by typing Assos (or ASOS) into a search engine. Even if this is a modest number (which is likely given that Assos does not sell its products online from its own website), I doubt that the volume of instances presented by Mr Deller is significant. The data provided do not therefore evidence any significant confusion – indeed it is remarkable how few examples there are.
122. As regards the evidence of what links come up when a phrase including the word 'Assos' is typed in, the fact that for phrases like 'Assos shirt', all the top links offered to Mr Bond related to ASOS websites is not of itself evidence that people are confused unless it is shown that they then click on that link, thinking that they have found a site associated with Assos. The analytics evidence shows that they do not. Whether this evidence shows the kind of 'swamping' of the Assos brand that is relevant for establishing a breach of Article 9(1)(c) CTMR is a different question which I consider later.

123. Given the absence of actual confusion in the past, are there any additional factors that indicate that there is likely to be more confusion in the future? I do not see that there are. I accept that Assos may decide to expand its range over coming years to include more garments making fair use of its mark within the limits of the valid registration I have found. But I do not see why that is likely to lead to more confusion than currently exists between the two companies' garments. There is evidence from Mr Groenendal that Assos has been developing a new clothing range which it intends to launch in winter 2014. He says "The idea behind this clothing is that it is designed to be suitable for wearing while cycling but can happily be worn by someone in the office, or when grabbing a coffee in town". The range will be called GTA. As to how the range will be marketed he says:

"Although we need to retain the link with cycling, we are considering using some new sales channels, as well as our Pro Shops and Nucelo stores. ... there can be drawbacks associated with selling clothes in a bike shop unless that bike shop has a good space dedicated to it, as our Pro Shops and Nucelo shops do. I am therefore thinking about selling the GTA range through Pro Shops and Nucelo, but also perhaps shops other than bike shops. I also believe online could be a good sales channel. I believe the presence of the ASOS brand could cause Assos difficulties in getting our message across, especially in the light of the crossover between cycling clothing and casual clothing and trends in the market..."

124. From the exhibit attached to Mr Groenendal's witness statement it appears that this GTA range has been a long time in gestation. A pre-pack sent to dealers in 2009 refers to the product line having been in the research phase for two years and that it is designed to fill the gap between the Campionissimo range (the 'hardcore' gear I described earlier) and the Dopo Bici range. There is no mention in that material of moving to sell the goods online. I consider that Mr Groenendal's evidence in this regard is rather speculative. I am not satisfied that Assos' future plans increase the likelihood of confusion between the brands.
125. My conclusion is therefore that the relevant average consumer is not likely to be confused into thinking that ASOS products are linked with the Assos mark. The allegation of infringement under Article 9(1)(b) therefore fails.

V. INFRINGEMENT UNDER ARTICLE 9(1)(c) CTMR

126. Article 9(1)(c) CTMR provides:

"1....The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

...

(c) any sign which is identical with or similar to the Community trade mark [in relation to goods or services which

are not similar to those for which the Community trade mark is registered], where the latter has a reputation in the Community and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the Community trade mark.”

127. I have inserted square brackets round the reference to the goods being ‘not similar’ because the European Court has held that the provision also applies where the mark is applied to identical or similar goods – a trade mark proprietor does not enjoy greater protection in respect of goods which are not similar than he enjoys in relation to identical or similar goods: see Case C-292/00 *Davidoff & Cie SA v Gofkid Ltd* [2003] ECR I-389.
128. In order to establish an infringement under this head, Assos must show that its mark has a reputation; that the use of the ASOS sign gives rise to a link with the Assos mark in the mind of the relevant public; that as a consequence of that link, the use of the ASOS sign either takes unfair advantage of the distinctive character or repute of Assos’ mark or that it is detrimental to that distinctive character or repute; and finally that the ASOS sign is used without due cause. Assos does not allege that ASOS was taking ‘unfair advantage’ of the distinctive character of the Assos mark but only that the use by ASOS of its sign is detrimental to the distinctive character or repute of the Assos mark.
129. In this case I consider that it is clear that Assos has a reputation in the United Kingdom and other European countries among cyclists but not among the general public. It is also clear that the Assos and ASOS names and logos are similar.
130. It is more questionable whether the ASOS sign ‘brings Assos to mind’ so as to create a link. As to who is the relevant public to consider for this purpose, the Court of Justice has held that in a case where the person alleging infringement relies on the detrimental effect of the sign on the distinctive character or repute of the mark, the relevant public comprises ‘average consumers of the goods and services for which that mark is registered, who are reasonably well informed and reasonably observant and circumspect’: see Case C-252/07 *Intel v CPM United Kingdom Ltd* [2008] ECR I-8823, at paragraph 35. Thus here the relevant public is the reasonably well-informed etc consumer of Assos goods.
131. There is some evidence in the survey at the Bike Show that the photograph of the ASOS t-shirt brought Assos to mind even if people who made the link realised that they were not looking at an Assos garment: see paragraph 104 above.
132. More importantly, the technological equivalent of the link referred to in Article 9(1)(c) CTMR is the link that is made by a search engine when the search term Assos is entered. The ‘bringing to mind’ there is facilitated by the results that the search engine shows, whether in the form of a sponsored link or in the form of a ‘natural’ link generated by the search engine’s own algorithms. As I have set out in the part of this judgment covering likelihood of confusion, there was evidence from Mr Bond of Assos’ solicitors of screens showing that where the word ‘Assos’ is entered into the search engine in conjunction with another word (‘top’ or ‘shirt’), the first links that come up are for ASOS websites and not Assos websites.

133. Mr Williams' evidence for ASOS was that this result may be peculiar to Mr Bond's computer because the Google algorithm bases the links thrown up naturally on the user's previous patterns of behaviour. I take this to mean that if Mr Bond has in the course of his work on this case typed in 'Assos' words and then in fact clicked on ASOS websites, Google will acknowledge that by offering him ASOS websites when he next types in an 'Assos' phrase. The pages I have been shown of search results may therefore not be the same for every person who types in "Assos top". Indeed, ASOS put in rival screen grabs where they 'Googled' the term 'assos shirt' and then 'assos top' and found that the sponsored link and all the first ranked natural links offered were indeed Assos products. Moreover, when they Googled 'asos cycling shorts' Google asked "Do you mean assos cycling shorts?" and the sponsored link that came up was from Wiggle, offering Assos shorts and five photographs of Assos products offered by various retailers.
134. Given that the relevant member of the public here is someone who is likely to buy Assos clothes, and given further the lack of overlap between the target markets for the parties' clothing, it seems less likely that the consumer's computer will throw up 'ASOS' links in response to an 'Assos' search.
135. Although the evidence of linkage in the minds of the average purchaser of Assos products is therefore tenuous, I am prepared to assume for these purposes that the 'link' element for Article 9(1)(c) is established.
136. The *Intel* case cited earlier makes clear that the existence of a link in the mind of the relevant public is not enough to establish an infringement of Article 9(1)(c) CTMR. There must also be "actual and present injury" to the mark or a serious likelihood that such an injury will occur in future. Here it is relevant that the Assos brand is not only distinctive but is, as far as I am aware, unique. This makes it more likely that the use of the later sign will be detrimental to its distinctive character.
137. As to what amounts to detriment to the reputation or distinctive character of the mark, the Court of Justice in *Intel* said (emphasis added):

'76 Thirdly, as was stated on paragraph 29 of this judgment, detriment to the distinctive character of the earlier mark is caused when that mark's ability to identify the goods or services for which it is registered and used as coming from the proprietor of that mark is weakened, since use of the later mark leads to dispersion of the identity and hold upon the public mind of the earlier mark.

77 It follows that proof that the use of the later mark is or would be detrimental to the distinctive character of the earlier mark *requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future.*

78 It is immaterial, however, for the purposes of assessing whether the use of the later mark is or would be detrimental to

the distinctive character of the earlier mark, whether or not the proprietor of the later mark draws real commercial benefit from the distinctive character of the earlier mark.’

138. The paragraph 29 of the judgment referred to in that passage said:

‘As regards, in particular, detriment to the distinctive character of the earlier mark, also referred to as ‘dilution’, ‘whittling away’ or ‘blurring’, such detriment is caused when that mark’s ability to identify the goods or services for which it is registered and used as coming from the proprietor of that mark is weakened, since use of the later mark leads to dispersion of the identity and hold upon the public mind of the earlier mark. That is notably the case when the earlier mark, which used to arouse immediate association with the goods and services for which it is registered, is no longer capable of doing so.’

139. The question of what kind of evidence must be adduced by a trade mark owner to support an allegation that there has been dilution or that there is a serious likelihood of dilution in future, was considered recently by Asplin J in *British Sky Broadcasting Group plc v Microsoft Corp* [2013] EWHC 1826 (Ch). Citing Case T-570/10 *Environmental Manufacturing v OHIM (Wolf Head)* judgment of 22 May 2012, the learned judge said (emphasis added):

“189. It is a formal requirement of a case under s10(3)/Article 9(1)(c) that the Claimant proves its case on detriment. However, when considering 'dilution' (particularly a serious likelihood of dilution in the future) *it is well-established that the Courts may proceed on the basis of obvious inferences from the facts of the case. In particular, it is not the case that the registered proprietor must bring evidence, in a dilution case, to show an actual change in the economic behaviour of customers.* See the judgment of the General Court in *Environmental Manufacturing v OHIM (Wolf Head)* T-570/10:

"52 Accordingly, the proprietor of the earlier mark must adduce prima facie evidence of a future risk, which is not hypothetical, of detriment (SPA-FINDERS, cited above in paragraph 26, paragraph 40). Such a finding may be established, in particular, on the basis of logical deductions made from an analysis of the probabilities and by taking account of the normal practice in the relevant commercial sector as well as all the other circumstances of the case (Case T-181/05 *Citigroup and Citibank v OHIM - Citi (CITI)* [2008] ECR II-669, paragraph 78).

53 It cannot, however, be required that, in addition to those elements, the proprietor of the earlier mark must show an additional effect, caused by the introduction of the later mark, on the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered.

Such a condition is not set out in Article 8(5) of Regulation No 207/2009 or in *Intel Corporation*, cited above in paragraph 27.

54 So far as concerns paragraph 77 of *Intel Corporation*, cited above in paragraph 27, it is apparent from the choice of words 'it follows' and from the structure of paragraph 81 of that judgment that the change in the economic behaviour of the consumer, to which the applicant refers in support of its claim, is established if the proprietor of the earlier mark has shown, in accordance with paragraph 76 of *Intel Corporation*, that the mark's ability to identify the goods or services for which it is registered and used as coming from the proprietor of that mark is weakened, since use of the later mark leads to dispersion of the identity and hold upon the public mind of the earlier mark.""

140. There is no evidence here that the presence of ASOS in the market has actually diluted the ability of Assos to be associated with its mark or that it has diminished the caché attached to wearing the Assos casual clothing so as to associate oneself with the elite of the cycling fraternity. The evidence discussed earlier about how many people arrive at the ASOS website by typing in Assos shows that those numbers are negligible.
141. Assos relied on actual and likely 'swamping' as diluting its trade mark. The ubiquitous presence of ASOS in newspapers and magazines and on the web, it says, dilutes the distinctiveness of its brand. It also points to the ASOS links that appear when 'Assos' terms are searched on Google. As I have already found, the search results presented by Mr Bond for the Claimants are probably atypical of the results thrown up by a search of those terms by someone who is likely to be a customer of Assos. Much of the ASOS press coverage is in journals and magazines that are unlikely to be read by potential customers for Assos casual wear, whether the top of the range Dopo Bici garments or the cheaper garments. Assos has for its own commercial reasons limited its presence on the web and in the general media, the context where the ASOS mark is primarily used. I do not read the case law as requiring me to ignore that fact.
142. Similarly so far as a risk of future dilution or detriment in the form of 'swamping', I do not read the case law as requiring me to assume that the Assos business model will make a dramatic shift towards the high street and online sales where there is no evidence of any such shift being in contemplation.
143. In my judgment the claim for infringement under Article 9(1)(c) CTMR fails.
144. There was some reference by Assos, particularly in cross examining Mr Robertson, to a defective belt sold by ASOS which generated some adverse publicity recently. However, the particulars given of Assos' pleaded case on detriment in the Re-Amended Particulars of Claim, are limited to an allegation that detriment will be caused by the average consumer ceasing to associate the use of the Assos sign as indicating exclusively Assos' goods. There is no pleaded allegation that the quality of ASOS goods reflects badly on Assos.

VI. OWN NAME DEFENCE

145. Since I have found that there is no infringement here, the issue of ASOS' ability to rely on the 'own name defence' does not arise. However, since this case may go further and the matter was argued before me, I deal briefly with this issue.
146. Article 12(a) of the CTMR provides:
- “A Community trade mark shall not entitle the proprietor to prohibit a third party from using in the course of trade:
- his own name or address;
- [.....]
- Provided he uses them in accordance with honest practices in industrial or commercial matters.”
147. This defence is available for both companies and individuals: see Case C-17/06 *Céline SARL v Céline SA* [2007] ECR I-7041, paragraph 31. The issue here is whether ASOS' use of its sign has been in accordance with honest practices for the purpose of Article 12(a).
148. The principles to be applied in considering 'honest practices' were considered by Arnold J in *Samuel Smith Old Brewery v Lee* [2012] FSR 7. He summarised those principles as follows (see paragraphs 114 onwards of his judgment):
- i) The requirement to act in accordance with honest practices constitutes an expression of the duty to act fairly in relation to the legitimate interests of the trade mark proprietor;
 - ii) The court must carry out an overall assessment of all the relevant circumstances, in particular whether the defendant can be regarded as competing unfairly with the trade mark proprietor;
 - iii) An important factor is whether the use of the sign complained of either gives rise to consumer deception or takes unfair advantage of, or is detrimental to, the distinctive character or repute of the trade mark;
 - iv) The mere likelihood of confusion will not disqualify the use from being in accordance with honest practices if there is a good reason why such a likelihood of confusion should be tolerated.
149. Arnold J. went on in the *Samuel Smith* case to list factors that were relevant to the issue though he stressed that that list was not exhaustive. He also emphasised that the honest practices test does not require a defendant “to submit to an open-ended assessment of their commercial morality”. The focus of the enquiry is on whether the defendant has acted fairly in relation to the trade mark owner.
150. There is no doubt that the origin of the name ASOS arose honestly from the move to the acronym from the initial 'As Seen On Screen' concept as the scope of the online fashion business evolved. The name was not chosen in the knowledge of the Assos

mark, still less with the intention of associating ASOS goods with Assos goods. However, Assos argues that there was no need to adopt the same brand name when expanding the business outside the United Kingdom, into countries where Assos was active and had a reputation. There was also no need to adopt the ASOS name as a brand for its own label clothing as well as for the website. ASOS should have avoided those uses, at least outside the United Kingdom, once they became aware of Assos' objections and the potential for confusion.

151. I do not accept that the use of the ASOS brand when the business expanded both geographically and by the introduction of the own-label clothing is inconsistent with honest practices. I can see that it is important for an online retailer to have a consistent name across Europe, particularly as customers in countries where there is as yet no website may use the English language website and then be encouraged to migrate to their own country website if and when that is launched. Although Assos says that ASOS is no stranger to rebranding having moved from 'As Seen On Screen' to 'ASOS', I consider that this makes a further rebrand less rather than more attractive as a commercial proposition.
152. Assos criticises various aspects of ASOS' conduct in the past as being inconsistent with honest business practices. First it complains that when ASOS moved to using the acronym and started to apply it to own-brand goods between 2003 and 2005, ASOS did not check whether the name or something similar was already in use. Mr Robertson's evidence was that he just 'Googled' the name 'ASOS' to see whether anything with that name came up. He conceded that ASOS did not conduct any trade mark searches in relation to the name ASOS, or, I assume, to any similar name:

“This was because Asos owned the domain name asos.com and nothing came up when I searched the internet for the name Asos. Furthermore, at no point prior to or during the change of name process did Asos' then lawyers advise us to conduct trade mark searches. Asos had not heard of the Claimants until they opposed Asos' Community trade mark application in around April 2006.”
153. I agree with Assos that this is a surprising stance for ASOS to have taken. It assumed that the only possibility of a clash lay in the presence of an identical sign rather than one which might vary slightly. ASOS acknowledges in other aspects of this case that 'Assos' may be a mis-spelling of 'ASOS'. It should have realised that there may be other similar marks which did not have a substantial internet presence. However, I also agree with ASOS that if it had carried out a search at the time and found Assos' earlier CTM, that is unlikely to have caused concern. As I have set out earlier, Assos' CTM was registered in relation to 'Clothing articles for sports, particularly clothing for racing cyclists'. Mr Groenendal accepted in evidence that the field of activity described in that registration and ASOS' business were remote. I accept that ASOS would not have anticipated any clash between its online fashion business and those kinds of garments.
154. Assos goes on to say that it is not clear why ASOS kept using the name once it had found out about Assos in 2006. Assos cites a passage in the judgment of Jacob LJ in *Reed Executive plc v Reed Business Information* [2004] EWCA Civ 159 at paragraph 131 where he said:

“Suppose the defendant at the time believes that what he is doing will not cause substantial deception or confusion and will not amount to unfair competition but is shown to have been wrong. There is no doubt that he must stop once he knows that.”

155. However, Jacob LJ also said in a slightly earlier passage that:

“I conclude ... that a man may use his own name even if there is some actual confusion with a registered trade mark. The amount of confusion which can be tolerated is a question of degree – only if objectively what he does, in all the circumstances, amounts to unfair competition, will there also be infringement. In practice there would have to be significant actual deception – mere possibilities of confusion, especially where ameliorated by other surrounding circumstances (mere aural confusion but clearly different bottles) can be within honest practices. No doubt in some cases where a man has set out to cause confusion by using his name he will be outside the defence (cf. the English passing off cases cited above) – in others he may be within it if he has taken reasonable precautions to reduce confusion. All will turn on the overall circumstances of the case.. ”

156. Jacob LJ went on to find that the defendant in that case had never set out to cause confusion and that they just wanted to associate their name with their website. When they found out that the initial design of the website caused some confusion, they progressively reduced the use of the name Reed. At no time after the initial version did they come across any evidence of substantial deception of the public. Jacob LJ therefore concluded that they were acting in accordance with honest business practices.

157. I take this as meaning that continuing reliance on the own name defence is not automatically ruled out as soon as a defendant discovers that there is a potentially confusing mark in existence and that trade mark owner objects to the defendant’s use. The defendant must be able to make a bona fide assessment of the real likelihood of confusion, having taken appropriate steps to minimise any harm to the earlier mark owner’s business. In other words, where a defendant, using his own name as a mark, becomes aware that there is a person using a similar, earlier mark and that that person objects to him using his own name, the defendant is not automatically thereafter using his name outwith honest practices for the purposes of Article 12(a) CMTR. It all depends on the reasonableness of the earlier mark proprietor’s objections and the way the defendant conducts his business.

158. Here, as I have already found, Assos’ objections to ASOS’ use of its sign were based on an assumption that its mark covered a category of goods much broader than I have found was merited. I have also found that the likelihood of confusion is very limited.

159. Further, ASOS has taken some steps to minimise confusion. I have in mind here the fact that for a time ASOS described goods on its website as ‘cycling shorts’. Mr Robertson’s evidence was that starting in 2009 ASOS did sell on its website some

own-brand products described as ‘basic cycling shorts’ or ‘cycling shorts’. The choice of the descriptor attached to a product was made, as I understand his evidence, by a junior design person. Mr Robertson’s evidence as to what happened once this litigation commenced is as follows:

“However, as this case progressed our General Counsel spoke to the senior management of our product, womenswear and menswear teams (I do not know the exact date and neither does he) to ask them to ensure that Asos did not sell any products relating to cycling on the Asos Website, as the legal team believed this may cause concern to the Claimants. By products relating to cycling I mean cycling inspired fashion. Any products that were sold on the Asos Website that referenced cycling would have been described as such due to an industry standard description (for example, referring to the length of short) or relating to a particular fashion trend, as I describe above.

I understand from the head of Asos’ womenswear buying team that the products above which were described as ASOS Basic Cycling Shorts (Black and Grey) and ASOS Cycling Shorts in Neon Lace were renamed on the Asos Website as ASOS Basic Legging Shorts and ASOS Fitted Shorts in Neon Lace respectively. Those products were not specifically aimed at cyclists previously and are not now.

This was done at the suggestion of the Asos legal team because we understood that the Claimants might be concerned about these descriptions given their business in cycling wear.

In 2012 Asos also tried to stop descriptions of products being put on the Asos Website that referred to cycling although as there is such a large number of products being put on the Asos Website each week (by a large number of often junior people) it was not possible to ensure that this was completely successful. In particular, it was challenging to prevent products referencing cycling being sold as the products Asos sells are not products aimed at cyclists that are categorised as such. The products sold by Asos would encompass items such as an item of clothing with a picture of a bicycle on it.

Finally, more recently, in mid-March 2013, the Asos legal team instructed the e-commerce team that a restriction should be put in place so that any user of the Asos Website searching onsite for ‘cycling’, ‘cycling shorts’, ‘cycling plimsolls’ or ‘cycle’ would be immediately redirected to the home page of the Asos website. If a user therefore wanted to find a product such as a motorcycle jacket they would have to either look through every product on the Asos Website to find it or search for the specific term “motorcycle”. With the benefit of hindsight Asos could have taken this step earlier however we did our best at each

stage to try and ensure that we did not cause concern to the Claimants and we have now implemented this solution as best we can.”

160. This indicates to me that ASOS has taken, albeit belatedly, an appropriately precautionary stance to ensuring that it does not promote goods bearing the ASOS name that directly relate to cycling and that it minimises the likelihood that links to ASOS products will be thrown up by a search of the internet for typical Assos goods.

161. Mr Robertson’s evidence also emphasises that between 2002 when ASOS adopted the name and 2006 when it found out about Assos and its objections, it has built up a substantial business. Given the lack of evidence of actual confusion, ASOS says there is no reason for it to have changed course:

“A business cannot be expected to drop everything and change the basis of its trade (its name and brand) and throw away all the investment and goodwill it has built up (quite legitimately and honestly) simply because another company opposes its application to register a trade mark. Particularly where no actual confusion or deception is even alleged, still less proved.”

162. ASOS’ submissions on this point appear to assume that the size of the defendant’s business at the point it finds out about the earlier mark owner’s objections is relevant to the question whether use thereafter is honest or not. This factor does not seem to be dealt with in the authorities I have seen and I do not express a view as to the relevance of the scale of the upheaval that would be caused to the defendant’s business as a factor in deciding whether continued use after objection is honest or not.

163. I turn now to aspects of ASOS’ current business on which Assos relies as showing that ASOS’ current practices are not honest. The first is the fact that ASOS has bid for sponsored links on the Google search engine for the word “assos”. The concept of sponsored links on a search engine has been described recently by Arnold J in *Interflora Inc v Marks & Spencer plc* [2013] EWHC 1291 (Ch) as follows:

“90. *Common features.* When a user of the Google search engine carries out a search, the SERP [search engine result page] presented to the user usually contains three main elements. The first is the search box, which displays the search term typed in by the user. This may consist of one or more than one word. The second element comprises the "natural" or "organic" results of the search, consisting of links to websites assessed to be relevant to the search term by the search engine's algorithm, accompanied in each case by some text derived from the website in which the search term appears, sorted in order of relevance. Typically, there is a large number of natural results, the listing of which continues on succeeding pages. Although there are various ways in which website operators can and do seek to influence their position in the "natural" search results, a process known as "search engine optimisation" or SEO, in principle the ranking is an objective one based solely on relevance. The third element comprises advertisements

containing links to websites which are displayed because the operators of those websites have paid for them to appear in response to the search term in question. The advertisements are generally displayed in one or more of three sections of the SERP, namely (i) in a shaded box at the top of the SERP (often referred to as the "golden box") which contains up to three advertisements, (ii) in a panel on the right-hand side of the SERP and (iii) a panel at the bottom of the SERP after the first ten natural results.

91. The display of such advertisements is triggered when the user enters one or more particular words into the search engine. These words, which are referred to as keywords, are selected by the advertiser in return for the payment of a fee calculated in the manner described below. This is often referred to as "bidding on" or "purchasing" the keywords.

...

93. The way in which the advertiser pays for this form of advertising is that the advertiser pays a certain amount each time a user clicks on the hyperlink in its advertisement and thus is directed to the advertiser's website (known as "click through"). Accordingly, the advertiser does not pay for the display of advertisements to users who do not click through. The amount the advertiser pays is calculated as the "cost per click" or CPC for each keyword purchased subject to a maximum daily limit specified by the advertiser. If the daily limit is exceeded, the advertisement will not be displayed.

94. More than one person can purchase each keyword. Where more than one person purchases a particular keyword, there is an automated auction process whereby, subject to the influence of the Quality Score discussed below, the advertiser who bids the highest maximum CPC has its advertisement displayed in the highest position and so on. This means that popular keywords are more expensive than unpopular ones.

95. In addition to the CPC, the positioning of advertisements is influenced by the Quality Score or QS which Google ascribes to the advertisement. Google does not publish all the factors it takes into account in determining the QS, and I believe that this has changed over time, but they include the relevance of the promotional text, the "click through rate" or CTR and the relevance of the landing page. An advertiser whose advertisement has a high QS, but low maximum CPC, can appear higher in the ranking than one whose advertisement has a lower QS but higher maximum CPC."

164. The fact that ASOS has bid for the word "assos" as a keyword on Google would not, as explained by Arnold J in the passage quoted above, of itself cause the ASOS

website link to be shown in the sponsored link location when someone types ‘assos’ into Google. That depends on how many people in fact click through to the ASOS website having searched the web for ‘Assos’ products. ASOS also fairly points out that a sponsored link to Wiggle, the bike supply specialists who sell Assos goods online, comes up when the term ‘asos cycling shorts’ are typed in. This suggests that Wiggle may be bidding for an ‘ASOS’ term too. This, ASOS says, would no doubt be justified by the fact that ASOS is a common mis-spelling for Assos and vice versa. That is the reason ASOS puts forward for having bid on ‘Assos’ phrases in Google.

165. ASOS’ decision to bid for the Assos keyword does cause me concern. I accept the misspelling point and it is not suggested that ASOS took this step deliberately trying to divert potential customers for Assos casual clothes to the ASOS website. However, given the much higher numbers of hits on ASOS websites generally and the much stronger presence of ASOS on the web compared to Assos, one can see that this kind of conduct on the part of ASOS could easily lead to the kind of ‘swamping’ of the Assos brand from which Assos is entitled to protection.
166. In similar vein, ASOS’ decision to move in 2008, after it became aware of the Assos mark, to a logo which is much closer to the Assos typeface seems to me to be unfortunate: see paragraph 21 compared with paragraphs 29 and 30 above. Again, it was not suggested that ASOS had done this deliberately to make their products look like Assos products. But I consider that it is relevant to the question of honest practices that ASOS, once it knew of Assos’ mark, took a step that increased rather than diminished the risk of confusion between the two brands.
167. Given that the question whether ASOS can rely on the ‘own name defence’ does not actually arise for decision in the light of my findings on infringement, I will not go so far as to say that, looked at overall, ASOS’ conduct is outside the ambit of honest practices for the purposes of Article 12(a) CTMR. I confine myself simply to noting the aspects in which I consider that ASOS’ conduct could be open to criticism.
168. I do not therefore arrive at a finding as to whether ASOS could have relied on the own-name defence if it had otherwise been infringing Assos’ mark.

VII. PASSING OFF AND INVALIDITY OF THE ASOS UK MARK

169. Assos alleges that ASOS is passing off its goods and/or services in the United Kingdom as being associated or as connected in trade with the goods and/or services of Assos contrary to the fact. It also alleges that the ASOS mark (registered in the United Kingdom on 7 December 2012) is invalid under various provisions of the Trade Marks Act 1994.
170. These allegations were not pursued in detail at the hearing and the facts and matters relied on in support of them are the same as those I have already described in dealing with other limbs of the claim. I can dispose of them fairly shortly.
171. So far as the claim for passing off is concerned, I accept ASOS’ submission that there is nothing in the way it uses its sign, beyond the use of the word ASOS itself, that denotes any connection with the business of Assos. The level of confusion or deception needed to establish a case of passing off was considered by Jacob J (as he then was) in *Neutrogena Corporation v Golden Limited* [1996] RPC 473. Jacob J

accepted the evidence of the defendant's witness in that case that although he had known of the Neutrogena brand when launching the rival Neutralia brand, he did not think there would be any likelihood of confusion. Jacob J also accepted that there was no question of the defendant adopting the name 'Neutralia' with a view to deceiving anyone. He then said (at pages 481-482):

"There is no dispute as to the applicable law. The question is whether the mark Neutralia (used for shampoos and skincare products) so nearly resembles the mark Neutrogena as to be likely to deceive or cause confusion. ... There is in this case no real difference between deception and confusion – if people think Neutralia is connected with the Neutrogena people, or mistake one for the other, or in other ways mix one with another that is enough. Another way of putting the question is to ask whether the goodwill of Neutrogena is damaged by any form of misrepresentation caused by Neutralia.

It is, of course, the effect on the goodwill of Neutrogena which matters. It is not a defence to passing off that many of a defendant's sales do not cause deception or confusion. There is passing off even if most of the people are not fooled most of the time but enough are for enough of the time. By "enough" I mean a substantial number of the plaintiff's customers or potential customers deceived for there to be a real effect on the plaintiff's trade or goodwill. In this case (where most of these are probably not confused) the crucial question is whether or not the plaintiffs have established a sufficient degree of confusion and deception to take the case above a *de minimis* level. For there are always some people who are confused and even when products and names are well-differentiated, mistakes do occur."

172. In this case there is no evidence that unequivocally shows that a customer has seen an ASOS garment and thought it was an Assos garment. The closest the evidence gets to that is the evidence from the Bike Show survey about people who saw the ASOS white top and thought it was connected with Assos. I note that the percentage of people who appear to have been confused there (71 out of 713) is more than the percentage of people who appeared to be confused in the evidence concerning Neutrogena and Neutralia (9 out of 158: see page 483 of Jacob J's judgment). Jacob J held that that evidence did satisfy him that there was sufficient confusion for the claim of passing off to be made out. In that case, the evidence generated by the offensive advertisement which those nine people wrongly attributed to the claimant was generated in a situation where you would expect people not to make a mistake; because they had gone to the trouble of writing to complain about the advertisement but they still were confused. In the Bike Show survey, as I have described, the set up was conducive to people being confused and yet few of them were. I do not therefore regard my findings as inconsistent with those of Jacob J in that case.
173. Further, in the context of the passing off claim, the test is whether ASOS' use of its sign will damage the goodwill actually enjoyed by Assos not whether it will lead to confusion with Assos' goods assuming fair use by Assos of its mark. Here, therefore,

it is relevant that Assos' goodwill is limited to cycling gear and there is no evidence to suggest that it has a goodwill associated with casual clothes beyond the people who know it as a premium cycling apparel producer and buy the casual clothes because they want to associate themselves with the cycling brand. Putting on one side the correct date at which to assess Assos' goodwill in its name, I do not see that anything that ASOS has done could damage Assos' goodwill as a maker of cycling apparel. Mr Groenendal accepted in his evidence that no one looking at the ASOS website could think that it had anything to do with Assos. In my judgment therefore the passing off claim fails.

VII. ESTOPPEL AND LACHES

174. The Re-Amended Defence and Counterclaim assert that Assos' claims are barred by the doctrines of laches and/or estoppel 'given the lengthy period of side by side trading' such that it would be unconscionable to grant relief in all the circumstances. Since I have found that the claim fails I do not propose to deal with these matters.

VIII. CONCLUSION

175. My conclusion on the different heads of claim are therefore as follows:

- i) The counterclaim by ASOS under Articles 51 CTMR for the partial revocation for non-use of Assos' CTM succeeds to the following extent:
 - a) Class 3 is limited to 'Preparations for the treatment or prevention of ailments associated with cycling; cleaning products for specialist cycling clothes';
 - b) Class 12 is limited to 'Bicycles and parts and fittings thereof';
 - c) Class 25 is limited to 'Specialist clothing for racing cyclists and casual wear including track-suits, t-shirts, polo shirts, caps and jackets'.
- ii) The counterclaim by ASOS for the partial invalidity of the Assos CTM under Article 8(4) CTMR is dismissed.
- iii) The claim by Assos for infringement of its mark under Article 9(1)(b) and (c) CTMR is dismissed.
- iv) The claim by Assos for passing off is dismissed.