

**BEFORE:**

**MR SIMON THORLEY QC**

**IN THE MATTER OF TRADE MARKS ACT 1994**

**AND**

**IN THE MATTER OF APPLICATION NO 2001040  
BY REACT MUSIC LIMITED  
TO REGISTER A TRADE MARK IN CLASS 25**

**AND**

**IN THE MATTER OF OPPOSITION THERETO BY  
UPDATE CLOTHING LIMITED UNDER NO 45787**

**APPEAL OF OPPONENT FROM THE DECISION OF  
MR ALLAN JAMES ACTING ON BEHALF OF THE REGISTRAR  
DATED 8<sup>TH</sup> DECEMBER 1998**

**MR COLIN BIRSS (instructed by Messrs Fran B Dehn & Co  
appeared for the Appellant/Opponent**

**MS FIONA CLARK (instructed by Messrs Field Fisher Waterhouse,  
appeared fro the Respondent/Applicant**

**D E C I S I O N  
(as approved)**

Mr Thorley: This is an appeal by Update Clothing Limited against a decision of Mr James, acting on behalf of the Registrar, dated 8 December 1998 in an opposition by Update Clothing to the registration of trade mark application No 2001040. This is a trade mark applied for by React Music Limited on 31<sup>st</sup> October 1994 in Class 25 in respect of a wide variety of clothing and footwear.

As can be seen from the reproduction of the mark (which I propose to annex to this judgement) the mark applied for consists of a black and white device within a square outline and includes in white on the black background, in relatively small capital letters, the word “React”, except for the fact that the first initial vertical stroke of the letter ‘R’ is missing. I do not believe, however, that it was seriously in contention that the word would be seen, read and referred to as being the word “React”.

In the course of argument attempts have been made to describe the device. Ms Clark who appeared on behalf of the applicants, suggested that if I had regard to the white part it was a spanner trying to move a hexagonal nut. Mr Birss declined from trying to describe it, because I think he thought that would help his argument. I have to confess that when I first looked at it, it reminded me of the steering wheel of a child’s car trying to turn the car to the right, but I was having regard to the black as opposed to the white part of the mark.

The opponent is the proprietor of registered trade mark No 1365566, which consists of the word REACTOR registered as of 2<sup>nd</sup> December 1988 in Class 25 in respect of articles of clothing.

Before Mr James the argument eventually distilled down to an argument based upon Section 5(2)(b) of the Trade Mark Act 1994 which provides: “A trade mark shall not be registered if because ..... (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

There was no dispute before Mr James or before me that the goods for which registration is sought are identical with or similar to those for which the mark REACTOR is registered.

5 Thus the sole question before Mr James, and before me on appeal, is whether the mark applied for (the device mark) is so similar to the earlier trade mark REACTOR that the relevant likelihood of confusion exists.

10 Mr James held that there was not. The relevant passage of his judgement is set out on page 7, line 17, through to page 8, line 27. That states: "In the event, I find no need to do so because I do not consider that 'considered globally', the marks are sufficiently similar to give rise to a likelihood of confusion. Comparing the marks as wholes I find them visually quite different. In my view, the opponent's strongest points are that there will be aural confusion or confusion through imperfect recollection. The latter depends on the proposition that not only will the substantial device element in the applicant's mark be insufficient to indicate a different trade origin to the public, but also that the word REACT will be picked out of the applicant's mark and, through poor recollection, confused with the mark REACTOR; a word with a different meaning. I doubt whether 'the average consumer of the goods in question who is reasonably well informed and reasonably observant and circumspect' (see paragraph 20 of Opinion of Advocate General Jacobs dated 29<sup>th</sup> October 1998 in Case C-342-97, Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV) would make that mistake.

25 "The phonetic point is more arguable. It is true that 'words speak louder than devices', and it is also true that if one were to give the applicant's mark a name it would probably be REACT. I do not think that means that the risk of aural confusion should be determined as though the applicant's mark were the word REACT. After all, it consists primarily of a device. Device marks and, to a lesser extent, composite marks consisting predominantly of a device, appeal primarily to the eye. That should be taken into account in considering the likelihood of aural confusion. Each case must be determined on its own merits taking account of the circumstances in the trade.

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“There is no evidence to support Ms Clark’s submission that, in the absence of any particular reputation, consumers select clothes by eye rather than by placing orders by word of mouth. Nevertheless, my own experience tells me it is true of most casual shopping. I have not overlooked the fact that catalogues and telephone orders play a significant role in this trade, but in my experience the initial selection of goods is still made by eye and subsequent order usually placed primarily by reference to a catalogue number. I am therefore prepared to accept that a majority of the public rely primarily on visual means to identify the trade origin of clothing, although I would not go so far as to say that aural means of identification are not relied upon.

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“However, given: (1) the overall degree of difference between the marks; (2) the fact that the words REACT and REACTOR have a different number of syllables and do not, therefore, have a phonetic resemblance which approaches equivalence, I believe the possibility of confusion is sufficiently remote that it cannot be regarded as a ‘likelihood’. I conclude that the opposition under Section 5(2)(b) fails. In the light of the concessions made by Mr Birss at the hearing, it follows that the opposition under Section 5(4)(a) also fails.”

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The opponents appeal against that decision. They have filed both a full and helpful statement of grounds and of case, and those have been amplified before me by Mr Birss. I have also heard full argument from Ms Clark. I am grateful to both of them for the assistance they have given me.

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The burden of proof in an opposition such as this lies on the opponent. It is for the opponent to show that the relevant likelihood of confusion exists. The applicable law has been the subject of clarification by the European Court of Justice both in the now well known case of Sabel BV v Puma AG [1998] RPC, 199; but more recently in the judgement of the Court in the Lloyd Schuhfabrik case which was delivered on 22<sup>nd</sup> June 1999. I do not propose to recite at length from that, but paragraphs 17 through to 27 are a useful summary of the previous decisions, including that of Windsurfing Chiemsee decision.

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In paragraph 27 the Court concludes: “In order to assess the degree of similarity between the

marks concerned, the national court must determine the degree of visual, aural or conceptual similarity between them and, where appropriate, evaluate the importance to be attached to those different elements, taking account of the category of goods or services in question and the circumstances in which they are marketed.”

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That was the approach that was adopted by both counsel before me. In the present case, although there was an attempt to adduce evidence relating to use of the mark REACTOR, in the event that evidence was withdrawn. Both counsel therefore accepted that in this case I must approach the matter on the basis of a notional and fair use of the trade mark REACTOR, and then to compare that with a notional and fair use of the device trade mark applied for and to assess the degree of visual, aural and conceptual similarity.

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Both counsel accepted, in these circumstances, that first impression may be important, although I accept that it must be an educated first impression. Mr Birss urged upon me, more than once, that I must have regard to imperfect recollection. He referred me to the Court of Justice’s reference to an “imperfect picture” that he might have kept in his mind, which is referred to in paragraph 26 of the Lloyd Schuhfabrik judgement.

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I turn then to consider the questions of visual, aural and conceptual similarity. It is not perhaps without note that Mr Birss started with aural, went to conceptual and then to visual, whereas Ms Clark preferred to start with visual, then conceptual and then aural. The Court of Justice suggested I should look at visual aural and conceptual (in that order) and that is what I propose to do.

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So far as visual comparison is concerned, the mark REACTOR needs little further explanation. It is an ordinary English word and is registered in that form. It cannot be right, as I think Mr Birss was at one stage minded to argue, to consider a notional and fair use of the word REACTOR as part of a device. That is not how it is registered. It is registered as a word mark and that is the way in which I must have regard to it.

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So far as concerns the mark applied for, Mr Birss accepted that there was a strong visual

aspect created by the logo and that that was a matter that I could properly take into account, but he suggested that regarding the mark as a whole there were two impressions. He said it was not a case where the logo prevented you seeing the word of which - - I hope I paraphrase him correctly - - relegates the word to obscurity. Hence, he said, a person seeking the mark  
5 would see two things: a device mark, which would impact upon his eye, but also clearly the word REACT.

Ms Clark suggested that visually the mark applied for was a very distinctive mark. She suggested that the eye-catching and striking feature of the mark was the logo and not the  
10 word REACT.

The word REACT, she said, was a small part of the mark in visual terms and not the part that makes an impression. Visually she suggested it is very different to a word mark. I think, with respect to both advocates, they have been over-emphasising points in their respective favours.  
15 I am, however, of the view that the emphasis made by Ms Clark is the preferable emphasis and, watered down a little, I would be prepared to accept it. I think it is a distinctive mark. It is eye-catching. The word REACT is written in a particular script and is not the sole eye-catching part of the mark. The impression to my mind of the mark as a whole is of a device with a word written in it. I do not accept Mr Birss's suggestion that the mark would be split  
20 by the notional observer into two parts.

Therefore, so far as a visual comparison between the two marks is concerned, I do not believe that there is scope for a finding that there is any relevant likelihood of confusion between the  
25 two.

I turn then to consider the aural use of the mark. Mr Birss suggested that the aural use could only be use of the word REACT. He said that the similarity between REACT and REACTOR was very close, and that that in a notional and fair aural usage would be likely to lead to  
30 confusion.

Ms Clark very realistically accepted that this was the high spot of Mr Birss's argument, but

she drew my attention to the fact that in relation to clothing of the type for which the mark is to be registered, anybody using the mark aurally would be informed to some extent of the nature of the goods they were proposing to purchase; they will therefore know of a mark; and they will know what they want. I think there is force in this in the context of purchasing  
5 clothes. The Hearing Officer was prepared of his own experience to hold that the initial selection of goods would be made by eye, and I believe this is correct. I must therefore, in taking into account the likelihood of aural confusion, bear in mind the fact that the primary use of the trade marks in the purchasing of clothes is a visual act.

10 In this case I believe that a conclusion on the likelihood of confusion by reason of aural use is something that has to be taken into account once one has considered also conceptual similarity. It is the conceptual similarity that is going to condition the imperfect recollection of the purchaser, which was quite properly at the forefront of Mr Birss's argument on behalf of the opponent.

15 What is the conceptual impact of the mark REACTOR? It is an ordinary English word. Ms Clark suggested it brings to mind something like a nuclear reactor, a nuclear installation. That was my impression when I first read the papers.

20 Mr Birss was less definite and suggested it was a general word in use to mean something which reacts. On the other hand, the conceptual impact of the word "REACT", so Ms Clark submitted, is different. She said it was an imperative; get up and go; do something; be active. Again, I think she may be over-exaggerating a little but I accept the substance which underlies her submission.

25 The Hearing Officer was of the view that the words had a different meaning. I have concluded that he was right. Not only do they have a different meaning but the impact of the meaning is different. It is with that in mind that I revert to the question of imperfect recollection and aural usage. This is a perfectly proper question to ask and it is always, to my mind, the most  
30 difficult question to answer when seeking to determine what will happen in the course of trade.

In the present case I think Ms Clark rightly accepted that there was a possibility of some aural confusion because of the similarity of the words REACT and REACTOR. However, what I have to assess is whether, taken in the context of a mark sought to be registered for clothing (which does not have to my mind visual or conceptual similarity), that degree of likelihood of confusion is sufficient to constitute the confusion necessary for the purposes of the Act. A mere possibility of confusion is not sufficient. The Act requires that there should be in existence a likelihood of confusion. Paraphrasing that expression cannot help to reach a decision. I have seen comments such as “a real likelihood”, “a substantial likelihood”, “a genuine likelihood”. This is a question of evaluation which has to take into account the likelihood visually, aurally and conceptually.

In the present case I have reached the conclusion that the degree of aural confusion that is possible does not amount to a sufficient likelihood to render the mark applied for likely to be confused with the mark REACTOR within the meaning of Section 5(2)(b) of the Act.

Mr Birss went on to submit that although the relevant public might not consider the trade mark applied for to be the one that they had seen before - - by which he meant the trade mark REACTOR - - they could think that the second mark was a variant of the first mark so as to associate that second mark with the business of the proprietors of the first mark. Whilst that argument may be a viable argument, it is more particularly an argument which is well founded upon Section 5(4) of the Act. More importantly, I think it is an argument which is dependent upon evidence which shows how the earlier mark has been used to that the likelihood or otherwise of the later mark being considered as a variant is something which the Tribunal case assess. I do not believe it can be assessed in vacuo, in the same way that a notional comparison of two marks can be made.

For all these reasons the appeal will be dismissed.

Ms Clark: That leaves the question of costs, Sir.

Mr Thorley: Yes. What happened down below?

Ms Clark: What happened down below is that we were awarded £1200.

Mr Thorley: What do you say about that?

5 Ms Clark: We were successful so we were awarded the costs. We have succeeded on the appeal.

Mr Thorley: So you would like some costs here.

10 Mr Clark: We would like some costs here too.

Mr Thorley: How much would you like?

15 Ms Clark: I am in some difficulty because I do not know precisely what has been spent. The gentleman from whom I have previously been taking instructions unfortunately could not come along this afternoon. He has sent a representative, but that gentleman does not have knowledge of the full figures. There are two things I could ask you to do. The first I can see would not be acceptable, and that would be to let us go away and come back when we know what we are talking about. The second, which I anticipate you probably would find more  
20 acceptable, would be to make an assessment based on the costs below.

Mr Thorley: The normal course in the Tribunal is to have regard to what happened below. Plainly down below you were put to a good deal of inconvenience dealing with the evidence which was subsequently withdrawn. I suspect that the hearing down below would have been a  
25 lot shorter and a lot simpler if the question had been posed on Section 5(2)(b) and Section 5(2)(b) alone.

Ms Clark: If that is what all the evidence had addressed, yes, that would be right.

30 Mr Thorley: What do you say, Mr Birss?

Mr Birss: What I was going to suggest is exactly that. I obviously cannot resist some order for costs. The order below was dealing with a hearing which was rather longer and more complicated than the hearing you have had to decide, Sir. I would suggest there should be an order which is somewhat less than that which my learned friend already has, as it were, in the bank. I think that would be a fair order.

Mr Thorley: Ms Clark has quite properly asked for an award of costs in here client's favour, having succeeded on this appeal. It has been suggested by Mr Birss that I should reduce the amount of the award on this appeal because the appeal was only directed to Section 5(2)(b), whereas down below there were many other aspects. In the Tribunal below there was an order that the opponent should pay the applicant the sum of £1200. It is the practice in this Tribunal to make an award of costs, it being accepted that that does not meet the overall expenses of a successful party. The objective of this Tribunal is to provide, as far as possible, a speedy and relatively cheap means by which appeals can be heard. If clients choose to use representatives whose presence increases the costs whilst, without doubt, in this appeal greatly assisting me, I do not believe that that is something that should be lightly placed upon the losing party.

This appeal has, however, had to enter into questions of law. In particular, the Lloyd Schuhfabrik decision is new and only came out last week. I think I would be doing substantial justice between the parties in reflecting the benefit that I have received from the attendance of counsel by making the same order as to costs in this Tribunal as was made below. I therefore propose to direct that the opponent should pay a further sum of £1200 to the applicant.

Ms Clark: Sir, I do not know whether it is customary to provide for a particular time for payment.

Mr Thorley: I do not think it is. You have your order. If there is any difficulty in being paid within a reasonable time then you should make an application.

Ms Clark: I know my client is likely to ask.

Mr Thorley: Yes. Both parties are represented by responsible firms and I have little doubt that when a bill is provided it will be met within the usual time that bills are paid. If you have any difficulty you have liberty to apply. If there is any difficulty of that sort at any time, I am always happy to hear applications of that sort on the telephone. Is there anything else?

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Ms Clark: No.

Mr Birss: No.

10 Mr Thorley: Thank you both very much.