

**IN THE MATTER OF Application No 2027827
by Speciality Retail Group plc to register a trade
mark in Class 25**

**AND IN THE MATTER OF Opposition thereto
under No 45963 by Expressco Inc.**

Background and Pleadings

1. On 21 July 1995, Speciality Retail Group PLC applied for the registration of the trade mark SUIT EXPRESS in Class 25.

2. The specification of goods that was published for opposition purposes is as follows:

Clothing; footwear, headgear; all included in Class 25.

3. On 27 November 1996, Expressco Inc. of Delaware, U.S.A. filed notice of opposition. The grounds of opposition (insofar as they were pursued before me) are as follows:

i) The opponent is the registered proprietor of the trade marks (Compagnie Internationale Express”, “EXP + device” and “EXP Express + device, which are all registered in the UK in Class 25 and constitute “earlier trade marks” within the meaning of Section 6 of the Act. A representation of the mark registered under number 1477510 is produced below.



ii) The opponent has used the mark 'Express' in the USA and around the world are, at the date of the application in suit, it has a 'well known mark' entitled to protection in the UK under the Paris Convention. Accordingly, the mark 'Express' is also an 'earlier trade mark' for the purposes of Section 6 of the Act.

iii) There is a likelihood of confusion between the applicant's mark and the 'earlier trade marks' with the result that the application should be refused under Section 5(2)(b) of the Act.

iv) The opponent's trade marks are protected by the law of passing off and the application should be refused under Section 5(4) (a) of the Act.

v) The applicant's trade mark consists exclusively of a sign that may serve, in trade, to designate a characteristic of the goods and is therefore excluded from registration by Sections 3(1)(b) and (c) of the Act.

4. The applicant denies the grounds of opposition. Both sides seek an award of costs.

5. The matter came to be heard on 15 February 2000 when the applicant was represented by Mr G Tritton of Counsel, instructed by RM Trademarks Limited, and the opponent was represented by Mr R Arnold of Counsel, instructed by A A Thornton & Co.

Opponent's Evidence

6. The opponent's evidence consists of an affidavit dated 11 August 1997 by Edward J Jones, who is the Secretary of Expresso Inc. The most relevant sections of Mr Jones' evidence are re-produced below:

"Since 1980 when the Corporation opened two (2) EXPRESS retail stores, the Express retail business has expanded to such an extent that today it is firmly established as a U.S. national presence. As of March 1997, there were 751 EXPRESS

Stores situated in regional shopping centers and in downtown locations in over 125 major markets of the United States. A typical store contains approximately 7,000 square feet of selling space.”

“All of the 751 EXPRESS stores devote substantial floor area and significant amount of display and window space to the EXPRESS, LIMITED EXPRESS and COMPAGNIE INTERNATIONALE EXPRESS lines. The floor area is typically highlighted by large decorative displays prominently featuring the COMPAGNIE INTERNATIONALE EXPRESS, LIMITED EXPRESS and EXPRESS marks posted on racks and over shelves containing the EXPRESS products.”

7. Exhibit F consists of a photograph of one of the opponents US stores. The words ‘Express’ appears three times on the frontage. The ‘EXP’ + device mark, included in registration No. 1147510, appears once above one of the three instances of the use of the word ‘Express’.

8. Exhibit H to Mr Jones’ affidavit consists of examples of the clothing labels which are attached to the opponent’s goods. None of the labels carry the word ‘Express’ solus. Indeed the word does not appear at all on one of the labels. On the others it is accompanied by the ‘EXP’ + device logo and/or the words ‘Compagnie Internationale’. The word ‘Express’ is more prominent on two of these labels than it appears in the opponent’s registered trade mark No. 1147510. Exhibits H, I and J consist of examples of the opponent’s hand tags, in-store material and carrier bags. Again the word ‘Express’ is the most prominent sign of identification, but the words ‘Compagnie Internationale’ and/or the ‘EXP’ + device logo also appear.

9. Mr Jones continues:

“EXPRESS stores offer a credit card to its EXPRESS, Bath & Body Works and Structure customers. The credit card application and the credit card itself bears the trademark EXPRESS. Representative samples of the credit card, credit card

application and monthly bill inserts bearing the trademark EXPRESS are attached hereto as Exhibit K.”

10. The credit card application form contained in Exhibit K carries the name ‘Compagnie Internationale Express’, with the word ‘Express’ in much larger letters below the first two words. The name on the credit card itself (which is shown on the application form) is the same. The credit card also carries a small version of the ‘EXP’ + device logo.

11. Mr Jones further states that:

“The success of the EXPRESS stores has been frequently covered by major magazines and publications that are widely circulated throughout the world, including the United Kingdom. Articles about EXPRESS have been featured in publications such as New York Times, Los Angeles Times, USA Today, The Wall Street Journal, Fortune and Forbes. Representative samples of such articles are attached hereto as Exhibit M.

Express has used and advertised the COMPAGNIE INTERNATIONALE EXPRESS and EXPRESS marks continuously and extensively since 1987 in order to educate the public as to the origin of EXPRESS lines of products and to identify those products with EXPRESS stores.

In this regard, Express has selectively chosen internationally circulated high fashion and superior quality magazines (the “Magazines”) as the appropriate venue to promote its COMPAGNIE INTERNATIONALE EXPRESS and EXPRESS merchandise. A list of the Magazines, most if not all of which are circulated in the United Kingdom, are as follows:

MAGAZINES

New York Times Magazine

Marie Claire

Ray
Elle
Glamour
Vanity Fair
Vogue
New Woman
Self
Cosmopolitan
People
Mademoiselle
Harper's Bazaar
Seventeen
New York Magazine

Copies of typical advertisement promoting COMPAGNIE INTERNATIONALE EXPRESS and EXPRESS merchandise are attached hereto as Exhibit N.”

12. None of the examples in Exhibit N are dated before the date of the application under opposition. The cover price shown in each case (except one that appears to be in Japanese) is shown in US Dollars.

13. Mr Jones concludes:

“I do not believe that Speciality Retail Group PLC could have adopted the mark or name SUIT EXPRESS without knowledge of the EXPRESS marks and name. In fact, in my opinion, Speciality Retail Group PLC's intent in adopting its SUIT EXPRESS mark was to trade upon the fame of the EXPRESS marks and name.”

14. The opponent's evidence also includes an affidavit dated 31 October 1997 by Jonnette Adler, who is the National Account Manager of Alliance Data Systems, Inc. (ADS), which is an affiliate and operating company for world Financial Network National Bank (WFNNB).

Ms Adler says that:

“The following information is from my own knowledge or has been obtained for me from the records of WFNNB and I believe it to be true. I am authorized by ADS and WFNNB to make this declaration in these proceedings and on behalf of Expressco, Inc.

WFNNB owns and ADS operates the credit card business of the various trading divisions and subsidiaries of the Limited, Inc., including Express, Inc.

Most of the credit cards which are issued by WFNNB are issued to residents of the United States of America. However, some non-U.S. resident visitors also open credit card accounts during a visit.

I have checked the records of WFNNB and in the last seven (7) years, 376 individuals resident in England and Scotland have opened EXPRESS credit card accounts. The following are the numbers of credit card accounts which have been opened in the period from August 1990 to June 1997 and the total expenditure per account since account opening and to a set date.

<u>Period of Time</u>	<u>No. of Accounts Opened</u>	<u>Expenditures from Opening-June 1997</u>
8/90 - 7/91	34	\$28,458
8/91 - 7/92	63	\$47,210
8/92 - 7/93	92	\$62,088
8/93 - 7/94	76	\$41,141
8/94 - 7/95	57	\$23,825
8/95 - 7/96	38	\$7,162
8/96 - 6/97	16	\$2,680"

Applicant's Evidence

15. The applicant's evidence consists of two statutory declarations by Toby York and Dr Linda Carey. Mr York is the Financial Director of Speciality Retail Group PLC (the applicant). He says that:

“The decision to file the Application came about as a result of my Company’s search for new trade marks in keeping with corporate image by including the word SUIT and another word. My Company categorically did not as suggested by Edward J. Jones in his affidavit, file the mark to trade off the reputation of Expressco Inc.. In fact, I was unaware of any American Company using the Trade Mark EXPRESS or any version thereof mentioned in the Affidavit of Edward J. Jones and in view of my experience in the clothing trade such marks were not well known in the trade or to the UK public at the date of filing the Application.”

16. Dr Carey is a Research and Administration Assistant for RM Trade Marks Ltd. She gives evidence of research, conducted by her, into Mr Jones’ claim that the opponent’s mark has been promoted in publications circulated within the UK. Dr Carey explains how her research revealed that the magazines Cosmopolitan and Marie Clair have different editions for the UK and the USA markets. She says she has examined copies of the UK editions of these magazines. The UK versions did not include the advertisements mentioned in Mr Jones’ evidence (which as I have already noted are, in any event, after the relevant date).

17. Dr Carey goes on to describe her enquiries about the opponent’s claim to have advertised in the other publications listed in Mr Jones’ affidavit. She says:

“I telephoned WH Smiths, 14 Market Street, Cambridge, telephone number 01222 311 313, on 29.4.98 and spoke to Mr Nick Harrison in the magazine section. When asked for the magazines Glamour, Ray and Mademoiselle, Mr Harrison replied that Glamour and Mademoiselle were ‘not on the shelf’ and that he had not heard of Ray. I telephoned WH Smiths, Oxford Street, London, telephone number 0171 436 6282 and spoke with Mr Kevin Hicks. When asked for copies of Glamour, Mademoiselle and Ray magazines, Mr Hicks replied ‘we do not have these in stock’.

I telephoned John Menzies (GB) Ltd, Addenbrooke’s Hospital, Hills Road, Cambridge, telephone number 01223 211 151, on 29.4.98 and spoke to a sales person who only gave her name as Norma. When asked for magazines Glamour, Ray and

Mademoiselle she informed me that they are not ones they keep in stock.

With specific reference to the remainder of the magazines listed in Clause 24 of the Affidavit, namely; New York Times Magazine, Ray, Elle, Glamour, Vanity Fair, Vogue, New Women, Self, People, Mademoiselle, Harpers Bazaar, Seventeen and New York Magazine. Both New York Times Magazine and New York Magazine are clearly USA publications. There is no specific evidence that any adverts placed in the aforementioned publications had any circulation in the United Kingdom, or that they were specifically placed in the United Kingdom editions.

Regarding the publications referred to in Clause 22 of the Affidavit and the statement that they are widely circulated throughout the world. I have conducted research in the United Kingdom which is the only relevant jurisdiction for the Application. I was unable to purchase any of the publications set forth in Clause 22 of the Affidavit at Tesco's store, Martins Newsagents or Paper Chain, all situated in Royston, Hertfordshire, on 29.4.98. I do not believe that these newspapers have a large circulation in the United Kingdom and that if they are published here the editions differ from those published in the USA as already demonstrated for Cosmopolitan and Marie Claire."

Opponent's Evidence in Reply

18. Mr Jones filed a further affidavit dated 2 November 1998. His second affidavit consists mainly of counter arguments to various points contained in Mr Yorke's declaration. I bear them in mind. The Opponent filed no evidence in reply to Dr Carey's evidence.

Decision

19. I will first consider the ground of opposition under Sections 3(1)(b) and (c) of the Act, which are as follows:

3.-(1) The following shall not be registered-

- a)
- b) trade marks which are devoid of any distinctive character,
- c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services.

20. Mr Arnold submitted that the words ‘SUIT EXPRESS’ consisted exclusively of a sign that may serve, in trade, to designate a characteristic of the goods at issue and was, consequently, devoid of any distinctive character. In response to a question from me, Mr Arnold explained that the basis of this objection was that the applicant’s mark described a suit (of clothes) “made or purchased rapidly.” In support of this submission he referred me to the decision of The Appointed Person in Siemens’ Application, 1999 ETMR 146. In that case Mr Hobbs QC considered the word ‘XPRESSLINK’ to be equivalent to ‘Express Link’, which he concluded was a sign that may serve, in trade, to designate the intended purpose (rapid data transmission) of the goods (telecommunications apparatus).

21. There are two strands to Mr Arnold’s argument. Firstly, it is suggested that other clothing traders may use the words ‘SUIT EXPRESS’ to convey the message that they will find the customer a suit to his or her requirements very quickly. I do not consider that such a statement says anything about the characteristics of the goods themselves. This is readily distinguishable from the facts in Siemens’ Application where there was little doubt that the words ‘Express Link’ could serve to designate a characteristic of the goods at issue. The most that can be said of the first usage postulated by Mr Arnold, is that the words may say something about the style of the applicant’s retail operation. There may be cases where such indications are open to objection under Section 3(1)(b) even though the sign does not describe characteristics of the goods listed in the application. “Open every day” and “better customer service” would clearly fall within this category. I do not believe that the words “Suit Express” are open to such an objection. The most that can be said about the words is that they allude to a (possible) style of retail operation. That is not enough to justify the refusal of the applicant’s

mark.

22. The second strand of Mr Arnold's submission is that the words 'SUIT EXPRESS' designate a characteristic of 'made to measure' suits. It is suggested that these words may serve, in trade, to designate the speed with which such suits may be made up. Mr Tritton (correctly) contended that, if anything, this would be use of the words in relation to a tailoring service rather than the goods themselves. Nevertheless, if the words were likely to be taken as no more than a description of a tailoring service they may lack the distinctive character necessary to function as a trade mark for tailored clothes. I do not believe that objection applies here. There is no evidence that the words 'SUIT EXPRESS' are used in trade in respect of tailoring services. If the words were to be used, it would seem much more likely that one would refer to an 'express suit' service (or more likely on 'express made to measure' service) than a 'suit express' service. And bearing in mind also that the trade mark has been applied for in respect of goods rather than services, the objection, in my view, lacks real substance. The opposition under Sections 3(1)(b) and (c) therefore fails.

23. I next turn to the grounds of opposition based on Section 5(2)(b) of the Act, that is as follows:

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

a)

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.

24. I can deal fairly briefly with the objection based upon the claim that the word 'Express' is a well known mark entitled to protection under the Paris Convention. In General Motors

Corporation v Yplon SA (1999 ETMR page 122), Advocate General Jacobs considered what was necessary to show a “reputation” for the purposes of Article 5(2) of EC Directive 104/89 (Section 5(3) of the 1994 Act). In so doing he also considered the difference between marks with a “reputation” and marks which are “well known”. The relevant part of his opinion is set out in paragraphs 31 and 33 of his opinion, which are reproduced below.

“31. In order to understand the relationship between the two terms, it is useful to consider the terms and purpose of the protection afforded to well-known marks under the Paris Convention and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs). Article 6 *bis* of the Paris Convention provides that well-known marks are to be protected against the registration or use of a “reproduction, an imitation, or a translation, liable to create confusion” in respect of identical or similar goods. That protection is extended by Article 16(3) of TRIPs to goods or services which are not similar to those in respect of which the mark is registered, provided that use of the mark would “indicate a connection between those goods or services and the owner of the registered trade mark and provided that the interests of the owner of the registered trade mark are likely to be damaged by such use”. The purpose of the protection afforded to well-known marks under those provisions appears to have been to provide special protection for well-known marks against exploitation in countries where they are not yet registered.”

“33. The protection of well-known marks under the Paris Convention and TRIPs is accordingly an exceptional type of protection afforded even to unregistered marks. It would not be surprising therefore if the requirement of being well-known imposed a relatively high standard for a mark to benefit from such exceptional protection. There is no such consideration in the case of marks with a reputation. Indeed as I shall suggest later, there is no need to impose such a high standard to satisfy the requirement of marks with a reputation in Article 5(2) of the Directive.”

25. The Advocate General concluded that a mark has a “reputation” when it is known to a significant proportion of the relevant public. That view was subsequently confirmed by the

Court of Justice (1999 ETMR 950). I do not believe that this case requires me to take a view on the extent to which a “well known” marks sits above that of a mark that merely has a “reputation”. For even if I adopt the lower threshold the opponent has not crossed it. The opponent has filed no persuasive evidence that, by the date of the application, its ‘Express’ mark had received any significant coverage or promotion in publications circulating within the UK. The only evidence of persons with a UK address using the opponent’s stores in the USA is contained within Ms Adler’s evidence. Even if there were 322 Express credit card holders in the UK at the date of application (54 of the 376 claimed holders became so after the relevant date), that is hardly a ‘significant proportion’ of the relevant public for clothing. This ground of opposition must fail.

26. The opponent also bases its opposition under Section 5(2)(b) on its three registered UK trade marks. For the purposes of this decision I can consider this objection on the basis of the opponent’s registration 1477510. Indeed as the opponent has not filed full details of its other registrations I have little option but to do so. The mark registered under No. 1477510 is shown above.

27. The mark is registered in respect of “Shirts, vests, tops, dresses, skirts, sweaters, trousers, coats, shorts, jackets, hats, scarves, panty hose, belts, all being articles of clothing; all included in Class 25”. These goods are identical to “clothing” and “headgear” in the applicant’s list of goods. There is also some similarity between these goods and the other item listed in the application, namely “footwear.” I will consider the opponent’s best case assuming that the respective goods are identical.

28. Counsel drew my attention to the guidance provided by the European Court of Justice in *Sabel BV v Puma AG (1998 RPC 199 at 224)*, *Canon v MGM (1999 ETMR 1)* and *Lloyd Schufabrik Meyer & Co GmbH v Klijsen Handel BV (1999 ETMR 690 at 698)*. It is clear from these cases that:-

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;

- (b) the matter must be judged through the eyes of the average consumer, of the goods/services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components;
- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa;
- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it;
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2);
- (h) but if the association between the marks causes to the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section.

29. The opponent's registered trade mark includes the word 'Express' that also appears in the applicant's mark. Mr Arnold pointed out that the word 'Suit' is highly descriptive of a

category of clothing and is, therefore, a weak distinguishing feature. With regard to the opponent's mark, Mr Arnold submitted that the word 'Express' was the dominant and distinctive component.. In an attempt to square this position with the submissions he made about the lack of distinctiveness in the applicant's mark, Mr Arnold suggested that the word 'Express' was somehow more distinctive alone than when combined with the word 'Suit'. I reject that submission. If anything, I would say the reverse is true. Distinctiveness is a matter of degree. Although I consider the mark SUIT EXPRESS to be registerable, the word 'Express' alone does not possess a particularly strong distinctive character. It is not the sort of meaningless or fancy word that even appearing within two marks with substantial visual and aural dissimilarities, would nevertheless suggest that the undertakings using those marks were the same or economically linked.

30. In my view, there is relatively little visual similarity between the marks when compared as wholes. Mr Arnold suggested that the opponent's mark would tend to be referred to in speech as an 'Express' mark. There is no evidence on this point, but I accept that it is a possibility, in which case the marks may be considered more similar to the ear than to the eye. But even if I accept that the average consumer may sometimes abbreviate the opponent's mark to 'Express' in speech, I do not believe that the same can be said of the applicant's mark. It is difficult to mishear two words as one, even if one of the words is wholly descriptive.

31. The purpose of conducting a comparison of the visual, aural and conceptual similarities between marks is to assess the likelihood of confusion. Similarity without a likelihood of confusion is not objectionable. In this connection, the following extract from a decision of Mr Simon Thorley QC, sitting as The Appointed Person, in the case of *React Music Ltd v Update Clothing Ltd* (29 June 1999), appears relevant:

“Ms Clark 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 clothes. The Hearing Officer was prepared to 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.”

32. Bearing this in mind, I do not consider the small possibility of aural confusion between these marks is sufficient to conclude that there is a likelihood of confusion. I have already considered the possibility of trade source association between the respective marks and discounted it because of the relatively weak distinctive character of the word ‘Express’. As the respective marks cannot readily be directly confused by the eye, the only other possibility is confusion through imperfect recollection. In my view, the substantial visual and (to a lesser extent) aural differences between the marks, when compared as wholes, is sufficient to rule this out. In my judgement the ‘average consumer’ will not be confused. The opposition under Section 5(2)(b) therefore fails.

33. That brings me to the ground of opposition under Section 5(4)(a), that is re-produced below:

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

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

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.

34. It is clear from Article 4(4)(b) of Directive EC 104/89 that for the right in question to be ‘earlier’, it must have existed at the date of the trade mark application. The opponent relies upon its use of mark ‘Express’ in the USA and the fact that it had customers in the UK at the

relevant date, as support for its claim that use of the applicant's sign, at that date, would have amounted to passing off. It is well established that to succeed in the passing off action the claimant needs to demonstrate 1) a local goodwill under a sign 2) misrepresentation by the defendant, and 3) resulting damage to the claimant's goodwill - *Anheuser-Busch Inc. v Budejovicky Budvar NP 1984 FSR 413* and *Erven Warnink B.V. v J Townend & Sons (Hull) Ltd, 1980 RPC 31*.

35. If the sign that the opponent has used is the same that it has registered in the UK, then my findings under Section 5(2)(b) effectively decide the matter under this heading too. For if the applicant's mark is not likely to cause confusion, there can be no misrepresentation. In fact the marks the opponent uses are, in some case, a little different to the mark I have considered under Section 5(2)(b) - registration No. 1147510. It is fair to say that the opponent's shop fronts, labels, carrier bags and in-store credit card, all feature the word 'Express' more prominently. It is therefore necessary to consider whether the opponent has a better case under Section 5(4)(a).

36. The opponent contends that it has a goodwill in the UK because it has customers here. In support of this contention, Mr Arnold relied upon the decision of Sir Nicholas Browne-Wilkinson V.C. in *Pete Waterman Ltd and Others v CBS United Kingdom (1993) EMLR 27*. After an extensive review of the authorities the (then) Vice Chancellor's concluded that the law is as follows:

“The presence of customers in this country is sufficient to constitute the carrying on of business here whether or not there is otherwise a place of business here and whether or not the services are provided here. Once it is found that there are customers, it is open to find that there is a business here to which the local goodwill is attached.” (My emphasis).

37. I do not believe that the judge meant that the presence of customers resident in the UK *must* be taken to mean that the overseas business has a local goodwill here. Rather the judge's finding means that the presence of customers here is enough to give rise to an enquiry of fact

as to whether the claimant's business extends to the UK with associated local goodwill.

38. In the Pete Waterman case the claimant operated a record recording studio in New York that was used by producers and artists in the UK. These were considered to be UK customers of the business and sufficient to support the conclusion that the New York recording studio had a business here to which a local goodwill attached.

39. The question I must answer, is therefore, not merely whether there is evidence of the opponent having customers in the UK but, if so, whether the existence of customers here is sufficient to support the claim to have a business and local goodwill here. The nature of the opponent's trade and the goods at issue are clearly relevant in assessing the answer to the second part of the question.

40. The opponent's only real evidence of having customers in the UK comes from the affidavit of Ms Adler. She gives evidence that around 320 persons "resident in England and Scotland" had taken out the opponent's in-house store card prior to the relevant date. She further states that purchases over \$200K dollars were made on these cards up to July 1995. Mr Tritton criticised this evidence. He pointed out that the source material has not been disclosed with the result that it is not possible to ascertain what, where, when or by whom these purchases were made. I believe there is some force in that submission. Without further details, the opponent's evidence of customers resident in the UK is not firmly established.

41. But even if there were customers resident in the UK who made purchases with their store cards before the relevant date, I do not consider that this is necessarily sufficient, by itself, to establish that the opponent had a business in the UK with a local goodwill. There is no suggestion that the opponent operated a system whereby orders could be placed from the UK. Rather it appears that these cards would have been used by their holders whilst in the opponent's stores in the USA. As Mr Tritton pointed out, it is not unusual these days for stores to offer a discount to customers who take out one of their store cards. It seems likely that at least a proportion of the cardholders "resident in the UK" would have been Americans visiting or working here. In these circumstances, they should be considered to form part of

the American goodwill . Even if a significant number of permanent UK residents had taken out the opponent's store cards whilst visiting the USA, I am not persuaded that this shows that the opponent has a business and goodwill here.

42. Retailing of clothes and accessories (unlike recording studio services) is normally a local activity. I dare say that retailers based outside the jurisdiction, who positively attract sufficient UK visitors so as to properly regard the UK as part of their catchment area, may be able to show that they have a business and goodwill in the UK even though located abroad (certain hypermarkets based in or around the French Channel ports spring to mind). It is doubtful whether an overseas retail outlet that UK residents have used casually whilst on business or holiday abroad can be said to be in business here merely because those customers returned here after doing business with the retailer whilst abroad. Accordingly, I find that the opponent's case under Section 5(4)(a) falls at the first hurdle for want of a local goodwill.

43. Even if I am wrong about this and the opponent has a small local goodwill in the UK, it will be on the basis of its business as a US retail store. Mr Arnold pointed out that some of the opponent's clothes carried a label upon which the mark 'Express' appeared quite prominently. That is so, but it does not disturb my finding that the opponent uses the name 'Express' primarily in relation to its US retail business. The goods bearing the mark all appear to be sold through that business. Against that background, why would any of the opponent's customers resident in the UK expect goods offered for sale here under the mark SUIT EXPRESS to originate from the same undertaking? The persons concerned would know that the opponent's stores were previously limited to the USA. They would know that the US business, whilst conducted under the name 'Express' also featured other signs, such as the 'EXP' and device logo, and that the opponent's use of the word 'Express' is actually part of the name "Compagnie Internationale Express" (albeit with 'Express' in far larger letters than the rest). They would be reminded of this every time they looked at their credit card. In these circumstances it seems very unlikely that any customer of the opponent who came across the applicant's mark SUIT EXPRESS in the UK, would expect it to have anything to do with the opponent. As I have already noted, without misrepresentation there can be no passing off. The opposition under Section 5(4)(a) also fails.

Costs

44. The opposition having failed the applicant is entitled to a contribution toward its costs. I order the opponent to pay the applicant the sum of £1500. This to be paid within 28 days of the end of the period allowed for appeal or, in the event of an unsuccessful appeal, within 28 days of this decision becoming final.

Dated this 5 day of April 2000

ALLAN JAMES

For the Registrar

the Comptroller-General