

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2258075
BY AHEAD HEADGEAR INC
TO REGISTER A TRADE MARK
IN CLASS 25**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER No. 52626 BY HEAD SPORT AG**

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in Class 25**

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**IN THE MATTER OF Opposition thereto under
No. 52626 by Head Sport AG**

BACKGROUND

1. On 15 January 2001 Ahead Headgear Inc applied to register the following mark:



for a specification of goods which reads “headgear, namely hats, bucket hats, earbands and visors” in Class 25. The application is numbered 2258075. The application claims an international priority date of 11 August 2000.

2. On 4 June 2001 Head Sport AG filed notice of opposition to this application. They are the proprietors of the trade mark HEAD registered in Class 25 under No. 1502616 for “articles of outer clothing; footwear; sportswear; all included in Class 25; but not including headgear”. This registration has a filing date of 2 June 1992 and so is an earlier trade mark for the purpose of Section 6(1) of the Act. They express their objection in the following terms:

“2. The Applicant’s trade mark for which registration is sought incorporates the Opponent’s mark HEAD preceded by the letter A, with a degree of stylisation. Nevertheless, the Applicant’s trade mark will be separated mentally into “a” and “head” and would be understood to refer to, for example, “a Head hat”, for example. In the alternative, the letter “A” at the beginning of the mark is so stylised that it may not be noticed, and the Applicant’s mark seen simply as HEAD with a degree of stylisation. In the premises, the Applicant’s trade mark is similar to the Opponent’s trade mark and is sought to be registered for goods similar to those for which the Opponent’s trade mark is registered.

3. The Opponent is a supplier of clothing and other goods and has used the word HEAD as a trade mark in the United Kingdom, in particular on and in relation to headgear, since before 1992. The Opponent by reason of such use had established an extensive and valuable reputation and goodwill therein in relation to such goods as at the date of filing the application-in-suit. The use of the Applicant's mark in relation to headgear is therefore liable to be prevented by the law of passing off.

4. In the premises, the Application-in-suit should be refused in its entirety under the provisions of Section 5(2)(b) and Section 5(4)(a) of the Act."

3. The applicants filed a counterstatement denying the above grounds. In relation to the marks at issue they say:

"(i) the opposed trade mark is not "... *the opponent's mark preceded by the letter A, with a degree of stylisation.*" The opposed mark is the dictionary word AHEAD with a marked degree of stylisation. As a well understood dictionary word, there is no reason to make the arbitrary separation, mental or otherwise, at the base of the opponent's assertion.

(ii) the initial letter A of the opposed mark is not so highly stylised as to obscure its identity."

4. They also refer to the exclusion to the opponents' specification and say that it appears that the opponents were required to exclude headgear from protection because HEAD is descriptive in relation to such goods. The applicants also make a number of observations on the opponents' statement of grounds alleging that it does not comply with the detailed requirements of Tribunal Practice Direction TPN 4/2000. It would seem that these criticisms were not addressed and instead the case proceeded to the evidence rounds. Neither side has suggested that there is any residual issue in relation to the grounds that cannot now be resolved on the basis of the evidence filed (save possibly in relation to the question of costs).

5. Both sides ask for an award of costs in their favour.

6. Both sides filed evidence. The parties have elected to have the matter determined on the basis of the papers filed rather than a hearing. Written submissions have, however, been received under cover of a letter dated 25 November 2002 from Brookes Batchellor on behalf of the opponents and under cover of a letter dated 29 November 2002 from Kilburn & Strode on behalf of the applicants. Acting on behalf of the Registrar and with the above material in mind I give this decision.

Opponents' evidence

7. This comes in the form of a witness statement by George Kröll, Vice President, International Licensing of Head Sport AG. His evidence comes from his own knowledge save for sales values

which have been derived from returns provided by Sportline, a division of H Young (Operations) Ltd, the opponents' licensees during the period 1997 to 1999.

8. Mr Kröll says that during the years 1997/2000, the average annual world-wide sales values of clothing, footwear and headgear of the types shown by the exhibits to his statement which bore the Trade Mark HEAD amounted to over £63 million. Wholesale sales values for the United Kingdom during these years amounted to:

1997	£3,400,000
1998	£4,100,000
1999	£6,600,000
2000	£9,100,000

9. In the United Kingdom, Sportline are said to have placed regular advertisements during the years 1997, 1998 and 1999 in a number of periodicals, including lifestyle magazines such as Loaded, FHM and GQ, and also magazines for sports enthusiasts including ACE, Squash Player and Fall Line. In addition, by offering free gifts to members of the public who responded to advertisements Sportline built up a data base of customers to allow mail shots to skiing and tennis enthusiasts. They also supplied retailers with point of sales materials, including mobiles, show cards, posters and banners.

10. Exhibited at GK2 is a copy of a report received from Sportline relating to their Winter 1997 activities and setting out their appreciation of the brand position and range overview.

11. Mr Kröll also exhibits:

- GK3 - a set of illustrations of various types of clothing which were marketed by Sportline during Autumn-Winter 1997 in the ski leisure field. He draws attention to knitted caps and jackets bearing the HEAD mark with additional wording such as HEAD MAX, SPORTS.TECHNOLOGY/HEAD/AUSTRIA and AUSTRIA 1950 HEAD;
- GK4 - clothing in the 'outdoor exploration range' from the same period showing certain caps and jackets marked THE HEAD EXPLORATION;
- GK5 - designs from 1997 from the ladies exercise and leisurewear range;
- GK6 - a copy of Sportline's Spring-Summer 1999 Court Sports catalogue giving details of rackets, footwear, bags and clothing sold under the HEAD trade mark. Caps are shown on pages 48 and 52;
- GK7 - a series of extracts from periodicals published or available in the United Kingdom during the years 1996 to 1998, in the form of advertising features or articles relating to HEAD products. The exhibit includes extracts from Harpers, Sports Trader, Daily Mail Ski Magazine, The Good

Ski Guide, Tennis, Maxim, The Skier and Snowboarder, Mens Health, Stuff for Men, Ace, and the Coventry Evening Telegraph, this last in conjunction with the EXSL exhibition in September 1997.

12. The remainder of Mr Kröll's witness statements is largely submissions. I bear these comments in mind.

Applicants' evidence

13. The applicants filed a witness statement by Iain Alexander Stewart, a Trade Mark Assistant employed by Kilburn & Strode, the applicants' representatives in this matter. He exhibits:

- IAS1 - extracts from dictionaries showing the definitions of the words AHEAD and HEAD;
- IAS2 - copies of UK Trade Marks Registry database extracts showing a number of UK registrations of marks including the letter sequence H-E-A-D and covering Class 25 goods.

I note the former. So far as the latter is concerned I find it of no particular assistance in the absence of evidence establishing that all or any of the marks have been brought into use.

14. That completes my review of the evidence.

Section 5(2)(b)

15. Section 5(2)(b) 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.”

16. In determining the question under Section 5(2), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 AND *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723.

17. The opponents' written submissions focus on the assumption that the applied for mark is a stylised presentation of the word AHEAD; that HEAD forms a prominent and unmistakeable part of the opposed mark; that the words HEAD and AHEAD are visually and phonetically similar; and that it is not relevant that the words HEAD and AHEAD have different meanings.

18. The applicants' submissions, unsurprisingly, take a contrary view of the marks drawing attention to the stylised nature of the applied for mark and the well understood and different meanings of the dictionary words HEAD and AHEAD. They also raise a more fundamental question regarding the effect of the exclusion to the earlier trade mark's specification. In particular it is suggested that the opponents are in effect seeking to reinstate protection under its registration in respect of the very goods that have been surrendered to obtain registration. On that basis the opposition under Section 5(2)(b) is said to be ineffective.

19. I regard the exclusion to the specification of the opponents' earlier trade mark as clarification of the scope of the specification which implicitly recognises that the word HEAD has a low capacity to distinguish when used in relation to headgear. There is no reason to suppose that in relation to clothing at large the word HEAD is anything other than distinctive. It is possible there are goods within the specification of the earlier trade mark that are not caught by the exclusion which are nevertheless similar to the goods of the applied for mark. Indeed it seems to me to be perfectly possible to argue that all clothing shares a degree of similarity applying the established test in *Canon* (paragraph 23) and *British Sugar Plc v James Robertson & Sons Ltd*, [1996] RPC 281. In relation to clothing and headgear generally the similarity is at its most obvious in relation to combinations such as baseball caps and t-shirts, formal wear (top hat and tails) and fashionwear where items are purchased as matching outfits. There may be other specific items of clothing which might be said to be more closely similar to headgear but they do not readily spring to mind (other than perhaps a scarf which may be either head, neck or shoulder wear) and none have been referred to. In any case if the word HEAD is of low distinctive character in relation to various types of headgear it is likely to be only marginally more distinctive in relation to goods such as scarves.

20. Turning to the applied for mark I am left in some doubt as to how it will be seen or referred to. The heavy stylisation leads me to think that, whilst some people may discern the word AHEAD, others may see the first element of the mark as a Z or simply a device of some kind. There are dangers in any analysis of this kind. *Sabel v Puma* cautions that the average consumer does not pause to analyse marks and will form an overall impression. On the other hand it is a natural human instinct to search for words or patterns if they exist not least because words provide a convenient way of referring to a mark. Although I do not think the matter can be beyond doubt I think it is reasonable to suppose that consumers will see the mark as containing letters and that the word AHEAD is perhaps the most likely interpretation not least because the first and fourth letters have the same style of presentation. I conclude, therefore that the distinctive character of the applied for mark is to be found in the stylisation with which it is presented and, to the extent that a word is discerned, the word AHEAD. Insofar as the latter is concerned I consider HEAD and AHEAD to be common words with distinct meanings, one a noun, the other an adverb.

21. With those observations in mind I go on to consider the visual, aural and conceptual similarities. Visually the high point of the opponents' case must be that the word HEAD can be said to appear as an element in the applied for mark. On the other hand it seems unlikely that the word HEAD will be picked out without consumers also noticing the first element in the mark. More importantly the distinctive stylisation of the applied for mark is likely to make a material contribution to visual appreciation and provide an important visual reference point for consumers.

22. Phonetic considerations depend on what consumers make of the mark. In oral references it might well be difficult to distinguish between a request for an AHEAD hat and a HEAD hat. However the importance of oral usage must be kept in context – see, for instance, *REACT Trace Mark*, [2000] RPC 285, where it was recognised that the primary use of trade marks in the purchasing of clothes is a visual act.

23. It is also noted in the REACT case that conceptual similarity can play a part in conditioning the imperfect recollection of the consumer. That case involved the words REACT and REACTOR. Although there was a small degree of stylisation in the presentation of the R of REACT, stylisation of the word element of the applied for mark was not a factor in that case to the extent that it is here. Assuming, as the parties have been largely content to do, that the word AHEAD may be discerned in the applied for mark, it seems to me that that word is different in meaning and use from HEAD on its own notwithstanding that it may be said to derive its semantic content from that word.

24. Likelihood of confusion must be appreciated globally taking account of all relevant factors (*Sabel v Puma*, paragraph 22). The effect of the exclusion to the opponents' specification is to remove those goods for which the word HEAD might be considered descriptive/non distinctive. As a result of that exclusion the applicants' goods cannot be identical but they may still be similar. The marks too have a degree of similarity for the reasons already given but are not distinctively similar having regard to - the goods for which they are respectively registered and applied for; the elements that make up the applicants' mark; and the inherent weakness of the word/element HEAD in relation to headgear. The net effect of the given similarities and differences (*Raleigh International Trade Mark*, [2001] RPC 11) is in my view that there is no likelihood of confusion. Furthermore I would not come to a different view of the matter on the basis of any enhanced degree of distinctive character enjoyed by the opponents' mark for the goods in respect of which it is registered. For reasons which I give below in considering the Section 5(4)(a) ground I consider that any such enhanced distinctive character can at best only be considered to have been made out in relation to tennis and ski wear. The opposition fails under Section 5(2)(b).

Section 5(4)(a)

25. The Section reads as follows:

“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, or
- (b) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.

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.”

26. The requirements for this ground of opposition have been restated many times and can be found in the decision of Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *WILD CHILD* Trade Mark [1998] RPC 455. Adapted to opposition proceedings, the three elements that must be present can be summarised as follows:

- (1) that the opponents’ goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the applicants (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the applicants are goods or services of the opponents, and
- (3) that the opponents have suffered or are likely to suffer damage as a result of the erroneous belief engendered by the applicants’ misrepresentation.

27. I have summarised above the evidence of use on which the opponents’ claim to goodwill is based. I note that the turnover figures are given in wholesale terms. It is to be inferred that retail values are likely to be materially higher. The figures suggest a business of some size though the precise impact within what must be a very large market (for clothing) cannot be readily determined. The applicants’ submissions cast doubt on whether the figures given relate to clothing or sporting goods as well. The context in which Mr Kröll makes his statement suggest the figures relate to clothing alone but the matter is not entirely free from doubt.

28. A number of other points arise in relation to the opponents’ evidence. As the applicants point out, the sales figures do not distinguish between the various types of clothing products on offer. So far as advertising is concerned Mr Kröll deals with the position obliquely indicating that he is satisfied that the licensee (Sportline) complied with the requirements in the licensing agreement to spend 2.2% of net revenue on advertising. The advertising features that are exhibited at GK7 confirm that the business is heavily biased towards sports (tennis and skiing) equipment and related clothing and accessories such as bags. Clothing and equipment appear to feature in almost equal measure. No invoice evidence has been provided and there is no clear statement about geographical coverage within the UK or the retail/distribution channels used save that Exhibit GK2 identifies sales personnel with responsibilities for ‘sports multiples’,

‘multiple retailers’ and ‘independent sports trade key accounts’. The position is not helped by the fact that a number of what I take to be retail or mail order advertisements in GK7 have US addresses (though they appear in magazines which have US and UK prices and, presumably, circulation). The other general point to be made about the exhibited material is that it reveals a number of different marks in use as indicated by Mr Kröll, notably HEAD, HEAD and ski tip device, HEADMAX, Sports Technology HEAD AUSTRIA and flag device, HEAD EXPLORATION and a letter H device.

29. In *REEF* Trade Mark, [2002] RPC 19, Mr Justice Pumfrey said:

“There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent’s reputation extends to the goods comprised in the applicant’s specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd’s Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI* Trade Mark [1969] R.P.C. 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.”

The position here is that the opponents have presented a partial account of their trade but fallen short of providing substantiating detail in certain key areas. There is no independent evidence from the trade though it might be said that the involvement of a number of sports personalities (Borg, Klammer and Stock) is indicative of their profile in the trade. The most that I can take from the evidence is that the opponents can claim a reputation and goodwill in relation to tennis and ski wear by reference to the mark HEAD. There is some evidence of a wider trade in outdoor clothing in Exhibit GK4 and ladies’ exercise and leisurewear in Exhibit GK5. However the actual extent of trade in this area cannot be determined from the evidence. There is some slight evidence of a trade in headgear. Knitted caps bearing the marks HEADMAX and flag device and Sports Technology HEAD AUSTRIA and flag device are shown on page 7 of Exhibit GK3. There are also four caps shown on pages 48 and 52 of Exhibit GK6 bearing either the word HEAD or HEAD and ski-tip logo. There is no specific information as to sales of such goods. Given that in the latter case caps feature in a very small way in a 60 page catalogue I find it difficult to accept that the evidence advances the opponents’ case beyond that already considered in relation to Section 5(2)(b). The result is that, even accepting that the opponents can claim goodwill in relation to their trade in tennis and ski wear and equipment, I am not persuaded that there will be any misrepresentation in the sense that customers would be deceived into making purchases by reason of confusion engendered by the applicants’ mark. The opposition must also, therefore, fail under Section 5(4)(a).

30. The opposition as a whole has failed. The applicants are entitled to a contribution towards their costs. There is a suggestion in the applicants’ counterstatement that any costs’ award should be adjusted to reflect the perceived deficiencies in the opponents’ statement of grounds. I have considered this point but concluded that any such deficiencies have not in the event caused

the applicants material difficulties. I decline, therefore, to increase the cost award on this account. I order the opponents to pay them the sum of £1000. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 3rd day of January 2003

**M Reynolds
for the Registrar
the Comptroller General**