

O-374-03

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2045329
BY AMERICAN GOLF DISCOUNT CENTRE LIMITED
TO REGISTER A TRADE MARK IN CLASSES 12, 25 AND 28**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER No. 90001
BY AMERICAN GOLF CORPORATION**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No. 2045329
by American Golf Discount Centre Limited
to register a trade mark in Classes 12, 25 and 28**

and

**IN THE MATTER OF Opposition thereto under No. 90001
by American Golf Corporation**

Background

1. On 18 November 1995 American Golf Discount Centre Limited applied to register the mark AMERICAN GOLF DISCOUNT in Classes 12, 25 and 28 of the register for the following specifications of goods:

Class 12:

Golf carts; trolleys; mechanised trolleys.

Class 25:

Articles of sports clothing; articles of golf clothing.

Class 28:

Sporting articles; articles for use in playing golf; golf gloves; golf bags.

2. The application was accepted by the Registrar and published in the Trade Marks Journal.

3. On 22 January 2002 American Golf Corporation filed a Notice of Opposition. In summary the Notice (as amended) set out the following grounds:

(i) Under Section 5(2)(b) of the Act because the mark applied for is similar to the earlier registered trade marks set out in Appendix One to this decision, owned by the opponent which cover services which are similar to the goods of the applicant and there exists a likelihood of confusion on the part of the public;

(ii) Under Section 3(6) of the Act as the application was made in bad faith because, at the date of filing, the applicant was not using the mark applied for as a trade mark in relation to any of the goods applied for, nor did it have the bona fide intention of doing so.

4. On 29 April 2002 the applicant filed a Counterstatement denying the grounds of opposition and in relation to the Section 3(6) ground the Counterstatement specifically stated that “the applicant confirms that it has used the applied for mark in respect of some of the goods in the application and that it proposes to extend its use to the other goods.” Both sides filed evidence.

5. The matter came to be heard on 18 November 2003 when the applicant for registration was represented by Ms Maddox of WP Thompson & Co. The opponent chose not to be represented at the hearing, but written submissions were forwarded prior to the hearing by the opponent’s professional advisors, RGC Jenkins & Co.

Opponent’s Evidence

6. This consists of a witness statement by Timothy George Pendered dated 27 August 2002. Mr Pendered is a trade mark attorney and partner in the firm of RGC Jenkins & Co., the opponent’s professional advisors in these proceedings.

7. Mr Pendered explains that the opponent succeeded in an opposition to another application filed by the applicant, namely application No. 2045327 for the mark AMERICAN GOLF DISCOUNT & DEVICE and he provides details of that application which also covered goods in Classes 12, 25 and 28 and had the same date of filing.

8. Mr Pendered goes on to state that the opposition to application No. 2045327 was appealed to the Appointed Person and a copy of the 10 January 2002 decision of Mr D Kitchen QC, acting as the Appointed Person in Opposition 45319 (BL O/024/02) is attached to Mr Pendered’s statement together with a copy of the original Registry decision which was appealed (BL O/196/01). Mr Pendered concludes by stating that the application was refused under Section 5(2)(b) on the basis of the opponent’s earlier registration No. 1359608 in Class 41, details of which are attached to Mr Pendered’s statement, adding that an attempt by the applicant to circumvent the objection by pleading “honest concurrent use” under Section 7 was rejected, and that no finding was made on the bad faith objection under Section 3(6).

Applicant’s Evidence

9. This consists of a witness statement by Jennifer Margaret Maddox dated 27 February 2003. Ms Maddox is a trade mark attorney and a partner in WP Thompson & Co., the applicant’s professional advisors in these proceedings.

10. Ms Maddox explains that in filing the current application the applicant was seeking to improve its registered rights in the trade mark AMERICAN GOLF DISCOUNT because its earlier registration (No. 1327774, AMERICAN GOLF DISCOUNT and device) carries a disclaimer of the words “American Golf Discount”. A copy of the advertisement of this earlier application is at Exhibit JMM1 to Ms Maddox’s statement. Ms Maddox explains that registration No. 1327774 was acquired on the basis of distinctiveness through use, evidence of use having been filed, and a copy of the exhibit material filed in support of the application is included in Exhibit JMM1. She adds that the applicant is and was a retailer of golf equipment and clothing, selling golf equipment and clothing bearing third party brands (although there were

a few own label goods such as golf tees) and states that the Registrar deemed this use to be in relation to the goods in the course of trade.

11. Ms Maddox states that in October 2000 the Registrar published a change of practice with regard to the registration of trade marks in respect of “retail services” and a copy of the Registrar’s Practice Note 13/00 is included in Exhibit JMM1. She explains that it is now felt that a trade mark could distinguish certain aspects of retail services e.g. the bringing together of goods in one place so that they can be viewed and purchased, and that it now becomes possible to register such trade marks.

12. Turning to the present case, Ms Maddox states that the opponent has alleged that the applicant did not have the bona fide intention to use its mark in relation to the goods of the application at the time of filing and thus acted in bad faith. In Ms Maddox’s view this issue must be judged within the context of the law, interpretation of the law and the Trade Mark Registry practice prevailing at the time. Accordingly, Ms Maddox submits that at the date of application, there could have been no bad faith on the part of the applicant.

13. This completes my summary of the evidence filed in this case. I now turn to the decision.

Decision

SECTION 5(2)

14. Firstly I go to the ground of opposition under Section 5(2)(b) of the Act. Section 5(2) reads as follows:

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

- (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or
- (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.”

15. An earlier right is defined in Section 6, the relevant part of which state:

“6.-(1) In this Act an "earlier trade mark" means -

- (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,”

16. 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. It is clear from these cases that:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*, page 224;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v. Puma AG*, page 224, 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; *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* page 84, paragraph 27;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v. Puma AG*, page 224;
- (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; *Sabel BV v. Puma AG*, page 224;
- (e) mere aural similarity between trade marks may create a likelihood of confusion; *Lloyd*, paragraph 29;
- (f) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, page 132, paragraph 17;
- (g) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v. Puma AG*, page 224;
- (h) account should be taken on the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it was registered; *Lloyd*, paragraph 29;
- (i) 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); *Sabel BV v. Puma AG*, page 224;

- (j) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v. Adidas AG*, paragraph 41;
- (k) but 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 within the meaning of the section; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc.*, page 333, paragraph 29.

18. In essence the test under Section 5(2)(b) is whether there are similarities in the marks and the respective goods and services which would combine to create a likelihood of confusion. In my consideration of whether there are similarities sufficient to show a likelihood of confusion I am guided by the recent judgements of the European Court of Justice mentioned above. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different elements, taking into account the degree of similarity in the goods and services, the category of goods and services in question and how they are marketed and the relevant customer for the goods. I must compare the mark applied for and the opponent's prior registrations on the basis of their inherent characteristics assuming normal and fair use of the marks on the goods and services covered within the respective specifications.

19. In the opponent's written submissions received prior to the hearing it was claimed that "normal and fair use" of the mark in suit would include use of the mark in the form of the composite mark used by the applicant, which was applied for and refused under Application Number 2045327 ie. the words AMERICAN GOLF DISCOUNT and a distinctive device (paragraphs 7 and 8 of this decision refer). I have no hesitation in dismissing this submission as in relation to Section 5(2) of the Act "normal and fair use" must be interpreted as relating to "normal and fair use" of the mark as applied for. The addition of a separate, distinctive element to the mark, in the form of a logo or device, would not constitute "normal and fair use" of the mark in suit.

20. In determining whether the goods covered by the application are similar to the services covered by the opponent's earlier cited trade marks I have considered the guidelines formulated by Jacob J in *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 (pages 296, 297) as set out below –

"The following factors must be relevant in considering whether there is or is not similarity:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of services;

- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in particular they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

21. Whilst I acknowledge that in view of the CANON-MGM judgement by the European Court of Justice (3-39/97) the *Treat* case may no longer be wholly relied upon, the ECJ said the factors identified by the UK government in its submissions (which are listed in TREAT) are still relevant in respect of a comparison of goods and/or services.

22. In the evidence my attention was drawn to the decision of Mr M Reynolds, the Registrar’s Hearing Officer in Application Number 2045327 (BL O/196/01) which was subsequently appealed to the Appointed Person, with the Hearing Officer’s decision being upheld (BL O/024/02) – paragraphs 7 and 8 of this decision refer. In that case the Hearing Officer considered similarity of goods and services in the context of identical specifications to those of the mark currently in suit and the registrations cited against it. I find myself in full agreement with the reasoning and conclusions of Mr Reynolds on the similarity of goods and services issue, and I wish to incorporate the following extracts from paragraphs 38 and 39 of Mr Reynolds’ decision into my decision on the present case –

“38. Golf, like many other sports, has spawned a vast range of equipment ‘to meet the varying needs of professional and amateur players alike. Most of the major items such as sets of golf clubs, bags, trolleys etc. involve substantial expense and are likely to be purchased with some care. Indeed it is common for golf clubs to be made to meet the particular specifications and requirements of the individual customer. It is not surprising, therefore, that services should exist to meet that need. It is, in my view, but a short step from offering such a service to the provision of the equipment chosen as a result of that service. In terms of the CANON test the goods and services must obviously differ in their nature but would be offered to the same customer base and are entirely complementary to one another

39. All of this suggests to me that there is a very close and complementary link between the service and the provision of goods. I find this service, rather more than the operation of golf clubs/courses, to be similar to the applicants’ goods.”

23. Accordingly, in my view the specifications of the mark in suit cover goods similar to the golf instruction services of the opponent which relate to the selection of golf equipment.

24. I now go on to compare the mark in suit with the marks comprising the opponent's earlier registrations. The mark applied for comprises the three obvious dictionary words AMERICAN GOLF DISCOUNT and it seems to me that while the mark has been accepted in the prima facie it could not be described as one possessing an inherently high degree of distinctive character and the distinctiveness lies in the totality of the mark. The opponent's marks consist of descriptive words ie. "American Golf Corporation" (Number 1359608) and "American Golf" "Country Clubs" (Number 1583877), which have been disclaimed, and also device elements of logos which incorporate a stylised golf ball.

25. The respective marks must be compared as a whole and by reference to overall impression but, as recognised in *Sabel v Puma AG* (mentioned earlier in this decision) in any comparison reference will inevitably be made to the distinctiveness and dominance of individual elements.

26. The applicant has drawn my attention to the findings of *Paco/Paco Life in Colour* [2000] RPC 451, concerning the comparisons of marks when there are disclaimers in existence. Paragraphs 41 to 64 of the Hearing Officer's decision are of particular relevance and paragraph 63, set out below, summarises the current position:

"63. It therefore appears to me that the entry of the disclaimer should be regarded as an admission by the proprietor that – in any proceedings based upon the registration with the disclaimer- the disclaimed matter is not to be regarded as in itself distinctive of the trade origin of the proprietor's goods or services. In these circumstances, use of the disclaimed matter by another party, as a trade mark, cannot, without other similarities, be sufficient to give rise to a likelihood of confusion with the registered trade mark concerned."

27. I turn now to a visual, aural and conceptual comparison of the respective marks. Firstly I note that the distinctive elements within the opponent's earlier registrations ie. the logos or devices, bear no real similarity to the mark in suit in that the mark in suit consists only of words. While it could be argued that there may be some conceptual association in that the device elements within the opponent's registrations contain stylised golf balls and thus could remind the relevant public of the game of golf, and the word GOLF, this is hardly a novel or distinctive concept in relation to the goods and services at issue and is not one deserving of monopoly.

28. It seems to me that the only real similarity between the respective marks is the co-existence of the words "American" and "Golf". Given the non-distinctive nature of these words and bearing in mind the rationale behind the guidance in the PACO decision (see paragraphs 25 and 26 above), it seems to me likely that the relevant customer for the goods ie. those members of the public who purchase golfing equipment and services, are likely to distinguish the respective marks of the parties.

CONCLUSION

29. On a global appreciation, after taking into account the relevant factors, it seems to me that, notwithstanding the similarity of goods and services, the differences or dissimilarity between the respective marks means that there is no likelihood of confusion on the part of the relevant public. The opposition under Section 5(2)(b) of the Act fails.

SECTION 3(6)

30. Section 3(6) of the Act states:

“3(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

31. The opponent contends that the application was made in bad faith because, at the date of filing, the applicant was not using the mark applied for as a trade mark in relation to any of the goods applied for, nor did it have the bona fide intention of doing so.

32. In the current opposition, Section 32 of the Act, which deals with basic application requirements, is relevant. Sub section (3) reads:-

“The application shall state that the trade mark is being used, by the applicant or with his consent, in relation to those goods or services, or that he has a bona fide intention that it should be so used.”

33. In *Gromax Plastics Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367, Lindsay J considered the meaning of “bad faith” in Section 3(6) of the Act and stated (at page 379):

“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.

34. In a recent decision of the Appointed Person on the *Royal Enfield Trade Marks* [2002] RPC 24, paragraph 31, Simon Thorley QC in relation to Section 3(6) stated that:

*“An allegation that a trade mark has been applied for in bad faith is a serious allegation. It is an allegation of a form of commercial fraud. A plea of fraud should not lightly be made (see Lord Denning M.R. in *Associated Leisure v Associated Newspapers* (1970) 2 QB 450 at 456) and if made should be distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts (see *Davy v Garrett* (1878) 7 Ch. D. 473 at 489. In my judgment precisely the same considerations apply to an allegation of lack of bad faith made under Section 3(6). It should not be made unless it is distinctly proved and this will rarely be possible by a process of inference.”*

35. I have little doubt that applying for a trade mark without the intention to use the mark on all the goods specified amounts to bad faith, especially given that the application form for the registration of a trade mark requires a signature by or on behalf of the applicant agreeing that:

“The trade mark is being used by the applicant or with his or her consent, in relation to the goods or services stated, or there is a bona fide intention that it will be so used.”

36. I am fortified in this view by the following comment on Section 3(6) from the publication ‘Notes on the Trade Marks Act 1994 (which was prepared for the use of Parliament during the passage of the Bill) that bad faith might be found “where the applicant has no bona fide intention to use the mark, or intended to use it, but not for the whole range of goods and services listed in the application.” Furthermore, in the case of the Demon Ale Trade Mark Application [2000] RPC 345, the Appointed Person, Mr Geoffrey Hobbs QC, held that where the applicant was a person who could not truthfully claim to have a bona fide intention to use the mark applied for as a trade mark for beer, the fact that his application included a claim to that effect was sufficient to justify its rejection under Section 3(6).

37. While it is clear that bad faith can arise where there is no actual dishonesty, bad faith is nevertheless a serious allegation and there is a clear onus on the opponent to satisfy the Registrar that the ground of opposition is made out. Furthermore, an objection under Section 3(6) is a difficult one to substantiate. It is difficult for the opponent to prove a negative; that the applicant did not have an intention to use.

38. It is clear from the Act that there is no requirement for a mark to have been used prior to application and it is sufficient that an applicant has a bona fide intention to use the mark. The applicant has rebutted the allegation of bad faith and in its Counterstatement says that:

“The applicant confirms that it has used the applied for mark in respect of some of the goods in the application, and that it proposes to extend its use to the other goods. The applicant denies that the applied for mark should be refused registration under the provisions of Section 3(6) of the Act.”

39. Furthermore, the applicant has pointed out that at the date of application (18 November 1995) it was actively retailing golf equipment and at that time there was no provision for the registration of services associated with retailing. At the hearing, Ms Maddox drew my attention to the following comments of Bingham L J in Court of Appeal decision in *Dec Corporation Plc and others* [1990] RPC 159, page 183, lines 47 to 50:

“I do not, however, think that a retailer of goods (who may obtain trade mark protection for the goods he sells) can sensibly be regarded as trading in the provision of retail services.”

40. In Ms Maddox submission the motives and intentions of the applicant at the relevant date were beyond reproach.

CONCLUSION

41. While I acknowledge the difficulties faced by the opponent in attempting to prove a negative, the opponent's claim cannot succeed in the face of the rebuttal and explanations of the applicant. As stated earlier, the onus rests with the opponent and on the evidence before me the opponent has not shown and I feel unable to infer that, the application was made in bad faith in respect of all or some of the goods for which registration is sought. Certainly, on a prima facie basis and after taking into account the evidence, the specifications of goods applied for do not appear to me to be unduly wide or unrealistic in their scope or potential application. The opposition under Section 3(6) fails.

COSTS



42. The applicant is entitled to a contribution towards its costs and I therefore order the opponent to pay the applicant the sum of £1,600. 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 28th day of November 2003

JOHN MacGILLIVRAY
For the Registrar
the Comptroller-General

APPENDIX ONE

OPPONENT'S EARLIER TRADE MARK REGISTRATIONS

Registration No.	Mark	Registration Effective	Specification of Services
1359608	 <p>AMERICAN GOLF CORPORATION</p> <p>DISCLAIMER: Registration of this mark shall give no right to the exclusive use of the words "American Golf Corporation" and a device of a golf ball.</p>	4 October 1988	<p>Class 41: Golf club, country club, tennis club and sporting club services; provision of golf courses; organisation of golf matches and of golf tournaments; golf instruction services relating to the use and selection of golf equipment; production and presentation of cine films and of videos all relating to golf; all included in Class 41.</p>
1583877	 <p>DISCLAIMER: Registration of this mark shall give no right to the exclusive use of the words "American Golf" and "Country Clubs" and a device of a golf ball.</p>	7 March 1994	<p>Class 41: Golf club and country club services; all included in Class 41.</p>