

TRADE MARKS ACT 1994

IN THE MATTER OF:

OPPOSITION No. 49257

IN THE NAME OF LEE ALEXANDER McQUEEN

TO APPLICATION No. 2,158,217

TO REGISTER A SERIES OF TRADE MARKS

IN CLASSES 18 AND 25

IN THE NAME OF NICHOLAS STEVEN CROOM

DECISION

The Application

1. On 14th February 1998 Nicholas Steven Croom (*“the Applicant”*) applied to register 2 marks in series for use in relation to various goods in Classes 18 and 25. The specification of goods was subsequently limited by amendment under Section 39(1) of the Trade Marks Act 1994 to *“bags”* in Class 18 and *“trousers for casual wear, T-shirts, sweatshirts, jackets and tops”* in Class 25.

2. The marks in the series were as follows:

McQueen Clothing Co.



They were presented for registration in a single application on the basis that they *“resemble each other as to their material particulars and differ only as to matters of a non-distinctive character not substantially affecting the identity of the trade mark”*: Section 41(2) of the Act. Neither mark could, on that basis, be regarded as significantly more or less distinctive than the other.

3. The application proceeded to publication under Section 7 of the Act. ‘Honest concurrent use’ was raised in response to the official citation of three ‘earlier trade marks’. Two of them were subsequently cited in support of the opposition referred to below. These were Community Trade Mark No. 565796 and Community Trade Mark Application No. 565887.

4. The evidence of ‘honest concurrent use’ consisted of a statutory declaration of the Applicant dated 10th June 1998 in which he declared as follows:

1. I am the proprietor of the firm, McQueen Clothing Co. and I am the applicant for registration of the trade mark applied for under no. 2158217.

2. In the year 1972 I adopted the mark/name McQUEEN CLOTHING CO. which is occasionally shown as the mark McQUEEN by itself, for use in relation to a range of goods comprising “jeans, t-shirts, sweatshirts, bags, jackets and tops” and I hereby confirm that the said mark has been in continuous use in respect of such goods since the date of its inception.

3. The approximate annual wholesale turnover in the goods sold under and by reference to the trade mark McQUEEN CLOTHING CO. and/or the mark McQUEEN in its various formats from the year 1985 is as follows:-

<u>Year</u>	<u>Turnover</u> £
1985	1 million
1986	1 million
1987	1 million
1988	1.5 million
1989	1.5 million
1990	1.5 million
1991	1.5 million
1992	1.25 million
1993	1.5 million
1994	1.75 million
1995	2 million
1996	2 million
	2.5 million

4. I have expended approximately the sum of £100,000 since the date of inception of the aforesaid trade mark in advertising and promoting the products as sold thereunder. In addition I spend approximately £10,000 per annum on producing carrier bags for the products, all such bags bearing the aforesaid trade marks. I have also sponsored a power boat in the 1980's, a squash team for ten years. My firm and its products are advertised by reference to the said trade mark on a hoarding at Swindon Football Ground.

5. I attach hereto marked Exhibit NSC/1 sample carrier bags, specimen material showing the manner in which the trade mark is generally used including a swing ticket and

neck labels incorporated into the clothing marketed under the trade mark.

6. My firm has retail outlets at:-

4 Butcher Row, Salisbury,
11 Butcher Row, Salisbury,
43 High Street, Winchester,
Unit 11 Marlands Shopping Centre, Southampton,
33 East Street, Chichester, West Sussex,
Unit 8 Brunel Shopping Centre, Swindon.

7. I can confirm that the products marketed by me under and by reference to the trade mark McQUEEN CLOTHING CO. and/or the mark McQUEEN have been sold through my retail outlets to customers located throughout the whole of the United Kingdom and that by virtue of the long and extensive use of the trade marks in respect of the goods specified herein, I verily believe that the mark is at this date exclusively associated with my firm such that the trade and the purchasing public on seeing a product bearing my trade marks as aforesaid would immediately believe that such products emanated from my firm exclusively.

The Opposition

5. On 2nd December 1998 the application for registration was opposed by Lee Alexander McQueen (*“the Opponent”*) on two main grounds: (1) that the application contemplated unauthorised use of the relevant marks within the area of protection afforded to the Opponent’s ‘earlier trade marks’ by Section 5(2)(b) of the Act; (2) under Section 5(4)(a) of the Act on the basis that use of the opposed marks as contemplated by the application would be actionable in passing off at the suit of the Opponent.

6. Three ‘earlier trade marks’ were cited in support of the objection to registration under Section 5(2)(b). These were:

Community Trade Mark No. 565796

Filing date: 10th July 1997
Registration date: 14th May 2003

ALEXANDER McQUEEN

- Class 18 Articles of leather and imitations of leather; trunks and travelling bags; travel cases; luggage; suitcases; holdalls; port manteaux; valises; bags; handbags; shoulder bags; toilet bags; carrier bags; rucksacks; backpacks; bumbags; sports bags; casual bags; briefcases; attaché cases; music cases, satchels; beauty cases, carriers for suits, for shirts and for dresses; tie cases; credit card cases and holders; wallets; purses; umbrellas; parasols; walking sticks; shooting sticks; belts; parts and fittings for all the aforesaid goods.
- Class 24 Textiles; textile articles; textile piece goods; bed and table covers; household linen; linen cloth; bed linen; bath linen; table linen; table cloths; curtains of textile or plastic; pillow shams; pillow cases; sheets; towels; eiderdowns; duvets; covers for eiderdown and duvets; napery; napkins; serviettes; table mats (not of paper); face towels; flannels; tissues of textile for removing make-up; traced cloth for embroidery; tapestry (wall hangings) of textile; rugs (travelling); saris; furniture coverings of plastic.
- Class 25 Articles of clothing; footwear; boots; shoes; slippers; sandals; socks; hosiery; trainers; headgear; hats; caps; scarves; gloves; mittens; belts (being articles of clothing).

Community Trade Mark Application No. 565887

Filing date: 10th July 1997
Opposition pending



- Class 18 Articles of leather and imitations of leather; trunks and travelling bags; travel cases; luggage; suitcases; holdalls; port manteaux; valises; bags; handbags; shoulder bags; toilet bags; carrier bags; rucksacks; backpacks; bumbags; sports bags; casual bags; briefcases; attaché cases; music cases; satchels; beauty cases; carriers for suits, for shirts and for dresses; tie cases; credit card cases and holders; wallets; purses; umbrellas; parasols; walking sticks; shooting sticks; belts; parts and fittings for all the aforesaid goods.
- Class 24 Textiles; textile articles; textile piece goods; bed and table covers; household linen; linen cloth; bed linen; bath linen; table linen; table cloths; curtains of textile or plastic; pillow shams; pillow cases; sheets; towels; eiderdowns; duvets; covers for eiderdown and duvets; napery; napkins; serviettes; table mats (not of paper); face towels; flannels; tissues of textile for removing make-up; traced cloth for embroidery; tapestry (wall hangings) of textile; rugs (travelling); saris; furniture coverings of plastic.
- Class 25 Articles of clothing; footwear; boots; shoes; slippers; sandals; socks; hosiery; trainers; headgear; hats; caps; scarves; gloves; mittens; belts (being articles of clothing).

Community Trade Mark No. 718031

Filing date: 8th January 1998
Registration date: 8th June 1999

ALEXANDER McQUEEN

- Class 3 Non-medicated preparations for the application to, conditioning and care of hair, scalp, skin and nails; soaps; perfumes; perfumery; eau de cologne; toilet waters; essential and herbal oils; cosmetics; make-up preparations; non-medicated toilet preparations; hairsprays and hair gels; preparations for use in the bath or shower; bath and shower oils, gels, creams and foams; face and body masks; face and body scrubs; facial washes; skin cleansers and hydrators; skin toners; skin moisturisers; blemish creams and blemish gels; deodorants; preparations for use before shaving and after shaving; shaving soaps; shaving creams; shaving gels; aftershave preparations; preshave preparations; talcum powders; toiletries; dentifrices; toothpastes.
- Class 9 Glasses and spectacles; sunglasses; corrective glasses and spectacles; protective glasses and spectacles; contact lenses; lenses

for glasses and spectacles; frames for glasses and spectacles; corrective frames; cases for glasses, sunglasses and spectacles; cords, ribbons, chains, and devices for retaining glasses, sunglasses and spectacles in position; clip on sunglasses.

Class 14 Precious metals and their alloys and goods in precious metals or coated therewith; semi-precious and precious stones; horological and other chronometric instruments; watches, clocks, jewellery and imitation jewellery; parts and fittings for all the aforesaid goods.

7. The objection under Section 5(4)(a) was put forward on the following basis:

The Opponent is engaged in the design, production and marketing of, *inter alia*, clothing and fashion accessories. The Opponent has been using the trade mark ALEXANDER McQUEEN since approximately 1990. Since that time, the Opponent has achieved considerable success and notoriety in his business both within the United Kingdom and internationally, and has acquired a substantial goodwill and reputation in the trade mark ALEXANDER McQUEEN in respect of those fields of business. By reason of his reputation as aforesaid, any use of the Opponent's mark or any similar mark in respect of fashions and related fields of business by third parties is likely to deceive or cause confusion with consequential damage to the Opponent's goodwill and business.

8. The Applicant joined issue with the Opponent on the grounds of opposition.

Opponent's Evidence

9. The evidence in support of the opposition consisted of: (1) a statutory declaration of Trino Verkade with 7 exhibits dated 5th May 2000; (2) a statutory declaration of David Lake with 1 exhibit dated 5th May 2000; (3) a statutory declaration of Jacqueline Lake with 1 exhibit dated 5th May 2000; (4) a statutory declaration of Michael Bilewycz with 1 exhibit dated 5th May 2000.

10. The evidence given by Ms. Verkade confirmed that the Opponent had been engaged in the design, production and marketing of clothing and fashion accessories since approximately 1990 and that he had from about the same date “*been using the trade mark ALEXANDER McQUEEN, and alternately McQUEEN (stylised)*” in relation to goods of that kind.

11. Prior to 1996 sales were mainly made on a private client basis. The Opponent has a retail outlet in London which bears the name **ALEXANDER McQUEEN**, but this appears to have opened after the date of the opposed application for registration. Ms. Verkade stated that “*clothing and other products bearing the Opponent’s trade marks are sold throughout the world*” including through agents. She gave figures for sales from 1997 to 2000 as follows:

Year	Sales
Spring/Summer 1997	Approx. £2.8 million (estimate)
Autumn/Winter 1997/98	Approx. £3.36 million (estimate)
Spring/Summer 1998	Approx. £4.2 million (estimate)
Autumn/Winter 1998/99	£5,096,000
Spring/Summer 1999	£6,160,000
Autumn/Winter 1999/2000	£6,252,870
Spring/Summer 2000	£4,928,000

However, she did not specify the figures for sales in the United Kingdom or identify the different kinds of goods supplied or the particular marks under which they were supplied.

12. It clearly appeared from the material exhibited to Ms. Verkade’s declaration that the Opponent’s accomplishments as a fashion designer had been widely publicised in the United Kingdom and elsewhere. Over the years since 1990 he had, as stated by Ms.

Verkade, “*achieved considerable success and notoriety in the fashion business both within the United Kingdom and internationally*”. She maintained that “*The Opponent has thereby built up a substantial goodwill and reputation in the trade mark **ALEXANDER McQUEEN** and in the trade mark **McQUEEN** (stylised) in that business*”. Her references to the trade mark **McQUEEN** in stylised form are, as I understand the position, references to the word **McQUEEN** represented in the manner shown in Community Trade Mark Application No. 565887 (see paragraph 6 above).

13. David Lake and Jacqueline Lake are private investigators. Their statutory declarations summarised the results of inquiries into the Applicant’s trading activities. It appeared from their investigations that the Applicant and his brother before him had carried on business as suppliers of readymade garments for more than 25 years prior to 1999, that they had continuously used the designation **McQUEEN CLOTHING Co** to distinguish their business and goods from those of other traders and that the name **McQUEEN** had been chosen and used by way of a tribute to the American film star Steve McQueen (born 1930, died 1980). Their evidence indicates that they tried without success to identify impropriety in the conduct of the Applicant’s business in general and with regard to his use of **McQUEEN** in particular.

14. Michael Bilewycz acts for the Opponent in trade mark matters. His statutory declaration provides details of the Opponent’s trade mark registrations and applications for registration around the world.

15. I note that the statutory declarations of the witnesses for the Opponent do not mention either the existence or any likelihood of confusion arising by reason of the Applicant's use of the name and mark **McQUEEN CLOTHING CO.**

Applicant's Evidence

16. The evidence in answer to the opposition consisted of: (1) a witness statement of the Applicant with one exhibit (containing samples of use) dated 8th June 2001; (2) a witness statement of Stephen Mucklow dated 25th June 2001; (3) a witness statement of Bruce Clark dated 23th July 2001; (4) a witness statement of Mark Turner dated 3rd August 2001; (5) a witness statement of Robert Moore dated 7th August 2001.

17. The Applicant amplified the evidence given in his statutory declaration of 10th June 1998. He confirmed that the mark **McQUEEN** had been used on its own as a mark for goods supplied in the course of his business and that this had taken place "*from time to time*" since 1972 and "*more and more*" since 1989. He repeated the figures for turnover given in his earlier statutory declaration and added the following figures for 1998 to 2001:

<u>Year</u>	<u>Turnover</u>
	£
1997	2 million
1999	2.28 million
2000	2.62 million
2001	3.5 million

18. With reference to the evidence of the private investigators, the Applicant noted that their investigations *“clearly confirm that my business is a good and reputable business and that I have been trading for some considerable time under and by reference to the aforesaid trade marks”* and also that they *“support my contention that the **McQUEEN** brand has been used for the last 25 years in relation to the goods sold through the aforesaid retail outlets. As the evidence states, the brand names **McQUEEN** and **McQUEEN CLOTHING COMPANY** were coined by my brother taking as his inspiration the name of a well known movie star”*.

19. The Applicant accepted that the Opponent had achieved success in the fashion business, but maintained that *“Although I am aware of Alexander McQueen as a designer of haute couture clothing, I have never seen any clothing offered for sale in the retail market branded **ALEXANDER McQUEEN** and certainly I have not seen any clothing branded with the **McQUEEN** label other than my own”*.

20. The Applicant further confirmed that he was not aware and had not been informed of any confusion arising between his trade marks and any mark used by the Opponent.

21. Evidence supportive of the Applicant’s claim to distinctiveness acquired through use of the designations **McQUEEN CLOTHING CO.** and **McQUEEN** was provided by others in the clothing trade: Stephen Mucklow (10 years experience), Bruce Clark (27 years experience, aware of the Applicant’s trade marks since 1975), Mark Turner (3 years experience, aware of the Applicant’s trade marks since 1998/99) and Robert Moore (7 years experience, aware of the Applicant’s trade marks since December 1998).

The Registrar's Decision

22. With the agreement of the parties, the opposition was determined on the basis of the papers on file and written submissions in lieu of a hearing.

23. The application for registration was refused under Sections 5(2)(b) and 5(4)(a) of the Act for the reasons given in a written decision issued by Mr. M. Reynolds on behalf of the Registrar of Trade Marks on 26th September 2002. The refusal under Section 5(2)(b) does not appear to have been based on a finding of conflict with Community Trade Mark No. 718031. To the extent that it was based on Community Trade Mark Application No. 565887, it was conditional upon the application proceeding to registration.

24. The Hearing Officer's findings, as summarised by me, were as follows:

(1) The distinctive character of the mark **ALEXANDER McQUEEN** resided in the forename/surname combination. Even in the context of the clothing trade, where there are a large number of traders, the full name was inherently distinctive. Taken in the round, the evidence was "*sufficient to establish the Opponent's goodwill under the name ALEXANDER McQUEEN in relation to fashion design and clothing*". With regard to the name as a whole, the closer it came to being used in relation to haute couture the louder and clearer the message of an economic link with the Opponent would be,

(2) The presentational aspect of the mark graphically represented in Community Trade Mark Application No. 565887 contributed to the distinctive character inherently possessed by the mark as a whole. However, the evidence on file did not establish that the distinctive character of the mark as a whole had to any appreciable degree been enhanced through use.

(3) *“There is some evidence of the use of **McQUEEN** solus ... but the evidence does not distinguish between sales under the full name and the surname.”* As to the Applicant’s objection that the Opponent’s reputation did not extend to the surname **McQUEEN** as opposed to the full name **ALEXANDER McQUEEN**: *“I have some sympathy with that view”*. Nevertheless, **McQUEEN** was a relatively uncommon surname (albeit that it was the surname of the well known film actor Steve McQueen). It was a distinctive and dominant component of the mark **ALEXANDER McQUEEN** and a dominant feature of the mark graphically represented in Community Trade Mark Application No. 565887. It was also the element by which the Applicant’s **McQUEEN CLOTHING CO.** marks were likely to be remembered.

(4) The goods specified in the opposed application for registration were covered by Community Trade Mark No. 565796 and Community Trade Mark Application No. 565887. Having regard to the breadth of the respective specifications *“it does not avail the applicant that in practice the parties may have hitherto operated in different areas of the clothing market”*. Current trading patterns were not reflected in either side’s specifications: *“Nor can I see any realistic way of achieving such a separation”*.

(5) There were accordingly similarities (in terms of marks and goods) that would combine to give rise to a likelihood of confusion within the meaning of Section 5(2)(b) of the Act if the Opponent’s and the Applicant’s marks were used concurrently across the width of the specifications of goods for which they were registered and proposed to be registered.

(6) The Applicant’s trade had been directed at a different segment of the clothing market from that of the Opponent, but *“whilst the parties may have addressed separate and distinct parts of the clothing market hitherto, there is nothing in the applicant’s specification which restricts the ambit of his future trade.”* Since the parties had not in the past been targeting an overlapping or approximately similar audience, it could not be said that there had been ‘honest concurrent use’ across the full breadth of their respective specifications.

(7) It was significant that *“the applicant’s specification would not prevent him expanding into, or into close approximation to, the area occupied by the opponent with*

consequent damage to the latter's business." Such expansion would give rise to a likelihood of misrepresentation and damage for which the Applicant could be held liable to the Opponent in passing off. Since the wording of the Applicant's specification of goods left room for such expansion to occur, the opposed application for registration could not be accepted under Section 5(4)(a) of the Act.

The Applicant was ordered to pay the Opponent £900 as a contribution to his costs of the opposition.

The Appeal

25. The Applicant gave notice of appeal to an Appointed Person. It was contended, in substance, that the Hearing Officer had erred:

- (1) by not accepting that the differences between the Applicant's marks and those of the Opponent were sufficient to enable them to be used (as they had been used) concurrently in relation to goods of the kind in issue without giving rise to a likelihood of confusion; and
- (2) by holding that the Opponent was entitled under the law of passing off to prevent the Applicant from using the marks in issue for goods of the kind specified in the opposed application for registration.

It was submitted that any lingering doubts as to the acceptability of the application for registration could be removed by excluding haute couture from the scope of the Applicant's specification of goods.

26. The Opponent maintained that the Hearing Officer's decision should be upheld on the basis that it was clearly right or at the very least not clearly wrong.

Decision

27. I agree with the Hearing Officer in thinking that the Applicant's specification of goods could not realistically be re-written so as to identify the goods of interest to him in terms that would clearly and completely exclude haute couture from the scope of the protection that might be claimed under Sections 5 and 10 of the 1994 Act if the application proceeded to registration.

28. The suggestion that this might be achieved by adding a limitation expressed in negative terms ("*none being items of haute couture*" or "*not including items of haute couture*") also appears to be incompatible with the Judgment of the European Court of Justice in Case C-363/99 Koninklijke KPN Nederland NV v. Benelux Merkenbureau (POSTKANTOOR) 12th February 2004. The Court ruled on a number of questions, the eighth of which was as follows:

Is it consistent with the scheme of the Directive and the Paris Convention for a sign to be registered for specific goods or services subject to the limitation that the registration applies only to those goods and services in so far as they do not possess a specific quality or specific qualities (for example, registration of the sign POSTKANTOOR for the services of direct-mail campaigns and the issue of postage stamps provided they are not connected with the post office)?

The reply to that question was:

Directive 89/104 prevents a trade mark registration authority from registering a mark for certain goods or services on condition that they do not possess a particular characteristic.

29. Paragraphs 111 to 117 of the Judgment confirm that goods and services should not be specified for registration “*only in so far as the goods or services concerned do not possess a particular characteristic*” (paragraph 114). The mischief countered by the ruling of the Court is identified as “*legal uncertainty as to the extent of the protection afforded by the mark*” (paragraph 115). These observations appear to me to prevent the Applicant from identifying the goods of interest to him negatively, by reference to the absence of attributes such as those (whatever they might truly be) of haute couture.

30. That leaves the Applicant with a request for registered trade mark protection which is silent as to matters such as the style and quality of the specified goods. This is normal. The goods of interest to an applicant need to be honestly and fairly identified (see Sections 32(2)(c) and 32(3) of the Act) with sufficient clarity and precision to enable them to be classified in accordance with the Nice Agreement (see Section 34 of the Act and Rules 7 and 8 of the Trade Mark Rules 2000). It is not necessary for the attainment of that objective to refer to characteristics that may be present or absent without changing the nature, function or purpose of the specified goods. However, the distinctiveness (and therefore the registrability) of the relevant trade mark may depend on the presence of one or more such characteristics. If so, they should be specified. But it is seldom necessary for the wording of the specification to be so closely circumscribed as to define the characteristics of the goods of interest to the applicant exhaustively.

31. When assessing the objections to registration in the present case, it is necessary to assume normal and fair use of the marks for which registered trade mark protection has been claimed. The context and manner in which the marks have actually been used by the Applicant and the Opponent in relation to goods of the kind specified may be treated as illustrative (not definitive) of the normal and fair use that must be taken into account. However, the protection claimed by the Opponent independently of registration (i.e. under Section 5(4)(a) of the Act) must relate to the actual and anticipated use of the rival marks.

The Section 5(2)(b) Objection: Community Trade Mark No. 565796

32. The marks in issue are not identical. In order to resolve the objection to registration based on Community Trade Mark No. 565796 it was necessary to assess the net effect of the differences and similarities between the relevant marks from the perspective of the average consumer of the goods concerned. Each mark had to be considered without excision or dismemberment. The differences and the similarities had to be given as much or as little significance as the average consumer would have attached to them at the date of the opposed application for registration.

33. I agree with the Hearing Officer in thinking that the distinctive character of the mark **ALEXANDER McQUEEN** resides in the forename/surname combination. **ALEXANDER** qualifies **McQUEEN** and **McQUEEN** qualifies **ALEXANDER**, just as “*Harry qualifies Potter and vice versa*” (see Reed Executive Plc v. Reed Business Information Ltd [2004] EWCA Civ 159, 3rd March 2004 at paragraph 26 per Jacob L.J.).

34. I also agree with the Hearing Officer in thinking that the distinctive character of the mark **McQUEEN CLOTHING Co** is front-loaded on the word **McQUEEN**.

35. However, I have difficulty with his finding that the presence of the common element **McQUEEN** was sufficient to bring the marks into conflict under Section 5(2)(b).

36. He rightly observed that:

“Most of the evidence goes to use of **ALEXANDER McQUEEN** and to a lesser extent **McQUEEN** rather than the mark in the form shown in No. 565887.” (paragraph 40)

and

“There is some evidence of the use of **McQUEEN** solus ... but the evidence does not distinguish between sales under the full name and the surname. It is also possible to criticise the evidence for not distinguishing adequately between fashion design services and sales of fashion clothing.” (paragraph 64)

Having previously said:

“I do not know how common the surname **McQUEEN** is. My impression (and it is no more than that) is that it is relatively uncommon - a view partially offset by the fact that the well-known actor, Steve McQueen, has that surname.” (paragraph 35)

he went to hold that:

“The evidence suggests nevertheless that the surname is a distinctive and dominant component in as much as references are frequently made to **McQUEEN** on its own - see for instance the press material at TV3.” (paragraph 43)

37. My difficulty is that in these passages of his decision the Hearing Officer has concentrated on the similarities to the exclusion of the differences between the marks in question. That might not have mattered if the marks differed only in respect of elements to which the average consumer would have attached little, if any, significance. However, that was not the case. The finding that the distinctive character of the mark **ALEXANDER McQUEEN** resided in the forename/surname combination necessarily recognised that the word **ALEXANDER** contributed to the distinctiveness of the mark as a whole. By not addressing the significance of its presence in the Opponent's mark and its absence from the Applicant's mark, the Hearing Officer effectively excised it from the earlier trade mark.

38. The evidence on file clearly showed abbreviation of **ALEXANDER McQUEEN** to **McQUEEN** in the context of journalistic material which identified the Opponent by his full name. However, I do not see a sufficient basis in the evidence for the further proposition that **McQUEEN** simpliciter would have been interpreted as a reference to **ALEXANDER McQUEEN** by the average consumer of the goods concerned at the date of the opposed application for registration. I do not accept that in order to be honestly and fairly identified by reference to the designation **McQUEEN** it was necessary, at that date, for such goods to have been connected in the course of trade with the Opponent. On the basis that use of **McQUEEN** was not tantamount to use of **ALEXANDER McQUEEN**, I consider that concurrent use of the marks **ALEXANDER McQUEEN** and **McQUEEN CLOTHING Co** in relation to goods of the kind for which they were respectively registered and proposed to be registered would have involved use of the surname

McQUEEN with additions sufficient to allow the marks to co-exist in the marketplace without giving rise to a likelihood of confusion.

39. For these reasons I consider that the Hearing Officer should not have upheld the objection to registration based on Community Trade Mark No. 565796.

The Section 5(2)(b) Objection: Community Trade Mark Application No. 565887

40. The objection to registration based on Community Trade Mark Application No. 565887 also fell to be resolved in accordance with the approach identified in paragraph 32 above.

41. I agree with the Hearing Officer in thinking that the verbal significance of the earlier Community trade mark was visually, aurally and conceptually dominant notwithstanding the placing of the small letter **c** within the capital letter **Q** in the graphic representation of the mark.

42. It appears to me that concurrent use of the cited trade mark and the **McQUEEN CLOTHING Co** mark in relation to goods of the kind for which they were respectively registered and proposed to be registered would have involved use of the surname **McQUEEN** with additions that were not sufficient to enable the marks to co-exist in the market place without giving rise to a likelihood of confusion.

43. I therefore consider that the Hearing Officer was right to uphold the objection to registration based on Community Trade Mark Application No. 565887. This is subject to the application proceeding to registration: see Section 6(2) of the Act and Article 4(2)(c) of Council Directive 89/104/EEC of 21st December 1988.

The Section 5(4)(a) Objection

44. In support of his objection under Section 5(4)(a), the Opponent alleged that he was entitled in February 1998 to prevent the Applicant from making normal and fair use of the name and mark **McQUEEN CLOTHING CO.** in relation to goods of the kind specified in the opposed application for registration. He claimed to have acquired that right through use of the trade mark **ALEXANDER McQUEEN** in relation inter alia to clothing and fashion accessories since about 1990 (see paragraph 7 above). His claim was based on use which post-dated the Applicant's use of the name and mark **McQUEEN CLOTHING CO.** It was therefore necessary to consider the way in which the rights of the parties would have been resolved in the context of an action for passing off brought by the Opponent against the Applicant in February 1998.

45. I understand the correct approach to be as follows. When rival claims are raised with regard to the right to use a trade mark, the rights of the rival claimants fall to be resolved on the basis that within the area of conflict:

- (a) the senior user prevails over the junior user;
- (b) the junior user cannot deny the senior user's rights;
- (c) the senior user can challenge the junior user unless and until it is inequitable for him to do so.

46. The statutory provisions carried forward into Sections 7, 11 and 12 of the Trade Marks Act 1938 reflected these principles: see CLUB EUROPE Trade Mark [2000] RPC 329 at pages 342 to 344. The principles themselves are, in my view, deducible from:

- (a) the right to protection conferred upon senior users at common law (see CHIPIE Trade Mark [2000] FSR 814 (PC) at pages 818, 819 per Lord Clyde and AL BASSAM Trade Mark [1995] RPC 511 (CA) at page 522 per Morritt L.J.);
- (b) the common law rule that the legitimacy of the junior user's use of the mark in issue must normally be determined as of the date of its inception (see J.C. Penney Co. Inc. v. Penneys Ltd [1975] FSR 367 (CA) at page 381 per Buckley L.J., Cadbury Schweppes Pty Ltd v. Pub Squash Co. Pty. Ltd [1981] RPC 429 (PC) at page 494 per Lord Scarman; Anheuser-Busch Inc v. Budejovicky Budvar NP [1984] FSR 413 (CA) at page 462 per Oliver L.J., page 471 per O'Connor L.J. and page 473 per Dillon L.J.); and
- (c) the potential for co-existence to be permitted in accordance with equitable principles (see GE Trade Mark [1973] RPC 297 (HL) at pages 325 *et seq* per Lord Diplock and Anheuser-Busch Inc. v. Budejovicky Budvar NP [2000] I.P. & T. 617 (CA) at pages 629 and 630 per Peter Gibson L.J., pages 632 and 633 per Judge L.J. and page 637 per Ferris J.)

47. The area of conflict was, for present purposes, defined by the opposed application for registration. I shall assume, contrary to the conclusion I have reached in paragraph 38

above, that the rival marks could not have been used concurrently in that area without giving rise to a likelihood of confusion by reason of the common element **McQUEEN**.

48. The goods of interest to the Applicant appear to have been specified in terms which clearly (as a matter of linguistic expression) and accurately (as a matter of commercial reality) defined the areas of trading activity in which the Appellant could honestly and fairly claim to have engaged under the name and mark **McQUEEN CLOTHING CO.** over many years. The evidence is all one way on this point.

49. Although the goodwill and reputation that the Applicant could claim to have built up and acquired under the name and mark in question does not appear to have covered the whole of the United Kingdom, I consider that it was sufficiently substantial by the early 1990's to justify the conclusion that the Applicant was the senior user in the area of conflict I am now considering: cf Chelsea Man Menswear Ltd. v. Chelsea Girl Ltd [1987] RPC 189 (CA).

50. The wording of the Applicant's specification of goods legitimately omitted to refer to characteristics that might be present or absent without changing the nature, function or purpose of the specified goods. The omission did not demonstrate an intention on the part of the Applicant to use the name and mark **McQUEEN CLOTHING CO.** for every conceivable variety of goods within the wording of the specification. There was no reason to suppose that the opposed application for registration foreshadowed any material change in the way in which the Applicant had previously carried on business. The evidence of the private investigators points to the absence of any desire to associate his business activities with those of the Opponent. I see no basis in equity or at common law

on which the Opponent (as junior user) could have denied the right of the Applicant (as senior user) to make normal and fair use of the name and mark in question for goods of the kind specified in the opposed application.

51. I therefore consider that the Hearing Officer should have rejected the objection under Section 5(4)(a) of the Act for lack of any entitlement on the part of the Opponent to prevent the Applicant from using the name and mark **McQUEEN CLOTHING CO.** in the area of conflict defined by the opposed application for registration, even if (which I do not accept) **ALEXANDER McQUEEN** and **McQUEEN CLOTHING Co** fell to be regarded as deceptively similar marks for the purposes of the notional claim in passing off.

Stay Pending Invalidity Proceedings

52. Prior to the hearing in the Registry, the parties were asked to indicate whether they wished the opposition to be suspended “*until the fate of the CTM applications is known*” (official letter of 18th March 2002). The agents for the Applicant responded on 17th April 2002 saying that “*having considered the matter in consultation with our client it is believed that the opposition should be determined as soon as practically possible*”. The Opponent made no request for suspension of the proceedings.

53. At the hearing of the appeal and subsequently in writing the Applicant asked for the Hearing Officer’s decision relating to the objection based on Community Trade Mark Application No. 565887 to be stayed if it was not reversed. The stay was sought for as long as it might take (potentially several years) to arrive at a final determination of the

invalidity proceedings the Applicant proposes to bring before the Community Trade Marks Office in respect of the Community Trade Mark Application if it proceeds to registration.

54. I understand that a declaration of invalidity would be requested under Article 52(1)(c) of Council Regulation 40/94 of 20th December 1993 on the ground that the conditions of Article 8(4) were satisfied in relation to Community Trade Mark Application No. 565887 at the date on which it was filed. For that purpose the Applicant would contend that he was “*the proprietor of a non-registered trade mark ... used in the course of trade of more than mere local significance*” and that “*the law of the member state governing that sign*” gave him “*the right to prohibit the use of a subsequent trade mark*”. The member state concerned would be the United Kingdom, the law in question would be the law of passing off, the non-registered trade mark would be the trade mark **McQUEEN CLOTHING Co** (or possibly **McQUEEN**) and the subsequent trade mark would be the mark **McQUEEN** in stylised form as shown in paragraph 6 above.

55. The invalidity application would be considered by the Community Trade Marks Office in accordance with the approach identified in Part C, Chapter 4, paragraphs 5.1 et seq. of its Guidelines Concerning Proceedings Before The Office and also in accordance with the guidance provided by decided cases such as McCann-Erikson Advertising Ltd’s Application; Opposition by Momentum Integrated Communications Ltd (Decision No. 2149/2000) [2001] ETMR 52, p.540.

56. There would be room for argument in relation to the question whether the Applicant’s non-registered trade mark was “*of more than mere local significance*”: see

paragraph 5.3.4 of the Guidelines. If it was, the Applicant might be able to claim full protection with regard to the use of the later Community trade mark in the United Kingdom under Article 106(1) of the Regulation. Otherwise he might be left with a claim for regional or local protection in relation to the use of the later Community trade mark “*in the territory where his right is protected in so far as the law of the member state concerned so permits*” under Article 107(1) of the Regulation. These are the so-called “Emmental cheese” provisions of the Community trade mark regime: see Blackstone’s Guide to The Community Trade Mark (1998) by Annand and Norman at pp. 128 to 130. They do at least prevent the proprietor of a Community trade mark from opposing use of an earlier non-registered trade mark “*which only applies to a particular locality*” in the territory where it is protected: Article 107(3).

57. I think I have said enough to indicate that the proposed invalidity action might or might not lead to the removal of the later Community trade mark from the Community Register.

58. National courts and tribunals (other than those designated as “Community trade mark courts” under Article 91 of the Regulation) are in any event not competent to determine whether a Community trade mark is validly registered. They are also required to act in accordance with Article 103 of the Regulation:

A national court which is dealing with an action relating to a Community trade mark, other than the actions referred to in Article 92, shall treat the trade mark as valid.

It was submitted on behalf of the Applicant that the language of this Article should be interpreted restrictively so as to leave the Registrar (and this tribunal on appeal from the Registrar) free to question the validity of a Community trade mark registration in UK Registry proceedings. I do not accept that submission.

59. In substance and reality the Applicant is asking for interim relief in aid of invalidity proceedings he intends to commence before the Community Trade Marks Office. He wants the final determination of the present opposition proceedings in the United Kingdom to be treated as provisional on the basis that Community Trade Mark Application No. 565887 will, if it proceeds to registration, confer protection on the Opponent under the Regulation which can and should be regarded as provisional for the purposes of Section 5(2)(b) of the 1994 Act and Article 4(1)(b) of the Directive pending final determination of the question whether the Community trade mark was validly registered.

60. I do not accept that the Registrar (or this tribunal on appeal from the Registrar) may treat the protection conferred by registration of a Community trade mark as provisional. Article 54(3) of the Regulation specifically confirms that claims for protection can lead to decisions which are legally binding notwithstanding that the trade mark in question may subsequently be found to have been invalidly registered:

(3) Subject to the national provisions relating either to claims for compensation for damage caused by negligence or lack of good faith on the part of the proprietor of the trade mark or to unjust enrichment, the retroactive effect of revocation or invalidity shall not affect:

(a) any decision on infringement which has acquired the authority of a final decision and

been enforced prior to the revocation or invalidity decision;

(b) ...

Although these provisions refer to decisions on “*infringement*”, it was emphasised in paragraph 21 of the Judgment of the European Court of Justice in Case C-39/97 Canon KK v. Metro-Goldwyn-Mayer Inc [1998] ECR I-5507 that “for reasons of legal certainty and proper administration, it is necessary to ensure that trade marks whose use could successfully be challenged before the courts are not registered”. I do not think it would be consistent with that approach and Article 54(3) to treat the protection conferred by registration of a Community trade mark as provisional in opposition proceedings under the 1994 Act. I am reinforced in that view by the presumption of validity imposed by Article 103 of the Regulation.

61. It was none the less open to the Applicant to apply to the Registrar for the present opposition proceedings in the United Kingdom to be held in abeyance pending the outcome of the proposed invalidity proceedings in the Community Trade Marks Office, so that the final determination in the opposition proceedings could be responsive to the final determination in the invalidity proceedings c.f. American Home Products Corporation v. Knoll AG [2002] EWHC 828 (Ch) (Mr. David Kitchen QC). Instead of doing so, he asked for the opposition proceedings to be determined as soon as practically possible (see paragraph 52 above). The Opponent did not disagree.

62. Having willingly accepted the possibility that his application for registration might be refused on the ground of conflict with the pending or granted Community trade mark

rights of the Opponent, the Applicant is not well-placed to complain of the consequences of refusal. He is also not helped by his failure to oppose the conflicting Community Trade Mark Application when it was published for the purposes of opposition. The present opposition proceedings would come to resemble a game of snakes and ladders if I were now to subordinate them to the proposed invalidity proceedings. On the other hand, it appears to me that forward planning would, from a commercial point of view, be assisted more by certainty than prolonged uncertainty as to the status of the application for registration filed by the Applicant on 14th February 1998. I therefore think it would be in the interests of both parties for the present chapter of their dispute to be brought to a conclusion sooner rather than later.

63. On weighing the different factors I have identified above, it appears to me that the opposition should follow the normal course i.e. culminate in a final decision which provides for the refusal of the opposed application for registration if and when Community Trade Mark Application No. 565887 proceeds to registration. I reject the Applicant's request for an order preventing the 'decree nisi' from becoming a 'decree absolute' during the pendency of the invalidity proceedings he proposes to bring before the Community Trade Marks Office in respect of the anticipated Community trade mark registration.

Reference To The European Court of Justice

64. It was submitted on behalf of the applicant that his application for a stay pending the outcome of the proposed invalidity proceedings raised questions as to the interpretation of the Regulation (and perhaps also the Directive) that were not *acte clair*

and which ought to be referred to the European Court of Justice for a ruling under Article 234 of the EC Treaty.

65. I am not “a court or tribunal ... against whose decisions there is no judicial remedy under national law”. It follows that I am permitted, but not required, to make an order for reference to the European Court of Justice if I consider that a ruling on a question of the kind specified in Article 234 is necessary to enable me to give judgment on the present appeal.

66. It can be seen that I have referred to certain provisions of the Regulation and the Directive for the purpose of identifying factors which appeared to me to be relevant to the question whether there should be a stay. The intended effect of the provisions seems to be relatively clear. They could not be said (and were not said) to make it mandatory for a stay to be granted.

67. My decision to refuse the request for a stay is not solely or primarily based on the meaning and significance I have given to those provisions. It is, moreover, procedural and discretionary in character.

68. A reference to the European Court of Justice would of itself give rise to considerable delay – perhaps 18 months or 2 years – in the disposal of the present opposition proceedings. As I have already said, I consider that the interests of the parties are better served by certainty than prolonged uncertainty as to the status of the opposed application for registration.

69. I also note that a measure of restraint is desirable when considering whether it is necessary or appropriate to make an order for reference under Article 234: Anderson References To The European Court 2nd Edn (2002) paras. 5-011 to 5-015.

70. With these considerations in mind, I reject the Applicant's request for a reference to the European Court of Justice.

Conclusion

71. The Hearing Officer's decision will be set aside save in so far as it provides for the refusal of United Kingdom Trade Mark Application No. 2158217 if and when Community Trade Mark Application No. 565887 proceeds to registration.

72. His order for costs will be set aside and replaced with an order giving each of the parties liberty to apply to the Registrar for determination of the question how and by whom the costs of the proceedings in the Registry should be borne and paid following the outcome of Community Trade Mark Application No. 565887.

73. The Applicant's request for the final determination of the present opposition proceedings to be stayed pending the final determination of the invalidity proceedings he proposes to bring before the Community Trade Marks Office if Community Trade Mark Application No. 565887 proceeds to registration is refused.

74. The Applicant's request for a reference to the European Court of Justice under Article 234 of the EC Treaty is refused.

75. Having regard to the outcome of the appeal and to the burden of costs incurred by the Applicant in relation to the matters on which the Applicant has succeeded and the

burden of costs incurred by the Opponent in relation to the matters on which the Applicant has failed, I think it would be fair and proportionate for each party to bear their own costs of the appeal. There will accordingly be no order for costs in relation to the appeal.

Geoffrey Hobbs Q.C.

28th April 2004

Jonathan Hill instructed by Barlin Associates appeared on behalf of the Applicant.

Michael Bilewycz of Markforce Associates appeared on behalf of the Opponent.

The Registrar was not represented.