

O-460-15

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION Nos. 3041387, 3041397 & 3039782
BY CHAMP SPORTS LIMITED
TO REGISTER THE TRADE MARKS**

CHAMP SPORTS

CHAMPSPORTS.co.uk

**AND
champssports.co.uk**

**ALL IN CLASS 35
AND**

**IN THE MATTER OF CONSOLIDATED OPPOSITIONS
THERE TO UNDER Nos. 402304, 402351 & 402488 BY
FL EUROPE HOLDINGS INC.**

BACKGROUND

1) On 8 February 2014, Champ Sports Limited (hereinafter the applicant) applied to register trade mark 3041387 in respect of the following services in class 35: Retails services and on-line retail services connected with the sale of sports clothing, headgear and footwear, all the aforesaid being purchase via a website, the internet and by way of direct marketing; the provision of information and advice in relation to retail services; business management consultancy; provision of advice and assistance in the selection of goods; advertising for others.


2) On 8 February 2014, the applicant applied to register trade mark 3041397 in respect of the following services in class 35: The provision of on-line retail services connected with the sale of sports clothing, headgear and footwear, from an internet website; the provision of retail services connected with the sale of sports clothing, headgear and footwear; the provision of information and advice in relation to retail services; business management consultancy; provision of advice and assistance in the selection of goods; advertising for others.

3) On 28 January 2014, the applicant applied to register trade mark 3039782 in respect of the following services in class 35: The provision of on-line retail services connected with the sale of clothing, headgear and footwear, from an internet website; the provision of retail services connected with the sale of clothing, headgear and footwear, the provision of retail services connected with the sale of clothing, headgear and footwear, by way of direct marketing; the provision of information and advice in relation to retail services; business management consultancy; provision of advice and assistance in the selection of goods; advertising for others.

4) The applications were examined and accepted, and subsequently published for opposition purposes on 14 March 2014 in Trade Marks Journal No.2014/011(3041387), on 21 March 2014 in Trade Marks Journal 2014/012 (3041397) and on 11 April 2014 in Trade Marks Journal No.2014/015 (3039782).

5) On 16 June 2014 (402304), 23 June 2014 (402351) and 8 July 2014 (402488) FL Europe Holdings Inc. (hereinafter the opponent) filed notices of opposition, subsequently amended. The grounds of opposition are in summary:

a) The opponent is the proprietor of the following trade marks:

Mark	Number	Date of application / registration	Class	Specification relied upon
CHAMPS SPORTS	3053285	28.4.14 Not yet registered Priority date: 09.12.13 Priority country: OHIM TM from which priority is claimed: 012402467	35	Retail services and online retail services relating to athletic clothing, footwear, headgear and clothing accessories.
 Colours claimed: Red, Blue And White.	CTM 012488086	09 January 2014 Not yet registered	35	Retail services and online retail services relating to athletic clothing, footwear, headgear and clothing accessories.

- b) The opponent contends that its mark 3053285 and the services for which it is applied for are identical or similar to the mark in suit, the application offends against Sections 5(1) & 5(2)(a) of the Act. Further, its mark CTM 012488086 and the services for which it is applied for are identical or similar to the mark in suit and so the application offends against section 5(2)(b) of the Act.
- c) The opponent states that it, its authorised licensees and/or its associated companies have made extensive use of the opponent's trade marks above in the UK and EU in respect of retail services relating to athletic clothing, footwear, headgear and clothing accessories since 2002 and USA since 1988. As such the mark in suit, without due cause, would take unfair advantage of, be detrimental to, the distinctive character or repute of the opponent's trade marks. The mark in suit therefore offends against Section 5(3) of the Act.
- d) The opponent contends that due to its use of the marks shown above it has a significant reputation and goodwill in the marks such that it is entitled to protection as a well known mark as defined by section 6(1)(c) of the Act. It also contends that use of the mark in suit would be contrary to section 5(4)(a) of the Act as it cause misrepresentation which would result in damage to the opponent including loss of sales, diversion of trade and dilution of goodwill.
- e) The opponent contends that since at least 11 December 2011 the applicant has been aware of the opponent's senior rights in the CHAMPS SPORTS brand. The applicant nevertheless filed its application for an identical/similar mark for identical/similar services. As such the applicant has sought to appropriate the opponent's trade mark and so the application was filed in bad faith and therefore offends against section 3(6) of the Act.
- 6) On 8 September 2014 the applicant filed counterstatements in relation to all three oppositions. It basically denies all the grounds of opposition (other than accepting that the marks are similar), but does not put the opponent to proof of use of its marks, other than to back its 5(3) and 5(4) claims. The applicant also states that it first used its mark in relation to retail services in 1992.
- 7) Both sides filed evidence. Both parties seek an award of costs in their favour. Neither side wished to be heard, but both sides provided written submissions.

OPPONENT'S EVIDENCE

8) The opponent filed two witness statements. The first, dated 5 February 2015, by Stacy Cunningham the Executive Vice President of Marketing for Foot Locker Retail Inc. a position she has held since 2010. She states that her company owns the US rights to the CHAMPS SPORTS trade marks, whilst the UK applications are in the name of an affiliated company. She states that she has access to information from her own and affiliated companies. She states that her company owns CHAMPS SPORTS trade marks in a large number of countries worldwide, including a number in the EU. From her evidence I take the following:

- The opponent has a large number of stores in the USA. Consumers elsewhere in the world can purchase goods via the company's website.
- The opponent promotes its products via US sportsmen in the USA.
- The opponent has a presence on social media such as Facebook, Twitter, Instagram, You Tube and Pinterest and states that 49,000 fans of the Facebook Page reside in the UK.

9) Ms Cunningham provides the following exhibits:

- SC3: copies of pages from the opponent's website which shows all prices in US\$ and no indication of shipping costs etc. to the UK.
- SC4: Copies of invoices to individuals residing in the UK. These cover the period 2008 – 2014 and are in relation to clothing, footwear and headgear.

	Number of invoices	Sales excluding shipping in US\$
2008	1	274
2009	12	1312
2010	12	1076
2011	12	1148
2012	12	1364
2013	12	1174
2014	11	1151

10) The second witness statement, dated 18 February 2015, is by Josephine Dorothy Watt Windich, the opponent's Trade Mark Attorney. She provides the following exhibits:

- JW2: A copy of a certificate issued by Companies House which shows that the applicant changed its name from Centre Active Ltd to Champ Sports Ltd on 31 October 2014.
- JW3: A list of the 540 stores owned by the opponent in the USA, Canada, Puerto Rico and the US Virgin Islands.
- JW4: Copies of pages from the opponent's website which show the details of shipping to countries worldwide including the UK.

APPLICANT'S EVIDENCE

11) The applicant filed a witness statement, dated 1 April 2015, by John Oxenham the Managing Director of the applicant company. He has been with the company since 1994. He states:

"3. The history of Champ Sports Ltd dates back to as far as 1992, which clearly states our trading name in the contract with OMEGACREST Ltd (exhibit 1) also in Ex 1 is a lease for another premises in which we operated from in 1999. The concept of Champ Sports Ltd was brought about when my father (Barry Oxenham) was company director of Riverside Sports Incorporated 25/10/1968 in which I John Oxenham was also made company director in the early 90's. In 1981 riverside sports acquired a sports company – Billy Aird sports Ltd which traded from 12 London Rd Croydon CR0 2TA & the managing director Billy Aird was a Champion Boxer in the 70s all leading documents leading to this featured in Ex 2 highlighted in yellow. Which led us to the affiliation with Champ Sports comes from."

12) He provides the following exhibits:

- JO1: A copy of a lease between Omegacrest Ltd and Centreactive Ltd t/a Champ Sports which relates to a twenty year lease on a shop and is dated 24 June 1992. A copy of an invoice relating to the rental from an estate management company addressed to Centreactive t/a

Champ Sports. An invoice for the rental of another property, dated 31 March 1999 addressed to John Oxenham Champ Sports.

- JO2: A number of documents from the internet which show that a shop at 12 London Road was initially known as Billy Aird Sports and then Riverside Sports then Alan Ross Sports.
- JO3: A variety of invoices from suppliers of goods such as Umbro, Adidas, Nike and Everlast as well as service providers such as BT dated between 19 February 1998 and January 2015. These are all addressed to 232 Walworth Road, London and to Centreactive Ltd T/a Champ Sports; Champ Sports; Champs or Champsports /Centre Active Ltd.
- JO4: Copies of documents from HMRC relating to income tax payments for 2001-02; a notice of overpayment of taxes for 1993/94 both addressed to Champ Sports at 232 Walworth Rd, and a VAT certificate dated February 2015 in the name of Champ Sports Ltd. Also included is a demand from the London Borough of Southwark dated April 2010 addressed to Centreactive Ltd T/a Champ sports.
- JO5: Copies of documents relating to the promotion of the applicant on websites and in publications such as Yell, Cyclex, The Sun and Yellow Pages. All relate to Champ Sports and are dated between 28 August 1996 and 22 January 2015.
- JO10: Entries on Facebook for Champ Sports dating from 18 April 2012.
- JO16: Turnover figures dating from 1993 – 2013. These show turnover averaging approximately £402,000 in the period 1993-1999 inclusive; £476,000 in the period 2000-2010 inclusive and £407,000 in the period 2011 – 2013 inclusive.

OPPONENT'S EVIDENCE IN REPLY

13) The opponent's filed a witness statement, dated 14 May 2015, by James Edward Howarth its Trade Mark Attorney. He makes the following points regarding the applicant's evidence. Given the reputation of the opponent, any use of the mark "Champ Sport" by the applicant "has been carried out with the opponent in mind". He points out that there is a gap in the applicant's evidence as most of it dates from the 1990s and then after 2014 with nothing in the middle. He contends that this means that the applicant has not been using the mark in between. He contends that the name used by the applicant varies with many references including the company name as well as the trading name but in a different order. The twitter and Instagram accounts were set up after the opposition began, and the Facebook page has very few posts. He points out that the turnover figures are not corroborated and in any case only support the proposition "that any goodwill that is owned by the applicant is local and limited".

APPLICANT'S ADDITIONAL EVIDENCE

14) The applicant filed two witness statements, both dated 6 July 2015, by John Oxenham who has previously provided evidence in this case. He states that whilst he has heard of FOOTLOCKER he has not heard of the opponent's CHAMPS SPORTS brand as it has no physical presence in the UK or the EU. He denies creating evidence for the instant case. He points out that the lease on the building was for 20 years so despite it being signed in 1992 it was current until 2012, when another twenty year lease was signed. He states that despite the scepticism of the opponent Billy Aird was a champion boxer and the name was adopted because of this association. He denies closing the shop

in 2000 and then opening it again in 2014 simply for the purposes of the instant case, he states that they have been trading throughout the time stated and provides further invoices at exhibit 2 showing the use made of the mark by the applicant. He states that during the period September 2005 – January 2013 over 140,000 customer transactions (sales) were made. The opponent's OHIM applications were not opposed as the applicant only trades in the UK. He provides the following exhibit:

- Exhibit 2: This includes copies of seven invoices dated between July 2005 and January 2014 for the supply of sports equipment to Champ Sports from companies such as Indigo, Adidas, Trendy trainers and Strikeforce. Also included are bills from BT (dated April 2009) and SagePay (dated May 2013 addressed to Champs Sport Ltd and Champ Sports. Copies of correspondence with a surveyor regarding reducing the rates on 232 Walworth Rd (dated January 2006) and a letter from Southwark Council demanding payment of rates dated June 2009 addressed to Champ Sports and Centreactive Ltd t/a Champ Sports respectively are provided. Copies of various till receipts relating to sales and exchanges between September 2005 and April 2014 are also provided. Copies of invoices and orders, in respect of sports clothing, footwear and headgear, issued by the applicant on headed notepaper which shows the trading name only are provided and date between January 2001 and November 2003
- . He also provides copies of letters from HSBC (4); Barclays (3); Lloyds TSB (3) and Coutts (1) to Champ Sports regarding cheques which have been stopped due to their having been stolen and reply correspondence from the applicant to the banks. These are dated between May 1997 and January 2008.

15) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

16) I shall first consider the ground of opposition under section 5(4)(a) which reads:

“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

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.”

17) In deciding whether the marks in question offend against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the *WILD CHILD* case [1998] RPC 455. In that decision Mr Hobbs stated that:

“The question raised by the grounds of opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the applicant from those of other undertakings (see section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Article 4(4)(b) of the Directive and section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the applicant in accordance with the law of passing off.

A helpful summary of the elements of an action for passing off can be found in Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165. The guidance given with

reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731 is (with footnotes omitted) as follows:

‘The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff’s 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 defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

18) I also note the comments of Pumfrey J in *South Cone Incorporated v JackBessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* case, in which he said:

“27. 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 Section 11 of the 1938 Act (See *Smith Hayden (OVAX)* (1946) 63 RPC 97 as qualified by *BALI* [1969] RPC 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.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised the applicant must rebut the prima facie case. Obviously he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur.”

19) I must also keep in mind the comments of Mr Justice Floyd in *Minimax GMBH & Co KG and Chubb Fire Limited* [2008] EWHC 1960 (Pat) in which he says of the above:

“Those observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent’s reputation extends to the goods comprised in the application in the applicant’s specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

20) First I must determine the date at which the opponent’s claim is to be assessed; this is known as the material date. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC as the Appointed Person considered the relevant date for the purposes of s.5(4)(a) of the Act and concluded as follows:

“39. In *Last Minute*, the General Court....said:

‘50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.’

40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd* O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the *prima facie* date for determination of the opponent’s goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom’s TM* [2005] RPC 2 at [46] (omitting case references):

- (a) The right to protection conferred upon senior users at common law;
- (b) The common law rule that the legitimacy of the junior user’s mark in issue must normally be determined as of the date of its inception;
- (c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: “date of commencement of the conduct complained of”. If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.’ ”

21) The filing dates of the applications (28 January 2014 & 8 February 2014) are, therefore, the material dates. However, if the applicant has used their trade marks prior to this then this use must also be taken into account. It could, for example, establish that the applicant is the senior user, or that there had been common law acquiescence, or that the status quo should not be disturbed; any of which could mean that the applicant’s use would not be liable to be prevented by the law of passing-off – the comments in *Croom’s Trade Mark Application* [2005] RPC 2 and *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42 refer. There is clear evidence that the applicant has used its mark since 1992.

22) For its part the opponent contends that it has used its marks (as shown in paragraph 5) in the UK since 2002. However, it has not provided any evidence of sales to retail outlets in the UK, nor does the opponent own any outlets itself in the UK or the EU. It relies solely upon sales from its website to individuals in the UK. However, the website is priced solely in US\$ and whilst it does provide shipping to the UK it has shown no evidence of advertising in the UK, instead it relies upon social media comments, most of which appear to be generated in the USA with the odd comment from UK residents, possibly American ex-pats working and/or living in the UK. There is no evidence of the opponent targeting UK consumers and actively seeking a UK market. Instead it relies upon the very small amounts of spillover from its US based operations. It has shown invoices for each of the years from 2008-2014 but these show paltry sums of less than US\$1,100 per annum (approximately £800). I note that the invoices to the UK consumers are all in US\$. The opponent mistakenly seems to believe that indications that it is well known in the USA are enough to give it reputation in the UK.

23) I take into account the comments of Mr Arnold Q.C. (as he was) acting as the Appointed Person in *POLICE* [2004] RPC 35 where he said:

“50. As I read paragraphs 37-39 of the judgment in *Ansul*, what the Court of Justice is saying is that the key question is whether the use is real, that is to say, whether the purpose of the use is to create or maintain a market for goods or services marketed under or by reference to the trade mark in question. In assessing the genuineness of any use that has been made, regard must be had to all relevant facts and circumstances, and in particular (but without limitation) the nature of the goods or services, the characteristics of the market for those goods or services and the scale and frequency of the use. It follows that the extent of the use is a relevant consideration, and in a borderline case it may be an important factor. In my judgment this does not mean that use which would otherwise qualify as genuine can fail to be genuine merely because it is on a small scale.”

24) I also take into account the views in *Neutrogena Corporation and Another v Golden Limited and Another*, [1996] RPC 473, where Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by *Lord Oliver of Aylmerton in Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

25) It is clear that the opponent is relying solely upon sales from its website based in the USA, priced in US\$. It has not, to my mind, sought “to create or maintain a market” for its goods in the UK under the marks upon which it relies. It has not shown that it enjoys goodwill or reputation in the UK and it has singularly failed to show that a “substantial number” of the UK public know about its marks or goods let alone that they would be misled. By contrast the applicant has provided a cogent narrative in respect of the use of its marks. The creation of the mark in connecting to, at that time, a local hero in boxer Billy Aird is perfectly reasonable and believable. The use over the years since 1992 has been consistent, initially being used as a trading name and latterly the name of the limited company. The applicant has provided leases for retail outlets, utility bills, purchase and sales invoices and also correspondence with banks, councils and other professional companies. I have no doubt that the applicant has used its mark in respect to retailing sporting goods. The opponent has failed to show that it had goodwill at the relevant dates of 8 January 2014, 8 February 2014 let alone 1992. **The ground of opposition under section 5(4)(a) therefore fails.**

26) I next turn to the ground of opposition under section 5(3) which reads:

“5. (3) A trade mark which-

- (a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark or international trade mark (EC), in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

27) The opponent is relying only upon CTM 012488086 and UK 3053285 both, broadly speaking, for the words CHAMPS SPORTS (applied for in respect of, broadly, the retail of sports clothing, footwear and headgear) under this ground of opposition. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L'Oreal v*

Bellure [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors, paragraph 24*.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors, paragraph 26*.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman, paragraph 29* and *Intel, paragraph 63*.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious likelihood that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74* and the court's answer to question 1 in *L'Oreal v Bellure*).

28) The onus is upon the opponent to prove that its earlier trade marks enjoys a reputation or public recognition in the UK and it needs to furnish the evidence to support this claim. To my mind, the opponent has failed to provide such evidence, see paragraphs 22 and 25 above. In my opinion its

marks do not enjoy such a reputation in respect of sports clothing, footwear and headgear and so it falls at the first hurdle. **The opposition under Section 5(3) therefore fails.**

29) The opponent has also sought to rely upon section 56 of the Act which reads:

“56.-(1) References in this Act to a trade mark which is entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark are to a mark which is well-known in the United Kingdom as being the mark of a person who -

- (a) is a national of a Convention country, or
- (b) is domiciled in, or has a real and effective industrial or commercial establishment in, a Convention country,

whether or not that person carries on business, or has any goodwill, in the United Kingdom.

References to the proprietor of such a mark shall be construed accordingly.

(2) The proprietor of a trade mark which is entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark is entitled to restrain by injunction the use in the United Kingdom of a trade mark which, or the essential part of which, is identical or similar to his mark, in relation to identical or similar goods or services, where the use is likely to cause confusion.

This right is subject to section 48 (effect of acquiescence by proprietor of earlier trade mark).

(3) Nothing in subsection (2) affects the continuation of any *bona fide* use of a trade mark begun before the commencement of this section.”

30) To my mind the opponent has not provided evidence that its mark is well known even in the USA. In any event the applicant has shown that in respect of the UK it is the senior user and therefore it cannot be affected by this provision. **The ground of opposition under section 56 fails.**

31) I next turn to the ground of opposition based on section 3(6) which reads:

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

32) Section 3(6) has its origins in Article 3(2)(d) of the Directive, which implements Council Directive No. 89/104/EEC of 21 December 1988 which states:

“Any Member State may provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where and to the extent that....

(c) the application for registration of the trade mark was made in bad faith by the applicant.”

33) I refer to case O/094/11 *Ian Adam* where Mr Hobbs QC acting as the Appointed Person said:

“32. Any attempt to establish bad faith must allow for the fact that there is nothing intrinsically wrong in a person exercising *‘the right to apply the rules of substantive and procedural law in the way that is most to his advantage without laying himself open to an accusation of abuse of rights’* as noted in paragraph [121] of the Opinion delivered by Advocate General Trstenjak in

Case C-482/09 Budejovicky Budvar NP v. Anheuser-Busch Inc on 3 February 2011. In paragraph [189] of his judgment at first instance in Hotel Cipriani SRL v. Cipriani (Grosvenor Street) Ltd [2009] EWHC 3032 (Ch); [2009] RPC 9 Arnold J. likewise emphasised:

“... that it does not constitute bad faith for a party to apply to register a Community trade mark merely because he knows that third parties are using the same mark in relation to identical goods or services, let alone where the third parties are using similar marks and/or are using them in relation to similar goods or services. The applicant may believe that he has a superior right to registration and use of the mark. For example, it is not uncommon for prospective claimants who intend to sue a prospective defendant for passing off first to file an application for registration to strengthen their position. Even if the applicant does not believe that he has a superior right to registration and use of the mark, he may still believe that he is entitled to registration. The applicant may not intend to seek to enforce the trade mark against the third parties and/or may know or believe that the third parties would have a defence to a claim for infringement on one of the bases discussed above. In particular, the applicant may wish to secure exclusivity in the bulk of the Community while knowing that third parties have local rights in certain areas. An applicant who proceeds on the basis explicitly provided for in Art. 107 can hardly be said to be abusing the Community trade mark system.”

These observations were not called into question in the judgment of the Court of Appeal in that case: [2010] EWCA Civ 110; [2010] RPC 16. They were re-affirmed by Arnold J. in Och-Ziff Management Europe Ltd v. Och Capital LLP [2011] ETMR 1 at paragraph [37].

33. The line which separates legitimate self-interest from bad faith can only be crossed if the applicant has sought to acquire rights of control over the use of the sign graphically represented in his application for registration in an improper manner or for an improper purpose. The appropriate remedy will in that case be rejection of the offending application for registration to the extent necessary to render it ineffective for the purpose which made it objectionable in the first place.

34. In a case where the relevant application fulfils the requirements for obtaining a filing date, the key questions are: (1) what, in concrete terms, is the objective that the applicant has been accused of pursuing? (2) is that an objective for the purposes of which the application could not properly be filed? (3) is it established that the application was filed in pursuit of that objective? The first question serves to ensure procedural fairness and clarity of analysis. The second question requires the decision taker to apply a moral standard which, in the absence of any direct ruling on the point from the Court of Justice, is taken to condemn not only dishonesty but 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’*: Gromax Plastics Ltd v. Don & Low Nonwovens Ltd [1999] RPC 367 at 379 (Lindsay J). The third question requires the decision taker to give effect to the principle that innocence must be presumed in the absence of evidence sufficient to show that the applicant has acted improperly as alleged.

35. In assessing the evidence, the decision taker is entitled to draw inferences from proven facts provided that he or she does so rationally and without allowing the assessment to degenerate into an exercise in speculation. The Court of Justice has confirmed that there must be an overall assessment which takes into account all factors relevant to the particular case: Case C-529/07 Chocoladefabriken Lindt & Sprüngli AG v. Franz Hauswirth GmbH [2009] ECR I-4893 at paragraph [37]; Case C-569/08 Internetportal und Marketing GmbH v. Richard Schlicht [2010]

ECR I-00000 at paragraph [42]. As part of that assessment it is necessary as part of that approach to consider the intention of the applicant at the time when the application was filed, with intention being regarded as a subjective factor to be determined by reference to the objective circumstances of the particular case: Chocoladefabriken Lindt & Sprüngli GmbH (above) at paragraphs [41], [42]; Internetportal and Marketing GmbH (above) at paragraph [45]. This accords with the well-established principle that ‘national courts may, case by case, take account -on the basis of objective evidence -of abuse or fraudulent conduct on the part of the persons concerned in order, where appropriate, to deny them the benefit of the provisions of Community law on which they seek to rely’: Case C16/05 The Queen (on the applications of Veli Tum and Mehmet Dari) v. Secretary of State for the Home Department [2007] ECR I-7415 at paragraph [64].

36. The concept of assessing subjective intention objectively has recently been examined by the Court of Appeal in the context of civil proceedings where the defendant was alleged to have acted dishonestly: Starglade Properties Ltd v. Roland Nash [2010] EWCA Civ 1314 (19 November 2010). The Court considered the law as stated in Royal Brunei Airlines v. Tan [1995] 2 AC 378 (PC), Twinsectra Ltd v Yardley [2002] 2 AC 164 (HL), Barlow Clowes International Ltd v. Eurotrust International Ltd [2006] 1 WLR 1476 (PC) and Abu Rahman v. Abacha [2007] 1 LL Rep 115 (CA). These cases were taken to have decided that there is a single standard of honesty, objectively determined by the court and applied to the specific conduct of a specific individual possessing the knowledge and qualities that he or she actually possessed: see paragraphs [25], [28], [29] and [32]. This appears to me to accord with treating intention as a subjective factor to be determined by reference to the objective circumstances of the particular case, as envisaged by the judgments of the Court of Justice relating to the assessment of objections to registration on the ground of bad faith.”

34) In the case of *Red Bull GmbH v Sun Mark Limited, Sea Air & Land Forwarding Limited* [2012] EWCH 1929 (Ch) Arnold J. Set out the general principles of what constitutes “Bad Faith” as follows:

“130 A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/ Article 3(2)(d) of the Directive/ Article 52 (1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, “Bad faith in European trade mark law” [2011] IPQ 229.)

131 First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see Case-529/07 *Chocoladefabriken Lindt & Sprungli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132 Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2009] EHW 3032 (Ch), [2009] RPC 9 at [167] and cf. Case C-259/02 *La Mer Technology Inc. V Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and Case C-192/03 *Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133 Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207–2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke*

Kunststoffe GmbH v Astral Property Pty Ltd (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134 Fourthly, bad faith includes not only dishonesty, but 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”: see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

135 Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].

136 Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

137 Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

138 Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth* :

“41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48).”

35) It is well established (*Chocoladenfabriken Lindt & Sprungli AG v Franz Hauswirth GmbH; Nonogram Trade Mark* [2001] RPC 21 and *Hotpicks Trade Mark* [2004] RPC 42) that the relevant date for consideration of a bad faith claim are the application's filing date or at least a date no later than that. In the instant case the relevant dates are 28 January 2014 and 8 February 2014.

36) In asserting that the marks were applied for in bad faith, the onus rests with the opponent to make a prima facie case. A claim that a mark was applied for in bad faith implies some action by the applicant which a reasonable person would consider to be unacceptable behaviour or, as put by Lindsay J. in the *Gromax* trade mark case [1999] RPC 10:

“includes some dealings which fall short of the standards of acceptable commercial behaviour”.

37) The issue must be determined on the balance of probabilities. On the basis of these authorities it is clear that a finding of bad faith may be made in circumstances which do not involve actual dishonesty. Furthermore, it is not necessary for me to reach a view on the applicant's state of mind regarding the application for registration if I am satisfied that its actions in applying for the mark in the light of all the surrounding circumstances would have been considered contrary to normally accepted standards of honest conduct.

38) In the instant case, it is clear that the mark was used by the applicant and at the date of the application had been in use for approximately twenty two years. It is also clear that the opponent has yet to use its marks in the UK. The applicant was perfectly entitled to believe that it had a right to register the mark in suit. The opponent contends that the applicant's failure to oppose its application at OHIM is a tacit admission that it has no genuine basis on which to oppose the opponent's OHIM application. This is arrant nonsense. Just because the applicant did not oppose the opponent's OHIM application does not mean that it has no basis upon which to oppose it simply means that the applicant, erroneously, thought that the opponent gaining a registration would make no difference to them as they only trade in the UK. The applicant is mistaken as if the opponent gains a trade mark registration at OHIM it may prevent the applicant registering its mark in the UK. However, it will not prevent them from seeking to have the opponent's OHIM registration declared invalid or from still trading under the name on the basis of its earlier adoption. **The applications were not filed in bad faith and so the ground of opposition under section 3(6) fails.**

39) I now turn to the last ground of opposition which is under section 5(2)(b) which reads:

“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.”

40) An “earlier trade mark” is defined in section 6, the relevant part of which states:

“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.”

41) The opponent is relying upon its trade marks listed in paragraph 5 above. Neither are registered but the OHIM mark was applied for prior to the applicant's applications. As regard to the opponent's UK application although filed after the applicant's three applications, it seeks to rely upon an earlier OHIM mark. Given the interplay between the date that the opponent's marks were applied for / priority dates and the dates that the applicant's marks were published, section 6A of the Trade Marks Act does not come into play.

42) When considering the issue under section 5(2)(b) I take into account the following principles which are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

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

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) 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;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

The average consumer and the nature of the purchasing decision

43) As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods. I must then determine the manner in which these goods are likely to be selected by the average consumer in the course of trade. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

44) Both parties' specifications relate to retail services of sports clothing, footwear and headgear. The average consumer for such retail services is the general public including businesses. If they are looking to set up their own business as a retail outlet and seeking to license the use of the marks from the parties the initial selection will be mainly visual from seeing use of the mark in advertising in magazines, the internet or on shop fronts. Before concluding a license deal there would probably be face to face meetings and I also have to take into account the possibility of recommendations so aural considerations have to be taken into account. Similarly, if the average consumer is simply the general public wishing to purchase the sports clothing, footwear and headgear then the initial selection of where to buy is likely to be visual as such goods will be sold in, inter alia, traditional retail outlets on the high street, through catalogues and on the Internet. As neither party's specifications are limited I must keep all of these trade channels in mind. The average consumer of the sporting goods at issue is a member of the general public who is likely, in my opinion, to select the services mainly by visual means. The term “general public” also includes businesses, such as the retail outlets who must obtain their stock from somewhere. I accept that more expensive items of the actual goods may, for example, be researched or discussed with a member of staff, the latter bringing aural considerations into play. In this respect I note that in *New Look Ltd v OHIM Cases T-117/03 to T-119/03 and T-171/03*, the General Court (GC) said this about the selection of clothing:

“50. Generally in clothes shops customers can themselves either choose the clothes they wish to buy or be assisted by the sales staff. Whilst oral communication in respect of the product and the trade mark is not excluded, the choice of the item of clothing is generally made visually. Therefore, the visual perception of the marks in question will generally take place prior to purchase. Accordingly, the visual aspect plays a greater role in the global assessment of the likelihood of confusion.”

45) In the same case the Court also commented upon the degree of care the average consumer will take when selecting clothing. It said:

“43. It should be noted in this regard that the average consumer’s level of attention may vary according to the category of goods or services in question (see, by analogy, Case C 342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 26). As OHIM rightly pointed out, an applicant cannot simply assert that in a particular sector the consumer is particularly attentive to trade marks without supporting that claim with facts or evidence. As regards the clothing sector, the Court finds it comprises goods which vary widely in quality and price. Whilst it is possible that the consumer is more attentive to the choice of mark where he or she buys a particularly expensive item of clothing, such an approach on the part of the consumer cannot be presumed without evidence with regard to all goods in that sector. It follows that that argument must be rejected.”

46) Clearly, the average consumer’s level of attention will vary considerably depending on the cost and nature of the item at issue. However, to my mind even when selecting routine inexpensive items of clothing such as socks, the average consumer will pay attention to considerations such as size, colour, fabric and cost. **Overall the average consumer whether for the actual goods or for a license to set up their own retail outlet is likely to pay a reasonable degree of attention to the selection of items of clothing. To my mind it is obvious that the same considerations apply to both footwear and headgear and the franchise or licensing of the trade marks.**

Comparison of services

47) In the judgment of the CJEU in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

48) The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

- a) The respective users of the respective goods or services;
- b) The physical nature of the goods or acts of services;
- c) The respective trade channels through which the goods or services reach the market;
- d) In the case of self serve consumer items, where in practice 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;
- e) 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.

49) I also take into account the comments of Jacob J. in *Avnet Incorporated v. Isoact Ltd* [1998] FSR 16 where he said:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

50) The services of the two parties are:

Applicant's services	Opponent's services
3041387: class 35: Retails services and on-line retail services connected with the sale of sports clothing, headgear and footwear, all the aforesaid being purchase via a website, the internet and by way of direct marketing; the provision of information and advice in relation to retail services; business management consultancy; provision of advice and assistance in the selection of goods; advertising for others.	3053285: Class 35: Retail services and online retail services relating to athletic clothing, footwear, headgear and clothing accessories.
3041397: class 35: The provision of on-line retail services connected with the sale of sports clothing, headgear and footwear, from an internet website; the provision of retail services connected with the sale of sports clothing, headgear and footwear; the provision of information and advice in relation to retail services; business management consultancy; provision of advice and assistance in the selection of goods; advertising for others.	CTM 012488086: class 35: Retail services and online retail services relating to athletic clothing, footwear, headgear and clothing accessories.
3039782: class 35: The provision of on-line retail services connected with the sale of clothing, headgear and footwear, from an internet website; the provision of retail services connected with the sale of clothing, headgear and footwear, the provision of retail services connected with the sale of clothing, headgear and footwear, by way of direct marketing; the provision of information and advice in relation to retail services; business management consultancy; provision of advice and assistance in the selection of goods; advertising for others.	

51) As the services of the opponent's two marks are identical I need only carry out a single comparison. In respect of the applicant's 3041387 application "Retails services and on-line retail services connected with the sale of sports clothing, headgear and footwear, all the aforesaid being purchase via a website, the internet and by way of direct marketing; the provision of information and advice in relation to retail services; provision of advice and assistance in the selection of goods;" are clearly encompassed by the opponent's specification of "Retail services and online retail services relating to athletic clothing, footwear, headgear and clothing accessories". As such these services are identical.

52) With regard to the remainder of the applicant's 3041387 specification "business management consultancy; advertising for others" the opponent simply comments that these are an integral part of the retail services but without providing reasons why they should be regarded in this manner. To my mind the provision of "business management consultancy" is not part of retailing nor is "advertising for others" because these are services which tend to be supplied by specialists in such areas such as management consultants and advertising agencies not retailers of sporting goods. I therefore regard these services as dissimilar to the services of the opponent.

53) Turning to the applicant's 3041397 mark "The provision of on-line retail services connected with the sale of sports clothing, headgear and footwear, from an internet website; the provision of retail services connected with the sale of sports clothing, headgear and footwear; the provision of information and advice in relation to retail services; provision of advice and assistance in the selection of goods;" are clearly encompassed by the opponent's specification of "Retail services and online retail services relating to athletic clothing, footwear, headgear and clothing accessories". As such these services are identical.

54) With regard to the remainder of the applicant's 3041397 specification "business management consultancy; advertising for others" the opponent simply comments that these are an integral part of the retail services but without providing reasons why they should be regarded in this manner. To my mind the provision of "business management consultancy" is not part of retailing nor is "advertising for others" for the same reasons as above. I therefore regard these services as dissimilar to the services of the opponent.

55) In respect of the applicant's 3039782 application "The provision of on-line retail services connected with the sale of clothing, headgear and footwear, from an internet website; the provision of retail services connected with the sale of clothing, headgear and footwear, the provision of retail services connected with the sale of clothing, headgear and footwear, by way of direct marketing; the provision of information and advice in relation to retail services; provision of advice and assistance in the selection of goods;" are clearly encompassed by the opponent's specification of "Retail services and online retail services relating to athletic clothing, footwear, headgear and clothing accessories". As such these services are identical.

56) With regard to the remainder of the applicant's 3039782 specification "business management consultancy; advertising for others" the opponent simply comments that these are an integral part of the retail services but without providing reasons why they should be regarded in this manner. To my mind the provision of "business management consultancy" is not part of retailing nor is "advertising for others" for the same reasons as above. I therefore regard these services as dissimilar to the services of the opponent.

Comparison of trade marks

57) It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by them, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in *Case C-591/12P, Bimbo SA v OHIM*, that:

".....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and

then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

58) It would be wrong, therefore, artificially to dissect the trade marks, although, it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by them. The trade marks to be compared are:

Opponent's trade marks	Applicants' trade marks
3053285: CHAMPS SPORTS	3041387 CHAMP SPORTS
CTM 012488086  Colours claimed: Red, Blue And White.	3041397 CHAMPSPORTS.co.uk 3039782 champssports.co.uk

59) The opponent's mark 3053285 appears in all three of the applicant's marks, albeit in the singular version "CHAMP" not "CHAMPS". I do not believe that the average consumer will pay much attention to the difference between the singular and plural versions of the same word. There are additional elements in the applicant's marks 3041397 and 3039782 but these elements relate to a website address and again will be largely ignored by the average consumer. Visually and aurally the applicant's three marks are highly similar to the opponent's mark 3053285 and conceptually whatever message they send will be, in the case of 3041387, identical and in relation to 3041397 and 3039782 highly similar as the ".co.uk" element simply indicates a different or alternative supply route from the same origin.

60) As previously I do not believe that the average consumer will pay much attention to the difference between the singular and plural versions of the same word (CHAMP/CHAMPS). The opponent's mark 012488086 has a device element and the word "CHAMPS" is stylised. However, despite this the opponent's mark is highly similar to the applicant's mark 3041387. There are additional elements in the applicant's marks 3041397 and 3039782 but these elements relate to a website address and again will be largely ignored by the average consumer. Visually and aurally the applicant's three marks are at least similar to a medium degree to the opponent's mark 012488086 and conceptually whatever message they send will be, in the case of 3041387, identical and in relation to 3041397 and 3039782 highly similar as the ".co.uk" element simply indicates a different or alternative supply route from the same origin.

Distinctive character of the earlier trade marks

61) In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of 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 has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

62) In *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, Mr Iain Purvis Q.C. as the Appointed Person pointed out that the level of ‘distinctive character’ is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar. He said:

“38. The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that ‘the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion’. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it.’

40. In other words, simply considering the level of distinctive character possessed by the earlier mark is not enough. It is important to ask ‘in what does the distinctive character of the earlier mark lie?’ Only after that has been done can a proper assessment of the likelihood of confusion be carried out”.

63) The opponent’s mark 3053285 consists of two well known English words. The term “CHAMPS” will be seen as a short hand version of the word “champions”. It is relatively commonplace to refer to successful teams or sportsmen as champions/champ. The second word “SPORTS” when used on a retail outlet for sports clothing etc will clearly be seen as a reference to the goods being sold. The distinctive and dominant element is the word “CHAMPS”.

64) Turning to the opponent’s mark 012488086 whilst this has a device element, and the word CHAMPS is stylised it is nonetheless obvious that the distinctive and dominant element is the word “CHAMPS”. The second word “SPORTS” when used on a retail outlet for sports clothing etc. will clearly be seen as a reference to the goods being sold.

65) Both of the opponent's marks are inherently distinctive to an average degree but cannot benefit from enhanced distinctiveness as the opponent has not shown that it has a reputation in the UK or EU.

Likelihood of confusion

66) In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective services and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of the opponent's trade mark as the more distinctive this trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the services, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind. Earlier in this decision, I concluded that:

- the average consumer is a member of the general public (including businesses), who will select the services / goods by predominantly visual means, although not discounting aural considerations and that the degree of care and attention they pay will vary enormously depending upon cost;
- In relation to all three of the applicant's marks the majority of the services are identical to those of the opponent with the exception in each of the three marks of the services "business management consultancy" and "advertising for others" which are not similar.
- Visually and aurally the applicant's three marks are highly similar to the opponent's mark 3053285 and conceptually whatever message they send will be, in the case of 3041387, identical and in relation to 3041397 and 3039782 highly similar as the ".co.uk" element simply indicates a different or alternative supply route from the same origin. Visually and aurally the applicant's three marks are at least similar to a medium degree to the opponent's mark 012488086 and conceptually whatever message they send will be, in the case of 3041387, identical and in relation to 3041397 and 3039782 highly similar as the ".co.uk" element simply indicates a different or alternative supply route from the same origin.
- the opponent's earlier trade mark has an average level of inherent distinctiveness in relation to retail services relating to sports clothing, footwear and headgear but cannot benefit from an enhanced distinctiveness as the evidence of use was in not sufficient.

67) In view of the above and allowing for the concept of imperfect recollection, there is a likelihood of consumers being confused into believing that the services listed below in class 35 provided by the applicant are those of the opponent or provided by some undertaking linked to them. **The opposition under Section 5(2) (b) therefore succeeds in relation to all three marks in relation to the following services:**

3041387: "Retail services and on-line retail services connected with the sale of sports clothing, headgear and footwear, all the aforesaid being purchase via a website, the internet and by way of direct marketing; the provision of information and advice in relation to retail services; provision of advice and assistance in the selection of goods".

3041397: “The provision of on-line retail services connected with the sale of sports clothing, headgear and footwear, from an internet website; the provision of retail services connected with the sale of sports clothing, headgear and footwear; the provision of information and advice in relation to retail services; provision of advice and assistance in the selection of goods”.

3039782: “The provision of on-line retail services connected with the sale of clothing, headgear and footwear, from an internet website; the provision of retail services connected with the sale of clothing, headgear and footwear, the provision of retail services connected with the sale of clothing, headgear and footwear, by way of direct marketing; the provision of information and advice in relation to retail services; provision of advice and assistance in the selection of goods”.

68) In view of the above and allowing for the concept of imperfect recollection, there is no likelihood of consumers being confused into believing that the services listed below in class 35 provided by the applicant are those of the opponent or provided by some undertaking linked to them. **The opposition under Section 5(2) (b) therefore fails in relation to all three marks in relation to the following services:**

“business management consultancy; advertising for others”

CONCLUSION

69) As neither of the opponent’s marks relied upon under section 5(2)(b) are yet registered the above finding must be regarded as provisional, dependent upon the opponent’s marks achieving registration. As such I decline to comment upon costs at this stage. Once the outcome of the opponent’s own applications is known I will consider the final outcome and comment upon costs at that time.

Dated this 5th day of October 2015

**George W Salthouse
For the Registrar,
the Comptroller-General**