

O-120-18




**TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No. 3136556
BY SATISH KUMAR MURGAI
TO REGISTER THE TRADE MARK
CLARK
IN CLASS 25**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER No. 406563 BY
C & J CLARK INTERNATIONAL LIMITED**

BACKGROUND

- 1) On 17 November 2015, Satish Kumar Murgai (hereinafter the applicant) applied to register the trade mark CLARK in respect of the following goods in Class 25: Clothing and headwear.
- 2) The application was examined and accepted, and subsequently published for opposition purposes on 5 February 2016 in Trade Marks Journal No.2016/006.
- 3) On 17 June 2016 C & J Clark International Limited (hereinafter the opponent) filed a notice of opposition, subsequently amended. The opponent is the proprietor of the trade marks shown below:

Mark	Number	Dates of filing & registration	Class	Relevant Specification
 CLARKS A series of two marks	2309427	31.08.02 31.01.03	25	Clothing, footwear and headgear.
	1116735	29.06.79 05.05.89	25	Hosiery and socks for men, women and children.
CLARKS	504405A	11.07.29 11.07.29	25	Boots, shoes and slippers; none being for export from the United Kingdom.
	629852A	12.06.44 12.06.44	25	Boots, shoes, and slippers.
CLARKS	EU 12953584	10.06.14 24.03.15	25	Clothing; footwear; boots; shoes; slippers; headgear; belts for wear; parts and fittings (including replacement parts and fittings) for all the aforesaid goods, and accessories for use therewith, including inner socks for footwear, heel tips, heel protectors and heel pads.

<i>Clarks</i>	EU 4256681	25.01.05 20.01.06	25	Clothing; footwear; headgear; belts for wear; parts and fittings (including replacement parts and fittings) for all the aforesaid goods, and accessories for use therewith, including inner socks for footwear, heel tips, heel protectors and heel pads.
<i>Clarks</i>	EU 12952933	09.06.14 19.03.15	25	Clothing; footwear; boots; shoes; slippers; headgear; belts for wear; parts and fittings (including replacement parts and fittings) for all the aforesaid goods, and accessories for use therewith, including inner socks for footwear, heel tips, heel protectors and heel pads.
CLARKS ORIGINALS	3111729	03.06.15 21.08.15	25	Footwear; Shoes; Boots; Slippers; Clothing; Headgear; Soles for footwear; Insoles; Outer soles; Footwear uppers; Heels; Tongues for shoes and boots; Hosiery; Socks; Inner socks for footwear; parts and fittings for all the aforesaid goods.

- a) The opponent contends that its mark and the mark applied for are very similar and that the goods applied for are similar to the goods for which the earlier marks are registered. As such the mark in suit offends against Section 5(2)(b) of the Act.
- b) The opponent also contends that it has used its marks since 1927, that it sells 50 million pairs of shoes worldwide each year, operates 1300 shops globally and employs 15,000 people. As such it has a substantial reputation. It states that the similarity between the marks and businesses is such that there is a likelihood of consumers assuming a link. Use of the mark in suit will take unfair advantage of the opponent's reputation and could damage said reputation. It contends that the mark in suit offends against section 5(3) of the Act.

c) The opponent contends that due to its use of the sign CLARKS and its registered marks, use of the mark in suit will lead to misrepresentation and cause damage to its reputation through dilution of the brand and diversion of sales. The mark is suit therefore offends against Section 5(4)(a) of the Act.

4) On 26 August 2016 the applicant filed a counterstatement. The applicant accepts that the opponent is “renowned for its business in footwear in the UK” but states that the opponent has not used its marks upon clothing or headwear. It puts the opponent to proof of use of its marks 2309427, 1116735, 504405A, 629852A and EU 4256881. The applicant claims to have used its CLARK mark on clothing and headgear since 1977 and contends that the marks have co-existed without confusion. It also refers to a decision of the Registry (O-088-16) which it contends established that the applicant had common law rights sufficient to prevent the opponent from registering the mark CLARKS ENGLAND in relation to clothing. It contends that the instant opposition is covering the same ground and is an abuse of process, vexatious and malicious and not filed in good faith.

5) Both parties filed evidence. Both parties seek an award of costs in their favour. The matter came to be heard on 15 February 2018 when Mr Tritton of Counsel instructed by Messrs Squire Patton Boggs (UK) LLP represented the opponent; the applicant chose not to attend and also decided against providing any written submissions.

OPPONENT’S EVIDENCE

6) The opponent filed two witness statements. The first, dated 28 October 2016, is by Harry Rowe the opponent’s Trade Mark Attorney. He provides extracts from an electronic version of the book “CLARKS: MADE TO LAST: The story of Britain’s best known shoe store” dating from 2013. It is clear from these printed extracts that the business C&J CLARK began manufacturing and selling shoes under this mark and the possessive form (C&J CLARK’S) in 1851. It would appear that the “script” version of these marks and also the use of the words “CLARK / CLARK’S” in script began in the 1920s. All the use relates to shoes, although Mr Rowe provides evidence of other retailers such as M&S, Debenhams, Next, ASOS, Adidas and Nike selling clothing alongside shoes.

7) The second witness statement, dated 31 October 2016, is by Ed Hayes, the Head of Legal, for the opponent a position he has held since 2015. He states that his company is the world’s largest casual

and smart shoe company and the world's fourth footwear company. He provides the company's turnover from 1903-2015, the most recent years are as follows:



Year	Turnover £million
2007	972
2008	1,053
2009	1,122
2010	1,173
2011	1,281
2012	1,399
2013	1,463
2014	1,546
2015	1,497

8) Mr Hayes provides a number of his company's catalogues from the 50s-70s at exhibit EH7. These show use of the various marks on shoes.

APPLICANT'S EVIDENCE

9) The applicant chose not to file evidence in this case but instead relied up the evidence filed in a previous case between the two parties. However, parts of the evidence was objected to by the opponent in the instant case as it referred to negotiations between the two parties. Whilst this evidence had been allowed into the previous case without objection from the opponent's I note that it did not feature in the decision of the Hearing Officer. As the evidence clearly falls under the "without prejudice" rule. I decided that it cannot be allowed into the proceedings. I therefore summarise the applicant's adopted evidence from revocations 500521 and 500589 and consolidated opposition 400544. This consists of ten witness statements.

10) The first statement, dated 27 March 2014, is by Andrew Marsden the applicant's Trade Mark Attorney. He states that his statement is based upon his own knowledge and information provided by the applicant. He states that following trade marks and the word CLARK were first used in the UK in 1977 and that use is by Storage Clothing Ltd (incorporated 1998) and Concept for Design Ltd (incorporated 2008) with the permission of the applicant.

Number	Mark
1124061	 <p data-bbox="521 432 1500 520">Registration of this mark shall give no right to the exclusive use of the words "Clark" and "Jeans & Casuals".</p>
1280161	

11) Mr Marsden provides UK sales figures for Storage Clothing Ltd and Concept for Design Ltd for the years 2010-2013 but does not state what mark/s these relate to and it is clear from the exhibits that they sell a number of brands (see exhibit C2 below). He provides the following exhibits:

- C2: Pages from the UK website of Storage Clothing Ltd dated 24 February 2014, which have as a heading the term CLARK JEANS although the pages show a range of clothing including trousers, shorts, shirts, hooded sweatshirts, jackets and waistcoats. Two items have the words CLARK JEANS upon them. The prices are in £sterling. Another item, a football shirt has the name CLARK and the number 83 in the fashion of an NFL jersey. Page eight shows a number of brands which the company sells including many well-known ones (e.g. Moschino, Giorgio Armani, John Galliano & Roberto Cavalli), and also a logo of an eagle, similar to that in the marks in the table above with the words “CLARK JEANS” and “VINTAGE COUTURE” in two lines underneath the device.
- C3: These are said to be product sales books for 2012-2014 in respect of products (clothing and shoes) bearing the CLARK mark. The primary language appears to be Italian although there is also English upon a few pages. The title pages have the words “Clark Jeans New Collection A1 2012/2013” beneath a large Eagle device with as a background the American flag; “Clark Jeans Spring Summer Collection 2013” against a background of the American flag; “Clark Jeans Fall Winter Collection 2013-2014”; “Clark Jeans Woman Collection Spring

Summer 14". Of the labels on the clothes that can be seen, most appear to have an Eagle device. The words cannot be read due to the size and quality of the print. The prices are shown in Euros. There is no detail such as to whom these were sent, how many were issued, and how they were to be used.

- C4: This exhibit shows undated photographs of socks and a jumper with mark 1280161 with the addition of the words "jeans & casual" underneath it. Also shown are various items of clothing with a variety of marks loosely based around an eagle device and the words CLARK JEANS. No details are provided as to where such items were sold or when or in what amount.

12) The second witness statement, dated 26 February 2015, is by Maurizio Cerretelli the Administrator of Black Sheep SpA. He states that his company sold "goods" marked CLARK to a company called TJX Europe Buying Limited (TJX). He claims that the goods were for sale in the UK stores known as TKMaxx. He states that the sales of CLARK clothing from his company to TJX were as follows:

Year	Approximate Value £
2010	6,303
2011	135,547
2012	51,086
2013	70,808

13) He provides the following exhibits:

- BS1: This consist of ten invoices dated 20 June 2012 – 13 December 2013. For reasons unknown only five of the invoices were translated by an accredited translator. These showed sales of T-shirts, tops, sweaters, jackets, windbreakers and shirts. There is no mention of any mark upon the invoices, but Mr Cerretelli states that he only sold CLARK branded items to this client.
- BS2: These are said to be photographs of the clothing provided to TJX and the labels used. The photographs are not dated and the language is Italian. On all six garments photographed it is clear that they have an Eagle device, on some the words CLARK JEANS can also be read whilst in two instances the word CLARK is in a script very reminiscent of that used by the opponent in the instant case. The labels mostly have an eagle device and the words CLARK

JEANS. No details are provided as to when and where the various labels were used, or dates of the changes from one to another.

14) The third witness statement, dated 6 March 2015, is by Satish Kumar Murgai (the applicant). He states that he was an officer of the predecessors in title to the trade marks 1124061 & 1280161 and states that an agreement has been in place with Black Sheep SpA to manufacture and sell clothes under the marks since 1980, and that Black Sheep SpA has sold clothing bearing the CLARK mark continuously in this period. He also includes details which are covered by the “without prejudice” rules.

15) The fourth and fifth witness statements, dated 12 March 2015 and 14 August 2015 are by Janice Margaret Trebble the applicant’s Trade Mark Attorney. She provides the following exhibits:

- a) JMT1: Copies of documents from the IPO relating to opposition 39816 in relation to trade mark 1280161. She states that these documents contain information regarding Billyphil Ltd who, she states, are the predecessors in title to the applicant. The opposition by the opponent in the instant case was withdrawn. Included in the documents is a statutory declaration, dated 18 April 1996, by Michele Murgai a director of Billyphil which states that mark 1280161 was used in the UK by Ever SAS (ES) an Italian company since 1974 and that Clark Jeans & Casuals Ltd (CJC) was the sole distributor. CJC bought the business from ES in June 1980. ES changed its name to Black Sheep S.P.A. and continue to supply goods to CJC. A copy of the assignment, dated 17 August 1988, between ES and CJC is included which shows that the goodwill was also assigned for £50. Her statutory declaration was made in respect of the opposition to application 1280161 (see earlier in this decision). She provides turnover figures for the years 1981-1986 inclusive but does not state that they relate to sales in the UK solus or indeed what trade mark/s they relate to.
- b) JMT2: This contains two assignments, both dated 14 March 1995 between Billyphil Ltd and the applicant in the instant case. The first relates to mark 1124061 only and includes the transfer of the goodwill for £20. The second includes mark 1280161, and also an Indian and a Canadian trade mark. Again the goodwill is included in the transfer at a cost of £20. Also included is an assignment, dated October 1992 between CJC and Billyphil Ltd relating to the trade marks 1124061 and 1280161, including the goodwill for each mark for £30.

- c) JMT3: This consists of four magazine articles dated 14 December 1989-10 May 1990. These mention the Clark Jeans company. One of these articles also mentions the mark “Ton sur Ton” and states that it is this brand that excites Mr Murgai the most as in 1989 it had a turnover of approximately £6 million.

16) The sixth witness statement, dated 29 July 2015, is by Maurizio Cerretelli who has already provided evidence. He states that his earlier statement was not quite accurate. He confirms that Black Sheep S.p.A. (BSS) was incorporated in 1991 and that in addition to being a shareholder and director in BSS he was also a shareholder and director in Ever S.A.s. (ES). He confirms that ES assigned its rights in the mark 1280161 to CJC but continued, initially as ES and then as BSS to manufacture and distribute clothing in the UK.

17) The seventh and ninth witness statements, dated both 14 July 2015, are by Angela Francis Laura Malde and Dineshkumar Malde who were both Directors of Blue Jewels International Ltd, and have been involved in the clothing industry. They both state “I have known of CLARK jeans and other clothing (e.g. socks) since at least 1980. I have associated them exclusively with Satish Kumar Murgai (known as Billy Murgai) and of his companies from which he has supplied CLARK clothing during this period, or from companies which have been authorised or licensed by him to do so.”

18) The eighth witness statement, dated 14 August 2015, is by Anthony Pins a Chartered Accountant who has worked for Mr Murgai and his various business interests since the late 1970s. He states that one of Mr Murgai’s companies, CJC, was involved in the manufacture and distribution of “Clark Jeans”. He states he has known of CLARKS JEANS since 1980.

OPPONENT’S ADOPTED EVIDENCE FROM REVOCATIONS 500521 AND 500589 AND CONSOLIDATED OPPOSITION 400544

19) The opponent adopted a witness statement, dated 23 July 2015, by Harry Rowe the opponent’s Trade Mark Attorney. The statement and its exhibits are for the most part identical to that filed as the opponent’s main evidence. I do not intend to repeat that evidence here. To my mind the only possible relevant information is as follows: The initial owner of marks 1124061 & 1280161 was incorporated on 27 December 1979, and the marks were assigned from Billyphil Ltd to Satish Kumar Murgai on 14 January 1995, although the change was only registered with the IPO on 11 June 2013. Also Black

Sheep Spa was incorporated on 1 February 1991, and Clark Jeans & Casuals Ltd incorporated on 27 December 1979.

20) Also included was a witness statement, dated 28 May 2015, by Robin Paul Beacham the Finance Director of the opponent company. Clearly, his statement was read by Mr Hayes (see above) as all of the evidence included in this statement was reproduced by Mr Hayes.

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

DECISION

22) The first ground of opposition 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.”

23) 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.”

24) Three days prior to the hearing the opponent restricted its opposition to three marks, EU 12952933, EU 12953584 and UK 3111729 listed in paragraph 3 above which are clearly earlier trade

marks. Given the interplay between the date that the opponent's marks were registered (19 March 2015, 24 March 2015 & 21 August 2015 respectively) and the date that the applicant's mark was published (5 February 2016), the proof of use requirements do not bite.

25) 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

26) As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods and services. I must then determine the manner in which these goods and services 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.”

27) The goods at issue in these proceedings are clothing, footwear and headgear. The average consumer for such goods will be the public at large. Such goods will typically be offered for sale in retail outlets, in brochures and catalogues as well as on the internet. The initial selection is therefore primarily visual. I accept that more expensive items of clothing, footwear and headgear may, for example, be researched or discussed with a member of staff or be made to measure. The latter, along with personal recommendations, bring aural considerations into play. 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.”

28) 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.”

29) 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/footwear/headgear such as socks/slippers/cap the average consumer will pay attention to considerations such as size, colour, fabric and cost. **Overall the average consumer for these types of goods is likely to pay a medium degree of attention to the selection of items of clothing and footwear.**

Comparison of goods

30) In the judgment of the Court of Justice of the European Union 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”.

31) 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 uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in 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;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research

companies, who of course act for industry, put the goods or services in the same or different sectors.

32) The goods and services of the two parties are:

Applicant's goods	Opponent's relevant goods
Clothing and headwear	12952933: Clothing; footwear; headgear.
	12953584: Clothing; footwear; headgear.
	3111729: Clothing; footwear; headgear.


33) **Clearly the goods of all of the opponent's marks are identical to those of the applicant.**

Comparison of trade marks

34) 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.”

35) It would be wrong, therefore, to artificially 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:

Opponents' trade marks	Applicant's trade mark
12952933 	

12953584 CLARKS	CLARK
3111729 CLARKS ORIGINALS	

36) All three of the opponent's marks consist solely of the word CLARKS or have it as the first element along with a laudatory word. Obviously the opponent's mark 12952933 is in the form of a signature but it is clear that it is the word CLARKS. With regard to the opponent's mark 3111729 it has the word ORIGINALS as the second element. To my mind, most consumers will simply view this as a laudatory term as it implies that the goods attached to the mark are the genuine article not a copy. **Overall, all three of the opponent's marks are visually, aurally and conceptually highly similar to the mark in suit.**

Overall, the marks are similar to a high degree.

Distinctive character of the earlier trade mark

37) 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).”

38) 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”.

39) The opponent’s marks all have as their sole or initial element the word CLARKS. In my opinion, CLARK is a reasonably common surname and this is merely the plural or possessive version. In better times the absence of an apostrophe would have raised eyebrows but in today’s world many consumers have no idea when to use any form of punctuation. **The opponent’s marks are inherently distinctive to a medium degree. The opponent has shown huge use of its marks and so it can benefit from enhanced distinctiveness to a high level in relation to footwear.**

Likelihood of confusion

40) 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 goods

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 goods, 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 for the goods is the general public who will select the goods by predominantly visual means, although not discounting aural considerations and that the degree of care and attention they pay will vary depending upon the cost of said goods but they are likely to pay a medium degree of attention to the selection of such goods.
- all three of the opponent's marks are visually, aurally and conceptually highly similar to the mark in suit.
- the opponent's marks are inherently distinctive to a medium degree. The opponent has shown huge use of its marks and so it can benefit from enhanced distinctiveness to a high level in relation to footwear.
- the goods of all of the opponent's marks are identical to those of the applicant.

41) 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 goods applied for under the mark in suit and provided by the applicant are those of the opponent or provided by some undertaking linked to it. There would be direct confusion. **The opposition under Section 5(2) (b) therefore succeeds in full.**

42) However, the applicant has pleaded honest concurrent use claiming that it has used its mark since 1977 without confusion. In considering this issue I take into account the views of the Court of Justice of the European Union (CJEU) in *Aceites del Sur-Coosur SA v OHIM*, Case C-498/07 P, where it found that:

“82. First, although the possibility cannot be ruled out that the coexistence of two marks on a particular market might, together with other elements, contribute to diminishing the likelihood of

confusion between those marks on the part of the relevant public, certain conditions must be met. Thus, as the Advocate General suggests at points 28 and 29 of his Opinion, the absence of a likelihood of confusion may, in particular, be inferred from the ‘peaceful’ nature of the coexistence of the marks at issue on the market concerned.

83. It is apparent from the file, however, that in this case the coexistence of the La Española and Carbonell marks has by no means been ‘peaceful’ and the matter of the similarity of those marks has been at issue between the two undertakings concerned before the national courts for a number of years.”

43) I also take into account the findings of the CJEU in *Budejovicky Budvar NP v Anheuser-Busch Inc*, Case C-482/09, where it held that:

“74. In that context, it follows from the foregoing that Article 4(1)(a) of Directive 89/104 must be interpreted as meaning that a later registered trade mark is liable to be declared invalid where it is identical with an earlier trade mark, where the goods for which the trade mark was registered are identical with those for which the earlier trade mark is protected and where the use of the later trade mark has or is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods.

75. In the present case, it is to be noted that the use by Budvar of the Budweiser trade mark in the United Kingdom neither has nor is liable to have an adverse effect on the essential function of the Budweiser trade mark owned by Anheuser-Busch.

76. In that regard, it should be stressed that the circumstances which gave rise to the dispute in the main proceedings are exceptional.

77. First, the referring court states that Anheuser-Busch and Budvar have each been marketing their beers in the United Kingdom under the word sign ‘Budweiser’ or under a trade mark including that sign for almost 30 years prior to the registration of the marks concerned.

78. Second, Anheuser-Busch and Budvar were authorised to register jointly and concurrently their Budweiser trade marks following a judgment delivered by the Court of Appeal (England & Wales) (Civil Division) in February 2000.

79. Third, the order for reference also states that, while Anheuser-Busch submitted an application for registration of the word 'Budweiser' as a trade mark in the United Kingdom earlier than Budvar, both of those companies have from the beginning used their Budweiser trade marks in good faith.

80. Fourth, as was stated in paragraph 10 of this judgment, the referring court found that, although the names are identical, United Kingdom consumers are well aware of the difference between the beers of Budvar and those of Anheuser-Busch, since their tastes, prices and get-ups have always been different.

81. Fifth, it follows from the coexistence of those two trade marks on the United Kingdom market that, even though the trade marks were identical, the beers of Anheuser-Busch and Budvar were clearly identifiable as being produced by different companies.

82. Consequently, as correctly stated by the Commission in its written observations, Article 4(1)(a) of Directive 89/104 must be interpreted as meaning that, in circumstances such as those of the main proceedings, a long period of honest concurrent use of two identical trade marks designating identical products neither has nor is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods or services."

44) In *Victoria Plum Ltd v Victorian Plumbing Ltd* [2016] EWHC 2911 (Ch), Carr J. considered the CJEU's judgment in *Budejovicky Budvar NP v Anheuser-Busch Inc.* and the Court of Appeal's judgments in that case and in *IPC Media Ltd v Media 10 Ltd*, [2014] EWCA Civ 1403, and stated that a defence of honest concurrent use could, in principle, defeat an otherwise justified claim of trade mark infringement. Having reviewed the case law the judge stated that:

"74. The case law to which I have referred establishes the following principles:

- i) Where two separate entities have co-existed for a long period, honestly using the same or closely similar names, the inevitable confusion that arises may have to be tolerated.
- ii) This will be the case where the trade mark serves to indicate the goods or services of either of those entities, as opposed to one of them alone. In those circumstances, the guarantee of origin of the claimant's trade mark is not impaired by the defendant's use, because the trade mark does not denote the claimant alone.
- iii) However, the defendant must not take steps which exacerbate the level of confusion beyond that which is inevitable and so encroach upon the claimant's goodwill."

45) In assessing whether the defendant had acted honestly the judge directed attention to the following factors:

- i) The defendant has a duty to act fairly in relation to the legitimate interests of the trade mark proprietor.
- ii) All circumstances must be considered when ascertaining whether or not the use by the defendant is honest, including whether the defendant can be regarded as unfairly competing with the trade mark proprietor.
- iii) However, the question is not simply whether use of the sign complained of gives rise to consumer deception, as such deception may have to be tolerated. Similarly, the defendant may well be aware of the existence of such confusion, having lived with it for a considerable period.
- iv) The question is whether the defendant has taken steps which exacerbate the level of confusion beyond that which is inevitable and so has encroached upon the claimant's goodwill.
- v) Whether the defendant ought to be aware that such steps will exacerbate confusion is a relevant factor."

46) The opponent, regarding *Budweiser* and honest concurrent use, contends:

"6. As is known to all, there is no express defence to a relative ground of opposition based on "honest concurrent user". This is a defence which was created by the Court of Justice in *Budějovický Budvar, národní podnik, v Anheuser-Busch Inc* (C-482/09) ECLI:EU:C:2011:605.

7. That case was an "exceptional" case, as indeed the Court of Justice said (¶76). Both parties had been

- (a) marketing their beers in the UK for a very long time under the mark BUDWEISER together;
- (b) Both were authorised to register jointly and concurrently their trade marks in 2000 (following judgment of the Court of Appeal);
- (c) Both had used their marks in good faith;
- (d) UK consumers are well aware of the differences between the two beers since their tastes, prices and get-ups have always been very different.

8. Thus, it was said that the beers of Anheuser and Budvar were clearly identifiable as being produced by different companies (¶81). The ECJ said that where there been a long period of

honest concurrent use such as in the case, if the use of the later mark neither has nor is liable to have an adverse effect on the essential function of the trade mark, then the later mark should be allowed to proceed to registration.

9. The “honest concurrent user” defence was considered as a defence to infringement proceedings in *Victoria Plum Limited v Victoria Plumbing Limited and ors* [2016] EWHC 2911 (Ch.) Mr Justice Carr considered *Budweiser* and cases that had followed it and set out a number of principles concerning the “honest concurrent use”.

47) As was pointed out by the CJEU the *Budweiser* case was “exceptional”. In the instant case the applicant has filed evidence that it has used a plethora of marks which contain the words “Clark”, “Clark Jeans”, “Clark Jeans & Casuals” mostly used with a device of an eagle (although even the device has altered considerably) and a banner reminiscent of the American flag. No figures have been provided for any particular mark, indeed some of the turnover figures provided have clearly included other, more famous, brands. I note that the applicant was unable to provide sufficient proof of use of its registered marks to prevent them being revoked. I also note that the various marks referred to by a variety of witnesses have been assigned at what must be regarded as derisory sums, which perhaps is an accurate reflection upon the actual usage to which the marks have been put. In my opinion the evidence does not support the claim to have used the word “CLARK” *solus* continuously in the UK since 1977. Although the adopted evidence includes a statement from the applicant, he did not provide any figures for sales under the mark in the UK. The sales figures provided by Mr Cerretelli show only a small volume of sales under the mark to a company which he believes sold the goods on to TK Maxx for retail sale in the UK. And those sales figures end in 2013, two years before the relevant date. As honest concurrent use requires on-going concurrent use of the marks the defence falls at the first hurdle.

48) 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 European Union trade mark or international trade mark (EC), in the European Union) 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.”

49) 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 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; *Addidas 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 risk 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*).

50) The first hurdle is the issue of reputation as set out at points (a) and (b) above. The onus is upon the opponent to prove that its trade mark enjoys a reputation or public recognition. The evidence filed by the opponent clearly shows that it has enormous reputation in respect of footwear in the UK, and indeed the world. It is the largest casual and smart shoe company in the world, the fourth largest footwear company in the world and over the five years 2011-2015 inclusive had an average annual turnover of £1, 430 million. The applicant acknowledged the opponent's reputation in its counterstatement stating that the opponent was “renowned for its business in footwear in the UK”.

51) I next have to consider whether the public will make a link. In Case C-408/01, *Addidas-Salomon*, the CJEU held that:

“28. The condition of similarity between the mark and the sign, referred to in Article 5(2) of the Directive, requires the existence, in particular, of elements of visual, aural or conceptual similarity (see, in respect of Article 5(1)(b) of the Directive, Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23 in fine, and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraphs 25 and 27 in fine).

29. The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23).”

52) The level of similarity required for the public to make a link between the marks for the purposes of 5(3) may be less than the level of similarity required to create a likelihood of confusion. In *Intra-Press SAS v OHIM*, Joined cases C-581/13P & C-582/13P, the Court of Justice of the European Union stated (at paragraph 72 of its judgment) that:

“The Court has consistently held that the degree of similarity required under Article 8(1)(b) of Regulation No 40/94, on the one hand, and Article 8(5) of that regulation, on the other, is different. Whereas the implementation of the protection provided for under Article 8(1)(b) of Regulation No 40/94 is conditional upon a finding of a degree of similarity between the marks at issue so that there exists a likelihood of confusion between them on the part of the relevant section of the public, the existence of such a likelihood is not necessary for the protection conferred by Article 8(5) of that regulation. Accordingly, the types of injury referred to in Article 8(5) of Regulation No 40/94 may be the consequence of a lesser degree of similarity between the earlier and the later marks, provided that it is sufficient for the relevant section of the public to make a connection between those marks, that is to say, to establish a link between them (see judgment in *Ferrero v OHMI*, C-552/09 P, EU:C:2011:177, paragraph 53 and the case-law cited).”

53) Earlier in this decision I found that “all three of the opponent’s marks are visually, aurally and conceptually highly similar to the mark in suit”. It is also clear that footwear and clothing/headgear are frequently sold alongside each other under the same marks and that the public is used to companies expanding into associated areas. In the instant case if the opponent started to sell socks and hosiery,

and or hats and gloves the public would not be surprised, they have come to expect associated goods to be sold under the same roof and the same mark. If they saw such products being sold under the CLARK mark elsewhere they would immediately make the link to the opponent's marks because of their reputation.

54) The opponent contends:

“26. The Opponent submits that with such a link being created in the mind of the relevant public, there is a risk which is not hypothetical (see C-197/07P *Aktieselskabet af 21. November 2001 v OHIM*, ¶22) that the use of CLARK for clothing and footwear will take unfair advantage of or cause detriment to the distinctive character of CLARKS for footwear.

27. This assessment must be based on an analysis of the probabilities and by taking account of the normal practice in the relevant commercial sector and all the circumstances of the case (*Environmental Manufacturing LLP v OHIM* (C-383/12P), ¶43).

28. On the issue of unfair advantage, many of the factors that would be likely to create a link will also contribute to a non-hypothetical risk that normal and fair use of the Applicant's Mark will take unfair advantage of the iconic reputation of CLARKS for footwear. Indeed, the Opponent submits that the relevant public will be confused as to trade origin. The public will transfer the image of CLARKS to the use of CLARK for clothing and headwear.

29. On the issue of detriment to the distinctive character, there can be little doubt that if e.g. socks under the mark CLARK were sold alongside CLARKS for shoes, that insidiously there would an erosion of the distinctive character of CLARKS for shoes. In other words, it will undermine the ability of CLARKS to act as an exclusive indication of origin for footwear. In particular, it can be seen from the evidence of the use of CLARK-style brands by the Applicant that it is a “street” fashion brand. Whilst the Opponent has moved from a “traditional” brand to a more “fashion” oriented brand, it is far removed from being a “street” fashion brand. Inevitably, the use of CLARK for hoodies, sweatshirts, socks etc. by the Applicant will erode what is an iconic brand for footwear.”

55) I fully accept the opponent's contentions and find that use of the applicant's mark on the goods for which it sought registration would result in injury to the opponent's marks as described in paragraph 54 above. As the opponent has shown it's marks have a reputation; that a link would be established with the applicant's mark, and that injury would occur to the earlier marks, the opposition under

section 5(3) must succeed in full. Although “due cause” was not pleaded, if it had I would have rejected it for the same reasons that the honest concurrent use was rejected.

CONCLUSION

57) The opposition in relation to all the goods applied for has been successful under sections 5(2)(b) and 5(3). In the light of these findings I decline to consider the case under section 5(4)(a).

COSTS

58) As the opponent has been successful it is entitled to a contribution towards its costs.

Expenses	£200
Preparing a statement and considering the other side’s statement	£300
Preparing evidence / considering the applicant’s evidence	£900
Attendance at the hearing	£1,000
TOTAL	£2,400

59) I order Satish Kumar Murgai to pay C & J Clark International Limited the sum of £2,400. This sum to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 22nd day of February 2018

George W Salthouse
For the Registrar,
the Comptroller-General