

O/353/21

TRADE MARKS ACT 1994

INTERNATIONAL TRADE MARK No. 1456480

IN THE NAME OF SEW-EURODRIVE GmbH & Co. KG

AND

DESIGNATION OF THE UK FOR PROTECTION

AND

OPPOSITION No. 416792

BY PARSONS XTREME GOLF, LLC

Background and pleadings

1. This is an opposition by Parsons Xtreme Golf, LLC (“the opponent”) to the designation of the UK on 10th January 2019 for protection of the international trade mark shown below (“the contested mark”) in the name of SEW-EURODRIVE GmbH & Co. KG (“the holder”).


PxG


2. Protection of the contested mark is sought in relation to the following goods in class 7:

Gearboxes; reduction gears; servo gears; right-angle gear units; variable-speed gear units; industrial gear units; planetary gears; all abovementioned goods other than for land vehicles and parts of all aforesaid goods, included in this class.

3. The holder claims priority from 10th October 2018 based on an earlier filing of the same mark in Germany.

4. The opponent is the owner of the earlier trade marks shown below.

Trade mark	Goods/services relied on	Filing/Registration dates
EU14894877 PXG	Class 8: Hand tools, namely, wrenches	11/12/15 – 28/03/16
EU14894885 	As above	11/12/15 – 06/04/16
EU13652541 PXG	Class 28: Golf equipment, namely, golf clubs, golf bags, head covers for golf clubs, golf club grips, golf club shafts, golf	19/01/15 – 04/05/15

<p>UK3187941</p>  <p>EU13652649</p> <p>PXG</p>	<p>balls, golf gloves, golf tees, golf ball markers, divot repair tools, and golf bag covers.</p> <p>As above</p> <p>Class 40: Custom manufacture and fitting of sports equipment, namely, golf equipment.</p>	<p>27/09/16 – 30/12/16</p> <p>19/01/15 – 14/05/15</p>
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5. The opponent claims that:

- (i) The earlier trade marks have a reputation in the UK/EU in relation to the goods/services specified above;
- (ii) The contested mark is identical or highly similar to the earlier marks;
- (iii) The goods covered by EU14894877 and EU14894885 are similar to the goods covered by the contested mark;
- (iv) There is a likelihood of confusion on the part of the public, including the likelihood of association;
- (v) The public will think there is an economic connection between the user of the earlier trade marks and the user of the contested mark;
- (vi) Use of the contested mark would, without due cause, take unfair advantage of the earlier marks by riding on the coat tails of the reputation built up under the marks and benefitting from the association, without the cost of developing a reputation of its own;
- (vii) Use of the contested mark may damage the reputation of the earlier marks, if the contested mark is used in relation to goods of lower quality;
- (viii) Use of the contested mark may be detrimental to the distinctive character of the earlier marks by making consumers less certain that goods sold under those marks are those of the opponent, resulting in a

change of economic behaviour, i.e. the public being less likely to buy goods marketed under the earlier marks.

Therefore, granting protection to the contested mark would be contrary to sections 5(2) and 5(3) of the Trade Marks Act 1994 ("the Act").

6. The opponent further claims the PXG letter mark and the PXG device shown in the table at paragraph 4 above, have been used in the UK since January 2016 in relation to a wide range of goods/services. This includes the goods/services listed in the above table as well as a range of goods/services in twelve other classes. These cover everything from *sunglasses and computers for voice, data or image transmission* in class 9, to *waste paper baskets* in class 21, to *clothing* in class 25, to *entertainment in the nature of golf tournaments* in class 41. According to the opponent, a valuable goodwill has been acquired under the marks and:

- (i) Use of the contested mark could constitute a misrepresentation to the public that the holder's goods are connected with the opponent's goodwill;
- (ii) Such a misrepresentation could cause damage to the opponent's goodwill through diversion of sales, tarnishing its reputation or erosion of distinctiveness.

Therefore, granting protection to the contested mark would be contrary to s.5(4)(a) of the Act.

7. The holder filed a counterstatement denying the grounds of opposition. I note that:

- (i) It denied that the parties' marks are identical;
- (ii) It denied that the goods/services covered by the contested mark are identical or similar to those the opponent relies on for the purposes of its claims;
- (iii) The opponent was put to proof of the reputation claimed for the earlier marks;

- (iv) It denied the public would link the contested mark to the earlier marks causing them to believe there is an economic connection between the users of the marks;
- (v) It denied that the contested mark would take unfair advantage and/or cause detriment to the reputation or distinctive character of the earlier marks;
- (vi) The opponent was put to proof of its claim to have established goodwill under the PXG and PXG device marks;
- (vii) It denied that use of the contested mark would constitute a misrepresentation to the public.

Accordingly, the holder denied that granting protection to the contested mark would offend sections 5(2), 5(3) or 5(4)(a) of the Act.

8. Both sides seek an award of costs.

Representation

9. The holder is represented by Marks & Clerk LLP. The opponent is represented by Fieldfisher LLP. A hearing took place on 19th April 2021 by videoconference. Ms Ashton Chantrielle appeared as counsel for the holder. Mr Leighton Cassidy of Marks & Clerk appeared on behalf of the opponent.

The evidence

10. The opponent's evidence consists of two witness statements (with 42 exhibits) by Mr Frankie Ho, the second of which was served in reply to the holder's evidence, and further statements by Mr Stuart Humphries (2 statements, with 4 exhibits) and Benny Pfister (with 3 exhibits).

11. Mr Ho is the opponent's in-house legal counsel. His evidence goes mainly to the use and reputation of the opponent's earlier marks in the UK, EU and globally, primarily in relation to golf clubs. His reply evidence also covers the alleged similarity between the goods covered by the contested mark and *wrenches* in class 8.

12. Mr Humphries is a director the UK Golf Academy Limited, which has been an authorised retailer of the opponent's goods since 2017. His evidence goes to sales of PXG products in the UK and the provision of PXG 'Master Fitter' custom golf club fitting service at the premises of his business.

13. Mr Pfister is the CEO of HIO Fitting GmbH. His company has been a non-exclusive distributor of the opponent's products in the EU since 2016. His evidence goes to sales of the opponent's goods in the EU.

14. The holder's evidence consists of witness statements by Dr Joerg Hermes (with 2 exhibits) and Herman Rios (with 3 exhibits). Mr Hermes is the Managing Director of the holder. His evidence goes to the nature of the holder's business and the sorts of gear units marketed under the contested mark. He gives no evidence that they have yet been marketed in the UK.

15. Mr Rios works for Marks & Clerk, the holder's legal representatives. His evidence goes to the size of the UK golf market and the disparity between the goods for the parties' marks are used.

Section 5(3) ground of opposition

16. It is convenient to start by examining the opponent's s.5(3) ground of opposition.

17. Section 5(3) states:

“(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.”

Section 5(3A) states:

“(3A) Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected.”

18. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case law of EU courts.

19. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Adidas-Salomon*, Case C-487/07, *L’Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora* and Case C383/12P, *Environmental Manufacturing LLP v OHIM*. 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 risk that this will happen in future; *Intel, paragraphs 76 and 77* and *Environmental Manufacturing, paragraph 34*.

(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*).

Relevant date

20. The relevant date for the assessment of this ground is 10th October 2018 (i.e. the date of priority claimed for the UK designation of the international trade mark).

Reputation

20. Mr Ho's evidence is that the opponent first used PXG in the UK in January 2016 “..primarily in relation to a range of golf equipment, including golf clubs...” He says that the figurative ‘PXG’ mark registered under UK3187941 is used on all golf clubs manufactured by the opponent. He goes on to claim that:

“Alongside its core golf club collection, the Opponent also manufactures and sells an ever-expanding wide range of products including apparel, bags, and accessories for use in golf such as torque wrenches and ball markers.”

21. Exhibit FH4 consists of pages from the opponent's website showing use of the figurative ‘PXG’ mark on a hat, t-shirt, bag and a golfing device used for adding or removing weights to/from golf clubs. The device was described by the opponent's representative at the hearing as resembling an Allen Key. The opponent considers this item to be covered by the term ‘torque wrench’ for which some of the earlier marks are registered. The website pages in evidence appear to have been downloaded in late 2019 when Mr Ho's first statement was made, i.e. they postdate the relevant date.

22. The only evidence of the use of the earlier marks in the UK, or the EU, that pre-date the relevant date, and are in relation to goods, are five invoices dated 8th and

10th January 2016, 12th February 2018, 7th June 2018 and 2nd and 8th August 2018.¹ All five invoices show use of the earlier word and figurative marks. The four invoices from 2018 are addressed to four different customers in the UK. They show use of the earlier marks in relation to around 250-300 golf clubs, the prices of which vary from \$320 to \$600. The addressee and specific address details on the invoices dated in January 2016 have been redacted. All that can be seen is that they were sent to someone at an address somewhere in the UK. The total value of these two invoices was \$930 and \$4505, respectively. In addition to twenty one PXG golf clubs, the 2016 invoices cover a number of other items, including three “*torquetools*” for use with wood and hybrid golf clubs. Unlike the clubs, these tools were provided at zero cost.

23. The opponent markets its products in the UK through authorised retailers. Mr Humphries’ business is one such retailer. His evidence is that his business has distributed PXG “*products*” since 2017. He mentions golf clubs and exhibits pictures from the company’s store showing use of the figurative version of the PXG mark on golf clubs, a hat and a golf bag.² These pictures also appear to postdate the relevant date. Therefore, they do not show use of the earlier marks prior to that date in relation to hats or bags. According to Mr Humphries, his business also hosts the opponent’s ‘Master Fitter’ service through which customers can have a customised golf club tailored for them by a PXG ‘Master Fitter’. Mr Humphries does not say when the service started. The earliest date I can see in the associated exhibits is July 2019, i.e. after the relevant date.³

22. Mr Pfister gives similar evidence on behalf of his company in relation to the EU market as a whole. His company also sells PXG products via the website ww.pwg-shop.eu. Pages from the website are in evidence.⁴ They show clubs, clothing and golfing accessories for sale under the PXG figurative mark. As with the other website evidence, the pages appear to have been downloaded around the time of Mr

¹ See exhibits FH7 and FH39

² See exhibits SH1 and SH2

³ See exhibit SH4

⁴ See exhibit BP2

Pfister's statement in late 2019. Consequently, they do not show use of the earlier marks in relation to clothing or golf accessories prior to the relevant date.

23. As to sales of goods/services under the earlier marks, Mr Ho's evidence is that the opponent's UK sales of "*PXG-branded products and services*" in the years 2016 – 2018 were as follows:

2016 – in excess of \$500k

2017 – in excess of \$1m

2018 – in excess of \$2.5m

24. According to Mr Ho, the UK is the opponent's largest market in Europe. In 2018 the UK accounted for 54% of its European sales. In the same year the opponent's global sales amounted to \$79m. According to calculations reported in the Golf Datatech & Yano Research Institute Unveil World Golf Report 2019, the opponent then had 0.84% of the global market for golf clubs.

25. The holder does not dispute that the opponent's earlier marks had a qualifying reputation in the EU at the relevant date in relation to golf clubs (although the strength of the reputation is in dispute). The holder disputes that the reputation attached to the earlier marks extended to any other goods or services. In my view, the opponent is correct to take this position. This is because there is sufficient evidence to show that, by the relevant date, the earlier marks had acquired a certain reputation in the EU in relation to golf clubs. However, there is barely any evidence of use of the earlier marks in the UK or EU in relation to anything other than golf clubs, at least prior to the relevant date. It follows that the opponent has not established that the earlier marks were known to a significant part of the relevant section of the public in the EU as regards any other goods or services. I find accordingly.



26. It follows that the s.5(3) case based on the registrations of EU14894877 and EU14894885 in class 7 and EU13652649 in class 40, must be rejected. Further, the s.5(3) case based on earlier marks EU13652541 and UK3187941 must be limited to the registration of those marks for golf clubs in class 28.

Link

27. As I noted above, my assessment of whether the public will make the required mental 'link' between the marks must take account of all relevant factors. The factors identified in *Intel* are:

The degree of similarity between the conflicting marks

28. For ease of reference the parties' marks are shown below.

Contested mark	Earlier marks
	

There is a dispute as to whether the contested mark is identical to PXG registered in upper case letters. It is well established that registration of a trade mark in block capitals covers use of the mark in upper or lower case, or indeed any normal and fair use of those letters. This covers customary uses, such as presenting the first letter of a word mark in upper case and the remaining letters in lower case. In my experience, it is not normal to present three letters with the first and last letters in upper case and the middle letter in lower case. I do not, therefore, accept that the contested mark falls within the range of possible uses of the earlier PXG letter mark. However, that is not the end of the matter because in *S.A. Société LTJ Diffusion v. Sadas Vertbaudet SA*,⁵ the CJEU held that:

“54... a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where,

⁵ Case C-291/00

viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.”

29. So even where marks are not strictly identical, differences do not count if they are so minor that they may go unnoticed by average consumers. In my view, average consumers would notice the difference between the unusual way the letters PxG are presented in the contested mark and any conventional representation of the letters PXG. Therefore, the marks are not identical. However, nothing much turns on this finding. This is because the PxG/PXG marks are self-evidently highly similar from a visual perspective. Further, the presentation of the letters PxG in the contested mark will not be apparent when the letters are spoken. Consequently, the marks are identical from an aural perspective.

30. The holder says that the letters PXG in the earlier marks stand for Parsons Xtreme Golf whereas the same letters in the contested mark have no meaning. According to the holder, this means that the earlier marks have a concept which is lacking from the contested mark. I reject that submission. There is no reason to believe that the average UK consumer would immediately understand PXG to stand for Parsons Xtreme Golf. In my view, neither mark has an obvious conceptual meaning. Therefore, a conceptual comparison is not possible. Nevertheless, considered in the round the marks are just about as similar as can be without being identical.

31. Turning to the earlier figurative mark, the holder says that the letters PXG are hard to decipher in this mark, which is highly stylised. Therefore, the holder claims that the contested mark is only similar to the earlier figurative mark to a low-to-medium degree. I agree. The visual differences between these marks are obvious and hard to miss. Further, the marks will only be aurally identical to those consumers who recognise the letters PXG in the earlier figurative mark and try to verbalise the mark by approximating the device to the letters PXG.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public

32. Golf clubs are bought by members of the general public. The holder's counsel submitted at the hearing that average consumers pay a high degree of attention when selecting such goods because of the need to match golf clubs to the specific needs and attributes of the consumer. There is no evidence to this effect. However, my own experience indicates that consumers pay at least an average or 'normal' level of attention when selecting suitable golf clubs. The goods will normally be selected by eye, initially from advertisements and then through sales in golf/sports shops. Aural factors will also come into play, e.g. word-of-mouth enquiries and recommendations.

33. The goods covered by the contested mark, which may broadly be described as gears and gearboxes (other than for land vehicles) and their parts, are likely to be bought primarily by traders for use with other goods, such as motors, engines and drives. Such consumers are likely to pay a high degree of attention when selecting such goods so as to ensure that the gears/gearboxes/parts meet the specific technical requirements they have in mind. Although gears and gearboxes are likely to be relatively high-cost goods, there is evidence that some types of gearboxes may be sold relatively cheaply.⁶ However, even in this situation and/or where the goods are selected by members of the public rather than experienced traders, the need to check that the goods are fit for the technical purpose the user has in mind will mean that he or she pays at least a 'normal' level of attention when selecting the goods.

34. Golf clubs and gears/gearboxes are different in nature, purpose and method of use. They are not in competition with one another and nor are they complementary goods. They are wholly dissimilar goods sold to different markets. Admittedly, as the average consumers of golf clubs is the general public, there is bound to be some

⁶ There is an example of a very simple gearbox in evidence that was on sale for £26. See the first page of exhibit FH42.

overlap between the users of golf clubs and gears/gearboxes. However, many of the public do not play golf. And the market for gears/gearboxes/parts is comprised of only a small minority of the general public, i.e. engineers, mechanics and (for some gears etc.) DIY enthusiasts. Therefore, the overlap between the users of the respective goods is likely to be limited.

The strength of the earlier mark's reputation

35. As the holder of the international trade mark has sought protection for the contested mark in the UK, the question of whether the public will make a link between the contested mark and the earlier marks must be considered in the context of the public in the UK.

36. The earlier marks were used in the UK for just over 2.5 years prior to the relevant date. The opponent appears to have acquired 0.84% of the global market for golf clubs by 2019. There is no specific evidence as to the share of the UK or EU market held by the earlier marks at the relevant date (or at any other date). The opponent's UK sales figures indicate that it had sold, at the most, around 12k golf clubs in the UK by the end of 2018. As many consumers are likely to have bought more than one golf club, the number of UK customers is likely to have been somewhat lower than 12k. Given the number of people who play golf in the UK, this seems unlikely to account to more than a small part of the UK market for golf clubs.

37. However, according to Mr Ho the opponent spent \$300k promoting the PXG mark in the UK in 2017 and \$400k in 2018. This included running TV advertisements on Sky Sports channel. The opponent has also promoted its marks through advertisements in lifestyle and sports magazines. There is one example of such advertising in evidence in Esquire UK magazine (May 2018 edition) which pre-dates the relevant date. Mr Ho also claims that the opponent placed sponsored posts on UK social media to promote its golf clubs and fitting service. He provides six examples which he says were placed on Facebook in 2017, 2018 and 2019.⁷ Three

⁷ See exhibit FH29

are for clubs and three for the PXG Master Fitter service. None are dated. It is not clear which are from 2017/18 and which are from 2019 (i.e. after the relevant date).

38. Mr Ho says that the opponent has social media accounts and by November 2019 (i.e. a year after the relevant date) it had around 72k followers on Facebook, 30k on Twitter and 177k on Instagram. These appear to be global figures. There is no evidence as to the number of followers based in the UK/EU.

39. There is evidence that the opponent also promotes its marks through the use of printed posters, leaflets, stickers and brochures, but no evidence as to how much of this material was distributed in the UK/EU, or when, or to whom.

40. Mr Humphries of UK Golf Academy Limited (the opponent's UK authorised retailer) says that his company uses PXG branding on its social media accounts to promote its business. He provides examples of such posts, but none of these pre-date the relevant date.⁸ Mr Humphries also says that his company spent £5.5k purchasing PXG as an adword to drive traffic to his company's website. However, once again he does not place this evidence in a relevant timescale.

41. There are four examples of press articles in evidence that pre-date the relevant date and mention the PXG brand (for golf clubs).⁹ One is from the UK website of ESPN. The others are from the websites ft.com, Forbes and todaygolfer.co.uk. Although they mention the PXG brand, Mr Parsons himself appears to be main focus of these articles.

42. Taking account of all the opponent's evidence (including the evidence I have not specifically mentioned above), I find that the earlier marks had a moderate reputation in the UK at the relevant date as a relatively new and growing brands for golf clubs. I do not accept the evidence shows that the earlier marks had established a strong reputation by the relevant date in 2018.

⁸ See exhibit SH4

⁹ See exhibit FH33

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

43. The earlier marks are not descriptive of golf clubs. On the other hand, PXG appears to be simply three random letters. Therefore the marks (or at least the relevant PXG element) is not particularly memorable or striking. In my view, the letters PXG have a 'normal' or average degree of inherent distinctiveness as trade marks for golf clubs.

44. I accept that the distinctive character of the earlier marks had been enhanced through use prior to the relevant date. Although they had not reached the very highest level of distinctiveness, they had become relatively highly distinctive through use in relation to golf clubs.

Whether there is a likelihood of confusion

45. The vast difference between, on the one hand, gears/gearboxes and their parts and, on the other hand, golf clubs, is sufficient to exclude any likelihood of direct or indirect confusion. There is simply no reason for average consumers of either types of goods to suppose that the user of a mark for golf clubs would have any economic connection with the user of similar marks for gears/gearboxes and their parts.

Finding on link

46. In my view, the relevant public will not make a mental link of any kind between the contested mark and the earlier marks. Without such a link there can be no unfair advantage or detriment caused to the earlier marks. The opposition under s.5(3) must therefore fail.

Unfair advantage/detriment to reputation or distinctive character of the earlier marks

47. In case I am found to be wrong in finding that the relevant public will not make a link between the marks, I will deal briefly with the opponent's claims of unfair advantage/ detriment.

48. I find that even if some of the public make a link between the marks it is likely to be a weak and fleeting association one, e.g. *“This mark reminds me a bit of another similar mark someone else uses for golf clubs.”*

49. Given (i) the great distance between golf clubs and gears/gearboxes/parts, and (ii) the absence of any specific aspect of the reputation of the earlier marks for golf clubs which would readily transfer to gears/gearboxes/parts, there is no realistic likelihood of any possible association between the marks giving the contested mark a marketing advantage, let alone an unfair one.

50. The opponent’s complaint that the contested mark may damage the reputation of the earlier marks, if the former is used in relation to goods of inferior quality, is speculative. In the absence of any evidence of actual use of the contested mark in relation to poor quality goods, this is not an adequate basis for an opposition under s.5(3) of the Act. See the decision of Ms Anna Carboni as the Appointed Person in *Unite The Union v The Unite Group Plc.*¹⁰

51. I reject the opponent’s claim that use of the contested mark would be detrimental to the distinctive character of the earlier marks by making consumers less certain that goods sold under those marks are those of the opponent, resulting in a change of economic behaviour. This is because even if some consumers of golf clubs make a link between the marks, the very different markets into which golf clubs and gears/gearboxes/parts are sold makes it very unlikely that anyone would, as a result of a mere mental link, be less willing to purchase golf clubs marketed under the earlier marks.

Section 5(4)(a) ground of opposition

52. Section 5(4)(a) states:

“(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-

¹⁰ Case BL O/219/13, see paragraphs 46 and 47

(b) 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, where the condition in subsection (4A) is met,

(aa)

(c)

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.”

Subsection (4A) of Section 5 states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

53. In *Discount Outlet v Feel Good UK*,¹¹ Her Honour Judge Melissa Clarke, sitting as a Deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the Jif Lemon case (Reckitt & Colman Product v Borden [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “a substantial number” of the Claimants’ customers or potential customers are deceived, but

¹¹ [2017] EWHC 1400 IPEC

it is not necessary to show that all or even most of them are deceived (per Interflora Inc v Marks and Spencer Plc [2012] EWCA Civ 1501, [2013] FSR 21)."

Relevant date

54. There is no evidence that the contested mark was used in the UK prior to the date of priority claimed. That being the case, the matter must be assessed as at 10th October 2018.

Goodwill

55. It follows from my findings under s.5(3) that I accept that actionable goodwill had been acquired under the PXG letter and figurative marks prior to the relevant date in relation to golf clubs.

56. I do not accept that the evidence shows that the opponent had any UK customers for any other goods/services prior to the relevant date. The sole invoice showing the provision of three "torquetools" on 10th January 2016 to an unidentified person at an address somewhere in the UK does not show there was goodwill in relation to torquetools at the relevant date. Apart from the trivial scale of use and that there was only one transaction over 2 years before the relevant date, the fact that the goods appear to have been provided at zero cost suggests that this was not a normal commercial transaction.

Misrepresentation and damage

57. As I have already noted, the parties operate in entirely different fields of commercial activity. In *Harrods Limited v Harrodian School Limited*,¹² Millet L.J. made the following findings about the lack of a requirement for the parties to operate in a common field of activity, and about the additional burden of establishing misrepresentation and damage when they do not. He said:

¹² [1996] RPC 697 (CA)

“There is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any natural extension of the plaintiff's business. The expression “common field of activity” was coined by Wynn-Parry J. in McCulloch v. May (1948) 65 R.P.C. 58, when he dismissed the plaintiff's claim for want of this factor. This was contrary to numerous previous authorities (see, for example, Eastman Photographic Materials Co. Ltd. v. John Griffiths Cycle Corporation Ltd. (1898) 15 R.P.C. 105 (cameras and bicycles); Walter v. Ashton [1902] 2 Ch. 282 (The Times newspaper and bicycles) and is now discredited. In the Advocaat case Lord Diplock expressly recognised that an action for passing off would lie although “the plaintiff and the defendant were not competing traders in the same line of business”. In the Lego case Falconer J. acted on evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into the manufacture of plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.

The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration

‘...whether there is any kind of association, or could be in the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant’:

Annabel's (Berkeley Square) Ltd. v. G. Schock (trading as Annabel's Escort Agency) [1972] R.P.C. 838 at page 844 per Russell L.J.

In the Lego case Falconer J. likewise held that the proximity of the defendant's field of activity to that of the plaintiff was a factor to be taken into account when deciding whether the defendant's conduct would cause the necessary confusion.

Where the plaintiff's business name is a household name the degree of overlap between the fields of activity of the parties' respective businesses may often be a less important consideration in assessing whether there is likely to be confusion, but in my opinion it is always a relevant factor to be taken into account.

Where there is no or only a tenuous degree of overlap between the parties' respective fields of activity the burden of proving the likelihood of confusion and resulting damage is a heavy one. In Stringfellow v. McCain Foods (G.B.) Ltd. [1984] R.P.C. 501 Slade L.J. said (at page 535) that the further removed from one another the respective fields of activities, the less likely was it that any member of the public could reasonably be confused into thinking that the one business was connected with the other; and he added (at page 545) that

'even if it considers that there is a limited risk of confusion of this nature, the court should not, in my opinion, readily infer the likelihood of resulting damage to the plaintiffs as against an innocent defendant in a completely different line of business. In such a case the onus falling on plaintiffs to show that damage to their business reputation is in truth likely to ensue and to cause them more than minimal loss is in my opinion a heavy one.'

In the same case Stephenson L.J. said at page 547:

'...in a case such as the present the burden of satisfying Lord Diplock's requirements in the Advocaat case, in particular the fourth and fifth requirements, is a heavy burden; how heavy I am not sure the judge fully appreciated. If he had, he might not have granted the respondents relief. When the alleged "passer off" seeks and gets no benefit from using another trader's name and trades in a field far removed from competing with him, there must, in my judgment, be clear and cogent proof of actual or possible confusion or connection, and of actual damage or real likelihood of damage to the respondents' property in

their goodwill, which must, as Lord Fraser said in the Advocaat case, be substantial.’ ”

58. In my view, the opponent’s evidence comes nowhere near showing that a substantial number of the opponent’s customers or potential customers would expect gears/gearboxes/parts sold under the contested mark to be the opponent’s goods, or goods sold with the opponent’s consent. Further, even if a few such customers momentarily thought about the opponent’s mark for golf clubs, and even believed that there might be some sort of connection between the users of the marks, the scale and tenuous nature of any such link would cause no real damage to the opponent’s goodwill. The s.5(4)(a) case fails accordingly.

Section 5(2)(a) and (b) grounds of opposition

59. The relevant date is again 10th October 2018.

60. At the hearing, Mr Cassidy accepted that his client’s case under EU14894885 (the figurative PXG mark) could not succeed if the case based on EU14894877 (the PXG letter mark) failed. Therefore, in practice it is only necessary to consider the s.5(2) case based on EU14894877.¹³

61. Section 5(2)(a) of the Act is as follows:

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

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

¹³ The opponent’s pleaded s.5(2) case is based on only these two marks (the other earlier marks pleaded under s.5(3) being registered for manifestly dissimilar goods/services in different classes).

62. I have already explained why I do not consider the contested mark is identical to the PXG letter mark registered under EU14894877. The s.5(2)(a) ground of opposition fails accordingly.

63. Section 5(2)(b) of the Act is as follows:

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

(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.”

Similarity of goods

64. The proof of use provisions in s.6A of the Act do not apply. Therefore, the opponent can rely on the registration of EU14894877 in relation to *Hand tools, namely, wrenches* in class 8 without having to show use of the mark in relation to such goods.

65. The goods covered by the contested mark are:

Gearboxes; reduction gears; servo gears; right-angle gear units; variable-speed gear units; industrial gear units; planetary gears; all abovementioned goods other than for land vehicles and parts of all aforesaid goods, included in this class.

66. The opponent says that wrenches are manual devices used to grip and apply torque to turn objects, such as nuts and bolts. I accept that submission.

67. According to the opponent, gears are toothed wheels that work with other toothed wheels to transmit rotations and forces. I accept that is an accurate description of most gears.

68. In the judgment of the CJEU in *Canon*,¹⁴ the court stated 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”.

69. The opponent claims that the nature of the goods is similar because “..they are both used in the construction and maintenance of machines and machine parts and often used with one another.. .” The example given is of a tradesman using a wrench to tighten a fastening on a gear. I do not understand how this example supports the submission that the goods are similar in nature. Wrenches can be used in the course of maintaining machines. However, wrenches are not parts of machines. And gears/gearboxes/parts are not hand tools. The goods are different in nature and serve very different purposes. Admittedly, both types of goods are usually made of metal. However, that could be said of a tea spoon and a motor car. It is plainly not enough, by itself, to create any material similarity between the nature of the goods.

70. The method of using wrenches (hand-operated) is also self-evidently different to the method of using gears, which is usually, if not always, through the controls of a machine. The goods are obviously not in competition.

71. The opponent’s real case appears to be that the respective goods are complementary. In this connection, the opponent points out that gearboxes have nuts and fasteners and that a wrench may be used to loosen or tighten them. My attention was drawn to an example of a “*Gear wrench 12 Piece Combination Ratchet Spanner Set*” available for sale on a UK website.¹⁵ However, despite the name of the product it appears from the accompanying description that the spanners in question

¹⁴ Case C-39/97: see paragraph 23 of its judgment

¹⁵ See exhibit FH41

are not specifically for use with gears. Rather they are general purposes spanners identified as being suitable for use in “..many situations and professions.. .”

72. The opponent has also provided an example of an advertisement on a UK website - uk.rs-online.com - for a very simple type of gearbox and, on a different webpage, a wrench, both under the mark RS PRO.¹⁶ The opponent says this shows that such goods are marketed under the same mark. However, the RS PRO torque wrench shown in the exhibit is not marketed as being suitable for use on gears or gearboxes. It appears to be an industrial torque wrench costing £163. It does not appear to be suitable for use on the nuts on the very small RS PRO ‘gearbox’ costing £26 shown a few pages earlier on the website. In this connection, I note that the only item identified on the webpage as “*Frequently bought together*” with the RS PRO gearbox is an RS PRO Teeth Bevel Gear costing £4.66.

73. In *Kurt Hesse v OHIM*,¹⁷ the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v OHIM*,¹⁸ the Court of First Instance at the CJEU stated that “*complementary*” means:

“...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking”.

74. I do not accept that gears and gearboxes or their parts are complementary to wrenches in the sense described in the case law. This is because, firstly, there is no evidence that there are wrenches adapted specifically for use on gears or gearboxes. A general purpose wrench is no more “*indispensable or important for the use of*” a gearbox than it is for any other product with accessible nuts and bolts. Secondly, I am doubtful whether a wrench is in any event “*indispensable or important for the use of*” (emphasis added) a gearbox. It is merely one of the tools

¹⁶ See exhibit FH42 at pages 21 and 23

¹⁷ Case C-50/15 P

¹⁸ Case T-325/06

that could be used during the maintenance and repair of such products. Thirdly, the evidence claimed to show that wrenches and gears/gearboxes are marketed under the same trade mark identifies only a single instance of such common branding. This is wholly insufficient to establish that at the relevant date (or at all) the public were aware of a common practice whereby such goods were marketed under the same mark. I do not rule out the possibility that one or two retailers with a broad range of 'own label' products may have sold wrenches and gears/gearboxes/parts, but in my experience gears/gearboxes/parts are normally marketed by specialist providers for very specific applications. Therefore, I reject the opponent's submission that customers may think that responsibility for wrenches and gears/gearboxes (or their parts) may lie with the same undertaking.

75. For completeness, I record that the opponent's representative drew my attention to three decisions of the Boards of Appeal at the EUIPO, which were said to show that wrenches in class 8 had been found to be similar to gears/gearboxes (or their parts) in class 7. These decisions are not binding on me. In any event, when pressed at the hearing the opponent's representative was constrained to accept that none of the EUIPO decisions specifically addressed the similarity between wrenches in class 8 and gears/gearboxes and/or their parts in class 7. I therefore find these decisions of no assistance.

76. I conclude that the goods at issue are not complementary or similar in any other way. This means that the opposition under s.5(2) of the Act is bound to fail for the reasons given by the CJEU in *Waterford Wedgwood plc v OHIM*.¹⁹

77. This finding is sufficient to dismiss the opposition based on s.5(2) of the Act. However, as there was quite a bit of discussion about the matter at the hearing, I will deal briefly with one further aspect of the opponent's s.5(2) case.

¹⁹ Case C-398/07 P

Enhanced distinctiveness of the earlier mark in relation to wrenches

78. The opponent claims that the distinctive character of the earlier mark had been enhanced through use by the relevant date in relation to wrenches as a result of the use of the earlier marks in relation to devices for adding/removing weights to golf clubs. It was suggested at the hearing that such devices were supplied with the opponent's golf clubs.

79. I find such use is irrelevant for the following reasons:

- (i) Wrenches (or spanners) are manual devices used to grip and apply torque to turn objects, such as nuts and bolts;
- (ii) The device shown in the opponent's evidence, described as being like an Allen Key at the hearing, does not appear to have a head that grips the exterior outer surface of nuts and bolts, like a wrench or spanner, but rather is designed to fit into a hole of the same shape as the 'key';
- (iii) The average UK consumer would not consider such a device to be a wrench (or spanner);
- (iv) The opponent's evidence of use of the earlier marks in relation to such goods amounts to one invoice for three such products dated January 2016 addressed to an unidentified entity and an unidentified address somewhere in the UK;
- (v) The goods were provided at zero cost;
- (vi) There is no evidence that the opponent provides such tools with its golf clubs and, in fact, Mr Ho's evidence is that the opponent's 'torque wrenches' are sold, not provided as free accessories.²⁰

80. I therefore reject the opponent's claim of enhanced distinctiveness of the earlier marks in relation to wrenches. The claim is so unsupported by the evidence that it appears farfetched. Therefore, this claim should not have been made, let alone pursued at the hearing.

²⁰ See paragraph 20 above

81. I conclude that although the earlier marks are inherently distinctive to an average or 'normal' degree in relation to wrenches, their distinctive character had not been enhanced through use in relation to such goods prior to the relevant date.

82. As I have found that (i) the marks are not identical, and (ii) the goods at issue under s.5(1) and (2) of the Act are dissimilar, the opposition under these provisions must be rejected.

Overall outcome

83. The opposition has failed. The contested mark will be protected in the UK in relation to the goods covered by the designation of the UK.

Costs

84. The opposition having failed the holder is entitled to a contribution towards its costs. Ms Chantrielle requested costs at the top end of the published scale on account of the unfocussed nature of the opponent's evidence. This includes use of the earlier marks outside the UK/EU and after the relevant date, as well as inadmissible opinion evidence about the likelihood of confusion etc. from Messrs Humphries and Pfister.

85. As Mr Cassidy pointed out at the hearing, Dr Hermes gave similar evidence on behalf of the holder. Further, neither Humphries nor Pfister gave evidence as supposed experts. I therefore see no reason to attach cost implications to their evidence. However, I agree with the holder's submission that the opponent's evidence was unfocussed. It includes a lot of evidence that was irrelevant to the UK/EU and/or after the relevant date. I will therefore award costs towards the top of the scale to reflect the wasted time caused by the lack of focus in the opponent's evidence.

86. I assess costs as follows:

- (i) Considering the notice of opposition and filing a counterstatement - £300
- (ii) Considering the opponent's request to add further grounds of opposition - £150
- (iii) Considering the opponent's evidence and filing evidence in response - £2200
- (iv) Filing a skeleton argument and attending a hearing - £900

87. I therefore order Parsons Xtreme Golf, LLC to pay SEW-EURODRIVE GmbH & Co. KG the sum of £3550. This to be paid within 21 days of the end of the period allowed for appeal or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings (subject to any order of the appellate tribunal).

Dated this 11th May 2021

Allan James
For the Registrar