

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
INTELLECTUAL PROPERTY
ON APPEAL FROM THE TRADE MARKS
REGISTRY

Royal Courts of Justice
Rolls Building, Fetter Lane,
London, EC4A 1NL

Date: 17th February 2014

Before :

MR JUSTICE WARREN

- **IN THE MATTER OF THE TRADE MARKS ACT 1994**

and

In the matter of UK Trade Mark Application no. 2569771

Respondent

**BRITISH SHORINJI KEMPO FEDERATION
(stylised) in Classes 26, 35 and 41 in the name of
British Shorinji Kempo Federation**

and

**IN THE MATTER OF OPPOSITION No 102471
thereto by Shorinji Kempo Unity**

Appellant

Thomas Dillon (Pro Bono) for the **Respondent**
Tom St Quintin (instructed by **Marks and Clerk Solicitors LLP**) for the **Appellant**

Hearing date: 3rd December 2013

Approved Judgment

I direct that pursuant to CPR PD 39A para 6.1 no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

.....

MR JUSTICE WARREN

Mr Justice Warren :

Introduction

1. This is an appeal by Shorinji Kempo Unity (“**SKU**”) from a decision of the Hearing Officer, Mr G Salthouse, dated 20 June 2013 (“**the Decision**”). SKU opposed the application of the British Shorinji Kempo Foundation (“**BSKF**”) to register the trade mark referred to below. SKU relied, in its opposition, on its own earlier registered marks also referred to below. Mr Salthouse held that SKU had failed to prove genuine use of its earlier marks. SKU’s opposition under section 5(2)(b) (the only ground eventually relied on) failed at the first hurdle.
2. Before me, both parties applied to adduce further evidence. Neither application was opposed and I acceded to both applications. The approach on an appeal from the Registrar of Trade Marks on findings on a trade mark opposition is well known; it is set out in the decision of Robert Walker LJ in *Reef Trade Mark* [2003] RPC 5 at [28]:

“... an appellate court should in my view show real reluctance, but not the very highest degree of reluctance to interfere in the absence of a distinct and material error or principle”

That approach must be tempered by the admission of the new evidence which Mr Salthouse could not, of course, take account of.

SKU’s mark and BSKF’s mark

3. SKU is registered with two Community trade marks and two UK trade marks on which it relies in opposition. The details are set out in paragraph 3) of the Decision and I do not repeat them here. The actual marks in each registration have the same appearance, as follows:

SHORINJI KEMPO
少林寺拳法

4. The mark thus consists of two words, in upper case and separated, with the Kanji underneath. I shall refer to it as “**the Earlier mark**”.
5. The mark which is the subject matter of the application (“**the BSKF mark**”) has this appearance:

BRITISH
SHORINJI KEMPO
FEDERATION

The parties

6. SKU is an entity whose function is to hold the intellectual property rights of the World Shorinji Kempo Organisation (“**WSKO**”). WSKO has many branches or affiliated organisations around the world. It is the body, or successor to the body, formed by Doshin So when he brought the art out of obscurity in about 1947.
7. The BSKF is a grouping of organisations within the UK. According to Mr Dunn’s evidence, which was not challenged on this point, the first Shorinji kempo branch in the UK was opened in 1974 and by the early 1980s there were about 12 UK branches. Until 1990, BSKF was known as the British Shorinji Kempo Association. It had been in existence using the words Shorinji kempo for over 6 years before it applied to join WSKO. The BSKF has been active in the UK since 1990, promoting the art under a number of marks, the mark applied for being one of them. Many, if not all, of the organisations to which I have just referred to were affiliated to WSKO. They were expelled for reasons which I do not need to go into in 2010. More of the history of WSKO and BSKF can be found in the Decision. Save where it is necessary to refer to certain details, I do not set it out in this judgment.

Shorinji Kempo

8. There is a dispute between the parties about how Shorinji Kempo is properly to be perceived. It can be described as a martial art, having both religious and sporting aspects: that is no doubt both an incomplete and perhaps misleading description but it is adequate for present purposes.
9. The BSKF’s position is that the words shorinji kempo are simply the name of the activity which both it and WSKO promote; they are descriptive words. Those words are no different from words used to name other activities such as judo, karate or taekwondo. Mr Salthouse recorded BSKF’s evidence about this in paragraph 10) of the Decision. Mr Dunn, a member of BSKF, pointed out that words are both general words which had been in use for hundreds of years. Mr Dunn referred to a number of sources which supported that conclusion. Of particular interest was his reference to an extract from a book written by Doshin So in 1970. He was the founder of WSKO. Mr Dillon (who appears for BSKF) has taken me to it. The sleeve notes state:

“Shorinji Kempo is a martial art developed simultaneously with seated Zen meditation for the sake of both self-defense and health by the monks in the temple Shorinji in Hunan Province. It was first introduced into this temple by Bodhidharma, a sixth century Indian monk who travelled to China to spread the Buddhist faith. A profoundly meditative martial regime, Shorinji kempo was for many ages never taught to any but those who entered the Buddhist priesthood.... Unfortunately, however, the international reputation of Shorinji Kempo has heretofore rested on its importance in the early development of karate.”

10. In the preface to the book, one finds this:

“Although the name Shorinji kempo often appears in texts of Judo and Karate, until the present, because no one has ever given it an explanation, people have tended to regard it as a

legendary martial art. Therefore, I, as the only true successor to the Shorinji tradition have decided to reveal at least some its secrets to the reading public... The Shaolin-ssu (Shorinji in Japanese) temple, located in Honan Prefecture in China, was the site where Bodhidharma, a sixth century Buddhist patriarch, introduced Shorinji kempo to a group of Buddhist priests.... In agreement with this general principle, when I first brought Shorinji kempo to Japan I refused to allow anyone to train who would not enter our group and take a vow to use his knowledge only for good.”

Further references are found including in the first charter, explaining the history where reference is made to “The ancient art of Shorinji kempo”.

11. Also contained in the evidence before Mr Salthouse was an extract from one of WSKO’s own publications, dating from November 1980, titled “A Textbook of Shorinji Kempo for Foreign Branches” (that is to say foreign branches of WSKO). At the beginning, in Part I under the heading General Information, is a paragraph which repeats the extract I have quoted from Doshin So’s book down to the words “...a group of Buddhist priests”. The text then diverges, but at the end of the paragraph one finds this sentence:

“Other martial arts, however, tend to overemphasize the one or other of these elements [calm and action].”

12. Mr Dunn also said in his evidence – and this is not disputed – that there are other groups not associated with WSKO who practice and teach the Shorinji kempo of Doshin So and include Shorinji kempo in their distinctive marks without any licence to do so from SKU.
13. In contrast, SKU’s position is that the words Shorinji Kempo are not generic. They properly refer only to the activities of WSKO, its affiliates and other permitted to use the words in the description of their activities. The words are properly associated with, and only with, those activities when carried on by those entities and persons.
14. Mr Salthouse did not address this area of disagreement specifically. But it is implicit in his approach that he saw the words Shorinji Kempo as a generic description of the activities pursued by WSKO and BSKF. Further, he said this in paragraph 25) of the Decision:

“The words “Shorinji Kempo” simply identify the type of martial art and differentiate it from other forms such as taekwando, karate or judo”.

In saying that, he must be taken to have accepted Mr Dunn’s evidence, recorded above, that the words “Shorinji Kempo” are generic. In my judgment, it is right to conclude that the words are generic; they are words which identify a particular martial art in the same way as other words (such as those I have already mentioned) describe other martial arts. Although in more recent years, WSKO has sought, now through SKU, to assert its intellectual property rights, it is clear that Doshin So himself considered Shorinji Kempo to be an ancient art and was not attempting to arrogate

those words to himself, or the organisation which he founded, to the exclusion of others. Moreover, other organisations have used the words as the description of their activities before the time when SKU become more active in asserting its IP rights. Mr Salthouse was right to say what he did.

15. It follows that the registration of the Earlier mark could not be justified by reference to the words “shorinji kempo” alone. However, there is no challenge to the registration of the Earlier mark so I must proceed on the basis that it is validly registered. It may be that the registration is valid by reference to the Kanji. Thus, even if the Kanji are, like the words in Roman script, purely descriptive to a person able to read them, they may, to a western viewer with no understanding of the Kanji, be viewed as simply a decorative element and capable of giving rise to a distinctive character.

The section 6A issue

16. The issue on which Mr Salthouse rejected the opposition relates to proof of prior use. Under section 6A Trade Marks Act 1994, registration of BSKF’s mark is not to be refused by reason of the Earlier mark unless the use conditions are met. In the present case, this means that SKU must prove (and here the onus is on it) that within the period of 5 years ending on 1 July 2011 the Earlier mark has been put to genuine use in the UK by the proprietor (at relevant times either WSKO itself or SKU) or with its consent in relation to the goods or services for which it is registered. SKU relies on the following alleged use:
- i) Use by branches affiliated with BSKF itself of marks not identical to the Earlier mark but said to be use of the Earlier mark, such use, it is submitted, being with the consent of WSKO.
 - ii) Use on BSKF’s own Website.
 - iii) Use by another entity, the United Kingdom Shorinji Kempo Federation (“UKSKF”) of certain marks. The UKSKF was formed some time after BSKF had ceased, in 2010, to be affiliated with WSKO.

The first and second uses relied on: use by branches and by BSKF

17. It is convenient to take the first two uses together. There have been three marks which have been used in the UK which appear as follows:
- i) The 2005 mark:



- ii) The 2007 mark which took two forms. The first appeared as follows:



The second form was the same but without the Kanji underneath the device and words. I shall refer to the first form of the 2007 mark as “**the 2007 mark**”.

18. In 2005, WSKO issued a policy concerning use of marks. Essentially, affiliates outside Japan were not allowed to use a mark which included the Kanji. The Earlier mark in precisely its form as registered could not, therefore, be used in the UK. Nor could it be used outside Japan together with another mark or as part of a composite mark. There is no evidence that it ever was so used. Since, in accordance with Mr Salthouse’s view and my own view, the words Shorinji Kempo in Roman script are generic and simply descriptive, the use of those words without the Kanji, whether by themselves or together with another mark or as part of another mark, would not, in my judgment, amount to use of the Earlier mark. In particular, their use in the BSKF mark cannot amount to genuine use of the Earlier mark.
19. Mr Salthouse nonetheless carried out, in paragraphs 22) to 25) of the Decision, a rather different analysis of the issue whether the use of the BSKF mark could be considered to be use of a variant form of the Earlier mark reaching the conclusion that it did not. This analysis would be relevant if the words shorinji kempo were not simply descriptive but were such as to identify the activities of WSKO. And it would be relevant if, contrary to my approach in paragraph 15 above, the mere fact of registration means that the words must be treated as having a relevant distinctiveness.
20. In that case, it would be necessary to apply the approach explained by Lord Walker in *BUD* and to ask whether the differences, once identified, alter the distinctive character of the mark as registered. But even if the differences did not alter the distinctive character of the mark, that would only avail SKU if the use by BSKF of the BSKF mark was use with the consent of WSKO/SKU. For reasons given below, I conclude that it was not.
21. In 2007, WSKO revised the policy so as to allow the use of the Kanji, but only as part of the 2007 mark. Affiliates wishing to use the 2007 mark had, nonetheless, to obtain a licence to do so from WSKO/SKU.
22. It will be noticed that the device at the top of each form of the 2007 mark has the ® symbol at the bottom right hand corner; and that the words do not precisely match the Earlier mark, the words being joined together and having the distinctive “o” in Shorinji.
23. It is said, nonetheless, that the use of the words and the Kanji appearing in the 2007 mark amounts to use of the Earlier mark since these elements form a distinctive feature of the 2007 mark.
24. In order to address the issue under section 6A, it is necessary to explain why it is said by SKU that the alleged use was with consent. There are three different matters to which I need to refer.

- i) First, it is said that BSKF was simply an arm of WSKO until it and many of its branches ceased to be affiliated with WSKO; accordingly, any use made by BSKF or its branches of the Earlier mark was *ipso facto* use by WSKO.
 - ii) Secondly, SKU relies on two consents which were given to use trade marks on clothing following an application by a branch master of a branch which was, at the time, affiliated to WSKO.
 - iii) Thirdly, SKU relies on a consent to use trade marks on BSKF's website during the 5 year period under a consent given following an application made by Tameo Mizuno on behalf of BSKF.
25. As to the first of these, I do not consider that there is anything in the point. The evidence before Mr Salthouse was clear. It was that BSKF (whether under that name or its earlier name using Association rather than Federation) was in existence several years before it and its constituent branches became affiliated to WSKO. Affiliation did not, in my judgment, entail that BSKF or its branches simply became part of WSKO nor that it became some sort of agent so that its use of the marks was *ipso facto*, use by WSKO. So far as concerns use of the BSKF mark, there is nothing in the evidence to suggest that any actual consent to use the mark was sought or obtained from WSKO/SKU. Accordingly, even if use of the BSKF mark was, contrary to my view, use of the Earlier mark, such use did not fall within section 6A.
26. As to the two consents for use on clothing to which I have referred, the first application for permission to use a trade mark was made by Mr Woodward (who has given evidence on behalf of SKU) on 16 May 2008 (and thus within the 5 year period). He was branch master at Durham University. The relevant details on his request for permission to use a trade mark were as follows:
- i) The item on which the trade mark was to be used was "Gillet (bodywarmer)".
 - ii) The purpose was "for Durham Kenshi and visitors (BSKF) to Taikai".
 - iii) The "target audience" was "insiders" and "target range" was "within the branch" and "within the federation".
 - iv) The trade mark to be used was "multicolour" and was attached as a word document. It was the second form of the 2007 mark to which I have referred above.
27. Mr Woodward says that he later obtained consent to use the 2007 mark itself (*ie* the first form). He included in his evidence a photograph of the garment with a badge attached using the 2007 mark. He does not say when this permission was obtained but the photograph demonstrates that the garment was for use in relation to the 5th anniversary of the branch, that is to say 2003 to 2008. I infer that the garment was produced and distributed within the relevant period.
28. The second application was made by a Mr Williams. He was branch master at Harrow. The relevant details on his request for permission to use a trade mark were as follows:

- i) The item on which the trade mark was to be used was “Clothing – T-shirts”.
- ii) The purpose was “Gasshuku – BSKF”.
- iii) The “target audience” was “insiders” and “target range” was “within the federation”.
- iv) The trade mark to be used was “two colors”. The application form contained some drawings. The copy in the bundle is not coloured and I do not know if the original was coloured. It presents a drawing on the front which appears to be the 2007 mark. This is confirmed by other documents in the bundle including a photograph of the T-shirt as manufactured. On the back appears the stylised

SHORINJIKEMPO

with “B.S.K.F 2008” underneath it.

29. In the case of each application, consent to use was given by SKU.
30. As to the third use relied on, application for permission to use a trade mark was made by Mr Mizuno (who has given evidence on behalf of BSKF) on 30 December 2007 (and thus within the 5 year period). The relevant details on his request for permission to use a trade mark were as follows:
 - i) The item on which the trade mark was to be used was “Website”.
 - ii) The purpose was for “Website”.
 - iii) The “target audience” was “general public”.
 - iv) The trade mark to be used was “multicolour” and referred to www.bskf.org. Mr Woodward has included in his evidence a print of some pages of what appear to be BSKF’s website and which are said to have been printed on 16 January 2008 in Japan. The 2007 mark (*ie* the first form) appears at the top of each page.
31. As to that evidence, Mr Dillon suggests that it does not allow one to say whether the pages had in fact been made available to the public (*ie* whether the web site had ever been published) or, if made available, for how long. I think that it is correct to conclude that the pages were made available to the public. The application form for the consent referred to the website www.bskf.org. It is reasonable to conclude, as I do, that the pages printed in Japan were obtained by visiting that website in January 2008. There is nothing to suggest that it was a site which was not available to the public generally at that time. It is true that there is no evidence to show that, after the date of the print on 16 January 2008, the 2007 mark remained on the website. Equally, there is nothing to show that it was removed. Whilst BSKF remained affiliated to WSKO, there would be no reason for it to be removed and every reason for it to remain, precisely to show its affiliation. Accordingly, I proceed on the basis

that the 2007 mark was used by BSKF on its website up until the time when it ceased to be affiliated in 2010.

32. A note under the heading Affiliation on the web-age explains as follows:

“Despite the fact that “Shorinji Kempo” and the Soen symbol are internationally registered trade marks of WSKO, thanks to the generic aspects of the name, a number of martial arts styles use either Shorinji or Kempo in their title....”

33. I make two observations arising from that. First, it demonstrates that at least BSKF saw “shorinji” and “kempo” as a generic, and thus descriptive, term at a time when it was affiliated to WSKO. Secondly, whatever may have been the position internationally (about which I am told nothing) “Shorinji Kempo” was not a registered UK or Community trade mark albeit that those words do appear in the mark which was registered, namely the Earlier mark.

The third use relied on: use by UKSKF

34. The evidence from Mr Woodward is that the UKSKF “was not formally named and incorporated until 2012”. I do not think that he means it was incorporated as a company but nothing turns on that. The UKSKF website was, he said, registered outside the relevant period. His evidence is that “the organisation was in existence since 2010”. He says that it was effectively formed when BSKF ceased its affiliation with WSKO. In the hearing bundle before me is the only contemporaneous document which has been adduced in evidence. It is a letter to all branch masters of UKSKF congratulating them on “the establishment of the national federation in the UK on January 19, 2012”. I have no evidence of the use of any trade marks on a website during the relevant period other than the use by BSKF of the first form of the 2007 mark. Mr St Quintin asks me to infer that the UKSKF used that mark seamlessly, as it were, on the dis-affiliation of BSKF. I am not willing to make that inference. The best evidence is that UKSKF did not come into being until January 2012. Even if there was a loose federation of branches remaining affiliated, there is nothing to suggest that there was a website on which the 2007 mark would have appeared. There is nothing else to suggest that an entity existed prior to the formation of UKSKF which used that mark or any other relevant mark.
35. However, it may be the case that certain branches use that mark. I am willing to accept that the Durham University Branch used it since Mr Woodward says as much: and that is not in any way inconsistent with Mr Dillon’s submissions in relation to the unreliability of Mr Woodward’s evidence about the existence of the organisation before 2012. However, that evidence is of limited assistance since Mr Woodward does not describe the use made, in particular whether it was commercial use in any way. Ultimately, I do not think anything turns on the issue of use by UKSKO but I have thought it right to record my view.

Genuine use

36. It is convenient at this point to say something about the law concerning “genuine use”.

37. It is common ground that Mr Salthouse accurately stated the principles in paragraph 18) of the Decision. In particular, the parties are content to accept the summary of the law which he took from the decision of Ms Anna Carboni, sitting as the Appointed Person in O-371-09 *Sant Ambroeus* [2010] RPC 28:

“(1) Genuine use means actual use of the mark by the proprietor or a third party with authority to use the mark: *Ansul*, [35] and [37].

(2) The use must be more than merely “token”, which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and 39]; *La Mer*, [22] - [23].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no *de minimis* rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods

or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25].”

38. When assessing whether the use of a mark can be considered to be the use of a variant of an opponent’s mark, regard must be had to the decision of the Court of Appeal in *BUD and BUDWEISER BUDBRAÛ Trade Marks* [2002] EWCA Civ 1534, [2003] RPC 25 at [43]-[45], a decision on section 46(2) where the relevant words are the same as those found in section 6A. At [43] Lord Walker (in a passage cited by Mr Salthouse at paragraph 23) of the Decision) and at [45] said:

“[43] The first part of the necessary inquiry is, what are the points of difference between the mark as used and the mark as registered? Once those differences have been identified, the second part of the inquiry is, do they alter the distinctive character of the mark as registered?

.....

[45] It is for the registrar, through the Hearing Officer's specialised experience and judgment, to analyse the “visual, aural and conceptual” qualities of a mark and make a “global appreciation” of its likely impact on the average consumer, who “normally perceives a mark as a whole and does not proceed to analyse its various details.”

39. Mr St Quintin has referred to me a helpful a passage from *Rintisch v Eder* [2013] ETMR 5, where the Court of Justice said the following:

“21 The purpose of article 10(2)(a) of Directive 89/104, which avoids imposing a requirement for strict conformity between the form used in trade and the form in which the trade mark was registered, is to allow the proprietor of the mark, in the commercial exploitation of the sign, to make variations in the sign, which, without altering its distinctive character, enable it to be better adapted to the marketing and promotion requirements of the goods or services concerned.”

40. I agree with him when he says that, while this does not give any direct guidance on how to assess whether or not alterations to a sign have altered its distinctive character, it does indicate the purpose for which the use of variants is allowed and so provides some assistance as to the types of altered use that should be allowed.
41. In his decision in *Re Douglas & Grahame Ltd’s Trade mark* (the *REMUS* trade mark case BL-061-08), Mr Richard Arnold QC (as he then was) sitting as the Appointed Person considered the authorities on section 46(2), confirming, at [35] of his decision the view which had previously expressed in another case (*NIRVANA*):

“33. The first question [in a case of this kind] is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period...”

34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter’s distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all.”

42. Mr Arnold held, differing from the conclusion of the Hearing Officer, that the use of a mark containing the word “REMUS” (the registered mark) and the word “UOMO” (with different prominence) fell within section 46(2). The registered mark was either exactly reproduced or, in one case, with only insignificant differences and was clearly the dominant and distinctive element of the labels. The addition of the word “UOMO” did not alter the distinctive character of the registered mark.
43. I have also been referred to *Colloseum Holdings AG v Levi Strauss & Co* [2013] ETMR 34. In this case, the ECJ was concerned with the labelling of jeans. Levi Strauss held the following relevant marks:
 - i) A Community word mark for “LEVI’S” for clothing.
 - ii) A German word and figurative mark for trousers shirts, blouses and jackets (referred to as “mark no. 3”). This contained the word element “LEVI’S” in a red rectangular element at the left upper edge of a pocket.
 - iii) A coloured Community figurative mark in red and blue for trousers (“referred to as mark no.6”). It was a position mark consisting of a rectangular red label, made of textile, sewn into and protruding from the upper part of the left-hand seam of the rear pocket. It was registered on the basis of having become distinctive through use. That use consisted entirely of use in only in the form of mark 3.
44. Colloseum, a clothing retailer, placed jeans on the market under a number of brand names. They bore a small rectangular fabric tag on which appeared the relevant brand name or the words “SM Jeans” sewn into the upper part of the outer right seam of the rear right pocket.
45. Levi Strauss alleged infringement. Colloseum raised a defence alleging lack of use of mark no 6. During the ensuing litigation, the referring court referred two questions to the CJEU relating to Article 15(1) of Regulation 40/94 which required genuine use within the periods specified. The questions were whether that Article was to be interpreted as meaning that:

- i) a trade mark which is part of composite mark and has become distinctive only as a result of the use of the composite mark can be used in such a way as to preserve the rights attached to it if the composite mark alone is used?
 - ii) a trade mark is being used in such a way as to preserve the rights attached to it if it is used only together with another mark, the public sees independent signs in the two marks and, in addition, both marks are registered together as a trade mark?
46. As the Court observed at [21] of the judgment, the outcome of the proceedings turned in particular on whether a registered trade mark [mark no 6 on the facts] which constituted one element of another mark [mark no 3] and which has become distinctive as a result of the use of that other mark [mark no 3] can also be put to genuine use on the basis of the use of that other mark [mark no 3]. On the facts, the question for the national court was then whether use of the mark comprising the small red rectangular label with the word “LEVI’S” on it amounted to use of the mark comprising the small red rectangular label alone.
47. As is often the case, the Court reformulated the questions, taking them together, and asking
- “whether the condition of genuine use of a trade mark, namely use such as to preserve the rights of the trade mark proprietor, as referred to in art. 15(1) of Regulation 40/94, is satisfied where a registered trade mark, which has become distinctive as a result of the use of another composite mark of which it constituted one of the elements, is used only through that other composite mark, or where it is used only in conjunction with another mark, and the combination of the two marks is, furthermore, itself registered as a trade mark.”
48. A number of points are confirmed or established by the judgment of the Court.
- i) First, there is a reminder that the distinctiveness of a mark means that the mark serves to identify the goods in respect of which registration is applied for as originating from a particular undertaking and thus to distinguish those goods from those of other undertakings. The essential function of the mark is to identify in the eyes of consumers, the undertaking of origin of the goods (or services).
 - ii) Acquisition of distinctive character, for the purposes of its registration through the use made of it, may result from both (i) the use, as part of a registered trade mark, or a component of it and (ii) from the use of a separate mark in conjunction with a registered trade mark. In both cases, it is sufficient that, in consequence of such use, the relevant class of persons actually perceive the goods or service, designated exclusively by the mark applied for, as originating from a given undertaking. Accordingly
- “regardless of whether the sign is used as part of a registered trade mark, or in conjunction with the registered trade mark, the fundamental condition is that, as a consequence of that

use, the sign for which registration as a trade mark is sought may serve to identify, in the minds of the relevant class of persons, the goods to which it relates as originating from a particular undertaking (*Société des Produits Nestlé SA v Mars UK Ltd (Have a Break)* (C-353/03) [2005] ECR I-6135 at [30].”

- iii) The “use” of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark. The criterion of use is fundamental and cannot be assessed differently according to whether the issue is creation of rights or protection of existing rights. If it is possible to acquire trade mark protection through a specific use made of the sign, the same form of use must also be capable of ensuring that such protection is preserved. Accordingly, the requirements that apply to verification of the genuine use of a mark in the context of protection of rights are analogous to those concerning the establishment of distinctiveness through use.
- iv) Nonetheless, a registered trade mark which is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term “genuine use”.

49. Mr Dillon relies particularly on that last paragraph. I have nonetheless gone into the case in a little detail in order to put the paragraph in its context. In reaching my conclusions, I take full account of that paragraph.

Application to the facts

- 50. I have already concluded that the use of the 2007 mark was not use with consent simply by virtue of the affiliation of BSKF with WSKO. I have also already concluded that use of the BSKF mark was not use of the Earlier mark essentially because the words shorinji kempo are generic.
- 51. So far as the use of the 2007 mark on clothing is concerned, Mr Dillon makes two suggestions (his word, adopted perhaps because those suggestions do not add up to very strong submissions). The first is that the use made of the mark was not genuine commercial use and was not, therefore “genuine use”. The second is that there was no consent to use the Earlier mark but only consent to use the composite mark; that was not enough to amount to genuine use of the Earlier mark. I take those in turn.
- 52. I have set out at [37] above the approach to be adopted in relation to “genuine use” and the relevant commercial element. So far as concerns the website, I have no doubt that this meets the criterion for real commercial exploitation. If nothing else, it is advertising but, so it seems to me, it goes well beyond mere advertising and provides an information service for those thinking of taking up the art as well as for those already active in it.
- 53. In relation to the clothing, Mr Dillon suggests that the design of the garments is of a commemorative souvenir. These garments were intended for members who, he submits, would not rely on the mark in any way as a guarantee of origin precisely

because they are members. I do not accept the suggestion that the commercial exploitation criterion is not met. The evidence is that these garments, albeit prepared at least in some cases for a special event, were for sale. The sales or intended sales were, in the case of the T-shirts, of sufficient numbers to be sensibly regarded as commercial exploitation in the context of the relevant market. Members, as much as anyone else, would want to know that the garments they were buying with WSKO's mark on it were approved merchandise.

54. Nor do I accept the suggestion made in relation to consent to the use of the Earlier mark. It is true that there was no consent to the use of the Earlier mark on its own, but only of that mark in conjunction with the device (itself also a registered trade mark). However, when the 2007 mark was put to use by BSKF or the branches, that was with consent of WSKO/SKU. If that use amounted to use of the Earlier mark for the purposes of section 6A (applying the legal principles which I have already considered, and the issue I come to next) then in my view it is correct to say such use of the Earlier mark was with consent for the purposes of that section.
55. With those points disposed of, I conclude that the uses on the gillet (as manufactured and for which consent was given), on the T-shirts and on the website were occasions of "genuine use" of the Earlier mark.
56. The first point to note is, that although the words and the Kanji underneath the device in the 2007 mark are not identical to the Earlier mark, they would, if viewed by themselves, clearly give rise to genuine use of the Earlier mark. In that context, the words as used and the words of the Earlier mark are very similar although not identical. In each case they are in upper case in a plain script. The actual use differs in that the 2007 mark joins the two words together and has a stylised "o" as the third letter. These are not significant differences. Further, the Kanji actually used are, so far as I can tell, identical to the Kanji in the Earlier mark. It has not been suggested otherwise by Mr Dillon.
57. The second point to note is that the words and the Kanji have equal prominence with the device. If the words shorinji kempo had not been a generic description of the martial art but had been attached, uniquely, to the trade of WSKO, it could not sensibly be maintained, I consider, that the device had such prominence as to displace the distinctiveness of the words and the Kanji. Nor would the average consumer perceive the 2007 mark as a composite mark which they would regard as a unified whole. This is particularly so given the use of ® symbol which goes to show that the device on the one hand and the words and the Kanji on the other hand are separate. In *REMUS*, Mr Arnold had found the use of the symbol to be ambiguous in the light of its positioning. But in the present case, it is clear that it relates only to the device leaving the words and the Kanji to carry their own message. The fact that the words are generic (as Mr Salhouse considered and I have held) does not, in my view, detract from that conclusion. It would not be right, in my view, to isolate the words and then to argue that the Kanji alone are of minor importance in the impact of the composite mark (device, words, Kanji). Given the subsistence of the registration of the Earlier mark, it is the impact of that mark, as registered, taken as a whole which must be taken into account. The question, after all, is whether there has been genuine use of the Earlier mark, that is to say the mark in its entirety; the focus is not on some element of the Earlier mark which gives its distinctiveness. In saying that, I base myself on the proposition that it is the Kanji which provides the element of

distinctiveness of the Earlier mark; but see also [15] above. If that is wrong, and the words also provide an element of distinctiveness, then the result is the same although SKU's case is even stronger.

Confusing similarity

58. The parties' respective arguments concerning confusing similarity are straightforward, but they have different starting points. Mr St Quintin's preferred starting point depends on his submission, which I have rejected, that the words shorinji kempo are not generic or merely descriptive. On that basis, he submits there is similarity and a risk of confusion. He relies on the general approach set out in the judgment of Kitchin LJ in *Specsavers* [2012] FSR 19 at [51]-[52], approving the summary of key principles developed by the Trade Marks Registry. I do not propose to set those principles out again: they are well-known. But it is worth setting out the last of them:

“If the association between the marks causes the public to wrongly believe that the respective goods [or services] come from the same or economically linked undertakings, there is a likelihood of confusion.”

59. And so Mr St Quintin says that the issue is straightforward: when a comparison is made of the two marks, the dominant element of each mark is plainly (he says) the “Shorinji Kempo” element. Visually the marks are therefore very similar and aurally they are similar too, with an oriental flavour. Conceptually, therefore, the marks are highly similar. The additional words of the BSKF mark create the impression that it is the mark of an affiliate of WSKO (as was the case for many years in fact); the average consumer would appreciate that BSKF is an emanation of WSKO. There is therefore a risk of confusion.

60. Although his preferred starting point is as I have described it, Mr St Quintin submits that even if the words shorinji kempo are descriptive in the same way as judo or karate or taekwondo, the same result obtains: as he puts it “the advantage of being on the register is that you have protection for the mark”.

61. Mr Dillon's starting point, which I have held to be correct, is that the words shorinji kempo are generic. It is not open to him before me to argue that the Earlier mark is not distinctive at all since there is no claim that the registration is invalid. But that is not to say that it is not open to me to treat the Kanji as providing the distinctive element of the Earlier mark having decided as I have the nature of the words shorinji kempo. That, indeed, is exactly what I consider I should do.

62. If it is correct to regard the Kanji as the (only) distinctive element of the Earlier mark, then it seems to me that the two marks are not similar. Because, to the English reader, the martial art called shorinji kempo may not be familiar, there is a risk of proceeding as if those words are distinctive even though, objectively, the words are in fact generic. But if one were to consider the case of golf, rather than shorinji kempo, and to imagine a trade mark comprising “GOLF” with a decorative emblem underneath it, that risk is eliminated. Now imagine another mark “The BRITISH GOLF FEDERATION” set out in the same way as the BSKF mark and perhaps containing some similar stylistic lettering. The words “British” and “Federation” are not, on

their own, distinctive: it is only when combined with Golf that the words (possibly) become distinctive. Even assuming that the decorative emblem in the first mark is small compared with the word GOLF, I do not consider that the use of the word GOLF in each mark means that they are similar. In the same way, I do not think that the use of the words SHORINJI KEMPO in the Earlier mark and in the BSKF mark means that they are similar for the purposes of section 5(2)(b). That is not to say that the form (with the stylised “o”) of the single word “SHORINJIKEMPO” might not be distinctive and capable of registration even without the Kanji, but neither WSKO nor SKU hold such a registration. I would accordingly reject Mr St Quintin’s submission if he is forced to start, as I think he is, from his less-than-preferred starting point. Absent similarity, the question of whether there is a risk of confusion does not arise.

63. If, contrary to that analysis, the two marks are to be seen as similar simply because they both use the words shorinji kempo, the question of whether there is a risk of confusion does arise. I shall consider this at a high level without going into the scope of the use established and the scope of the goods and services covered by the BSKF mark simply assuming that they cover broadly the same ground without deciding the issue. In carrying out the global assessment it is necessary to take account of the nature of the goods and services, which I do. The goods can be taken for present purposes as sports clothing; and the services as martial arts training.
64. Mr Salthouse did not address confusing similarity because he did not get as far as that, having decided that there was no genuine use of the Earlier mark. However, he did, as part of his analysis of whether the use of the BSKF mark could be considered to be use of a variant form of the Earlier mark, carry out a comparison of the Earlier mark and the BSKF mark. He identified a Japanese air in the Earlier mark and relied on that in drawing a distinction with the BSKF mark. Mr St Quintin criticises that reasoning, saying that the BSKF mark itself has a Japanese air through the use of the words shorinji kempo. But that does not quite meet Mr Salthouse’s point: apart from the consideration that there is certainly a more Japanese air through use of the Kanji than without them, the real point is the distinction he drew between the Japanese focus of the Earlier mark emphasised by the use of the Kanji and the British focus of the BSKF mark – this was after all a British federation. Mr Salthouse also took into account and the layout of the BSKF mark. He also took into account the device element where the letter “K” in “Kempo” extends into the line below it but considered that the average UK consumer would not take much note of this element. He also took account of the fact, as he perceived matters, that the words shorinji kempo were generic. His conclusion (clearly making a global appreciation of the mark on the average consumer) was that the visual, aural and conceptual differences between the Earlier mark and the BSKO mark were such that the distinctive character of the Earlier mark was altered
65. I agree with that analysis and consider that it has a strong resonance in relation to the risk of confusion. Even if the Earlier mark and the BSKF mark are similar because of the use of the words shorinji kempo, no confusion can arise from the use of those generic words any more than the use of the word golf in the example I gave earlier. In my judgment, there can be no confusion between a mark (the Earlier mark) containing the generic words shorinji kempo together with the Kanji characters on the one hand and another mark (the BSKF mark) containing the words shorinji kempo positioned between the words “The British” and “Federation” let alone where the total

phrase is presented in a stylised form. In order for there to be a risk of confusion, it seems to me that there would need to be a risk of confusion between the Kanji on the one hand and the words which the BSKF apply to shorinji kempo, namely “The British” and “Federation” on the other hand. I can perceive no risk of confusion in those words. I only add that there is, of course, absolutely no risk of confusion arising from the designs of the two marks: they are nothing like the same.

66. Mr St Quintin’s strongest contrary point is, I think, that the British Federation will be seen as an outpost of the WSKO. There would be considerable force in that submission if the words shorinji kempo were not generic. But if that were so, the “outpost” argument would probably be no more than a make-weight in any case. This is because “SHORINJI KEMPO” would form the distinctive and dominant element of both the Earlier mark and the BSKF mark and there would be a real risk of confusion. But the words being generic, the “outpost” argument does not avail Mr St Quintin.
67. These conclusions make it unnecessary to consider in any more detail the scope of the use of the Earlier mark.

Conclusions and disposition

68. In my judgment:
- i) The words “shorinji kempo” are descriptive of an activity. They are generic and SKU cannot claim to arrogate the right to use those words to itself and its licensees.
 - ii) SKU is able to show “genuine use” of the Earlier mark through use of the 2007 mark by BSKF (on its website) and its branches (on clothing) during the relevant period.
 - iii) The BSKF mark is not similar to the Earlier mark. But if that is wrong, there is no likelihood of confusion for the purposes of section 5(2).
 - iv) It is unnecessary to say anything more about the scope of the use of the Earlier mark as a result of the use of the 2007 mark.
69. Accordingly, the appeal is dismissed.