

**TRADE MARKS ACT 1994**

**IN THE MATTER OF Application No 2001040  
by React Music Limited to register a trade mark  
in Class 25**

**AND IN THE MATTER OF Opposition thereto  
by Update Clothing Limited under No 45787**

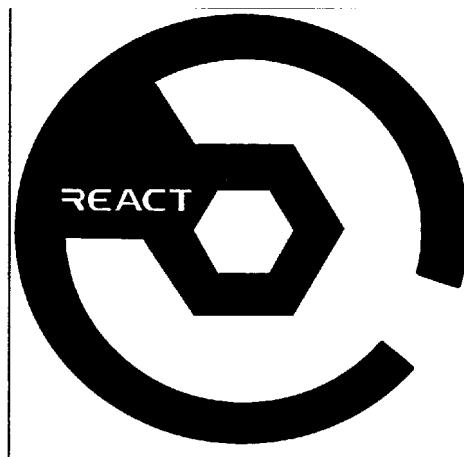
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**DECISION**

On the 31 October 1994, React Music Limited applied for the registration of the mark shown below.



The application was filed in Class 25 and was originally for a series of three marks, one of which consisted exclusively of the word REACT. The specification of goods advertised for opposition was:-

T-shirts, tops, sweatshirts, jackets; caps, headbands, headgear; trousers, jeans, shorts; dance wear, exercise wear, articles of sports clothing, swimwear, leisure wear, pull-overs, jerseys, wristbands, socks, tights, belts, wraps, mittens, gloves, footwear: but not including any such goods relating to or bearing any reaction to temperature change.

The exclusion at the end of the specification was entered in response to an objection taken by the examiner under Section 3(1)(c) of the Act. This objection applied only to the mark which consisted of word REACT solus. In the event, that mark did not proceed to publication for other reasons but the exclusion was not retracted.

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On 28 October 1996, Update Clothing Limited filed notice of opposition. The grounds of opposition are (in summary):-

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1. The opponent is the proprietor of registered trade mark No 1365566, which consists of the word REACTOR and is registered with effect from 2 December 1988 in respect of articles of clothing included in Class 25.

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2. The mark applied for offends Section 5(2)(b) of the Trade Marks Act 1994 (the Act) because it is similar to the opponent's earlier trade mark and is to be registered for identical goods with the result that there exists a likelihood of confusion.

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3. The opponent has made substantial use of the registered trade mark REACTOR and acquired substantial goodwill and reputation under the mark; use of the mark applied for would therefore be contrary to the law of passing off and registration would offend Section 5(4)(a) of the Act.

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4. The applicant's mark offends Section 1(1) of the Act because it is not capable of distinguishing the applicant's goods from those of the opponent.

5. The application was made in bad faith because the applicant claim to be the proprietor of the mark.

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6. The registration and use of the mark applied for would unfairly prejudice the opponent and the application should be refused in the exercise of the Registrar's discretion.

The applicant denies these grounds of opposition. Both sides seek an award of costs.

The Registrar has no discretion to refuse an application that meets the requirements for registration. Consequently, I need say no more about the final ground of opposition.

5 The matter came to be heard on 25 November 1998 when the applicant was represented by Ms F Clarke of Counsel, instructed by S J Berwin & Co, and the opponent was represented by Mr C Birss of Counsel, instructed by F B Dehn & Co.

10 The opponent filed a Statutory Declaration dated 24 April 1997 by Mahendra Mulchand Gudka, who is a Director of Update Clothing Limited. Mr Gudka states that the opponent has used the mark REACTOR since April 1989 and he provides sales figures and various promotional booklets. For reasons I will come to shortly, I do not find it necessary to summarise this evidence in any more detail.

15 The applicant filed evidence in reply which sought to challenge the accuracy of Mr Gudka's evidence. The applicant also asked to cross examine Mr Gudka. The Registrar indicated in a letter dated 3 November 1998 that, in view of the conflict of evidence, and subject to the right of the parties to be heard, he considered that cross examination was appropriate and he was not prepared to issue a Direction to the contrary under Rule 49(2) of the Trade Mark Rules 1994.

20 Mr Gudka attended the hearing but at the outset Mr Birss objected to the cross examination on the basis that it was unnecessary. Mr Birss submitted that the principal ground of opposition was Section 5(2)(b) and that Mr Gudka's evidence was not relevant to that ground. Section 5(2) of the Act is set out below:-

25 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 earlier trade mark is protected, or

30 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.

5 In response to a point made by Ms Clarke, Mr Birss conceded that the opposition could not succeed under Section 5(4)(a) if it failed under Section 5(2)(b). He further indicated that the opponent was not pursuing the grounds of opposition under Sections 3(1) and 3(6) of the Act. That did not satisfy Ms Clarke, who pointed out that in a (so far) unreported decision (POLACLIP SRIS 0-150-98) the Registrar has held that the appropriate test under Section 5(2) is that set out by the European Court of Justice (ECJ) in *Sabel B.V. v Puma A.G.* (1998 RPC 10 p199). In its decision the ECJ confirmed that one of the factors to be taken into account under Article 4(1)(b) of the Trade Marks Harmonisation Directive 104/89 (which is equivalent to Section 5(2) of the Act) is the recognition of the earlier mark on the market. The relevant sections of the ECJ's decision are set out below:-

15 “.....it is clear from the tenth recital in the preamble to the Directive that the appreciation of the likelihood of confusion ‘depends on numerous elements and, in particular, *on the recognition of the trade mark on the market*, of the association which can be made with the used or registered sign, of the degree of similarity between the trade mark and the sign and between the goods or services identified’. The likelihood of confusion must therefore 20 be appreciated globally, taking into account all factors relevant to the circumstances of the case.

25 That global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The wording of Article 4(1)(b) of the Directive - ‘there exists a likelihood of confusion on the part of the public....’ - shows that the perception of marks in the mind of the average consumer of the type of goods or services in question plays a decisive role in the global appreciation of the likelihood of 30 confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details.

35 In that perspective, the more distinctive the earlier mark, the greater will be the likelihood of confusion. It is therefore not impossible that the conceptual similarity resulting from the fact that two marks use images with analogous semantic content may give rise to a likelihood of confusion *where the earlier mark has a particularly distinctive character*, either per se or *because of the reputation it enjoys with the public.*”(my emphasis)

In response to this, Mr Birss further conceded that the opponent's evidence of use did not take the

case any further than if the tribunal simply considered notional “normal and fair” use of the earlier mark, which he submitted was to be assumed of any registered trade mark, even without evidence. On that footing, he accepted that the opponent’s evidence of use of the registered mark could not bring about a different result under Section 5(2)(b) than if no evidence had been filed.

Ms Clarke questioned whether, in the light of the ECJ’s decision in *Sabel v Puma*, it was still appropriate to assume notional use of the earlier trade mark in the absence of evidence, as under the old law (see *Ovax* 1946 63 RPC 97).

In my view, it is still appropriate to do so. Article 11(2) of the Harmonisation Directive gives Member States the option of implementing legislation denying protection for earlier marks if or to the extent that they are open to revocation for non-use. The UK has not implemented such legislation. Consequently, it appears to me that, in the absence of an attack on the registration of the earlier trade mark, it is to be assumed that there has been notional use of the earlier mark. The reason for this is clear. Unless one assumes notional use of the earlier mark, the answer to the question of whether a later trade mark gives rise to a likelihood of confusion on the part of the public will always be no. If the public have never seen the earlier mark the later mark cannot cause confusion. Thus it is necessary to assume use of the earlier mark (and the later mark) when considering the likelihood of confusion.

That is not to say that it would be right to assume any particular reputation on the market arising from such notional use. If the owner of the earlier mark wants the Registrar to take account of a reputation on the market which is sufficient to affect the likelihood of confusion, he must file evidence which supports the claim. I doubt whether the opponent’s evidence in this case - even if it were not challenged - would have been sufficient to have made any real difference to the strength of the opposition under Section 5(2)(b). Accordingly, taking account of Mr Birss’s concessions on behalf of the opponent, I made a Direction at the hearing that the cross examination of Mr Gudka was unnecessary and should not proceed.

The opponent has conceded that the outcome under Section 5(2)(b) will determine this

opposition. The further concession that Mr Gudka's evidence cannot alter the outcome of the opposition under Section 5(2)(b) makes it unnecessary for me to summarise the evidence that the applicant has filed in an attempt to challenge his evidence. The remainder of the applicant's evidence consists of a Statutory Declaration dated 28 October 1997 by Thomas Foley, who is the Joint  
5 Managing Director of React Music Limited. Mr Foley states that the applicant is a record company which specialises in dance music. Total turnover in 1992 exceeded £600k, rising to over £1.1m in 1994 (the year of the application). Mr Foley further states that the company's mark appears on record covers and part of the company's marketing strategy is to offer merchandising products for sale, which include T-shirts. Such merchandise is sold mail order and promoted primarily through  
10 inserts included in the companies CDs and records. Turnover figures are provided for clothing, mostly T-shirts, which Mr Foley says "almost all" bore the device applied for. The figures indicate sales of just under £3k in 1992, rising to around £11k in 1994, and around £6.7k in 1994.

15 It is common ground that identical goods are at issue and the likelihood of confusion therefore depended primarily upon the degree of similarity between the respective marks.

Mr Birss contended that the applicant's use was de minimis and the absence of evidence of actual confusion was not a reliable guide as to what will happen in future. He submitted that the word  
20 REACT was the characterising feature of the applicant's mark; that this is how it would be referred to. He reminded me that when comparing word marks the first syllables are generally important because of the tendency of the public to swallow or slur the endings of words, and that allowance had to be made for imperfect recollection. Mr Birss suggested that, to those who may have seen his client's REACTOR mark in use, there would be nothing unusual about seeing it (or  
25 what they believed to be it) appear within a device.

For her part, Ms Clarke submitted that the opponent had got no further than showing a mere semantic association between the marks. She argued that, even leaving aside the device in her client's mark, the words REACT and REACTOR were not confusingly similar because they had  
30 different meanings and a different number of syllables. Ms Clarke further contended that, even if were to be assumed that her client's mark would be referred to as a REACT mark ( which she did

not concede), the general practice in the clothing trade was for the public to select goods by sight off display rails rather than order them across counters. In that respect she pointed out that there was no evidence that the earlier mark had a reputation or that goods under that mark were ordered by word of mouth. She accepted that the latter was more likely between those engaged in trade but pointed out that such people were the least likely to be confused. Ms Clarke also relied upon the evidence of her client's reputation as a record company as a further factor which would prevent confusion. In the event that I decided against her on the prima facie case, Mr Clarke submitted that the applicant should nevertheless prevail because of its honest concurrent use of the mark.

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In my view, the last two arguments are insubstantial. The nature and scale of the applicant's use before the relevant date would not justify a finding of honest concurrent use, which as Section 7(2) of the Act makes clear, is irrelevant in an opposition except to the extent that demonstrates that there is no likelihood of confusion. If the applicant's mark is registered it could be assigned to another company tomorrow, so it would obviously not be safe to place much weight on the applicant's reputation as a record company as a factor which will prevent confusion.

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In the event, I find no need to do so because I do not consider that "considered globally", the marks are sufficiently similar to give rise to a likelihood of confusion. Comparing the marks as wholes I find them visually quite different. In my view, the opponent's strongest points are that there will be aural confusion or confusion through imperfect recollection. The latter depends on the proposition that not only will the substantial device element in the applicant's mark be insufficient to indicate a different trade origin to the public, but also that the word REACT will be picked out of the applicant's mark and, through poor recollection, confused with the mark REACTOR; a word with a different meaning. I doubt whether "*the average consumer of the goods in question who is reasonably well informed and reasonably observant and circumspect*" (see paragraph 20 of Opinion of Advocate General Jacobs dated 29 October 1998 in Case C-342-97, Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V. ) would make that mistake.

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The phonetic point is more arguable. It is true that "words speak louder than devices", and it is also true that if one were to give the applicant's mark a name it would be probably be REACT.



I do not think that means that the risk of aural confusion should be determined as though the applicant's mark were the word REACT. After all, it consists primarily of a device. Device marks and, to a lesser extent, composite marks consisting predominantly of a device, appeal primarily to the eye. That should be taken into account in considering the likelihood of aural confusion. Each case must be determined on its own merits taking account of the circumstances in the trade.

There is no evidence to support Ms Clarke's submission that, in the absence any particular reputation, consumers select clothes by eye rather than by placing orders by word of mouth. Nevertheless, my own experience tells me it is true of most casual shopping. I have not overlooked the fact that catalogues and telephone orders play a significant role in this trade, but in my experience the initial selection of goods is still made by eye and subsequent order usually placed primarily by reference to a catalogue number. I am therefore prepared to accept that a majority of the public rely *primarily* on visual means to identify the trade origin of clothing, although I would not go so far as to say that aural means of identification are not relied upon.

However, given:

1) the overall degree of difference between the marks;

2) the fact that the words REACT and REACTOR have a different number of syllables and do not, therefore, have a phonetic resemblance which approaches equivalence;

- I believe the possibility of confusion is sufficiently remote that it cannot be regarded as a "likelihood." I conclude that the opposition under Section 5(2)(b) fails. In the light of the concessions made by Mr Birss at the hearing, it follows that the opposition under Section 5(4)(a) also fails.

The opposition having failed the applicant is entitled to a contribution towards its costs. Mr Birss suggested that should the opposition fail, the opponent's willingness to narrow the grounds of opposition should be taken into account. That may have been appropriate if it had happened at

an earlier stage. As it is I decline to reduce the award of costs. I order the opponent to pay the applicant the sum of £1200.

**Dated this 8 Day of December 1998**

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**Allan James**

**For the Registrar**

10 **The Comptroller General**

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