

**IN THE MATTER OF Application No 2108092
by Le Shark Limited to register a trade mark
in Class 25**

**AND IN THE MATTER OF Opposition
No 46485 by Reebok International Limited**

Background

1. On 21 August 1996, Le Shark Limited applied for the registration of the trade mark shown below.



2. The application was made in Class 25 and the goods listed were "Articles of outer clothing; footwear".

3. On 25 February 1997, Reebok International Limited filed notice of opposition. The grounds of opposition (insofar as they were pursued before me) are:

- (a) Under Section 5(2) of the Act because the opponent is the proprietor of an earlier trade mark registered in Class 25 under No 1533511. The mark consists of a device which the opponent submits is similar to the applicant's mark.
- (b) Under Section 3(6) of the Act because the application was filed after the opposition was filed to an earlier application to register the device element of this mark alone on the grounds that it was likely to cause confusion with the mark mentioned in (a) above. This application was an attempt to "disguise the device by adding the words "Le Shark" and the letters "LS".

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

5. The matter came to be heard on 17 November 1999 when the opponent was represented by Mr C Birss of Counsel, instructed by R.G.C. Jenkins & Co, and the applicant was represented by Miss J Reid of Counsel, instructed by Markforce Associates.

6. At the hearing, Miss Reid indicated that the applicant wished to limit its

specification of goods by deleting the specific term “footwear” and adding an adding an exclusion to the remaining term “outer clothing”, "but not including footwear".

The Evidence

7. The opponent's evidence-in-chief takes the form of a Statutory Declaration dated 21 July 1997 by Barry Nagler, who is a Director of Reebok International Ltd. Exhibit BN1 to this declaration consists of a copy of an earlier declaration dated 22 May 1997 which was filed in the earlier opposition proceedings mentioned in the pleadings. Mr Nagler asks that his earlier declaration and all the exhibits to it be admitted into these proceedings.

8. In his earlier declaration, Mr Nagler says that his company uses and owns numerous registrations around the world for a device mark which he calls the <stripecheck II design'. He says that the mark has been used on and in connection with footwear, clothing, headgear, bags, accessories, sporting goods and equipment, and related products. A copy of the device in question is included as Exhibit BN-2. The mark in question is reproduced below.



9. Mr Nagler explains that the <stripecheck II design' is a development of an earlier mark used by the opponent, which he refers to as the 'stripecheck design'. Mr Nagler says that his company has used the 'stripecheck design' trade mark continuously in respect of footwear since at least as early as December 1974. He says that the <stripecheck II design' is registered in over 160 countries worldwide. The <stripecheck II design' trade mark was introduced in 1994. Mr Nagler says that worldwide sales under the original 'stripecheck design' trade mark from 1986 through to 1993 were just under US \$8 billion. He says that from 1994 through to 1996 the approximate annual worldwide unit sales of his company's goods sold under the <stripecheck II design' trade mark were as follows:

Approximate Annual Sales in pairs of shoes

Year	Number of Pairs
1994	25,000,000
1995	76,000,000
1996	74,000,000

Approximate Annual Sales in units of clothing, headgear, bags, accessories, sporting goods and equipment, and related products

Year	Number of Units
1994	4,500,000
1995	13,000,000
1996	17,500,000

10. Mr Nagler states that his company estimates that the footwear sold under the 'stripecheck design' trade mark and the <stripecheck II design' trade mark represent up to 18% of the overall market for such footwear worldwide.

11. Mr Nagler says that the <stripecheck II design' trade mark has been promoted by various means including, catalogues, brochures, advertisements in newspapers, magazines and other printed media, television, television advertisements, advertisements on the Internet, and sponsorship and promotion of sporting events etc. He says that advertising expenditure in the United Kingdom for the <stripecheck II design' trade mark has increased annually. Annual expenses during 1994 through to 1996 are said to be as follows:

Year	Amount (US \$)
1994	5.746,000,000
1995	6.508,000,000
1996	7.720,000,000

12. Exhibit BN-6 to Mr Nagler's declaration consists of samples of advertising and promotional material showing the 'stripecheck II design' trade mark. The only "samples" which are clearly before the relevant and relate to the UK are a copy of an advertisement from the Financial Times dated 19 November '94 and an extract from a publication called 'Tennis' dated October 1994. The latter has a cover price in dollars, Canadian dollars and sterling. These publications show sportsmen and women wearing sports tops and shoes bearing the opponent's stripecheck II mark and the mark Reebok. It is not entirely clear to me whether the use shown of the mark on sports tops is as a trade mark for those goods or as a promotional vehicle for other goods, such as sports shoes.

13. Exhibit BN-8 is said to consist of five videos showing the opponent's 'stripecheck II' mark in use in television advertisements. I have had not had the benefit of viewing these videos because they were not included in the evidence when the case came to me to be heard. The Registry's records indicate that the videos were never filed. Mr Birss did not rely upon the video evidence at the hearing and the applicant has indicated that it has not received a copy of this evidence as required by Rule 13 of the Trade Mark Rules 1994.

14 . Mr Nagler says that the <stripecheck II design' trade mark has received wide

press attention in consumer and trade publications having a large international circulation. Exhibit BN-9 to Mr Nagler's declaration consists of copies of a considerable number of these articles. I have not been provided with a summary of contents detailing the names of the publications in question or details of where particular publications are said to be circulated, or the extent of the circulation of any of the publications in question. It is not possible to tell from the articles themselves whether the publications within which they appear have a circulation within the United Kingdom. Most of the articles seem to have appeared in American publications. The device mark in question, which Mr Nagler describes as the <stripecheck II design', appears prominently in many of the articles in relation to sportswear and sporting equipment. The device is normally accompanied by the word mark 'Reebok'.

15. Mr Nagler says that some of the world's best known athletes currently wear or have worn publicly and in competition footwear, clothing and headgear bearing the <stripecheck II design' trade mark. Exhibit BN-11 to Mr Nagler's declaration consists of copies of photographs and articles about some of these athletes. Many of these articles are after the relevant date in these proceedings or are undated. However, a few, particularly those featuring the athlete Venus Williams are dated prior to the relevant date and do show the <stripecheck II design' trade mark prominently on the athlete's clothing. However, again these seem to be articles from American publications.

16. Mr Nagler further states that the <stripecheck II design' trade mark received worldwide attention in the period leading up to and including the 1996 Centennial Summer Olympic Games in Atlanta, Georgia. He says that more than one third of the athletes at the Olympic Games wore the company's footwear, apparel and/or headgear bearing the <stripecheck II design' trade mark. Exhibit BN-12 consists of copies of advertisements, articles and photographs relating to the 1996 Games. They support Mr Nagler's claims. The <stripecheck II design' trade mark appears in most of the documents in question, sometimes with the word Reebok and sometimes by itself.

17. Finally, Mr Nagler states that because of the use that has been made of it the <stripecheck II design' trade mark, it is recognised as being a famous and well known trade mark. In support of this claim he exhibits an advertisement from the magazine "Trade Mark World" for a book entitled Famous and Well Known Marks and a brochure and order form promoting this book which he says shows the <stripecheck II design' trade mark as a contemporary famous and well known mark. The order form in question does include a copy of the <stripecheck II design' trade mark which appears below the opponent's word mark Reebok.

18. The only other fact that emerges from Mr Nagler's later declaration is contained in paragraph 4. He says:

"I submit that application No 2108092 was filed in bad faith. It is interesting to note that the application was filed on 21 August 1996, eight days after the company's UK attorneys,

R.G.C.Jenkins & Co, wrote to Le Shark Ltd c/o their trade mark attorneys advising them of the objection which would be raised to application No 2052547. Application No 2052547 consists of the exact device which forms part of application No 2108092 and which is partially obscured by the letters "LS".

19. The applicant's evidence consists of a Statutory Declaration dated 4 March 1998 by Tobi Cohen, who is the Managing Director of Le Shark Ltd. Mr Cohen states that:-

"My company devised the trade mark the subject of application No 2108092 in August 1996 (hereinafter referred to as the mark). The mark was designed to supplement the existing logo, which is the subject of earlier pending application No. 2052547."

20. Exhibit TC-2 to Mr Cohen's declaration consists of a copy of an earlier declaration which Mr Cohen made in the earlier filed opposition. He asks that this and all exhibits be admitted into evidence in these proceedings.

21. Mr Cohen describes the adoption of the original device logo as follows:

"My company devised the trade mark the subject of application No 2052547 in late 1995 (hereinafter referred to as the mark). The mark was designed to represent in a modern way, a shark breaking through a level of sea. My company saw the mark as a natural compliment to our existing "family of shark" trade marks, essentially an updated 'shark' logo."

22. Exhibited to the earlier declaration is a computer generated printout showing six other trade marks registered in the United Kingdom in the name of the applicant. All six registrations include a representation of a shark. All are relatively lifelike representations of a shark.

23. Mr Cohen continues to give details of a pre-filing search conducted on the applicant's behalf. He notes that this search did not reveal details of the opponent's registrations. I do not consider that this assists me one way or the other.

24. In his later declaration, Mr Cohen says that his company has used the mark applied for since December 1996 in relation to cotton sweatshirts for men and boys. Exhibits TC-3 and TC-4 consist of a sketches of goods bearing the composite mark and a sample shirt.

25. The opponent filed evidence in reply. This takes the form of two Statutory Declarations dated 2 June 1998 by Ian Wilkes, who is a trade mark attorney employed by R.G.C. Jenkins & Co (the opponent's trade mark agents). Mr Wilkes' first Declaration seeks to rebut the evidence of Tobi Cohen with regard to the pre-filing search conducted on behalf of the opponent. As I have already indicated, I do not find this aspect of Mr Cohen's evidence of any assistance. I do not therefore intend to say any more about Mr Wilkes' evidence in response.

26. Mr Wilkes' second declaration gives details of an informal survey, arranged by Mr Wilkes, intended to test the reaction of Mr Wilkes' friends and friends of his colleagues, to the applicant's trade marks. Ms Reid objected that Mr Wilkes' second

declaration consisted of hearsay. However, as these proceedings commenced on 25 February 1997, which is after the date of commencement of the Civil Evidence Act 1995 on 31 January 1997, the fact that the evidence is hearsay does not mean that it is inadmissible. It becomes a question of weight. In this connection, Ms Reid reminded me of the guidance on surveys given by Whitford J in the well known 'Raffles' trade mark case (1984 RPC 293).

27. The evidence in this case consists of 32 completed questionnaires. 16 relate to the pure device marks, which as I have already noted, are the subject of an earlier application and opposition. The other 16 relate to the composite mark which is the subject of this application. The same 16 people responded to both questionnaires. The same questionnaire was used. It includes a copy of the applicant's mark or marks and then there is the question "What does this logo bring to mind?" This is followed by the instruction "Record answers verbatim". The names, addresses and occupations of those questioned are included.

28. In relation to the device only mark, 8 of the 16 respondents are recorded as mentioning Reebok in their answer. 5 of the 16 respondents mentioned Reebok when shown the applicant's composite mark. It is clear that not all of these thought the applicant's marks were Reebok marks. For example, one respondent - Andrew Buckley - who answered "Reebok Sportwear" when shown the device only marks, said "Centre part brings to mind Reebok. I think Le Shark is a clothing label. I've heard of it" when shown the composite mark.

29. It is not clear from Mr Wilkes' evidence whether he conducted the interviews which resulted in the completed questionnaires. It appears that his colleagues may have conducted some of the interviews. Mr Wilkes states that the interviewees were shown the questionnaire prepared by him and that no further information or comments were given to those being interviewed. It is difficult to see how Mr Wilkes can give such evidence if he did not conduct all the interviews in question. Some of the answers attributed to the respondents suggest that they were given more information. For example, when Tim Mapleston was shown the applicant's device only mark his response is recorded as "Logo looks like something to do with sport. Also resembles an eagle rather a shark" (my emphasis). As Ms Reid pointed out, that suggests that someone had told him that the applicant had suggested that the mark represented a stylised shark.

30. There are other problems with this survey which suggest that the outcome should be given little weight. The sample size is too small to be reliable. The single question put to the respondents invites them to speculate about what the applicant's mark "brings to mind." It does not follow that even those that answered "Reebok" were actually confused. It may just have reminded them of the Reebok mark.

31. Equally significantly is that, although the questionnaires are undated, the surveys seem to have been carried out around the same time, quite possibly at the same time. Thus Simon Mitchell's recorded answer on being shown the applicant's composite mark is "No different than previous logo". If the second survey was

intended to test the reaction of the public to the applicant's composite mark it seems to me to be manifestly unfair to first test their reaction to the applicant's device only marks. That appears calculated to condition their response to the composite mark shown subsequently, especially if the applicant's marks were shown one after the other. In the result I do not think it would be safe for me to attach any weight to the opponent's survey evidence.

Decision

32. I will deal with the opposition under Section 5(2) first.

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

- (a)
- (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.

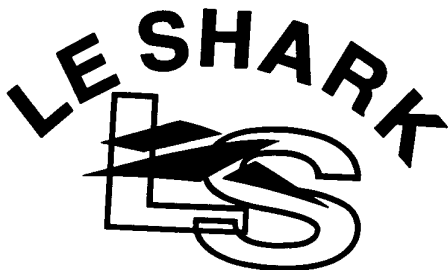
33. The opponent's mark is registered with effect from 21 April 1993 in respect of:-

Footwear; t-shirts, shirts, sweatshirts, sweaters, jackets, hats, visors, socks, sweatpants, pants, shorts, skirts, unitards and leotards; all included in Class 25.

34. With the exception of footwear, socks, unitards and leotards, these are all items of outerclothing that fall within the applicant's revised specification. There can be no doubt that the respective goods are identical.

35. The respective marks are re-produced below.

Applicant's mark



Opponent's mark



36. The opponent's mark is clearly not identical to the applicant's mark . The matter therefore turns on whether the marks are similar enough to give rise to a likelihood of confusion.

37. Counsel drew my attention to the guidance provided by the European Court of Justice in Sabel BV v Puma AG (1998 RPC 199 at 224), Canon v MGM (1999 ETMR 1) and Lloyd Schufabrik Meyer & Co GmbH v Klijsen Handel BV (1999 ETMR 690 at 698).

38. It is clear from these cases that:-

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- (b) the matter must be judged through the eyes of the average consumer, of the goods/services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components;
- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa;
- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it;
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2);
- (i) but if the association between the marks causes to the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section.

39. Without attempting to rely heavily on the informal survey evidence, Mr Birss submitted that the applicant's composite mark was likely to be taken as the opponent's mark with some words and letters appearing around it. In his view, these additional components were not sufficient to avoid a likelihood of confusion. He suggested that the public might regard "Le Shark" as a sub brand of Reebok. In any event, he submitted that the presence in the applicant's mark of a confusingly similar device was sufficient to falsely suggest an economic link with the opponent. To

further support his submissions, Mr Birss relied upon Mr Nagler's evidence that the opponent's mark enjoyed a substantial reputation in the UK.

40. For her part, Ms Reid pointed out that whilst the opponent's evidence provided details of its worldwide sales under the "stripecheck" trade marks, there was relatively little evidence about the use of the mark in the UK and it was consequently not clear to what extent the mark had been used here in respect of clothing or even footwear. Further, what evidence there was suggested that the device mark had been used with the 'Reebok' word mark. In these circumstances it was not self evident that, even if the opponent enjoyed a reputation in the UK, it was under the 'stripecheck II' device mark. Accordingly, Ms Reid submitted that it would be unsafe to approach the matter on the basis that the opponent's mark was, at the relevant date, highly distinctive in the UK because of the use made of it. In Ms Reid's submission, the differences between the marks ruled out any likelihood of association, let alone the form of origin association suggested by Mr Birss on behalf of the opponent.

41. Although the proceedings have not been consolidated, I heard opposition No 45280 to the applicant's device only marks on the same day as this opposition. I decided that those marks are likely to be confused with the opponent's registered device mark (shown above) because both parties marks are likely to be taken as abstract geometric shapes which create a similar overall impression and are likely to be confused through imperfect recollection.

42. I do not think it follows that there must also be a likelihood of confusion between the opponent's mark and the applicant's composite mark. As the Court of Justice stated in Sabel, the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The device within the applicant's mark is not the same as the opponent's mark. I do not believe that normal and fair use of the applicant's composite mark is, *prima facie*, likely to lead the average consumer to believe that the goods offered for sale under it are connected in trade with the opponent.

43. The opponent contends that its mark is entitled to broad protection because of its reputation. The onus is on the opponent to establish a reputation in the UK that is likely to increase the risk of confusion. The opponent has filed a significant volume of evidence but most of it is directed at the position "worldwide." The opponent has not even filed, in opposition No 46485, evidence of its UK sales figures under the mark. Mr Nagler's evidence does include substantial expenditure figures for UK advertising, but this claim is not fully particularised and the extent (if any) of the promotion of the mark in respect of clothing is not clear. There is hardly anything in the supporting exhibits which relates specifically to the UK. Nor is there any supporting evidence from the trade or the public to confirm the extent of the opponent's claimed reputation in the UK or to support Mr Birss's submission that "Le Shark" is likely to be taken as a sub brand of Reebok. There is no evidence that the opponent has itself ever used the 'stripecheck II' device mark with any other word mark.

44. Mr Nagler provides evidence of substantial worldwide sales of clothing, headgear, bags and sports equipment. However, he has not provided any separate figures for clothing and so it is not possible to assess the proportion of the opponent's worldwide business accounted for by a trade in clothing under the mark.

45. It would not therefore be safe to infer that the opponent had any significant UK reputation under the mark for clothing at the relevant date.

46. The evidence suggests that the opponent's core business is in sports shoes, in respect of which it claims to have 18% of the worldwide market. It seems likely that the opponent had some reputation in the UK for sports shoes under its composite Reebok and 'stripecheck II' mark at the relevant date, and it may have had some reputation under the 'stripecheck II' mark solus. However, I do not believe that the opponent has established a reputation in the UK under the 'stripecheck II' mark at the relevant date from which it could be properly inferred that the relatively small degree of similarity between the 'stripecheck II' mark and the applicant's composite mark was nevertheless likely to be taken, by the average consumer, as indicating that the applicant's outerclothing was connected in trade with the opponent's sports shoes.

47. It follows that my *prima facie* conclusion under s5(2)(b) stands. This ground of opposition fails.

48. The opponent's pleading under s3(6) is that the composite mark was filed after the applicant became aware of the impending opposition to its earlier device only trade mark. The composite mark is said to be an attempt to "disguise the device by adding the words "Le Shark" and the letters "LS."

49. There is little doubt in my mind that this application was made as a result of the opponent's UK Trade Mark Attorneys letter of 13 August 1996 to the applicant's UK Trade Mark Attorneys, threatening opposition to the earlier application. The filing of this application on 21 August 1996 is just too coincidental for it to be otherwise. The applicant's evidence is not inconsistent with this conclusion. Mr Cohen merely states that the composite mark was adopted in August 1996 "to supplement the existing logo."

50. I find the opponent's pleading and the applicant's evidence ambiguous. If an applicant is faced with an opposition to a trade mark, there is no bad faith in the applicant adopting a second mark which is less similar to the opponent's mark and less likely to be confused. If the "disguise" is effective and sufficient to avoid confusion in use it is not objectionable.

51. Filing a second application for a variant mark with the intention of merely seeking a legal defence for the use of the original mark (or the variant mark with the original mark given added prominence) may amount to bad faith.

52. Mr Birss pointed out that the sample shirt filed in the opponent's evidence

showed the device (and words and letters) in white on a dark background rather than in black on a white background as per the form of application. I do not consider that reversing the colours amounts to giving “added prominence” to the device element. It is a commercial necessity when applying the mark to a dark coloured shirt. I do not think that Mr Birss argued to the contrary. I understood the purpose of his submission was to encourage me to consider all “normal and fair use” of the applicant’s mark in reaching a view on the s5(2) ground. I have done that. The opponent has not made out a separate ground for refusal under s3(6).

53. The opposition has failed and the applicant is entitled to a contribution towards its costs. I order the opponent to pay the applicant the sum of £1100.

Dated this 14 Day of March 2000

**Allan James
For the Registrar
The Comptroller General**