

O-086-03

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2134685
BY SCOTT USA INC TO REGISTER THE TRADE MARK
SCOTT IN CLASS 25**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER
No. 50843 BY SCHOTT BROS, INC**

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SCOTT in Class 25**

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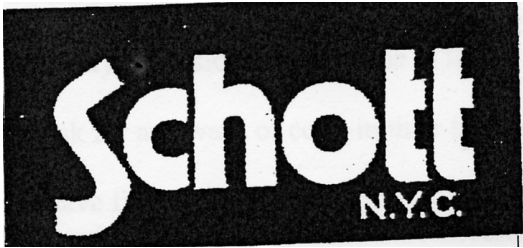
Background


1. On 3 June 1997 Scott USA Inc applied to register the mark SCOTT for a specification of goods in Class 25 that reads:

“Clothing for motorcyclists and bicyclists, including gloves, all being for cycling or motorcycling; paddock jackets, beanie hats, baseball caps, t-shirts and sweat shirts, all sold through motorcycle or bicycle shops.”

2. The application is numbered 2134685. I note that it proceeded to publication in the Trade Marks Journal on the basis of distinctiveness acquired through use and on the basis of honest concurrent use with a number of registered marks.

3. On 22 March 2000 Schott Bros, Inc filed notice of opposition to this application. They are the proprietors of the following UK and CTM registrations.

No.	Mark	Class	Specification
1419394	 The logo consists of the word "Schott" in a large, white, stylized, sans-serif font on a black rectangular background. Below "Schott", the letters "N.Y.C." are written in a smaller, white, sans-serif font.	25	Articles of outerclothing, all for men, women and boys; caps; all included in Class 25; but not including footwear and hosiery.

1419397		25	Jackets, belts, shirts and t-shirts; all included in Class 25.
CTM 446427	PERFECTO BY SCHOTT BROS. INC	25	Motorcyclists' boots.

4. The opponents say they have been using their trade mark (they do not specify which of the above marks) in the UK since at least 1976 and throughout the rest of the world for many years. It is said to be used extensively in connection with clothing including clothing for cyclists, particularly motorcyclists. On the basis of these circumstances objections are raised under Section 5(2)(b) and 5(4)(a) of the Act.

5. Furthermore it is said that the mark applied for is not capable of distinguishing the applicants' goods from those of the opponents. Accordingly registration is said to be contrary to Section 1(1) and 3(1)(a) of the Act. The applicants' mark is said to be a common surname and not to possess a distinctive character.

6. The applicants filed a counterstatement denying the above grounds and claiming that their mark has been used in relation to the goods of the application for a great many years in this country without any confusion having come to light.

7. Both sides ask for an award of costs in their favour.

8. Both sides have filed evidence. In line with Registry practice, the papers were reviewed by a Hearing Officer who indicated that he felt the circumstances of the case were such that a decision could be reached without recourse to a hearing. The parties were nevertheless reminded of their right to be heard or to make written submissions. Written submissions have subsequently been received from RGC Jenkins & Co on behalf of the applicants (their letter of 5 September 2002) and J. A. Kemp & Co on behalf of the opponents (under cover of their letter of 12 August 2002). Acting on behalf of the Registrar and with the above material in mind I give this decision.

Opponents' evidence

9. This is as follows:

Declaration and Statement of Case by Steve Colin with Exhibits SC/1 – SC/8
Statutory Declaration and Statement of Case by Catherine Ayers with Exhibit CA/1
Declaration and Statement of Case by Steve Colin

Mr Colin is the Vice President of Schott Bros, Inc, a position he has held since 1993. He was previously CFO from 1989. He says his company has been selling goods bearing marks incorporating the word SCHOTT into the UK since 1976 and exhibits (SC/1) invoices in support of this claim. Initially the goods were jackets and motorcycle jackets. In 1993 sportswear such as t-shirts and sweatshirts was added to the range and bags, backpacks and wallets also started to be sold in this country under the mark. In 1997 “school supplies” were added to the range of goods sold in the United Kingdom. These items are essentially stationery products such as pens and pencils and are sold primarily to promote clothing sold under the SCHOTT marks.

10. Retail sales figures are given as follows:

Year	Approximate Retail Sales Figures in French Francs	Equivalent Figures in £ Sterling
1993	4,000,000 FF	£ 400,000
1994	8,000,000 FF	£ 800,000
1995	15,000,000 FF	£1,500,000
1996	19,000,000 FF	£1,900,000
1997	34,000,000 FF	£3,400,000

French franc figures have been provided by the French agent, JAJ Distribution, who has responsibility for the UK market. It is said that approximately 95 per cent of the above sales relate to clothing rather than bags, backpacks, wallets and school supplies. In support of this Mr Colin exhibits extracts from the company's website showing the history of the company (SC/2) and the range of goods sold (SC/3). Also provided are the front and back pages of brochures featuring the goods (SC/4).

11. Clothing bearing the SCHOTT marks has been sold in a wide range of towns and cities throughout the UK. Advertisements relating to goods sold under the SCHOTT marks are said to have appeared in FHM, LOADED, MAXIM, ATTITUDE, GOAL and PENTHOUSE as well as in local newspapers. The goods have been advertised at trade shows, notably the SEHM Show from 1980 to 1997 and by means of a nationwide bus advertising campaign. The only potentially relevant year for which advertising expenditure is given is 1997 where the figure is £60,000.

12. Mr Colin goes onto exhibit (SC/5) a copy of the statutory declaration filed on the applicants' behalf which enabled the application to proceed to publication on the basis of honest

concurrent use. In his view this shows that use on motorcycle goggles began in 1979 and that a clothing range was added at a later but uncertain date. He extrapolates from the turnover figures given by the applicants to suggest that retail sales figures may have been low. He also says that it is not clear whether or not the clothing concerned is protective clothing as opposed to casual clothing of the type sold by his company.

13. Finally Mr Colin exhibits an extract from the Central London residential telephone directory for April 2000 (SC/6) showing entries for the surname SCOTT, and pages from the London Postal Address Book for 1999/2000 (SC/7) giving details of businesses trading under the name SCOTT. Additionally he files a copy of a letter (which appears to be by way of observations) from Trade Mark Consultants Co along with an attachment showing other SCOTT/SCOT marks (SC/8). This evidence is directed towards the absolute grounds objection to the application.

14. Ms Ayers' declaration is for the purposes of exhibiting examples of the magazine advertising referred to in Mr Colin's evidence. Only three pages appear to carry dates within the relevant timeframe – two being pages from MAXIM magazine, the third is from BOY. Mr Colin himself has subsequently confirmed this material.

Applicants' evidence

15. The applicants have filed a witness statement by Timothy George Pendered, their trade mark attorney. He exhibits a copy of the evidence filed on behalf of the applicants at the examination stage by Robert Pearson Harkins. He is a Director of Bert Harkins Racing Ltd, one of the applicants' UK distributors. He says that the business carried on by Scott USA was founded by Edward Scott in 1959. The business had its origins in the development and sale of the world's first aluminium ski pole but the company entered the motorcycle accessories market in 1972 by selling off-road motorcycle goggles.

16. The company is said to have entered the UK market in 1979 initially by selling motorcycle goggles but various clothing lines were added. More recently Scott USA has entered the off-road bicycle market and also sells a range of accessories for this market including clothing, gloves, handlebar grips and bags. Examples of clothing are exhibited at RPH1. Total retail sales of in excess of £7.4 million have been achieved with turnover in recent years of about £2.5 million or £3 million about 40% of which is said to relate to clothing. About £20,000 per annum is spent on advertising and promotion. Advertisements are placed in the leading motorcycle and mountain bike magazines and publications in the UK including Motor Cycle News, Motorcycling, Dirt Bike Rider, Motocross Action and Speedway Star. Examples are shown at RPH2. The company is also involved in sponsorship of professional riders in various forms of off-road sports. Mr Harkins gives examples of such sponsorship in speedway, motocross, etc.

17. Finally Mr Harkins says that the market for motorcycles, accessories and clothing in the UK is quite well defined since these goods are almost invariably sold through specialist retail outlets. He suggests that the motorcycling fraternity is a relatively well informed section of the public. The fact that the brand SCOTT is so well known for goggles, handlebar grips and body armour as well as other products means that their clothing is also instantly recognisable.

The grounds of opposition

18. Following initial scrutiny the Registry requested further particularisation of the grounds as originally pleaded. It would appear from the papers that the grounds went through two stages of amendment before it was considered that the statement of case could be served on the applicants. The grounds as set out at the start of this decision are those appearing in the 'second amendment' document. However, I have had some difficulty in reconciling the opponents' written submissions with the amended grounds in two key respects.

19. The first relates to the objection on absolute grounds. In the original (unamended) statement of case it appeared as:

“By virtue of the opponent’s earlier use and registration of a similar trade mark in the United Kingdom and the substantial goodwill that they enjoy in that similar trade mark, the mark applied for is not capable of distinguishing the applicant’s goods from those of the opponent. Registration of the mark applied for would, therefore, be contrary to the provisions of Section 1(1) and 3(1)(a) of the Trade Marks Act 1994.”

The Registry responded by letter dated 11 April 2000 saying that:

“..... These are absolute grounds for refusal. If the opponent wishes to include these as grounds of objection they should state why they believe the trade mark to be incapable of distinguishing under Section 1(1) and Section 3(1)(a). At present the opponent has set out objections that seem to be based on their prior rights which would be considered as relative, not absolute, grounds for objection.”

As a result the opponents amended this part of their statement as follows:

“By virtue of the opponent’s earlier use and registration of a similar trade mark in the United Kingdom and the substantial goodwill that they enjoy in that similar trade mark, the mark applied for is not capable of distinguishing the applicant’s goods from those of the opponent. Registration of the mark applied for would, therefore, be contrary to the provisions of Section 1(1) and 3(1)(a) of the Trade Marks Act 1994. The applicant’s mark is a common surname and therefore does not possess a distinctive character.”

The Registry responded this time by saying:

“The Registrar is still of the opinion that the opening comments in this paragraph would appear to set out objections that are considered as relative, rather than absolute, grounds for refusal. The comments would appear to have been covered by the Section 5(4)(a) objection. It is noted that this claim has been particularised by the addition, at the end, of the words “The applicant’s mark is a common surname and therefore does not possess a distinctive character” .”

This prompted a further amendment to the paragraph so that it now stands in the following form:

“The mark applied for is not capable of distinguishing the applicant’s goods from those of the opponent. Registration of the mark applied for would therefore be contrary to the provisions of Section 1(1) and Section 3(1)(a) of the Trade Marks Act 1994. The applicant’s mark is a common surname and therefore does not possess a distinctive character.”

20. It seems that the Registry still had doubts about the relevance of the opening sentence to the remainder of the pleaded ground but accepted that this ground and the statement as a whole (which contained other amendments) could be served on the applicants.

21. The case has thereafter proceeded on the basis that the opponents have been running a case based on Section 1(1) and 3(1)(a). The matter was confirmed by the Hearing Officer who reviewed the case. He expressly indicated in his letter of 26 June 2001 that “I note that the opposition is based upon Section 5(2)(b) and 5(4)(a) and Section 1(1) and 3(1)(a) of the Trade Marks Act 1994”. That accords with my own view of the matter.

22. However in written submissions filed on behalf of the opponents it is said:

“SECTION 1(1) AND SECTION 3(1)(a)

In the light of the reputation of the Opponent in the mark SCHOTT and the likelihood of confusion between the SCHOTT and SCOTT marks as set out above, it is finally submitted that the mark SCOTT is not capable of distinguishing the goods of the Applicant from those of the Opponent, and therefore fails the basic tests as to what constitutes a trade mark as set out in Section 1(1) and should be refused under Section 3(1)(b).”

23. Two points arise from this. Firstly the opponents have reverted to an objection which appears to confuse absolute and relative grounds and secondly, the reference to Section 3(1)(b) is either a misprint or is inconsistent with the heading and the ground as pleaded (in its amended form).

24. The need for clear and properly focussed pleadings has been commented on in a number of reported cases – see, for instance, *WILD CHILD Trade Mark* [1998] RPC 455, *Julian Higgins’ Trade Mark Application* [2000] RPC 321 and *Club Europe Trade Mark* [2000] RPC 329. In the light of the somewhat muddled history of this particular ground in this case I intend to proceed on the basis that the case against the application is based on Sections 1(1)/3(1)(a) of the Act. To the extent that relative ground issues arise they will have to be dealt with under the Section 5(2)(b) and 5(4)(a) grounds. I do not regard an objection under Section 3(1)(b) to have been in play or to have been mentioned prior to the written submissions (that is if it is not a misprint). To require the applicants to deal with such a claim at this late stage would clearly be unjust.

25. Finally on the scope of the grounds, I note that the opponents’ written submissions deal with an objection under Section 5(3). There was, indeed, an objection under Section 5(3) in the

original statement of grounds but in response to a request by the Registry for better particularisation the opponents deleted the ground (J. A. Kemp & Co's letter of 25 April 2000). As a result it no longer features in the final version of the statement of case (the second amendment version). I will not, therefore, be considering a case based on Section 5(3).

Section 1(1)/3(1)(a)

26. These sections read:

“1.-(1) In this Act a "trade mark" means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings.

A trade mark may, in particular, consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging.”

and

“3.-(1) The following shall not be registered -

(a) signs which do not satisfy the requirements of section 1(1),”

27. In *MISTER LONG Trade Mark* [1998] RPC 401 Geoffrey Hobbs QC, sitting as the Appointed Person said:

“The conditions which a sign must satisfy in order to be registrable under the 1994 Act are drawn from Council Directive 89/104 of December 21, 1988. Section 1(1) of the Act (implementing Article 2 of the Directive) confirms that personal names are eligible to be regarded as signs capable of registration. Different persons having the same name nevertheless share the right to use it in accordance with honest practices in industrial or commercial matters under section 11(2)(a) of the Act (which gives effect to Article 6(1)(a) of the Directive). And section 3(1)(b) of the Act (which implements Article 3(1)(b) of the Directive) prohibits the registration of trade marks which are devoid of any distinctive character. These provisions indicate to my mind that surnames are neither automatically eligible nor automatically ineligible for registration under the Act. In each case the question to be determined is whether the surname put forward for registration possesses the qualities identified in section 1(1) of the Act and none of the defects identified in section 3. For the reasons I gave at greater length in *AD2000 Trade Mark* [1997] R.P.C. 167 I think that in order to be registrable a surname or any other sign must possess the capacity to communicate the fact that the goods or services with reference to which it is to be used recurrently by the applicant are those of one and the same undertaking.”

28. In the *AD2000 Trade Mark* case referred to Mr Hobbs had indicated that:

“..... the requirements of section 1(1) are satisfied even in cases where a sign represented graphically is only “capable” to the limited extent of being “not incapable” of distinguishing goods or services of one undertaking from those of other undertakings. Such signs are not excluded from registration by section 3(1)(a). Section 3(1)(a) has the more limited effect envisaged by article 3(1)(a) of the Directive of preventing the registration of “*signs which cannot constitute a trade mark*” at the time when they are put forward for registration. It is clear that signs which are not objectionable under section 3(1)(a) may nevertheless be objectionable under other provisions of section 3 including sections 3(1)(b), 3(1)(c) and 3(1)(d).”

29. The combined effect of these considerations is that Section 1(1)/3(1)(a) creates a very low threshold designed to exclude those “signs which cannot constitute a trade mark” as it was put in *AD2000 Trade Mark*. I can see no reason why the surname SCOTT should fail this limited test. I am aware that a question has been referred to the European Court of Justice in relation to the registrability of surnames in *Nichols plc’s* application, [2002] EWHC 1424 (Ch). However the issue identified by Mr Justice Jacob was whether a common surname should be regarded as devoid of any distinctive character (unless and until such a character has been acquired through use). No issue appears to have been taken in relation to Sections 1(1) and 3(1)(a) of the Act (Articles 2 and 3.1.(a) of the Directive).

Section 5(2)(b)

30. The Section reads:

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

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

Sub-paragraph (b) applies here.

The case law

31. I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and will draw on these cases in what follows.

Distinctive character of the opponents' earlier trade marks

32. The distinctive character of the earlier trade mark is a factor that must be taken into account. Furthermore I must take account of both the inherent and acquired qualities of the mark, *Sabel v Puma* paragraph 24.

33. The opponents rely on three earlier trade marks. They are entitled to have their position assessed on the basis of each of them (I ignore for this purpose a further CTM registration which is referred to in the written submissions but was not pleaded and in any case carries a later filing date). However, as it is the element SCHOTT which is primarily relied on for the purposes of the opposition, I take the view that No. 1419394, where the word SCHOTT is dominant within the mark, is likely to offer them their best prospect of success (it also has a broad specification). Where other elements are present, principally the word PERFECTO and a device of a motorcyclist (both disclaimed), then the impact of the word SCHOTT is somewhat diluted.

34. SCHOTT is a surname. It is the surname of the founder of the opponent company. I do not know how common it is in this country. I have no reason to suppose that it is possessed of an inherently above average degree of distinctive character. Equally it is not obviously of low distinctive character. It is part of the opponents' case that their mark has developed a substantial reputation and, by implication, a high degree of distinctive character. I have recorded above their evidence in support of this claim. The turnover figures appear to me to be significant but not overwhelmingly large in the context of the clothing market at large. There was also a significant increase in turnover in 1997 but only part of that year is strictly eligible for consideration given the material date in these proceedings. It is also by no means clear what proportion of the sales relate to motorcycle jackets etc as opposed to casual clothing generally. The main thrust of the advertisements (FHM, Loaded, Maxim, etc) suggests that the target audience is young males but not necessarily a specialised one beyond that. The invoice evidence does not shed significant further light on the matter.

35. In *DUONEBS Trade Mark*, BL O/048/01, Mr S Thorley QC, sitting as the Appointed Person, in dealing with the question of the reputation attaching to a mark said:

“In my judgment, I believe what the ECJ had in mind was the sort of mark which by reason of extensive trade had become something of a household name so that the propensity of the public to associate other less similar marks with that mark would be enhanced. I do not believe that ECJ was seeking to introduce into every comparison required by Section 5(2), a consideration of the reputation of a particular existing trade mark.”

36. On the basis of the above considerations I do not think I can conclude that the inherent character of the opponents' mark has been enhanced through use.

Similarity of goods

37. The opponents' earlier trade mark (No. 1419394) covers a broad range of outerclothing. The applicants' goods can also be categorised as types of outerclothing albeit that some are defined more precisely or are said to be for sale through specialist outlets. I conclude that identical goods are involved.

Similarity of marks

38. Taking the opponents' mark under No. 1419394 as my starting point the comparison is as follows:

Applicants' mark

SCOTT

Opponents' mark

The visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by those marks bearing in mind their distinctive and dominant components, *Sabel v Puma* paragraph 23. The matter must be judged through the eyes of the average consumer of the goods/services in question, *Sabel v Puma*, paragraph 23. The average consumer is deemed to be reasonably well informed and reasonably circumspect and observant but rarely has the chance to make direct comparisons between marks. Imperfect recollection must, therefore, be allowed for, *Lloyd Schuhfabrik v Klijsen Handel*, paragraph 27.

39. In addition to SCHOTT being a visually dominant element within the opponents' mark I note too that rights to the letters N.Y.C. have been disclaimed. SCHOTT (in the form in which it is registered) and SCOTT share certain obvious visual similarities namely five letters in the same order. Both are, however, relatively short words and the additional letter in the opponents' mark is unlikely to go unnoticed. Both words are also surnames and are subject to the particular considerations attaching to such names. The point was made in *BULER Trade mark* [1966] RPC 141:

“It seems to me that surnames stand in a different position from the point of view of spelling from ordinary words in the English language, for spelling is a matter of considerable importance in distinguishing one surname from another. One may easily understand the meaning of an ordinary word in the English language, although it is misspelt; but if one finds a surname spelt in a way which one does not expect it to be spelt one is immediately put upon inquiry as to whether or not it is the name of some other person than the person to whom one supposes the name to belong.”

40. That was a case under the preceding law but the point is equally true now. Thus the average person can be expected to exercise care when approaching surnames such as Smith/Smyth, Brown/Browne, Davis/Davies etc.

41. The opponents have attached some importance to phonetic considerations. Mr Colin says this about his company's mark(s):

“In each case the distinctive element of the mark in question is the word “SCHOTT” pronounced by most of those who know my company and the goods produced by my company well, as “SHOT”. However, many customers and individuals trading in or having involvement with my company's goods pronounce the word SCHOTT appearing in the marks as “SCOTT”, meaning that the marks as registered are, when spoken, often indistinguishable from the opposed mark, SCOTT.”

42. My own reaction to the opponents' mark is the one that it seems is favoured by most people who know the company, namely that the word would be pronounced as phonetically the equivalent of 'shot' (perhaps by analogy with well known names commencing with SCH- such as Schubert and Schumacher). But the fact that others pronounce it as if it were SCOTT cannot be ignored. It is certainly plausible – 'schedule' for instance has alternative pronunciations depending on whether it is used in this country or in America. The difficulty for the opponents is that there is no independent evidence on pronunciation here and no indication as to the frequency or circumstances in which SCHOTT is pronounced with a hard Sch (ie Sk) sound. Nor is it clear whether the 'mispronunciation' takes place before or after product/brand identification has taken place. It is clearly of less significance if the customer has already selected the required product by means of a visual identification of the desired brand but then simply adopts the 'incorrect' pronunciation afterwards. The other point that needs to be made is that oral considerations are generally considered to be of subordinate importance to visual ones in the context of the clothing market (see *REACT Trade Mark* [2000] RPC 285).

43. Conceptually the Buler point about surnames comes into play again and the small difference between the words is likely to be sufficient to alert the average consumer to the fact that the applicants' mark is to be distinguished from that of the opponents.

Likelihood of confusion

44. Likelihood of confusion must be appreciated globally, taking account of all relevant factors, *Sabel v Puma* paragraph 22. I bear in mind that the average consumer for the applicants' goods is a motorcyclist or bicyclist or those visiting retail shops specialising in motorcycles or bicycles. It is reasonable to suppose that such people are in general knowledgeable about that particular trade and reasonably discriminating in their selection of goods. The opponents' goods may also be targeted at a similar audience though the precise extent to which that is the case is unclear given that they also sell to the wider casual clothing trade. Nevertheless there appears to be some overlap in the markets being served and potentially identical goods are being offered. Due allowance must be made for the principle of interdependence between similarity of marks on the one hand and similarity/identity between goods on the other hand (see *Canon v MGM*, paragraph

17). That has caused me to hesitate about the outcome to this ground. I have in the event reached the conclusion that, whilst I cannot rule out a risk of confusion at the margins of the respective trades, I am not persuaded that it amounts to a likelihood of confusion. In reaching that view I rely principally on the average consumer's ability to distinguish surnames which in other respects have clear points of visual and aural similarity. On that basis too it is reasonable to suppose that imperfect recollection is likely to play a less important role where surnames are concerned than might be the case with invented words. I have not placed particular reliance on the absence of instances of confusion to date though it may be a consequence of the nature of the customer targeted by the applicants and/or the restriction on the retail outlets used which are in turn reflected in the terms of the specification applied for. The opposition thus fails under Section 5(2)(b).

Section 5(4)(a)

45. The Section reads as follows:

“5.-(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or
- (b) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

46. The requirements for this ground of opposition have been restated many times and can be found in the decision of Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *WILD CHILD* Trade Mark [1998] RPC 455. Adapted to opposition proceedings, the three elements that must be present can be summarised as follows:

- (1) that the opponents' goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the applicants (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the applicants are goods or services of the opponents, and
- (3) that the opponents have suffered or are likely to suffer damage as a result of the erroneous belief engendered by the applicants' misrepresentation.

47. This is a case where, accepting that the opponents have established goodwill sufficient to found an action, they are unlikely to be in any better position under Section 5(4)(a) than under Section 5(2)(b). I say this because the marks used are substantially the same as the marks registered and considered in relation to Section 5(2)(b). It is also used on goods (mainly jackets) which are contained within the range of goods taken into account in relation to the previous ground. Having found that there is no likelihood of confusion for Section 5(2)(b) purposes I can see no basis for concluding that there would be a misrepresentation and consequent damage for the purposes of the passing-off test. This ground also fails.

48. The applicants have been successful and are entitled to a contribution towards their costs. I have considered whether the difficulties with the statement of grounds should result in an additional award in favour of the applicants. I have concluded that it should not. Most of the issues were resolved prior to the serving of the amended grounds on the applicants. The resurrection of certain points in the opponents' written submissions does not appear to have unduly exercised the applicants notwithstanding that I have felt it necessary to deal with them above. The award is, therefore, based on the published scale in force at the time the action was launched. I order the opponents to pay the applicants the sum of £635. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 3RD day of April 2003

**M REYNOLDS
For the Registrar
the Comptroller General**