

O-007-09

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION No. 2395730
STANDING IN THE NAME OF COURTESY SHOES LIMITED**

AND

**IN THE MATTER OF A REQUEST FOR A DECLARATION
OF INVALIDITY THERETO UNDER NO. 82878
BY PAUL LYNAM**

BACKGROUND

1) On 30 June 2005, Courtesy Shoes Limited applied to register TRADESAFE as a trade mark for the following goods:

Class 9: Protective clothing, footwear and headgear; footwear and boots for the prevention of accident and injury.

Class 18: Articles made from leather or from imitations of leather; bags, cases, holdalls, tote bags, rucksacks, handbags, backpacks, bags for sport and recreational purposes; shoe and boot bags; vanity cases; wallets, purses; belts and straps; harnesses; key cases; umbrellas; parasols.

Class 25: Articles of clothing, footwear, handwear and headgear.

2) The application was examined, accepted and published for opposition purposes. No opposition was filed, and the registration procedure was completed on 3 February 2006.

3) On 17 May 2007, Paul Lynam applied for a declaration of invalidity under sections 3(1)(c) and/or (d), 3(3)(b) and 5(2)(b) of the Trade Marks Act 1994 (the Act). For the ground based on section 5(2)(b) of the Act, Mr Lynam relies on one registered trade marks details of which are as follows:

Trade Mark	Number	Application date	Registration date	Goods
TREADSAFE	2360896	15.04.2004	08.10.2004	9 – Safety footwear. 25 - Clothing, footwear, headgear.

4) Insofar as it is relevant, the Applicant frames his attack in the following terms:

Under section 5(2)(b):

“4.”...The Applicant recently began to receive complaints from his existing customers who had encountered Courtesy’s TRADESAFE mark in use on safety boots. A customer who has seen TRADESAFE boots on sale at a nearby branch of Wynsor’s (Courtesy’s retail arm) accused the Applicant of selling his TREADSAFE boots to the customer’s major local rival. Another customer discovered Jay-Bill Ltd, Courtesy’s wholesaling arm, offering TRADESAFE boots at a major trade show, and asked the Applicant why the Applicant’s boots were being sold by the Applicant’s competitors. Actual instances of confusion between the respective trade marks have thus occurred.”

5) Having undertaken a comparison of the respective trade marks and the goods for which they are registered, he concludes:

“11. The respective marks are very similar both visually and audibly, and the respective goods are identical or very similar. As a result, there exists a likelihood of confusion....(Indeed, such confusion has already occurred in practice).”

Under sections 3(1)(c) and (d) and 3(3)(b):

“14. Alternatively or additionally, Courtesy’s trade mark TRADESAFE breaks down readily into the elements TRADE and SAFE. The term TRADE is often used to refer to sales to other businesses, i.e. to “trade” customers, rather than to the general public. Such “trade” goods are frequently of a different quality or type to the corresponding goods sold to the general public. Thus, if used in respect of such “trade” sales of Courtesy’s goods, the element TRADE would either be descriptive or a customary term in the bona fide and established practices of the trade. Alternatively, the element TRADE would be deceptive if used in respect of products sold to the general public (i.e. other than to “trade” customers). Not only would it simply be incorrect terminology, but it would also imply that the products were “trade” quality or “trade” style goods. The element SAFE is of low distinctiveness where applied to protective goods such as those listed in Class 9 of Courtesy’s specification. The overall mark TRADESAFE has the clear meaning that one may trade safely in the goods listed, which is descriptive or laudatory. The mark TRADESAFE therefore offends against the provisions of Sections 3(1)(c) and/or (d) of the Act, or against those of Section 3(3)(b) of the Act.”

6) On 11 July 2007 the registered proprietor filed a counter-statement which consists, in essence, of a denial of the various grounds of invalidation and, where appropriate, puts the Applicant to proof of his various assertions. That said, I note that the registered proprietor does accept that the goods in classes 9 and 25 of their registration are either identical or very similar to the goods appearing in the Applicant’s registration; however, they do not accept that this is the case in respect of the goods appearing in class 18 of their registration.

7) Both parties filed evidence in these proceedings and both ask for an award of costs. The matter came to be heard on 14 August 2008 when the applicant was represented by Dr Banford of Messrs T.M. Gregory & Co. and the registered proprietor by Mr Silcock of Counsel instructed by ip21 Ltd.

Applicant’s evidence-in-chief

8) This consists of four witness statements. The first, dated 24 August 2007, is by Paul Lynam. Mr Lynam explains that he is the Managing Director of and major shareholder in PFL Import/Export Limited, adding that he holds the TREADSAFE registration in his own name and licenses it use informally to PFL.

9) He states that PFL imports safety boots and other footwear made in China to his specification. These are then sold both to retailers, and to wholesalers for onward sale to retailers. All of PFL’s safety boots bear, says Mr Lynam, the TREADSAFE trade mark on both the boots and their packaging. He explains that he promotes PFL’s safety boots by attendance at trade shows and by issuing catalogues, adding that he believes that both PFL and the TREADSAFE trade mark have become widely known in the fields of safety work wear and the like.

10) Mr Lynam states that he first became aware of the registered proprietor’s TRADESAFE trade mark in about July 2006 when he was contacted by Bob Coleman of Belmont Safety Ltd who is one of his customers. He then recounts the Wynsor incident mentioned in the request for invalidation (paragraph 4

above refers), adding that it took some time to convince Mr Coleman that there was no connection between the registered proprietor's TRADESAFE and PFL's TREADSAFE boots. He further explains that he was contacted by Keith Farey of M L Leisure, who had seen the Registered Proprietor's boots on display at the MODA trade show which was held at the NEC Birmingham between 18 and 20 February 2007 (the Jay-Bill incident) also mentioned in paragraph 4 above.

11) Mr Lynam adds that he was surprised that the trade mark TRADESAFE had been accepted by the Trade Marks Registry, as the registered proprietor uses the trade mark on retail products and that the word TRADE usually means sales to other businesses not to the general public.

12) The second witness statement, dated 23 August 2007, is from Jonathan Banford. Mr Banford is a trade mark agent in the employ of T M Gregory & Co, the Applicant's professional representatives in these proceedings. Part of Mr Banford's witness statement addresses comments made in the registered proprietor's counterstatement to the effect that: (i) as the Applicant's registration was not cited by the Trade Marks Registry during the ex-parte examination phase, it must follow that the Trade Marks Registry concluded that there was no likelihood of confusion between the respective trade marks, and (ii) that despite the registered proprietor's denial in their counterstatement that goods in class 18 are not normally regarded as similar to those in classes 9 and 25, the Trade Marks Registry's cross-search list specifically includes a search between classes 18 and 25. Both of these points can be dealt with very shortly. In his witness statement Mr Banford says:

“...I would point out that conclusions at the ex parte stage of examination are not considered binding at the inter partes level (even in cases where issues raised inter partes had previously been considered at ex parte examination, let alone in a situation in which an issue is only raised at the inter partes level).”

13) I agree with these comments and need say no more about these aspects of the registered proprietor's case either here, or later in this evidence summary when I record the registered proprietor's evidence.

14) Mr Banford notes that the comments made in paragraph 14 of the request for invalidation (reproduced at paragraph 4 above) are denied by the registered proprietor. He explains that from 1982 to 1999 he worked for one of the world's largest suppliers of pigments for paints, plastics and the like and spent much of this time working on and developing pigments for paints. He says that from his personal experience he can say that trade paints have significantly different compositions and properties to DIY paints because of the differing requirements of professional decorators and those carrying out DIY projects. He provides as exhibit JB3 a print taken from the website www.askoxford.com for the words trade price which I note is defined in the following terms: “**noun** the price paid for goods by a retailer to a manufacturer or wholesaler”, and he concludes that this definition indicates that the word trade is being used to indicate sales between businesses as opposed to sales to the general public at retail prices.

15) The third witness statement, dated 25 September 2007, is from Graham Smith who is a sales representative with Belmont Safety Limited a company run by the same Bob Coleman mentioned in paragraph 9 above. He explains that that amongst other products, Belmont sell safety footwear supplied by PFL under the TREADSAFE trade mark. Given the potential significance of Mr Smith's evidence, it is reproduced (from paragraph 2 and in so far as it is necessary) in full below:

“2. On 25th October 2006, I visited our customer Mr David Whitehurst of Industrial Wholesale Supplies (IWS)..... Mr Whitehurst is the brother of the owner of IWS and someone who I have traded with for many years.

3. Mr Whitehurst complained to me that we were supplying his competitor next door, Wynsors World of Shoes, with TREADSAFE brand safety footwear. Mr Whitehurst was very annoyed and upset – I think it would be fair to say that he was hopping mad.

4. On investigation, I found footwear very similar in style and colour to our TREADSAFE brand on display in Wynsors shoe store.....Wynsors’ footwear was branded as TRADESAFE.

5. I telephoned our office to inform them of this complaint and the possible brand infringement. I also purchased a pair of these TRADESAFE footwear from Wynsors for closer examination.”

16) The fourth and final witness statement, dated 3 October 2007, is from Keith Farey who explains that for the last six or seven years he has run his own wholesale business, ML Leisure, buying in footwear and selling it on to retailers. He has, he explains, been active in the footwear trade since the early 1980s. Like Mr Smith’s evidence above, it is reproduced (from paragraph 2) in full below:

“2. For most of this time, my business has bought and sold footwear imported by Paul Lynam and his company PFL Import/Export Limited. I have regularly bought boots, of various styles, under Paul’s TREADSAFE brand.

3. I was recently at a retailer named Gillivers in Swadlincote, near Burton-on-Trent. While waiting to speak to the buyer, I noticed what I thought was one of Paul’s TREADSAFE boots, but in an unfamiliar style. As I didn’t know that there was a new TREADSAFE style out, I asked about it, thinking that Gillivers might have bought a sample directly from Paul. The buyer replied that it wasn’t one of Paul’s boots, though it was a bit similar, and pointed out that the brand was TRADESAFE. Gilliver’s had apparently bought in the TRADESAFE boots while waiting for us to supply a fresh stock of TREADSAFE boots.

4. I was surprised how easy it was to mistake the TRADESAFE boot for a TREADSAFE boot, even though I have dealt in TREADSAFE boots for years. My immediate reaction to the TRADESAFE trade mark was “That’s a bit naughty”. I still regard TRADESAFE as too close to TREADSAFE.”

Registered Proprietor’s evidence-in-chief

17) This consists of two witness statements. The first, dated 20 November 2007, is from Michael Kelly who is the registered proprietor’s Chief Executive Officer a position he has held since 2006, prior to which he was the Buying Director. He has been employed in the footwear industry for more than 22 years.

18) Mr Kelly explains that the registered proprietor manufactures, imports and sells footwear throughout the UK under various brand names. Sales are made to retailers of footwear either directly or via the wholesaler JBI Limited. He goes on to describe the process by which the registered proprietor adopts new

trade marks, namely: that a list of names is provided by the marketing team, the freedom to use the names is then checked by a member of his team using the UK Intellectual Property Office's on-line search facility following which, if the name appears to be free for use, a search is conducted by the UK IPO's Search and Advisory Service. Only when all of these searches are clear does the registered proprietor instruct its professional representatives to apply for registration of the chosen trade mark. They do not, adds Mr Kelly, commence use of a trade mark until it has been cleared for use.

19) Mr Kelly states that the registered proprietor began using the TRADESAFE trade mark during 2005 and the first sale of footwear under the trade mark was made in November 2005. Exhibit MK1 consists of a photograph of what is described as a steel capped safety boot bearing the TRADESAFE trade mark. The trade mark is said to appear in the following form on the "plug" that is attached to the boots:



20) Exhibit MK2 consists of a picture of the box in which the boots are sold together with a swing tag that accompanies the boots, in which the TRADESAFE trade mark appears in substantially the same form as that shown above.

21) Mr Kelly explains that to date only steel-capped safety boots have been sold under the TRADESAFE trade mark. Sales are as follows:

To independent retailers

Date	No. of pairs	Retail value (£)
November 2005	6495	160,000
May 2006	1634	41,000
June 2006	1319	33,000

Through the wholesaler JBI Limited

Date	No. of pairs	Retail value (£)
July 2007	2840	71,000

22) He adds that in the 2 years since their first use of the TRADESAFE trade mark, the registered proprietor has sold over 12,000 pairs of boots with a retail value of over £300,000.

23) Mr Kelly states that boots sold under the TRADESAFE trade mark have been publicised in the footwear trade at the twice yearly MODA trade show held at the NEC in Birmingham. He adds that over £50,000 is spent by the registered proprietor attending this trade show, and on each occasion that they have exhibited since their launch, TRADESAFE boots have featured prominently in the exhibition and in the publicity material circulated prior to the exhibition. Exhibit MK3 is a sample copy of the advertising material produced for the MODA trade shown in January 2007. Once again I note that the trade mark appears in substantially the same form as that shown above.

24) Mr Kelly goes on to say that in March of 2007 the registered proprietor, via their trade mark attorneys, received notification of the Applicant's objection to their TRADESAFE trade mark, and he notes that several instances of confusion were alleged. He adds that he initiated enquiries in his company, but was unable to find any instances of his staff being made aware of any confusion. In response to the instances of confusion summarised above, Mr Kelly says:

“..One of these is described by [Mr Farey] in which he seems to demonstrate a suitable amount of care in selecting this type of footwear and which resulted in there being no mistake as to the origin of the product.”

And:

“The other incident is described by [Mr Smith] and, again, shows that with appropriate care the origin of the product was clear.”

And:

“What I can say is that aside from the above incidents, I am not aware of any concerns or confusion over the respective products or trade marks. Our sales of the TRADESAFE product have been significant and widespread. If there were real issues about similarity of products I feel sure that I or my colleagues would have become aware of them by now.”

25) The second witness statement, dated 20 November 2007, is from Tom Farrand who is a trade mark attorney in the employ of ip21 Ltd, the registered proprietor's professional representatives in these proceedings. Mr Farrand's witness statement responds to Mr Banford's comments on the search conducted during the ex parte examination of the then application, and the significance of the Trade Marks Registry's cross-search list. My reasons for not recording Mr Farrand's evidence in more detail are provided in paragraph 13 above.

Applicant's evidence in reply

26) This consists of two further witness statements from Mr Lynam and Mr Banford dated 21 December 2007 and 2 January 2008, respectively. In his witness statement Mr Lynam provides sales of safety boots made under the TREADSAFE trade mark. These are as follows:

Period	Pairs sold	Sales value (£)
June 2004 to December 2004	10200	112,200

January 2005 to December 2005	22618	259,000
January 2006 to December 2006	42713	492,000
January 2007 to December 2007	44066	488,000
Total	119597	1,351,200

27) Mr Lynam points out that these figures represent sales to wholesalers at trade prices, adding that the final retail sales values would have been much greater. He further explains that as he is an importer and distributor, advertising of the TREADSAFE brand is done largely by his customers who are mainly wholesalers. He adds that he relies on word of mouth recommendations based on his TREADSAFE trade mark's reputation for quality in design, materials and performance.

28) Insofar as Mr Banford's second witness statement is concerned, this contains (not surprisingly) of a number of submissions on the evidence provided by Messrs. Kelly and Farrand. In particular it focuses on the form in which the TRADESAFE trade mark is used by the registered proprietor. I do not intend to summarise these submissions here, but will bear them in mind when reaching a decision.

29) That concludes my review of the evidence filed in these proceedings insofar as I consider it necessary.

DECISION

30) At the hearing the ground of invalidity under Section 3(3) was withdrawn. Section 47 of the Act reads as follows:

“47.-(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(2) The registration of a trade mark may be declared invalid on the ground -

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2A)* But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if –

(a) within the period of five years ending with the date of the application for the declaration the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D) In relation to a Community trade mark, any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Community.

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(3) An application for a declaration of invalidity may be made by any person, and may be made either to the registrar or to the court, except that—

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(4)

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made:

Provided that this shall not affect transactions past and closed.”

31) Insofar as they are relevant, sections 3(1), and 5(2) of the Act reads as follows:

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

(a).....

(b)

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,

(d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade:

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.

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

(a)

(b) it is similar to an earlier 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.”

32) An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“6.-(1) In this Act an “earlier trade mark” means -

(a) a registered trade mark, international trade mark (UK), Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade

mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,”

33) In these proceedings the Applicant is relying on one registration No. 2360896 for the trade mark TREADSAFE which has an application date of 15 April 2004 and which achieved registration on 8 October 2004; it clearly qualifies as an earlier trade mark under the above provisions. The application for invalidation was filed on 17 May 2007; consequently, The Trade Marks (Proof of Use, etc) Regulations 2004 do not apply to this registration.

34) I shall first consider the ground of invalidity under Section 3(1)(c). There are a number of European Court of Justice judgments which deal with the scope of Article 3(1)(c) of First Council Directive 89/104 and Article 7(1)(c) of Council Regulation 40/94 (the Community Trade Mark Regulation), whose provisions correspond to Section 3(1)(c) of the UK Act. I derive the following main guiding principles from the cases noted below:

- subject to any claim in relation to acquired distinctive character, signs and indications which may serve in trade to designate the characteristics of goods or services are deemed incapable of fulfilling the indication of origin function of a trade mark – (*Wm Wrigley Jr & Company v OHIM* – Case 191/01P (Doublemint) paragraph 30;
- thus Article 7(1)(c) (Section 3(1)(c)) pursues an aim which is in the public interest that descriptive signs or indications may be freely used by all – *Wm Wrigley Jr v OHIM*, paragraph 31;
- it is not necessary that such a sign be in use at the time of application in a way that is descriptive of the goods or services in question. It is sufficient that it could be used for such purposes – *Wm Wrigley Jr v OHIM*, paragraph 32;
- it is irrelevant whether there are other, more usual signs or indications designating the same characteristics of the goods or services. The word ‘exclusively’ in paragraph (c) is not to be interpreted as meaning that the sign or indication should be the only way of designating the characteristic(s) in question – *Koninklijke KPN Nederland NV v Benelux Merkenbureau*, Case C-363/99 (Postkantoor), paragraph 57;
- if a mark which consists of a word produced by a combination of elements is to be regarded as descriptive for the purposes of Article 3(1)(c) it is not sufficient that each of its components may be found to be descriptive, the word itself must be found to be so – *Koninklijke KPN Nederland NV v Benelux Merkenbureau*, paragraph 96;
- merely bringing together descriptive elements without any unusual variations as to, for instance, syntax or meaning, cannot result in a mark consisting exclusively of such elements escaping objection – *Koninklijke Nederland v Benelux Merkenbureau*, paragraph 98;
- however such a combination may not be descriptive if it creates an impression which is sufficiently far removed from that produced by the simple combination of those elements – *Koninklijke Nederland NV v Benelux Markenbureau*, paragraph 99.

35) I also look to Kerly's Law of Trade Marks and Trade Names (14th Edition) at paragraphs 8-048 – 8-053 which read as follows:

“8-048. The wording used in Sections/Arts 3(1)(b), (c) & (d) appears, at first sight, to set an absolute and very low requirement for distinctive character: “*devoid of any distinctive character*” and “trade marks which consist *exclusively*” of, essentially non-distinctive signs or indications. Faced with this language, applicants have argued repeatedly that they need only show a scintilla of distinctive character in order to overcome these hurdles and/or that the hurdle is very low.

8-049. Underlying many of the arguments put forward by applicants seeking to overcome Art.7(1)(b)/3(1)(b) grounds is the beguiling notion that there is a sliding scale of distinctiveness from, say, 0 to 100, where 100 is wholly distinctive and 0 is wholly devoid of distinctive character/wholly descriptive/completely generic. The notion of a scale of distinctiveness can be useful to explain how a mark may be distinctive yet also convey a message which is descriptive of the goods or services in question, and also how the message conveyed by a mark may change over time. This notion can be mis-used. Applicants like the concept of a sliding scale because they can argue that a low score of 1, 2, 3, x etc must be sufficient to overcome these absolute grounds. If the tribunal or Court then says, well, a minimum degree of distinctive character is more than x, then the applicant argues his mark is just over that minimum level. This type of argument is essentially bogus and there are two ways to explain why.

8-050. First, this “sliding scale” argument ignores the fact that marks below the borderline set by these absolute grounds suffer from a disability or inertia. In truth, the only way to overcome such a disability or inertia is through the correct type of use on a substantial scale so that the public are educated to understand the mark conveys an origin message. The “sliding scale” argument allows the disability or inertia to be ignored and this is illegitimate.

Second if the “sliding scale” notion is adopted, it should be recognised that it works down to a notional point, but then there is a cliff or step. Marks with sufficient inherent distinctive character are able to step up out of the morass of non-distinctive matter.

8-051. The further point is that the assessment of distinctive character has to be undertaken through the eyes of the average consumer of the goods or services in question. The average consumer test itself contains a threshold, in this sense; an applicant may be able to show that a small proportion of people do understand his mark to convey an origin message, but that is not sufficient to show that the average consumer would so understand the mark.

8-052. These considerations in fact provide the answer as to why the absolute grounds are expressed as they are. They do not need to be expressed or interpreted in terms of minimum level of distinctive character because of the nature of distinctive character. It carries with it its own threshold.

8-053. Many of the problems caused by setting too low a standard for distinctive character could be overcome if the ECJ were to state clearly that the basic requirement for registration of any mark is that it must possess a distinctive character, whether inherent or acquired.”

36) I was referred to *Wm Wrigley Jr Company v OHIM (DOUBLEMINT)* [2004] All ER (EC) 1040 at paragraphs 31-35 which read:

“31. By prohibiting the registration as Community trade marks of such signs and indications, art 7(1)(c) of Regulation 40/94 pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the characteristics of goods and services in respect of which registration is sought may be freely used by all. That provision accordingly prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks(see; inter alia, in relation to the identical provisions of art. 3(1) (c) of First Council Directive (EEC) 89/104 (to approximate the laws of the member states relating to trade marks) (OJ 1989 L40 p 1), the *Windsurfing Chiemsee* case (para 25) and *Linde Ag v Deutsches Patent-und Markenamt* Joined cases C-53-55/01 [2004] IP& T 172, [2003] ECR I-3161 (para 73)).

32. In order for OHIM to refuse to register a trade mark under art 7(1)(c) of Regulation 40/94, it is not necessary that the signs and indications composing the mark that are referred to in that article actually be in use at the time of the application for registration in a way that is descriptive of goods or services such as those in relation to which the application is filed, or of characteristics of those goods or services. It is sufficient, as the wording of that provision itself indicates, that such signs and indications could be used for such purposes. A sign must therefore be refused registration under that provision if at least one of its possible meanings designates a characteristic of the goods or services concerned.

33. In the present case, the reason given by the Court of First Instance, at para 20 of the contested judgment, for holding that the word at issue could not be refused registration under art 7(1)(c) was that signs or indications whose meaning goes beyond the merely descriptive are capable of being registered as Community trade marks and, at para 31 of the contested judgment, that the term cannot be characterised as exclusively descriptive. It thus took the view that art 7(1)(c) of Regulation 40/94 had to be interpreted as precluding the registration of trade marks which are exclusively descriptive of the goods or services in respect of which registration is sought, or of their characteristics.

34. In so doing, the Court of First Instance applied a test based on whether the mark is exclusively descriptive, which is not the test laid down by art 7(1)(c) of Regulation 40/94.

35. It thereby failed to ascertain whether the word at issue was capable of being used by other economic operators to designate a characteristic of their goods and services.”

37) I also rely upon the following from *Koninklijke KPN Nederland NV v Benelux-Merkenbureau (POSTKANTOOR)*[2004] ETMR 57:

“[T]he purpose of the prohibition of registration of purely descriptive signs ... as trade marks was to prevent registration ... of signs or indications which, because they were no different from the usual way of designating the relevant goods or services or their characteristics, could not fulfil the function of identifying the undertaking that marketed them and were thus devoid of the distinctive character needed for that function.

The signs or indications ... were only those which might serve in normal usage from the consumer's point of view to designate, either directly or by reference to one of their essential characteristics, goods or services such as those in respect of which registration was sought. A mark composed of signs or indications satisfying that definition should not be refused registration unless it comprised no other signs or indications and, in addition, the purely descriptive signs or indications of which it was composed were not presented or configured in a manner that distinguished the resultant whole from the usual way of designating the goods or services concerned on their essential characteristics.

With regard to word trade marks, descriptiveness had to be determined not only in relation to each word taken separately but also in relation to the whole which they formed. Any perceptible difference between the combination of words submitted for registration and the terms used in common parlance of the relevant class of consumers to designate the goods or services or their essential characteristics was apt to confer distinctive character on the word combination enabling it to be registered as a trade mark.

[A] mark consisting of a word composed of elements, each of which is descriptive of characteristics of the goods or services in respect of which registration is sought, is itself descriptive of those characteristics ..., unless there is a perceptible difference between the word and the mere sum of its parts: that assumes either that, because of the unusual nature of the combination in relation to the goods or services, the word creates an impression which is sufficiently far removed from that produced by the mere combination of meanings lent by the elements of which it is composed, with the result that the word is more than the sum of its parts, or that the word has become part of everyday language and has acquired its own meaning, with the result that it is now independent of its components. In the second case, it is necessary to ascertain whether a word which has acquired its own meaning is not itself descriptive for the purpose of the same provision.

It is ... irrelevant whether the characteristics of the goods or services which may be the subject of the description are commercially essential or merely ancillary. The wording [of the section] does not draw any distinction by reference to the characteristics which may be designated by the signs or indications of which the mark consists. In fact, in the light of the public interest underlying the provision, any undertaking must be able freely to use such signs and indications to describe any characteristic whatsoever of its own goods, irrespective of how significant the characteristic may be commercially.”

38) The average consumer for the goods would be the average adult citizen in the UK, I must also take into account the traders who sell such products. Clothing, footwear and headgear are not items which are purchased without thought. They all tend to be considered purchases not least because size, material (natural or man-made) and cost need to be taken into account, more so if they also have a safety function to perform.

39) I accept that the mark could be seen as the two words “trade” and “safe”. Given the appalling standards of literacy in use by advertisers and the media in general, particularly television programmes, the grammatical incorrectness will probably be unnoticed by the average consumer. Thus, it was contended, the average consumer could view the mark in suit as informing them that, for example, the footwear, clothing and headwear concerned is of trade quality or comprised of safety footwear, clothing and headgear for trades people. It was contended that the word “trade” when appended to goods implied a

higher quality of product. The analogy made by the applicant was with regard to paint, whereby trade paint, it was contended, is made to a higher standard than paint available to the general public.

40) I reject these contentions. It is true that at one time the general public could not purchase goods in certain establishments as they would only sell to trades or business people. At that time, the quality of goods available to the general public was also lower than that available to the professional. These days however, there are very few establishments that do not sell to the public. Also the quality of products available has equalised. The term “trade” tends, in my experience, to be applied to items which are sold in bulk. So paint over 10 litres is often referred to as trade, or screws sold by the box also carry the epithet. The applicant contends that, for example, footwear, clothing and headgear sold under the mark in suit would be viewed by the average consumer of being of a higher standard or better quality as it would be suitable for “tradesmen” and hence, presumably, able to withstand more wear and tear. If the mark in suit were “trade standard” I could understand this contention, but the mark requires some consideration to deduce this possible message. To my mind, it is not what the average consumer would envisage upon seeing the mark, and only some of those that analysed the mark would receive the message suggested. Therefore, to my mind, the mark in suit would not be viewed by the average consumer as descriptive for the goods for which it is sought to be registered, but would be seen as a trade mark. The application under Section 3(1)(c) therefore fails.

41) Turning to the ground under section 3(1)(d) which refers to “trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade”. The applicant for invalidity has offered no evidence and it was not vigorously pursued at the hearing. There is no evidence to suggest that the mark in suit is used by the trade and therefore the ground of application under section 3(1)(d) fails accordingly.

42) Lastly, I turn the ground of invalidity under section 5(2)(b). In reaching a decision I take into account the well established 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* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* [2000] F.S.R. 77 and *Marca Mode CV v. Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723. It is clear from these cases that:

(a) the likelihood of confusion must be appreciated globally, taking account of all the relevant factors: *Sabel BV v. Puma AG*;

(b) the matter must be judged through the eyes of the average consumer of the good/services in question; *Sabel BV v. Puma AG* who is deemed to be reasonably well informed and 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; *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.*;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v. Puma AG*;

(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; *Sabel BV v. Puma AG*;

(e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*;

(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; *Sabel BV v. Puma AG*;

(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); *Sabel BV v. Puma AG*;

(h) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v. Adidas AG & Adidas Benelux BV*

(i) but if the association between the marks causes 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; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*.

43) In essence the test under Section 5(2) is whether there are similarities in marks and goods and/or services which would combine to create a likelihood of confusion. In my consideration of whether there are similarities sufficient to show a likelihood of confusion I am guided by the judgements of the European Court of Justice mentioned above. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different elements taking into account the degree of similarity in the goods, the category of goods in question and how they are marketed. Furthermore, I must compare the registered proprietor's mark and the applicant's mark on the basis of their inherent characteristics assuming normal and fair use of the marks on a full range of the goods covered within the respective specifications.

44)) The effect of reputation on the global consideration of a likelihood of confusion under Section 5(2)(b) of the Act was considered by David Kitchin Q.C. (as he was then) sitting as the Appointed Person in *Steelco Trade Mark* (BL O/268/04). Mr Kitchin concluded at paragraph 17 of his decision:

“The global assessment of the likelihood of confusion must therefore be based on all the circumstances. These include an assessment of the distinctive character of the earlier mark. When the mark has been used on a significant scale that distinctiveness will depend upon a combination of its inherent nature and its factual distinctiveness. I do not detect in the principles established by the European Court of Justice any intention to limit the assessment of distinctiveness acquired through use to those marks which have become household names. Accordingly, I believe the observations of Mr. Thorley Q.C in *DUONEBS* should not be seen as of general application irrespective of the circumstances of the case. The recognition of the earlier trade mark in the market is one of the factors which must be taken into account in making the overall global assessment of the likelihood of confusion. As observed recently by Jacob L.J. in *Reed Executive & Ors v. Reed Business Information Ltd & Ors*, EWCA Civ 159, this may be particularly important in the case of marks which contain an element descriptive of the goods or services for which they have been

registered. In the case of marks which are descriptive, the average consumer will expect others to use similar descriptive marks and thus be alert for details which would differentiate one mark from another. Where a mark has become more distinctive through use then this may cease to be such an important consideration. But all must depend upon the circumstances of each individual case.”

45) The applicant provides some evidence of sales but this is rather sketchy and is not put into context such as the size of the market, market share etc. The applicant’s evidence also seeks to show that has been instances of actual confusion between the marks of the parties. However, on closer examination these claims are not fully supported by the evidence filed. For instance, Mr Smith describes how he and Mr Whitehurst “found footwear very similar in style and colour to our TREADSAFE brand”. This implies that the initial confusion was not caused by the mark but by the goods. Similarly, Mr Farey who states that “I noticed what I thought was one of Paul’s TREADSAFE boots, but in an unfamiliar style” he later continues “I was surprised how easy it was to mistake the TRADESAFE boot for a TREADSAFE boot”. Again it is not clear if it was the mark or the goods which caused confusion. In neither case is enough detail provided as to what precisely was viewed and what caused the doubts in these gentlemen’s minds.

46) I now consider the goods of the two parties:

Registered proprietor’s goods	Applicant’s goods
Class 9: Protective clothing, footwear and headgear; footwear and boots for the prevention of accident and injury.	Class 9: Safety footwear.
Class 18: Articles made from leather or from imitations of leather; bags, cases, holdalls, tote bags, rucksacks, handbags, backpacks, bags for sport and recreational purposes; shoe and boot bags; vanity cases; wallets, purses; belts and straps; harnesses; key cases; umbrellas; parasols.	
Class 25: Articles of clothing, footwear, handwear and headgear.	Class 25: Clothing, footwear, headgear

47) The registered proprietor accepted in its counterstatement that the goods in Classes 9 & 25 were either identical and/or very similar. I agree with this and also find that the goods in class 18 are similar to the applicant’s goods in Classes 9 and 25.

48) I now move onto consider the marks of the two parties which are TREADSAFE and TRADESAFE. Clearly, they share a common suffix “SAFE”. They also start with the letters “TR” and are the same length, these lead to certain aural similarities. However, conceptually these marks are very different. The first mark conjures up an image of walking, or the sole of a shoe whilst the second mark brings to mind commerce. The suffix on both marks implies that these activities are being carried out safely, even though this does not make much immediate sense.

49) In considering the issues I also take into account the views of Mr Thorley Q.C sitting as the Appointed Person in the *REACT* case [2000] RPC 285 where he said:

“[*Counsel*] ...drew my attention to the fact that in relation to clothing of the type for which the mark is to be registered, anybody using the mark aurally would be informed to some extent of the nature of the goods they were proposing to purchase; they will therefore know of a mark; and they will know what they want. I think there is force in this in the context of purchasing clothes. The Hearing Officer was prepared of his own experience to hold that the initial selection of goods would be made by eye, and I believe this is correct. I must therefore, in taking into account the likelihood of aural confusion, bear in mind the fact that the primary use of the trade marks in the purchasing of clothes is a visual act.”

50) There are some visual and aural similarities, however there are also significant visual and aural differences. To my mind these differences far outweigh the similarities. Taking into account the conceptual differences it is my view that there is no likelihood of confusion, nor would the average consumer assume an association between the two marks even when they are used on identical goods.

51) I order the applicant, Paul Lynam to pay to Courtesy Shoes Limited the sum of £1000. 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 8 day of January 2009

**G W Salthouse
For the Registrar
the Comptroller-General**