

O-360-09

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2468271  
IN THE NAME OF L. A. SUGAR (UK) LTD

AND

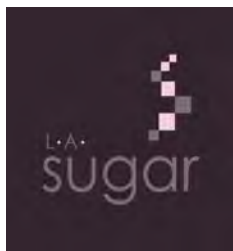
OPPOSITION THERETO UNDER NO 96404  
BY BACK BEAT, INC

## TRADE MARKS ACT 1994

IN THE MATTER OF application  
No. 2468271 in the name of  
L. A. Sugar (UK) Ltd and  
Opposition thereto under No 96404  
By Back Beat, Inc

### Background

1. Application No. 2468271 stands in the name of L.A. Sugar (UK) Ltd (“the applicant”) and has a filing date of 2 October 2007. The application is for the following mark:



2. Registration is sought in respect of: *Women’s clothing, men’s clothing.*

3. Following publication in the *Trade Marks Journal* on 23 November 2007, Notice of Opposition was filed on behalf of Back Beat, Inc. (“the opponent”) The grounds of opposition are, in summary:

- Under section 5(2)(b) and 5(3) of the Act based on the opponent’s Community Trade Mark registration No. 2442283 for the mark 26 RED SUGAR;
- Under section 5(4) of the Act based on the opponent’s use in the UK, since 2002, of the marks SUGAR and 26 RED SUGAR in relation to footwear.

4. In respect of the grounds of opposition under section 5(2)(b) the opponent relies on its Community Trade Mark in respect of the following goods:

#### Class 18

*Purses, handbags, backpacks, fanny packs, tote bags, cosmetic cases sold empty, toiletry cases sold empty, coin purses and wallets:*

#### Class 25

*Clothing, namely jackets, sweaters, vests, sweat shirts, sweat pants, shirts, blouses, t-shirts, pants, shorts, skirts, skorts, dresses, swimwear, hats and shoes.*

5. In respect of its opposition under section 5(3), the opponent claims it has a reputation in its earlier mark in respect of footwear.

6. The applicant filed a counterstatement in which it denied the grounds of opposition. It also put the opponent to proof of use of its mark, however, given the opponent's Community Trade Mark has a registration date of 13 June 2003, which is less than five years before the date of publication of the application, the proof of use requirements of Section 6A of the Act are not applicable in these proceedings.

7. Only the opponent filed evidence in these proceedings. Neither party requested to be heard though the opponent did file written submissions in lieu of attendance at a hearing. I therefore give this decision after a careful review of all the papers before me.

## **Evidence**

8. Two witness statements were filed by the opponent. The first is from Mary Boncutter who has been President of the opponent company for eight years, having been employed by them for twelve. The second is from Howard Wetter who has been Managing Director of Amber Dudes Ltd, the opponent's sole distributor in the UK, for fifteen years. I do not intend to summarise these witness statements in full as there is a great deal of duplication involved, though I will refer to them as necessary in my decision. The evidence shows:

- Amber Dudes Ltd was appointed the sole UK distributor for the opponent at a date in 2002;
- Sales in the UK of footwear and accessories such as bags, cases, wallets and notebooks under the mark SUGAR have been made since that time.
- The goods are sold through a number of retail outlets and Internet stores including Office Shoes, tReds, The Outdoor Group (Blacks) and Amazon.

9. The approximate value of sales made under the mark in the UK is given as follows:

Year	£ sterling
2003	143,406
2004	372,477
2005	808,346
2006	1,394,172
2007	3,184,549
2008	1,934,987

Clearly some of these figures relate to sales made after the relevant date in these proceedings.

10. Approximate estimated spend on advertising and promoting the SUGAR mark in the UK is given by Mr Wetter as follows:

Year	£ Totals
2003	10,000
2004	18,000
2005	22,359
2006	20,777
2007	65,954
2008	64,589

Again, some of these figures relate to expenditure after the relevant date in these proceedings.

11. Some 30+ invoices are exhibited at MB3 and HW1 (both identical). The earliest is dated 27 November 2002, the latest show dates in 2009. Of those dated before the relevant date two, (invoice nos 173302 and 175257 from 2002) show sales of items such as notebooks, totes, wallets, bags, coin purses. These appear to come from Sugar Accessories rather than the opponent (although I note the address given on the invoices is the same as that of the opponent). The remaining invoices, all of which are said by Mr Wetter to relate to goods branded SUGAR, show a range of goods supplied by Sugar Shoes/ BackBeat Inc to Amber Dudes Ltd. In some instances, the goods on the invoices are easily identifiable (e.g. blazers, kimonos, boots, sandals, mules, pumps) in others they are uncertain (e.g. shortstocking, panito, pouchmania, go ape, dirty dawgs, jogger). Style guides showing some of the styles of the various articles of footwear, bags etc. and clothing said to be available under the mark are produced at MB2.

## Decision

### The objection under section 5(2)(b)

12. The first ground of opposition is that under section 5(2)(b) of the Act. This reads:

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.

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

- (a) a registered trade mark, international trade mark (UK) or Community trade mark 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,

- (b) a Community trade mark which has a valid claim to seniority from an earlier registered trade mark or international trade mark (UK), or
- (c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark.

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.

(3) A trade mark within subsection (1)(a) or (b) whose registration expires shall continue to be taken into account in determining the registrability of a later mark for a period of one year after the expiry unless the registrar is satisfied that there was no *bona fide* use of the mark during the two years immediately preceding the expiry.

13. The opponent relies on Community Trade Mark No. 2442283 under this ground. This is an earlier mark within the meaning of section 6 of the Act.

14. In determining the question under Section 5(2)(b), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel v Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R 77, *Marca Mode CV v Adidas AG* [2000] E.T.M.R.723, *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di Laudato & C. Sas v OHIM* C-334/05 (Limoncello). It is clear from these cases that:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors: *Sabel BV v Puma AG*, paragraph 22;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question: *Sabel BV v Puma AG*, paragraph 23, 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 he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen B. V.* paragraph 27;
- (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*, paragraph 23;
- (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*, paragraph 23;

- (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 v Metro-Goldwyn-Mayer Inc*, paragraph 17;
- (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*, paragraph 24;
- (g) in determining whether similarity between the goods or services covered by two trade mark is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer inc*;
- (h) 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*, paragraph 26;
- (i) 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*, paragraph 41;
- (j) 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*, paragraph 29;
- (k) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH*;
- (l) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *Shaker di L Laudato & C. Sas v OHIM*.

### **Similarity of goods**

15. A straight comparison shows that the goods specified as being protected in class 25 of the earlier registration, would be included in the terms *women's clothing* and *men's clothing* as set out in the application. Identical goods are therefore involved (see *Gérard Meric v OHIM*, Case T-133/05 paragraph 29).

## Relevant consumer and the purchasing act

16. The respective goods are everyday consumer goods bought by the general public. They may be bought in a variety of ways, e.g. in a retail store, online or by mail order. In its counterstatement, the applicant comments that it markets “high end occasional wear garments to men and women in the 20-35 age group” and says this is a “very different market” to the one in which the opponent trades. For its part, the opponent’s evidence states its products are “aimed at young girls and teenage girls”.

17. Whatever markets the respective companies may have targeted, the respective specification of goods are not limited in any way and there is nothing to prevent the applicant widening its use at a later date or assigning its mark to another who may do so. In any event, the comparison is a notional one based on the specifications as set out above rather than the actual markets involved. As neither specification is limited in the way described, I have to proceed on the basis that they occupy the same market sector. In *Saint-Gobain SA v OHIM* Case T-364/05 the CFI stated:

“67.... [I]t is important to reiterate that the comparison between the goods in question is to be made on the basis of the description of the goods set out in the registration of the earlier mark. That description in no way limits the methods by which the goods covered by the earlier mark are likely to be marketed.”


18. As I have found the respective goods to be identical, I must infer, notionally, that they originate from the same manufacturing sector and travel through the same channels of trade to the same consumer group.

19. Because of the need to ensure they meet the purchaser’s individual needs and/or tastes, these are goods which will be bought with some, though not necessarily the highest, degree of care (with more attention likely to be paid to the purchase of e.g. a suit than e.g. a pair of socks).

20. I am also mindful of the comments of the CFI in cases such as *Société Provençale d’Achat et de Gestion (SPAG) SA v OHIM* Case T-57/03 and *React Trade Mark* [2000] RPC 285, where guidance is provided that, bearing in mind the manner in which clothing goods will normally be purchased, it is the visual impression of the marks that is the most important. This would normally be from a clothes rail, a catalogue or a website rather than by oral request. Notwithstanding this, aural and conceptual considerations remain important and should not be ignored completely.

## Comparison of marks

21. For ease of reference I set out below the respective marks to be compared:

Applicant's mark	Opponent's mark
	<p data-bbox="810 304 1050 338">26 RED SUGAR</p>

22. The applicant's mark is made up of a number of elements: the letters L and A each followed with a dot, to the left of a device which appears to consist of seven adjoining and differently sized squares with four of the squares in a lighter tone than the other three. Below these elements is the word SUGAR appearing in lower case letters of a much larger font than the other letters in the mark, the whole being presented on a squared dark background. The earlier mark consists of the numerals 26 and the words RED SUGAR presented in block capitals.

23. Where marks employ a common element, competing considerations are likely to come into play in determining the proper outcome. In *10 Royal Berkshire Polo Club Trade Mark*, [2001] RPC 32, Mr Hobbs QC, sitting as the Appointed Person, said:

“31..... I am satisfied that the use of the word POLO as part of the applicant's mark does not capture the distinctiveness of the opponent's earlier trade marks [POLO]. I do not think that people exposed to the use of the applicant's mark would notice that it contained the word POLO without also noticing that it contained the words ROYAL BERKSHIRE and CLUB. The message of the mark comes from the words in combination and that is not something that I would expect people to overlook or ignore in the ordinary way of things.”

24. The weight of other matter and the context in which the common element occurred was sufficient in that case for the Appointed Person to hold that consumers' attention would not focus on the element POLO to the point where the marks would be regarded as sharing a distinctive character.

25. In *Cardinal Place Trade Mark*, BL O/339/04, Mr Hobbs QC, again acting as the Appointed Person, had before him the mark CARDINAL (and small device) and CARDINAL PLACE. He held that:

“15. The perceptions and recollections triggered by the earlier mark are likely to have been ecclesiastical whereas the perceptions and recollections triggered by the Applicant's mark are likely to have been locational as a result of the qualifying effect of the word **PLACE** upon the word **CARDINAL**. A qualifying effect of that kind can be quite powerful as indicated by the examples cited in argument on behalf of the Applicant: **SOMERSET** as compared with **SOMERSET HOUSE**; **COUNTY** as compared with **COUNTRY HALL**; **CANARY** as compared with **CANARY WHARF**.”



26. He posed the following question:

“17. So why should it be thought that the visual, aural and conceptual differences are sufficiently significant to render the marks distinguishable, but not sufficiently significant to enable them to be used concurrently without giving rise to a likelihood of confusion? This, to my mind, is the critical question. The answer to it depends upon how much or how little the word **PLACE** would be likely to contribute to the distinctive character of the mark **CARDINAL PLACE** taken as a whole.”

27. His conclusion was that the overall effect and impact of the combination **CARDINAL PLACE** was sufficiently different to the word **CARDINAL** on its own that the two marks could be used concurrently without giving rise to a likelihood of confusion.

28. In Case T-22/04 the Court of First Instance (CFI) annulled the decision of OHIM's second Board of Appeal in a case involving the marks **WESTLIFE** and **WEST**. In its judgment the Court said:

“37. It must also be borne in mind that the Court of First Instance has already held that, on an initial analysis, where one of the two words which alone constitute a word mark is identical, both visually and aurally, to the single word which constitutes an earlier word mark, and where those words, taken together or in isolation, have no conceptual meaning for the public concerned, the marks at issue, each considered as a whole, are normally to be regarded as similar (Case T-286/02 *Oriental Kitchen v OHIM – Mou Dybfrost (KIAP MOU)* [2003] ECR II-0000, paragraph 39).

38. In this instance one of the two words which alone constitute the word mark applied for is actually identical in appearance to the sole word forming the earlier word mark. Aurally there is a degree of similarity, although the pronunciation of the word ‘west’ is not identical, at least as regards the whole of the relevant public. In this instance, the two words forming the **Westlife** mark mean something to the relevant public but they do not describe either the goods or services in question or their qualities and therefore do not have any particular connotation in relation to them.

39. Although the approach described at paragraph 37 above is not therefore directly applicable in this case, it must nonetheless be stated that the only visual difference between the two word marks at issue is that one of them contains a further element added to the first. Moreover, as stated above, there is a degree of similarity between the two marks in aural terms and, in particular, in conceptual terms.

40. It must therefore be held, in this case, that the fact that the **Westlife** trade mark consists exclusively of the earlier **West** trade marks to which another word, ‘life’ has been added, is an indication that the two trade marks are similar.”

29. The CFI went on to find that the relevant public might consider the mark applied for to be a variant of the earlier mark or at least that there was an economic link between the companies or undertakings marketing goods or services under the marks.

30. It is apparent from these contrasting outcomes that questions of this kind are not susceptible to any single or mechanistically applied solution. The test under Section 5(2) is, in essence, whether there are similarities in the trade marks and goods which would combine to create a likelihood of confusion. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the trade marks, evaluating the importance to be attached to those different elements and taking into account the degree of similarity in the goods, the category of goods in question and how they are marketed. I should, however, guard against dissecting the respective marks so as to distort the average consumer's perception of them; the average consumer perceives trade marks as wholes and rarely has the chance to compare marks side by side but must instead rely on the imperfect picture he has of them in his mind.

31. In the *Medion* judgment the ECJ stated:

“29 In the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by one or more of its components (see *Matratzen Concord*, paragraph 32).

30 However, beyond the usual case where the average consumer perceives a mark as a whole, and notwithstanding that the overall impression may be dominated by one or more components of a composite mark, it is quite possible that in a particular case an earlier mark use by a third party in a composite sign including the name of the company of the third party still has an independent distinctive role in the composite sign, without necessarily constituting the dominant element.

31 In such a case the overall impression produced by the composite sign may lead the public to believe that the goods or services at issue derive, at the very least, from companies which are linked economically, in which case the likelihood of confusion must be held to be established.

32 The finding that there is a likelihood of confusion should not be subject to the condition that the overall impression produced by the composite sign be dominated by the part of it which is represented by the earlier mark.

33 If such a condition were imposed, the owner of the earlier mark would be deprived of the exclusive right conferred by Article 5(1) of the directive even where the mark retained an independent distinctive role in the composite sign but that role was not dominant.”

32. And, in *Shaker di Laudato (supra)* the ECJ stated:

“41 It is important to note that, according to the case-law of the Court, in the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see order in *Matratzen Concord v OHIM*, paragraph 32; *Medion*, paragraph 29).

42 As the Advocate General pointed out in point 21 of her Opinion, it is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element.”

33. I also take note of the decision in *MIP Metro Group Intellectual Property GmbH & Co KG v OHIM* T-290/07 where the CFI stated:

“ For the purpose of the global assessment of the likelihood of confusion, the overall impression created by the two signs at issue must be considered (Case C-206/04 P *Mulhens v OHIM* [2006] ECR I-2717, paragraph 23, and Case C-234/06P II *Ponte Finanziaria v OHIM* [2007] ECR I-7333, paragraph 37) and the signs’ aural, visual and conceptual similarities must be weighed up, taking into account factors such as, in particular, the nature of the goods or services, the way they are marketed and the public’s level of attention. In that regard, it should be pointed out that, although there will not necessarily always be a likelihood of confusion where two signs are found to be only aurally similar, it is nevertheless conceivable that the marks’ aural similarity alone could create a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94. However, the conceptual, visual and aural similarities between the signs at issue and the assessment of any aural similarity is only one of the relevant factors for the purpose of that global assessment (*Mulhens v OHIM* paragraphs 21 and 23; see also, to that effect, II *Ponte* as before paragraphs 35 and 37; and Joined cases T-117/03 to T-119/03 and T-171/03 *New Look v OHIM –Naulover (NLSPORT, NLJEANS, NLACTIVE and NLCollection)* [2004] ECR II-3471, paragraph 49.”

34. From a visual perspective, the earlier mark consists of the numerals and words 26 RED SUGAR. The mark applied for also consists of multiple elements as described in paragraph 22 above. To the extent that both marks include the word SUGAR there is a degree of visual similarity. Whilst, in the mark applied for, the letters L and A appear in significantly smaller font size than the word SUGAR, I consider the mark would be articulated as L-A-SUGAR. Both marks therefore culminate in the word SUGAR and, to that extent, have a degree of aural similarity. The letters L and A combine to create a very well known abbreviation for the city of Los Angeles. The word SUGAR is a sweetening agent but is also a well known surname. If there is a conceptual message it is that of something made by someone

named SUGAR or somehow utilising SUGAR and in a style reminiscent of Los Angeles. As for the earlier mark, the number 26 and word RED could refer to the size and colour of the goods and may bring to mind something red in that size made by someone named SUGAR or somehow utilising SUGAR. Again, there is a degree of similarity from a conceptual perspective.

35. Because of its size, the dominant element of the application, visually, is the word SUGAR but that is not to say the other elements are negligible. As for the earlier mark, in my view all elements of the mark are equally dominant.

### **Distinctiveness of the earlier mark**

36. I also have to take into account the distinctive character of the earlier trade mark having regard to its inherent characteristics and the reputation it enjoys with the public. Given the specification of goods, the number 26 and word RED appearing in the mark could refer to the size and colour of particular items and are not therefore distinctive of themselves and add little in combination to the mark as a whole: emphasis is focused on the word SUGAR. However, when considering the mark as a whole, as I am required to do, it seems to me that the earlier mark has at least a reasonable degree of distinctive character. No evidence of any use of this mark has been filed and therefore I am unable to find that its distinctive character has been enhanced through use.

### **Likelihood of confusion**

37. In reaching a decision on whether there is a likelihood of confusion, I must make a global assessment based on all relevant factors. I have already found that identical goods are involved. I have found that the marks have a degree of similarity from visual, aural and conceptual viewpoints. I need to consider both direct and indirect confusion. In relation to direct confusion, where the average consumer, who rarely has the chance to make direct comparisons between marks but must instead rely upon the imperfect picture of them he has kept in his mind, mistakes one mark for another, I consider the differences in the respective marks would mitigate against this.

38. I go on to consider the matter in relation to indirect confusion, where the similarities between the marks lead the consumer to believe the goods or services sold under them are from the same or an economically linked undertaking.

39. Indirect confusion must be more than a likelihood of association in the strict sense. Instead it is more an association between the marks due to some similarity between them which causes the public wrongly to believe the respective goods come from the same or an economically linked undertaking (*Canon supra*). The respective goods and services will be bought with varying degrees of care dependant on the specific goods being purchased and, in my view, whilst there are some differences between the respective marks, there are still similarities between them. Taking all relevant factors into account, I believe the similarities are such that they are likely to result in the average consumer believing the respective goods come from the same or an economically likened undertaking. Indirect confusion is likely and the objection based on section 5(2)(b) of the Act succeeds.

### **The objection under section 5(3) of the Act**

40. Section 5(3) of the Act reads:

(3) A trade mark which -

(a) is identical with or similar to an earlier trade mark,

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark or international trade mark (EC) in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

41. The opponent relies on the same earlier right as it did under section 5(2)(b) and is required so show that the mark relied on has a reputation in the UK. As set out in paragraph 36 above, no evidence of any use of the mark has been filed and thus the opponent has not shown it has the requisite reputation in the mark. The objection under section 5(3) is therefore dismissed.

### **The objection under section 5(4)(a) of the Act**

42. Section 5(4)(a) of the Act reads:

“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) ....

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.”

43. The opponent relies on the common law tort of passing off based on its use of the marks SUGAR and 26 RED SUGAR. Again, as set out in paragraph 36 above, no evidence of use of the latter mark has been filed. The objection under section 5(4)(a) in respect of the mark 26 RED SUGAR is therefore dismissed.

44. As for the mark SUGAR, the opponent claims to have used it in the UK on footwear since 2002 and I go on to consider the claim further.

45. The requirements for this ground of opposition have been restated many times and can be found in the decision of Mr Geoffrey Hobbs Q.C. 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 opponent’s goods have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

- 2) That there is a misrepresentation by the applicant (whether or not intentional) leading or likely to lead the public to believe that goods offered by the applicant are goods of the opponent; and,
- 3) That the opponents have suffered or are likely to suffer damage as a result of the erroneous belief engendered by the applicant's misrepresentation.

46. To the above, I add the comments of Pumfrey J in the case of *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 in which he said:

“27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raise a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under Section 11 of the 1938 Act (See *Smith Hayden (OVAX)* (1946) 63 RPC 97 as qualified by *BALI* [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28 Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing office (sic) that it is not shown on the balance of possibilities that passing off will occur.”

47. The date at which the matter must be judged is not entirely clear from Section 5(4)(a) of the Act. This provision is clearly intended to implement Article 4(4)(b) of Directive 89/104/EEC. It is now well settled that it is appropriate to look to the wording of the Directive in order to settle matters of doubt arising from the wording of equivalent provisions of the Act. The relevant date may therefore be either the date of the application for the mark in suit (although not later) or the date at which the acts first complained of commenced, as per the comments in *Cadbury Schweppes Pty Ltd v The Pub Squash Co Pty Ltd* [1981] RPC 429. As there is no evidence that the mark applied for has been used, the relevant date for determining the opponent's claim will be the filing date of the application in suit, that is to say 2 October 2007.

48. There is no evidence that the opponent has ever traded in the UK itself. The invoices supplied at MB3 and HW1 appear to show sales from the opponent to Amber Dudes Ltd dating from 2002. Amber Dudes Ltd is a company which, as far as the evidence goes, has no apparent corporate connection with the opponent. Whether this relationship was regulated in any way e.g. by a licence or contract etc., I do not know, though Mr Wetter does indicate that Amber Dudes has used the mark “with the consent of Back Beat”.

49. As there is no evidence that the opponent has ever traded directly itself in the UK, there is nothing to suggest it had any goodwill prior to the time it became involved with Amber Dude Ltd. Amber Dude Ltd appears to be a commercially distinct company with no apparent connection to the opponent other than the use of the SUGAR name. The evidence of promotional material and point of sale material is extremely limited. Some of the “style guides” exhibited at MB2 (which are said to be the equivalent of catalogues) post date the relevant date in these proceedings. The goods included within all of them are, where priced, shown in \$US and some bear legends such as “Fall” and “Holiday” rather than “Autumn” and “Christmas” as would most likely be used in the UK. There is no evidence these were ever circulated within the UK. Exhibit MB4 which is said to consist of publicity material, in fact consists of printouts showing what appear to be the front covers of various magazines. All but one of these indicate they date from after the relevant date. The remaining printout refers to “Fall 07” so is unlikely to have been circulated within the UK or, at least, it is uncertain that it ever was. In any event, all that is visible on all of these printouts is a picture of the front cover of a magazine (and then not particularly clearly) and I have no evidence of where and when that magazine was circulated or what may have appeared in it.

50. Exhibit HW2 is also said to be copies of advertising and point of sale material. Mr Wetter says of this material: “The Perspex Sugar cubes have been used for the past 18 months and the boot fillers for the past 6 months and both are still currently used. There are also photographs showing the SUGAR mark as it appears on footwear and related accessories sold in the United Kingdom”. Mr Wetter’s witness statement is dated 19 February 2009 and therefore most of this material would appear to be either in current use at the time of preparation of his evidence or have been used only after the relevant date in these proceedings. In any event none of this material makes any mention of the opponent company.

51. On these facts I do not see that I can conclude the opponent has at any time been in possession of any goodwill in the UK in relation to footwear as claimed. That being so, the ground of opposition under section 5(4)(a) falls at the first hurdle and is dismissed.

## **Costs**

52. The opposition has succeeded albeit on only one of the grounds on which it was brought. That being the case, the opponent is entitled to an award of costs in its favour. I take note that limited, but substantially duplicative, evidence was filed (and by the opponent only), that no hearing took place and that the applicant did not file any written submissions. I therefore award costs as follows:

Filing notice of opposition and reviewing counterstatement:	£200 & £200 fee
Filing evidence:	£500
Filing written submissions:	£300
 Total:	 £1200

53. I order L.A.Sugar (UK) Limited to pay Back Beat, Inc the sum of £1200. This sum is to be paid with 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 17<sup>th</sup> day of November 2009**

**Ann Corbett  
For the Registrar  
The Comptroller-General**