

O-088-16

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2653412
BY C & J CLARK INTERNATIONAL LIMITED TO REGISTER THE TRADE MARK

Clarks
E N G L A N D

IN CLASSES 25 AND 35

AND IN THE MATTER OF OPPOSITION
THERE TO UNDER NO 400544
BY SATISH KUMAR MURGAI

AND

IN THE MATTER OF REGISTRATION NOS 1124061 AND 1280161 IN THE NAME
OF SATISH KUMAR MURGAI IN RESPECT OF THE FOLLOWING TWO TRADE
MARKS IN CLASS 25:



AND APPLICATIONS FOR REVOCATION THERETO
UNDER NOS 500521 AND 500589 RESPECTIVELY
BY C & J CLARK INTERNATIONAL LIMITED

Background and pleadings

1) C & J Clark International Limited (hereafter "CJC") applied to register the UK mark 2653412, a representation of which is shown on the front page of this decision. Its application date is 20 February 2013. It was accepted and published in the Trade Marks Journal on 12 April 2013. The application is in respect of a broad range of Class 25 and Class 35, but the following goods and services are the only terms listed that are relevant to the opposition:

Class 25: *Clothing; headgear; ...*

Class 35: *Retail services, retail store services and electronic shopping retail services connected with bags of all kinds, satchels, travel bags, holdalls, wallets, cases, toilet bags, school bags, [...], belts for wear, [...], sports bags, card holders, briefcases, beachbags, shoulder bags, handbags, clothing, [...], headgear, [...]; catalogue ordering services; telephone ordering services featuring [...], apparel, bags, [...]; presentation of goods on communication media, for retail purposes.*

2) Satish Kumar Murgai opposes the mark on the basis of Section 5(2)(b) and Section 5(4)(a) of the Trade Marks Act 1994 ("the Act"). The first ground is based upon conflict with two earlier UK marks in Mr Mugai's name. When filing the opposition, Mr Mugai identified the goods and services being opposed as:

"Clothing, headgear; Retail services in connection with clothing, headgear, bags of all kinds"

3) By email of 16 October 2015, Mr Murgai's representative informed CJC (and copying to the Registry) that "[i]n our opinion, it is clear that this objection, and in particular that in Class 35, extends to all those aspects of the specification of the Application that are encompassed within the pleaded words". It then provides the list of goods and services shown in paragraph 1, above as being those goods and services that fall within the claim". It also qualified that its claim in respect of the following broad terms is only in respect of their scope or meaning indicated by the bracketed and underlined terms:



catalogue ordering services (being retail services connected with bags of all kinds, clothing and headgear)

telephone ordering services (being retail services) *featuring [...], apparel, bags, [...]*

presentation of goods (being bags of all kinds, clothing and headgear) *on communication media, for retail purposes*

4) At the hearing, Mr Traub took no issue with Mr Murgai's interpretation of the scope of his opposition and it is not necessary for me to consider this further.

5) The relevant details of Mr Murgai's two earlier marks are shown below:

Mark and relevant dates	Specification of goods
<p>1124061</p>  <p>Registration of this mark shall give no right to the exclusive use of the words "Clark" and "Jeans & Casuals".</p> <p>Filing date: 15 November 1979</p> <p>Date of entry in register: 27 May 1988</p>	<p>Class 25: <i>Jackets, shirts, sweaters, trousers, jumpsuits, shorts, suits.</i></p>
<p>1280161</p>  <p>Filing date: 24 September 1986</p> <p>Date of entry in register: 20 March 1998</p>	<p>Class 25: <i>Casualwear and leisurewear; all included in Class 25; but not including footwear.</i></p>

6) Mr Murgai submits that the respective goods and services are identical or similar and that the marks are similar and that the application, therefore, offends under Section 5(2)(b) of the Act. It claims use in respect of all the goods listed in both registrations.

7) Mr Murgai also claims that the application offends under Section 5(4)(a) of the Act because the marks are highly similar to the word CLARK and the word and device mark identical to his registration 1280161. He also claims that the respective goods and services are identical and that misrepresentation and damage are highly likely. He claims use since at least early 1977 in respect of the word mark and since May 1976 in respect of the word and device mark.

8) CJC filed a counterstatement denying the claims and putting Mr Murgai to proof of use of his marks in respect of all the goods listed in them. The relevant period in which use must be shown is the five years ending with the date of publication of CJC's application, namely, 12 April 2013.

9) In addition, on 20 August 2014 and 31 July 2014 respectively, CJC filed applications for revocation of both of Mr Murgai's earlier marks. The periods in which proof of genuine use is required are as follows:

Earlier Mark	Section 46(1)(a) period	Date revocation would take effect	Section 46(1)(b) periods	Date revocation would take effect
1124061	28 May 1988 to 27 May 1993	28 May 1993	1) 31 July 2009 to 30 July 2014 2) 10 June 2004 to 9 June 2009 3) 28 May 1988 to 27 May 1993	31 July 2014 10 June 2009 28 May 1993
1280161	21 March 1998 to 20 March 2003	21 March 2003	1) 31 July 2009 to 30 July 2014 2) 21 March 2003 to 20 March 2008 3) 31 July 2004 to 30 July 2009	31 July 2014 21 March 2008 31 July 2009

10) The three sets of proceedings were consolidated and both parties filed evidence. This will be summarised to the extent that it is considered necessary. CJC also filed written submissions that I will not summarise, but I will keep in mind. A hearing took place on 16 November 2015, with Mr Murgai represented by Mr Benet Brandreth of Counsel, instructed by Saunders & Dolleymore LLP and CJC by Mr Florian Traub for Squire Patton Boggs (UK) LLP.

Mr Murgai's Evidence

11) This takes the form of witness statements from the following:

- (i) Mr Murgai;
- (ii) Kenneth David Griffin, a partner in the firm Saunders & Dollymore, Mr Murgai's representative in these proceedings;
- (iii) Two by Maurizio Cerretelli, administrator of Black Sheep S.p.A. (hereafter "Black Sheep"), a company based in Florence, Italy;
- (iv) Two by Janice Margaret Trebble, a partner and Registered Trade Mark Attorney with Saunders & Dolleymore;
- (v) Andrew Marsden, Trade Mark attorney with Saunders & Dolleymore;
- (vi) Dinesh Kumar Malde, Director of Blue Jewels UK Ltd;

(vii) Grant Casey, owner of Jean Jeanie Ltd;

(viii) Angela Francis Laura Malde, Director of Blue Jewels International Ltd;

(ix) Anthony Pins, Chartered Accountant and partner at Nyman Libson Paul Chartered Accountants.

12) The relevant statements and exhibits from this evidence are summarised below:

- Mr Mugai has authorised Black Sheep to manufacture and sell clothing bearing the mark CLARK. This agreement has been in place between Black Sheep and Mr Murgai, and before that, his predecessor in title, since at least 1980 (Mr Murgai’s recollection). Black Sheep has manufactured and distributed clothing bearing the mark CLARK “in Europe (including the UK)” continuously since 1972 (Mr Cerretelli’s recollection);
- Sample invoices issued by Black Sheep to TJX Europe Buying Limited for sale in *TKMaxx* stores throughout the UK are provided at Mr Cerretelli’s Exhibit BS1. Whilst there is no reference to the CLARK marks, Mr Cerretelli states that all the goods that are the subject of these invoices were all marked CLARK. He states that he knows this because Black Sheep do not supply any other branded clothing to *TKMaxx*. Nine invoices are provided, dated between 20 June 2012 and 13 December 2013. Five of these are translated from the original Italian, and the goods identified in these are sweaters, shirts, windbreakers, jackets, long sleeved tops and t-shirts;
- Sales turnover of CLARKS clothing made by Black Sheep (provided by Mr Cerretelli) for sale in *TKMaxx* stores and also by two other companies with Mr Murgai’s consent, namely Storage Clothing Limited, and Concept For Design Limited are shown below. Mr Marsden states that the latter two companies’ sales relate to the UK:

Year	Black Sheep	Storage Clothing Limited	Concept For Design Limited
2010	€7,716	£797,614	-
2011	€150,274	£778,961	£115,142
2012	€63,382	£430,744	£536,309
2013	€82,623	£77,518	-

- Undated photographs of what appears to be jeans (but are labelled “chinos”), hoodies and a shirt are provided at Mr Cerretelli’s Exhibit BS2. The hoodies have a variety of text decorating the chest. Two include a stylised version of CLARKS JEANS and a third has a chest logo that incorporates an eagle device (different to that shown in the earlier marks) and a stylised version of the word CLARK. Various copies of labels used are also shown in Mr Cerretelli’s Exhibit BS2 and Mr Marsden’s Exhibit C4. Many show marks that incorporate the words CLARKS JEANS with and without the eagle device. The following label appears on the jeans and shirt label (I say “appears”

because the size of the reproduction makes it difficult to confirm with absolute certainty):



- Mr Cerretelli states that the CLARK mark is very valuable to Black Sheep's business and that it has recently been offered a six figure sum to purchase the mark from Mr Murgai;
- At Exhibit JMT1, Ms Trebble introduces evidence originally filed in defence of Opposition 39816 filed against Mr Murgai's mark 1280161. It is intended to show use of the mark by BillyPhil Ltd, Mr Murgai's predecessor in title. It includes evidence of use provided in a statutory declaration by Michele Murgai, Director of BillyPhil Ltd and is dated 18 April 1996. It is claimed that there has been use of the CLARK and device mark in the UK since at least 1974. Turnover in the mid 1980s was in the region of £1 million a year. Use shown from that time is of undated reproductions of swing labels bearing the mark as well as undated sewn-in labels and a pair of socks showing use of CLARK alone;
- Mr Marsden states that use of Mr Murgai's marks is "currently" made by Storage Clothing Limited and Concept for Design Limited with the consent of Mr Murgai. Extracts from the former's website www.storageclothing.co.uk, are provided at Exhibit C2 and obtained on 24 February 2014, illustrate hoodies, t-shirts, short-sleeved shirts, cargo shorts, sweatshirts, shirts, jackets and trousers under the heading "CLARK JEANS". The following mark is also shown:



- Product sales books for the years 2012, 2013 and 2014 are provided at Exhibit C3:
 - The first cover carries the eagle device with the words CLARK JEANS NEW COLLECTION AI 2012/2013 and the mark, as shown above, can be seen on the neck label of a number of items of clothing. Various items of casual clothing are shown;

- The second cover carries the words CLARK JEANS FALL WINTER COLLECTION 2013-2014 WOMEN. Various items of casual wear are shown;
- The third cover is in respect of the Spring/Summer women's collection for 2014 and prominently includes the words CLARK JEANS;
- Mr Malde, Mr Casey and Ms Malde are all operators of clothes shops with careers stretching back to the late sixties or early seventies. All three state that they have "known of CLARK jeans and other clothing (e.g. socks) since at least 1980";
- Mr Pins states that his firm acts as accountants to Mr Murgai and has done so since the late 1970s. He has been the partner responsible for over twenty years. He states that Mr Murgai's fashion business has achieved high turnovers and good profits and that one of his companies "was involved in the manufacture and distribution of the brand "Clark Jeans"". He further states that he has "known of CLARK jeans and clothing since the mid-1980s".

CJC's Evidence

13) This takes the form of witness statements by Harry Rowe, trainee trade mark attorney with Squire Patton Boggs (UK) LLP and by Paul Beacham, Finance Director of CJC.

14) Mr Rowe provides evidence of the long standing use of CJC's stylised mark CLARKS (as per its current application but without the word "England" appearing underneath) in respect of footwear and the retailing of the same. He states that first use in the UK was in the 1920s and that it is currently used by CJC and its authorised franchisees in the UK. CJC was incorporated in 1915 and it has held the domain name www.clarks.co.uk since before August 1996.

15) Mr Beacham also provides evidence of the long history of CJC and states that it "is primarily renowned as a British brand for footwear and bags" and is "the world's largest casual and smart shoe company and the world's fourth largest footwear company". Historic catalogues and commentary from Wikipedia and the BBC confirm its longstanding business in respect of footwear. None of the exhibits support Mr Beacham's comment regarding "bags".

DECISION

Proof of use

16) Mr Murgai has been put to proof of use in respect of both earlier marks that he relies upon for the purposes of the opposition and further, CJC has also filed non-use revocation actions against the two marks. Therefore, the outcome of my considerations regarding proof of use will define what, if any, goods that Mr Murgai may rely upon for the purposes of the opposition. Consequently, I will begin by considering these issues. Whilst the legal basis for proof of use in opposition proceedings and revocation actions for non-use are different, I set them out below and it is convenient that I consider these as a single issue.

17) The relevant part of the Act, Section 6A, reads as follows:

“Raising of relative grounds in opposition proceedings in case of non-use

6A. - (1) This section applies where -

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if -

(a) within the period of five years ending with the date of publication of the application 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) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) 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.

(5) In relation to a Community trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(6) 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.”

18) Section 46 reads as follows:

“(1) The registration of a trade mark may be revoked on any of the following grounds—

(a) that within the period of five years following the date of completion of the registration procedure it has not 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, and there are no proper reasons for non-use;

(b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;

(c) that, in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service for which it is registered;

(d) that in consequence of the use made of it by the proprietor or with his consent in relation to the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

(2) For the purposes of subsection (1) 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 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.

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made. Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.

(4) An application for revocation 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.

(5) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.

(6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from—

(a) the date of the application for revocation, or

(b) if the registrar or court is satisfied that the grounds for revocation existed at an earlier date, that date.”

19) Consideration has to be taken, also, of section 100 of the Act which states:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

Consequent upon section 100 the onus is upon Mr Murgai, as the registered proprietor, to prove that it has made use of the trade marks in suit, or that there are proper reasons for their non-use.

20) The applications for revocation are based on Sections 46(1) (a) and 46(1)(b). In *Philosophy di Alberta Ferretti Trade Mark* [2003] RPC 15, the Court of Appeal held that an application for revocation on the grounds of non-use may be made only after the five years following completion of the registration procedure has ended. The date for revocation cannot be less than five years from the date the registration procedure was completed. In *WIS/ Trade Mark* [2006] RPC 22, Geoffrey Hobbs QC, sitting as the Appointed Person said:

“...This permits revocation with effect from the day following the fifth anniversary of completion of the registration procedure in the case of an application which succeeds under s.46(1)(a) and with effect from any subsequent date at which there has been suspension of use for an uninterrupted period of five years in the case of an application which succeeds under s.46(1)(b).”

21) Therefore, and as CJC claimed in its applications for revocation, I have to consider whether there was genuine use in the UK of Mr Murgai’s marks, for all or any of the goods for which they are registered. The relevant dates are detailed in paragraphs 8 and 9, above.

22) In *The London Taxi Corporation Limited trading as The London Taxi Company v. (1) Frazer Nash Research Limited and (2) Ecotive Limited*, [2016] EWHC 52 (Ch), Arnold J. recently stated as follows:

219. I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetsky-Order v Bundervsvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].

23) At the hearing Mr Brandreth focussed his submissions to the issue of use during the latest five year period, namely 31 July 2009 to 30 July 2014 on the basis that Section 46(3) permits use during this period to qualify as use that will be sufficient to retain the mark. Mr Brandreth identified his client's best case as resting with the mark 1280161 ("the '161 mark") because, in the other earlier mark relied upon, the common element with CJC's mark is disclaimed. This is a sensible approach that I will follow in this decision. This is because a disclaimer limits the scope of protection of the mark relied upon insofar as it does not extend to the disclaimed elements.

Variant Use

24) Two core issues were correctly identified by Mr Brandreth. First, what is a fair description of goods to reflect the range of use and, secondly, whether the use is in respect of the mark as relied upon, or an acceptable variant use thereof. I will consider the latter issue first. In *Nirvana Trade Mark*, BL O/262/06, Mr Richard Arnold Q.C. (as he then was) sitting as the Appointed Person summarised the test (in the context of under Section 46(2) of the Act) as follows:

"33. The first question [in a case of this kind] is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period...

34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all."

25) See also *Remus Trade Mark*, BL O/061/08 (Appointed Person) and *OAO Alfa-Bank v Alpha Bank A.E.*, [2011] EWHC 2021 (Ch) and *Orient Express Trade Mark* - BL O/299/08 (Appointed Person).

26) The correct test, therefore, is whether the mark differs in a way that does not alter its distinctive character. Mr Traub characterised the test in a slightly different way, namely, that it is sufficient to find that use is not a variant use when the marks differ by negligible elements. It is not clear to me whether Mr Traub was suggesting a different test, but I must consider the issue based on the court guidance I have identified.

27) The evidence shows use in the UK of many marks. I consider Mr Murgai's best case lies in respect of the following marks:

(i) CLARK JEANS (see Exhibit C2, page 1);



(ii) (see Exhibit BS2, pages 4 – 8 and Exhibit C2, page 8);

28) The first of these two marks clearly has a different distinctive character than the '161 mark which consists of a distinctive eagle device and a banner that appears to have elements on one side reminiscent of the flag of the USA. These elements are absent in the word mark CLARK JEANS. I find that this does not constitute an acceptable variant use of the '161 mark.

29) The second mark, whilst it contains the identical eagle device and the word CLARK, differs from the '161 mark in that the banner/flag device is absent and because the word CLARK is moved to the left to make room for the word JEANS and because the words "Vintage Couture" appear in smaller letters under the words CLARK JEANS. The word JEANS and "Vintage Couture" are descriptive terms that do not change the distinctive character of the mark. However, the banner/flag device is distinctive in its own right and the absence of it in the mark as used has the effect of changing the distinctive character of the registered mark. Therefore, I agree with Mr Traub's conclusion that the absence of the banner/flag device in the mark used does not constitute genuine use of the registered mark.

30) Mr Brandreth submitted that when the content of Exhibit C3 is considered together with page 2 of Exhibit C2, genuine use has been shown. Exhibit C3 consists of copies of Italian language product sales books (with prices in Euros) showing items of casual clothing showing indistinct neck labels that appear similar or the same as the mark shown in paragraph 27(ii), above and also some pages are marked with the eagle device with the words "Vintage Couture" appearing underneath. Exhibit C2 consists of photographs showing similar and possibly the same items of casual clothing for sale on a UK website. As Mr Traub submitted, none of these exhibits show use of the mark as filed or in a form that does not vary in its distinctive character from the registered mark.

31) Further, as Mr Traub submitted at the hearing, the third party witness statements by Mr Malde, Mr Casey and Ms Malde only make reference to "CLARK Jeans" and not to the registered mark. I am therefore unable to accept that this evidence relates to the registered mark.

32) Taking all of the above into account, the overall impression created is that Mr Murgai has a long standing casual wear business where the casual clothing is identified by various CLARK marks. However, there is no evidence that the '161 mark has been used in the UK, or that there has been any use of a mark that is an acceptable variant of the registered mark. Mr Marsden has provided what, relative to the other evidence, is the most convincing evidence of use. However, whilst he provides turnover relating to the UK, the supporting evidence fails to demonstrate that this relates to the '161 mark or any acceptable variant thereof. Consequently, I find that there has been no genuine use of the earlier mark.

33) The implications of this finding is that:

- a) Revocation action against Mr Murgai's '161 registration is successful in its entirety. Revocation will take effect from the earliest date claimed, namely, 21 March 2003;
- b) Mr Murgai's '061 registration contains all of the same distinctive elements as his '161 mark and the use shown in support of its use suffers from the same shortcomings as I have identified when considering it in the context of use of the '161 mark. Consequently, there has been no use shown in respect of the '061 mark or an acceptable variant and the revocation action against this registration is successful in its entirety and will take effect from the earliest date claimed, namely, 28 May 1993;
- c) As a consequence of the outcome of the two revocation proceedings, Mr Murgai is not able to rely upon his '061 and '161 marks as earlier marks in his opposition to the application for registration of CJC's mark. His grounds based upon Section 5(2)(b) therefore fall away and the opposition falls to be considered only on the grounds based upon Section 5(4)(a).

Mr Murgai's Section 5(4)(a) grounds against CJC's mark

34) At the hearing, Mr Brandreth conceded that the Section 5(4)(a) grounds, insofar as Mr Murgai relies on a word and device sign that corresponds to that in his '161 mark, will stand or fall with the Section 5(2) case. I agree with this sensible approach and as the Section 5(2) grounds have fallen away, the Section 5(4)(a) pleading, insofar as it is based upon the word and device mark also fails. Therefore, I will consider this ground of opposition only insofar as Mr Murgai relies upon the sign CLARK.

35) Section 5(4)(a) states:

"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."

36) Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

"The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff's 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 defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House."

37) Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

38) The earlier use by the claimant must relate to the use of the sign for the purposes of distinguishing goods or services. For example, merely decorative use of a sign on a T-shirt cannot found a passing off claim: *Wild Child Trade Mark* [1998] RPC 455 (AP)

Relevant date

39) In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC as the Appointed Person considered the relevant date for the purposes of Section 5(4)(a) of the Act and concluded as follows:

“39. In *Last Minute*, the General Court....said:

‘50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.’

40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd* O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court

had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the *prima facie* date for determination of the opponent's goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom's TM* [2005] RPC 2 at [46] (omitting case references):

- (a) The right to protection conferred upon senior users at common law;
- (b) The common law rule that the legitimacy of the junior user's mark in issue must normally be determined as of the date of its inception;
- (c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: "date of commencement of the conduct complained of". If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

'Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.'

40) Therefore, the relevant date for assessing a claim under Section 5(4)(a) is the date of application for registration which, in these proceedings, is 20 February 2013.

CJC has made no specific claim to a concurrent goodwill, but it is clear that it has a very large, longstanding reputation and goodwill in respect of footwear. I do not detect any resistance from Mr Murgai in acknowledging this reputation and goodwill. However, the evidence demonstrates that this is in respect of footwear and the retail of footwear only and not in respect of the opposed goods and services. Consequently, I need only consider the position as of 20 February 2013.

Goodwill

41) The following definition of good will was provided in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL):

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

42) In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing of 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 raises 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 s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark* [1969] R.P.C. 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 to 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 officer that it is not shown on the balance of probabilities that passing off will occur.”

43) However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima

facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

44) Mr Traub conceded that the evidence supported use of the word CLARK, but that this related to the 1970s and he submitted that there is nothing more contemporaneous. Mr Brandreth referred me to the decision of my fellow hearing officer, Mr Allan James in *DARK ARTS*, BL O-129-15 where he commented:

“12. The law of passing off protects small businesses as well as large. The dividing line is between a trivial goodwill and the goodwill of a small but real business. In *Lumos Skincare Ltd v Sweet Squared Ltd, Famous Names LLC, Sweet Squared (UK) LLP* the claimant had used the mark LUMOS for around three years prior to the defendant's use of the same mark, both in relation to anti-ageing products. The claimant's products sold for between £40 and £100 each. For most of the period the claimant had sold around £2k worth of products per quarter, rising to £10k per quarter during the year leading up the defendant commencement of trade. The Court of Appeal upheld judge's finding at first instance that the goodwill was sufficient to be protected under the law of passing off.”

45) Mr Brandreth submitted that in the current case, the evidence is much stronger and that it is implausible to conclude that there is no goodwill. Mr Traub submitted that the evidence illustrates that Mr Murgai's business in the UK is diminishing. The turnover figures provided do show sales reducing from in the region of a million pounds in 2011 and 2012 to about £140,000 in 2013. However, the relevant date is 20 February 2013, and in the two full years directly prior to this, turnover was at the highest level of what has been disclosed and in the million pound region. I therefore, dismiss Mr Traub's submission that, at the relevant date, Mr Murgai's business had faded.

46) Mr Traub also submits that the invoices provided at Mr Cerretelli's Exhibit BS1 are flawed because the sign does not appear. What is clear from the evidence is that Mr Murgai uses/has used numerous different signs and Mr Cerretelli's statement that “these goods were all marked CLARK” must be interpreted in that light. Therefore, it is not possible for me to conclude whether the invoices relate to the sign CLARK or to some composite mark incorporating the word CLARK.

47) The extracts from the UK website www.storageclothing.co.uk, at Exhibit C2, are dated 24 February 2014, one year after the relevant date. They promote Mr Murgai's clothing under the heading CLARK JEANS. The catalogues at Exhibit C3 cover the periods 2012/2013, Spring/Summer 2013, and Spring/Summer 2014. These are in Italian and priced in euros. However, the use of the sign CLARK JEANS is consistent with the use on the UK website. I take from this that the use of the sign CLARK JEANS has been consistent since at least 2012 and therefore, despite the extracts from the website being obtained after the relevant date, they show that casual clothing is being sold in the UK under the CLARK JEANS sign and has been since 2012 at least.

48) I, therefore, conclude that Mr Murgai's goodwill in the UK is identified by a number of signs including CLARK JEANS. The sign relied upon is the word CLARK. I consider that use of CLARK JEANS is sufficient to demonstrate that the word CLARK alone identifies Mr Murgai's goodwill. The word JEANS is merely descriptive of the goods that the mark is used in respect of and therefore the word CLARK is the dominant and only distinctive element of the sign.

49) I conclude that Mr Murgai has demonstrated the necessary goodwill in the sign CLARK.

Misrepresentation and damage

50) In *Neutrogena Corporation and Another v Golden Limited and Another*, [1996] RPC 473, Morritt L.J. stated that:

"There is no dispute as to what the correct legal principle is. As stated by *Lord Oliver of Aylmerton in Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

"is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]"

The same proposition is stated in *Halsbury's Laws of England 4th Edition Vol.48 para 148*. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101."

And later in the same judgment:

"... for my part, I think that references, in this context, to "more than *de minimis*" and "above a trivial level" are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion."

51) Mr Traub submitted that Mr Murgai's case must fail because there will be no misrepresentation citing the visual differences between CJC's mark and Mr Murgai's sign. I do not agree. There is virtual aural identity, a reasonable visual similarity and, conceptually, the mark and sign are highly similar, with the CLARKS element of CJC's mark being perceived as a plural or possessive form of the surname CLARK and Mr Murgai's mark consisting only of that surname. They will both, therefore, be seen as a reference to the family or company name CLARK. The addition of the stylisation or the word ENGLAND to CJC's mark does not detract from this to any material extent. Therefore, I find that a substantial number of Mr Murgai's customers or potential customers will be deceived if they encounter CJC's mark used in respect

of *clothing, headgear* or the *retail* of the same, *catalogue ordering services* relating to the same, *telephone ordering services featuring apparel* and *presentation of goods on communication media, for retail purposes* insofar as this relates to clothing and headgear.

52) The outcome is less clear cut in respect of the services relating to bags of all kinds, wallets and card holders. Despite Mr Murgai's goodwill extending back possibly to 1977, there is no evidence that he has conducted any trade in bags of any kind, wallets or card holders. Further, CJC's mark is in respect of retail-type services relating to these goods and not in respect of the goods themselves. Taking these points into account, I find that CJC's expansion into the retailing (and similar) of bags, wallets and card holders will not result in misrepresentation and Mr Murgai's customers or potential customers will not be deceived.

Summary

53) In summary, I find that Mr Murgai's opposition succeeds in respect of the following of CJC's Class 25 goods: *clothing* and *headgear* and the opposed Class 35 services relating to the same, but fails in respect of all other of the opposed Class 35 services. In order to implement my finding it is necessary to amend the Class 35 specification as follows:

*Retail services, retail store services and electronic shopping retail services connected with bags of all kinds, satchels, travel bags, holdalls, wallets, cases, toilet bags, school bags, umbrellas, parasols, key cases, **belts for wear**, shoe linings of leather, sports bags, card holders, briefcases, beach bags, shoulder bags, handbags, **clothing**, footwear, **headgear**, shoes, boots, slippers, sandals, trainers, sports shoes, wellington boots, replacement parts and fittings for footwear (being inner socks, heels, heel tips, heel protectors, soles and heel pads), laces, buckles eyelets, fasteners, hooks and ornaments (all for footwear), jewellery and imitation jewellery, watches, preparations for footwear, leather and suede preservation, preparations for cleaning and polishing footwear, footwear conditioners, detergent compositions and pastes for shoe cleaning, polishes, sprays, creams and waxes for shoes, applicators containing footwear polishing preparations, impregnated sponges for footwear cleaning, shoe horns, shoe stretchers, shoe trees, shoe brushes, shoe cloths, shoe polishers, footwear cleaning articles, shoe cleaners, shoe scrapers, toys and playthings, stationery items and goods made from paper and cardboard; catalogue ordering services, **but none relating to clothing or headgear**; telephone ordering services featuring footwear, **apparel**, bags, jewellery, shoe polishes, shoe polishers and shoe cleaners; provision of advice and information pertaining to footwear, apparel, bags, shoe polishers, shoe polishes and shoe cleaners care of footwear; business information services; sales promotion for others; marketing services; advertising; presentation of goods on communication media, for retail purposes; relocation services for businesses; administrative processing of purchase orders; accounting; bill-posting; on-line advertising on a computer network; dissemination of advertising matter; shop window dressing; presentation of **goods (not including clothing or footwear)** on communication media, for retail purposes; television advertising.*

54) The outcomes of my decision are:

- (i) CJC's applications for revocation of Mr Murgai's registrations 1124061 and 1280161 are successful in their entirety and Mr Murgai's registrations are revoked from 28 May 2003 and 21 March 2003, respectively;
- (ii) Mr Murgai's opposition to CJC's application 2653412 is successful to the extent set out in paragraph 53, above.

COSTS

55) Mr Murgai has been partially successful in respect of his opposition to CJC's application. Therefore, it is "honours even" in respect of the opposition and I make no award in respect of this part of the dispute. However, CJC has been entirely successful in its two revocation actions against Mr Murgai's marks and is entitled to an award of costs in respect of them. I award costs on the following basis:

Preparing statements and considering counterstatements	£400
Application fees x 2	£400
Evidence	£750
Preparing and attending hearing	£750
Total:	£2300

57) I order Satish Kumar Murgai to pay C & J Clark International Limited the sum of £2300 which, in the absence of an appeal, should be paid within 14 days of the expiry of the appeal period.

Dated this 18TH day of February 2016

Mark Bryant
For the Registrar,