

O-274-06

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2122946
BY WHEELS IN MOTION (INNOVATIONS) LIMITED
TO REGISTER THE TRADE MARK:**

DIGITAL REPLAY

IN CLASSES 9 AND 28

AND

**THE OPPOSITION THERETO
UNDER NO 48758
BY
FASHION BOX SPA**

Trade Marks Act 1994

**In the matter of application no 2122946
by Wheels in Motion (Innovations) Limited
to register the trade mark:
DIGITAL REPLAY
in classes 9 and 28
and the opposition thereto
under no 48758
by Fashion Box SpA**

BACKGROUND


1) On 6 February 1997 Wheels in Motion (Innovations) Limited, which I will refer to as Wheels, applied to register the trade mark DIGITAL REPLAY (the trade mark). The application was published for opposition purposes in the "Trade Marks Journal" on 1 April 1998 with the following specification of goods:

encoded cards displaying moving images; encoded telephone payment cards and encoded identity cards, all bearing moving images; but not including any of the aforesaid encoded cards for use in recording information;

toys in the nature of encoded cards displaying moving images, but not including encoded cards for use in recording information.

The above goods are in classes 9 and 28 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

2) On 1 July 1998 Fashion Box SpA, which I will refer to as Fashion, filed a notice of opposition to the application. Fashion relies upon the following United Kingdom trade mark registrations:

Number:	Trade mark:	Date of application:	Specification:
1201267	REPLAY	05/08/1983	Articles of outerclothing, but not including skirts or slacks for women, or any goods of the same description as skirts or slacks for women.
1339509		24/03/1998	Articles of outerclothing included in Class 25.

1487709 REPLAY

08/01/1992 Perfumes and perfumery; soaps, toilet soaps; essential oils for personal use; cosmetics; deodorants for personal use; creams, lotions and oils for the face and the body; cleansing milks, creams and oils; make-up creams; beauty masks; make-up removers; eye shadows; lipsticks; mascara; rouge; crayons for the eyes and the lips; powders, creams, oils and lotions, all for suntanning and after sun exposure; pre and after shave creams and lotions; talcum powders; bath salts, foams and oils; after-bath creams and lotions; shampoos; depilatory preparations; nail polishes; hair lotions; dentifrices; all included in Class 3.

Spectacles; spectacle frames; spectacle cases; parts and fittings for all the aforesaid goods; all included in Class 9.

Jewellery and costume jewellery; rings, bracelets, necklaces, hair-clips, tie-bars, scarf rings, pendants, clips, cufflinks, earrings, keyholders, brooches, pins; watches, clocks; horological and chronometric instruments; parts and fittings for the aforesaid goods; all included in Class 14.

Handbags, suitcases, trunks, travelling bags, vanity cases sold empty, purses, billfolds, attache cases, wallets, briefcases, belts, key-cases, passport cases, business and credit card cases; umbrellas; all included in Class 18.

1551752 REPLAY

27/10/1993 Coats, overcoats, jerkins, jackets, trousers, skirts, shirts and blouses, hosiery, pullovers, sweaters,

cardigans, tracksuits, sweatshirts, foulards, ties, socks and stockings, hats, caps, boots, shoes and slippers; all included in Class 25.

2020579	REPLAY GAZETTE	15/05/1995	Magazines, newspapers, periodicals, and printed publications; but not including magazines relating to puzzles and crosswords.
---------	----------------	------------	---

Fashion also referred to registration nos 1487705, 1487706 and 1487707 in its statement of grounds. However, since the filing of the opposition these registrations have been merged into registration no 1487709. Registration no 2020579, which expired on 15 May 2005 was in the name of Fashion Box Group SpA. Fashion is also the owner of the following Community trade mark registration:

Number:	Trade mark:	Date of application:	Specification:
520080	REPLAY	18/04/1997 with priority claim from Italy of 29/10/1996	Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices. Spectacles; life-saving apparatus and instruments; automatic vending machines and mechanisms for coin-operated apparatus; fire-extinguishing apparatus. Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments. Magazines, newspapers, periodicals, printed publications; paper, cardboard, articles of paper; office requisites except magazines and periodicals relating to

crosswords and puzzles, writing and drawing implements and all related articles.

Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.

Textiles and textile goods, not included in other classes; bed and table covers.

Clothing, footwear, headgear.

Gymnastic and sporting articles not included in other classes; decorations for Christmas trees.

Advertising; business management; business administration; office functions; shop window dressing.

Transfer of know-how and licensing, consultancy relating to the installation and setting up of shops, exterior and interior design and furnishing of shops and related signs (except shop window dressing), cafeterias, cafés, catering, cocktail lounges, snack-bars, refreshments, restaurants, self-service restaurants, providing of food and drink.

Fashion claims that the above trade marks are similar to the trade mark of Wheels and that “at least” some of the respective goods are identical or similar. Consequently, there is a likelihood of confusion and registration of the trade mark would be contrary to section 5(2)(b) of the Trade Marks Act 1994 (the Act).

3) Fashion claims that use of the trade mark would be prevented by the law of passing-off, owing to the extensive use it has made of its trade marks. Consequently, registration of the trade mark would be contrary to section 5(4)(a) of the Act.

4) Fashion claims that at the date of application it was entitled to claim protection for the trade mark REPLAY as a well known trade mark under article 6bis of the Paris Convention. It claims that registration of the trade mark would be contrary to section 56 of the Act.

5) Fashion seeks the refusal of the application and an award of costs.

6) Wheels filed a counterstatement. It seeks the dismissal of the opposition and an award of costs.

7) Only Fashion filed evidence.

8) Correspondence sent to Wheels has been returned on the basis that the addressee has gone away. In the absence of a current address the Trade Marks Registry has continued to send copies of all correspondence to the last known address of Wheels.

9) The ownership of the earlier trade marks has changed during the proceedings and, consequently, so has the opponent. However, the name of the opponent is the same. The current Fashion is a different legal entity to the original Fashion.

10) Fashion originally requested a hearing, however, subsequently it decided that it wanted a decision made from the papers. Wheels has made no indication as to its wishes. Consequently, this decision has been made from the papers. No written submissions have been received.

EVIDENCE OF FASHION

Statutory declaration of Kevin Whalley

11) Mr Whalley is a trade mark attorney. He refers to the then Community trade mark application no 520080 and makes submissions about the similarity of the respective trade marks and goods.

Statutory declaration of Attilio Biancardi

12) Mr Biancardi is the managing director of Fashion. He states that goods bearing the REPLAY trade mark have been sold continuously in the United Kingdom since 1984. He states that they have been sold in all parts of the United Kingdom. He states that goods bearing the REPLAY trade mark are currently imported into the United Kingdom by a company called Elanmain Limited (trading as Options) and distributed by them to retail outlets throughout the United Kingdom. He states that goods bearing the trade mark REPLAY have also been sold in the United Kingdom by Fashion's controlled distributors, New Mills SpA, Fashion Toys SpA and Knit Box Srl through their respective United Kingdom distributors.

Mr Biancardi states that the REPLAY has been used on a wide range of clothing for men, women and children. He also states that the trade mark has been used on various

accessories ie belts, purses, wallets, key cases and costume jewellery. Exhibited at AM2 are copies of tags and labels that Mr Biancardi states have been used upon goods sold in the United Kingdom. Exhibited at AB3 are copies of the front pages of various catalogues of goods for sale in the United Kingdom under the REPLAY trade mark. The earliest catalogue is from spring/summer 1995. Exhibited at AB4 are copies of invoices from Fashion to Options of 40 Chiltern Street, London. Mr Biancardi states that the goods described in the invoices are sold under the trade mark REPLAY. The invoices start from March 1990 and end in July 1997. Certain of the invoices refer to REPLAY BASE, REPLAY and REPLAY DONNA. The invoices show the sale of various items of clothing and belts.

13) Mr Biancardi states that the REPLAY trade mark has been used in the United Kingdom in respect of goods made from paper and cardboard, such as diaries and printed matter, as well as stationery, for promotional purposes. Exhibited at AB5 are invoices which refer to small catalogues and advertising sets, catalogues and displays. There are also pictures of “color cards”, calendars, packaging, a desk set, a phone book.

14) Mr Biancardi states that the REPLAY trade mark has been used in the United Kingdom in connection with eyewear products. He states that in 1997 Marcolin SpA of Italy was appointed as Fashion’s licensee for the manufacture and distribution, including in the United Kingdom, of sunglasses “associated” with the REPLAY trade mark. Exhibited at AB6 is a catalogue from 1998 showing spectacle frames and sunglasses using the trade mark REPLAY.

15) Mr Biancardi states that REPLAY has been used in connection with soaps, perfumery, essential oils and cosmetics. Exhibited at AB7 are copies of photographs showing perfumes, shampoo and aftershave bearing the trade mark REPLAY. Also included in the exhibit is an invoice dated 24 November 1997 (no 40422) from Morris, which is described as a division of Henkel SpA. Mr Biancardi states that Henkel SpA Morris is Fashion’s licensee. The invoice is made out to Agreemaster Limited of London. It shows the following REPLAY goods: eau de toilette, aftershave and body and hair shampoo. The final item on the invoice is 12,460 litres of denaturated alcohol type B, there is no reference to a trade mark in relation to these last goods.

16) Mr Biancardi states that REPLAY has been used in connection with imitation jewellery items. He exhibits at AD8 copies of photographs depicting imitation jewellery sold in the United Kingdom under the trade mark REPLAY. The quality of the reproduction is very poor; key rings and badges can be made out. There is no indication as to from when the photographs emanate.

17) Mr Biancardi states that REPLAY has been used in the United Kingdom in connection with products made from leather and imitations of leather, travelling bags, umbrellas and parasols. Exhibited at AB9 are three invoices made out to Options of London. These invoices include references to key chains, “sacks” and wallets. The invoices are dated 6 September 2005, 16 July 1996 and 2 August 1996. Also included in

the exhibit are copies of pictures of bags and an umbrella. There is no indication as to the date from which the pictures emanate.

18) Mr Biancardi states that the approximate turnover of sales of goods bearing the REPLAY trade mark is as follows:

1984	£300,520
1985	£442,066
1986	£627,763
1987	£682,253
1988	£629,993
1989	£342,624
1990	£536,480
1991	£683,274
1992	£1,099,911
1993	£1,775,163
1994	£2,188,997
1995	£2,215,637
1996	£2,383,166
1997	£2,482,187

Mr Biancardi states that approximate sales of goods bearing the REPLAY trade mark sold by Fashion's subsidiaries in the United Kingdom are as follows:

New Mills SpA: 1996 - £452,064; 1997 - £111,046.

Fashion Toys SpA: 1995 - £1777,240; 1996 - £308,282; 1997 - £254,499.

Knit Box Srl: 1996 - £115,594; 1997 - £280,358.

19) Mr Biancardi states that advertisements for goods sold under the REPLAY trade mark have appeared in the following magazines circulating in the United Kingdom:

'Arena' – April 1989; 'Glamour' – July 1990; 'Sportswear International' – Winter 1992/3; 'The Face' – March 1993; 'Sky Magazine' – November 1994; 'Esquire' – December 1994; 'More!' – November – December 1994; 'GQ' – December 1994, February 1995 and July 1996; 'The Observer' ('Life Section') – 14 April 1996; 'Clothes Show Magazine' – May 1996; 'Marie Claire' – May 1996; 'Loaded' – May and July 1996; 'FHM' – July 1996.

As far as I can see, only three examples of the advertisements are exhibited, at AB14:

'The Face' of March 1993 – a part page advertisement;

'The Observer' – an article about sportswear, there are references to several Italian fashion houses. The main references are to Diesel; there are three references to REPLAY;

'Clothes Show' – five pages of advertorials, showing women's clothing under various trade marks, including REPLAY.

20) The rest of Mr Biancardi's declaration deals with the position overseas. He states that the REPLAY trade mark has been used in relation to spectacles, sunglasses, goods made from paper and cardboard (like diaries and printed matter), stationery, imitation jewellery, textile goods, perfumery and cosmetics, leather goods and travelling bags, cafés, cafeterias and restaurant services, household and kitchen utensils.

DECISION

Section 56 of the Act

21) Section 56 of the Act states:

“56. - (1) References in this Act to a trade mark which is entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark are to a mark which is well known in the United Kingdom as being the mark of a person who-

- (a) is a national of a Convention country, or
- (b) is domiciled in, or has a real and effective industrial or commercial establishment in, a Convention country, whether or not that person carries on business, or has any goodwill, in the United Kingdom.

References to the proprietor of such a mark shall be construed accordingly.

(2) The proprietor of a trade mark which is entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark is entitled to restrain by injunction the use in the United Kingdom of a trade mark which, or the essential part of which, is identical or similar to his mark, in relation to identical or similar goods or services, where the use is likely to cause confusion.”

Fashion has to establish that its trade mark is well-known in the United Kingdom. In *Stokke Gruppen AS v Trip Trap A/S* [2005] ETMR 90 the Federal Court of Switzerland stated:

“40 When determining such guidelines one has to consider that the objective of the provision and its nature as an exception are conflicting against each other. Article 6bis of the Paris Convention aims at the fight against trade mark piracy and it should avoid that foreign trade marks are registered or used in a Member State in which they have become well-known if this leads to a risk of confusion. This objective would suggest that a relatively low degree of knowledge would be sufficient, which the literature suggests setting at 20-25 per cent of the national relevant market sector. In contrast the nature of the provision as an exception to the general principle suggests that deviation from the registration principle shall only be restrictively admitted. This would lead to a very high percentage of knowledge as a requirement. Both aspects must be taken into consideration whereby the systematic of the law and therefore the registration principle must be

regarded as very important since the owner of the trade mark is responsible for the fact that it has omitted to register the trade mark in the market it intends to enter. This justifies setting a rather high threshold for a trade mark to qualify as a well-known trade mark. As a guideline it seems appropriate that the degree of knowledge in the relevant sector of the public should be set higher than 50 per cent in the normal cases and a lower standard should only be sufficient in special cases.”

A judgment of a Swiss court is not a precedent. However, the judgment does give a full and detailed exposition of the issues relating to well-known trade marks. There is nothing in the evidence that could bring me to the conclusion that the trade mark REPLAY is known by a reasonable percentage of United Kingdom consumers, whether that be twenty per cent or fifty per cent. To establish that a trade mark is well-known, on the basis of foreign use (which is the purpose of article 6bis and presumably the reason why Fashion has based part of its case on article 6bis and section 56), in the United Kingdom, it would seem almost *de rigueur* to bring in survey evidence. How else can one judge the perception or knowledge of the public when the use has been outside the jurisdiction? I find that the Fashion has failed to establish that its trade mark is a well-known trade mark and so cannot benefit from the provisions of section 56. The evidence shows use **in** the United Kingdom by the date of application in relation to clothing, key chains, wallets and “sacks”. From the scale of the sales, in such an enormous market, I cannot see that there can be any viability in a claim that REPLAY is well-known on the basis of United Kingdom use; or indeed that it has any great reputation in the United Kingdom from such use. Fashion’s position is not helped by the absence of promotional figures in the United Kingdom; it is further weakened by the examples of “advertising”, two of the three examples are not conventional advertisements. The examples show promotion in relation to clothing alone. The evidence cannot lead to the inference of a high degree of public recognition in relation to clothing or any other goods.

22) Fashion is really looking to section 6(c) of the Act, which classifies well-known trade marks as earlier trade marks. It already has earlier registered trade marks that cover virtually all of the goods and services which Mr Biancardi lists as per paragraph 20 above and so the claim under article 6bis and section 56 is effectively otiose. It is to be noted that Fashion fails to state in its statement of grounds what goods or services for which it claims the trade mark is well-known. However, it would appear from the evidence that any claim would be limited to clothing and related items, for which goods it has registered trade mark cover. Even if the trade mark was well-known for the goods and services listed in paragraph 20, the case would fail, as the goods are not similar to those of the application (see below in relation to this matter). There has been no claim in relation to non-similar goods.

23) I dismiss the claim that the trade mark REPLAY is a well-known trade mark as per article 6bis and that it is entitled to protection under section 56 of the Act.

Likelihood of confusion – section 5(2)(b) of the Act

24) According to section 5(2)(b) of the Act a trade mark shall not be registered if because:

“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.”

Section 6(1)(a) of the Act defines an earlier trade mark as:

“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”

25) All of the trade marks upon which Fashion relies, taking into account priorities, are earlier trade marks within the meaning of the Act.

26) 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 BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77, *Marca Mode CV v Adidas AG and Adidas Benelux BV* [2000] ETMR 723 and *Vedial SA v Office for the Harmonization of the Internal Market (trade marks, designs and models) (OHIM) C-106/03 P*.

Comparison of goods

27) In *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* the ECJ held in relation to the assessment of the similarity of goods that the following factors, inter alia, should be taken into account: their nature, their intended purpose (the original incorrect translation of ‘Verwendungszweck’ in the English version of the judgment has now been corrected), their method of use and whether they are in competition with each other or are complementary. In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J considered that the following should be taken into account when assessing the similarity of goods and/or services:

- “(a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;

- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

In relation to the terms used in specifications Jacob J stated:

“When it comes to construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade. After all a trade mark specification is concerned with use in trade.”

Neuberger J in *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267 stated:

“I should add that I see no reason to give the word "cosmetics" and "toilet preparations" or any other word found in Schedule 4 to the Trade Mark Regulations 1994 anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context. In particular, I see no reason to give the words an unnaturally narrow meaning simply because registration under the 1994 Act bestows a monopoly on the proprietor.”

I take on board the class in which the goods or services are placed is relevant in determining the nature of goods and services (see *Altecnic Ltd's Trade Mark Application* [2002] RPC 34). Although it dealt with a non-use issue, I consider that the words of Aldous LJ in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 are also useful to bear in mind:

“In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under section 10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use.”

28) The goods of the application are:

encoded cards displaying moving images; encoded telephone payment cards and encoded identity cards, all bearing moving images; but not including any of the aforesaid encoded cards for use in recording information;

toys in the nature of encoded cards displaying moving images, but not including encoded cards for use in recording information.

Fashion has not advised how any of these goods are similar to the goods and services of its earlier registrations. I cannot see how any of the respective goods and services intersect in any relevant way within the parameters of the case law in relation to similarity of goods and services. **Having considered the specifications of the earlier registrations, and taken particular care in considering the wide range of goods and services of the Community trade mark, I have no hesitation in coming to the conclusion that the respective goods and services are not similar.**

Conclusion in relation to likelihood of confusion

29) First Council Directive 89/104 of December 21, 1988 requires goods or services to be similar for there to be a finding of likelihood of confusion. Likelihood of confusion is a cumulative process. Once one part of the cumulative process is absent the claim collapses, as was stated by the CFI in *Alecansan, SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-12/04:

“35 However, a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 presupposes both that the mark applied for and the earlier mark are identical or similar, and that the goods or services referred to in the application for registration are identical or similar to those in respect of which the earlier mark is registered. Those conditions are cumulative (*Canon*, paragraph 22, concerning the provisions of Article 4(1)(b) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), and Case C-106/03 P *Vedial v OHIM* [2004] ECR I-9573, paragraph 51, concerning Article 8(1)(b) of Regulation No 40/94). Thus, even where the sign applied for is identical to a mark which is highly distinctive, it must be established that the goods or services covered by the opposing marks are similar (judgment of 1 March 2005 in Case T-169/03 *Sergio Rossi v OHIM– Sissi Rossi (SISSI ROSSI)* [2005] ECR II-0000, paragraph 53; see also, by analogy, *Canon*, paragraph 22).”

In *Eurodrive Services and Distribution NV c Oficina de Armonización del Mercado Interior (marcas, dibujos y modelos) (OAMI)*, Case T- 31/04 the same approach was adopted:

“39 Por lo que respecta a la apreciación global del riesgo de confusión, procede recordar que la similitud o identidad de los productos y servicios designados por

las marcas en conflicto es un requisito determinante del riesgo de confusión, expresamente exigido por el artículo 8, apartado 1, letra b), del Reglamento n° 40/94.”

(The above judgment is only available in Castellano and French.)

The above judgments are in full accord with the corollary in relation to similarity of signs as per *Vedial SA v Office for the Harmonization of the Internal Market (marks, designs and models)* (OHIM) C-106/03 P.

30) This is not a case where the goods and services are just not similar, they are positively dissimilar. As the respective goods and services are not similar the grounds of opposition under section 5(2)(b) of the Act must be dismissed.

Passing-off – section 5(4)(a) of the Act

31) Section 5(4)(a) of the Act states:

“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;”

I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC in the *Wild Child case* [1998] RPC 455. In that decision Mr Hobbs stated that:

"A helpful summary of the elements of an action for passing off can be found in Halsbury's Laws of England 4th Edition Vol 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 and *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] ACT 731 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 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."

.....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.””

32) The first matter that I have to decide is the material date. It is well established that the material date for passing-off is the date of the behaviour complained of (see *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC 429 and *Inter Lotto (UK) Ltd v Camelot Group PLC* [2004] RPC 8 and 9). Section 5(4)(a) is derived from article 4(4)(b) of First Council Directive 89/104 of December 21, 1998 which states:

“rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed for the application for registration of the subsequent trade mark...”

So the date of passing-off cannot be after the international priority date. There is no evidence of use of the trade mark in the United Kingdom, so the material date is the date of application, 6 February 1997.

33) Pumfrey J in *South Cone Inc v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 stated:

“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 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 (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 to the relevant date.”

Professor Annand, sitting as the appointed person, in *Loaded* BL O/191/02, accepted that proof of goodwill could be accomplished by other means. The judgment of the Court of Appeal in *Phones4U Ltd and another v Phone4u.co.uk Internet Ltd and others* [2006] EWCA Civ 244 is a warning against basing a decision on a formula and ignoring the actual evidence. In this case I consider that Fashion has established that at the material date it had a goodwill by reference to the sign REPLAY for clothing, key chains and wallets. There is also evidence of use upon “sacks”. I guess that “sacks” means some kind of bags but I do not know and, as nothing turns upon this matter, I will confine my deliberations to considering the clash between clothing, key chains and wallets and the goods of the application.

34) I can see no connection between the respective goods. The difficulty of establishing confusion where there is a distance between the fields of activities was considered by Millet LJ in *Harrods v Harrodian School* [1996] RPC 697 Millet LJ stated:

“It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant's goods or services”

In the same case Millet LJ held:

“The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration.”

In *Stringfellow v McCain Foods (GB) Ltd* [1984] RPC 501 Slade LJ considered the difficulty of establishing damage where the parties are in different lines of business:

“even if it considers that there is a limited risk of confusion of this nature, the court should not, in my opinion, readily infer the likelihood of resulting damage to the plaintiffs as against an innocent defendant in a completely different line of business. In such a case the onus falling on plaintiffs to show that damage to their business reputation is in truth likely to ensue and to cause them more than a minimal loss is in my opinion a heavy one.”

In *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1980] RPC 31 Lord Fraser commented upon what the plaintiff must establish:

“That he has suffered, or is *really likely* to suffer, substantial damage to his property in the goodwill by reason of the defendants selling goods which are falsely described by the trade name to which the goodwill is attached.”

Lord Fraser refers to substantial damage to his property.

35) In *Lego System Aktieselskab and Another v Lego M Lemelstrich Ltd* [1983] FSR 155 the distance between the fields of activity was bridged by an enormous reputation, Lego being classed as a household word, and survey evidence. This is clearly not the position in this case.

36) Owing to the enormous gulf between the respective goods I do not consider that there is any real likelihood of confusion or deception. Even if there was a possibility of confusion or deception, the enormous distance between the respective goods means that Fashion, at the material date, was not *really likely* to suffer any damage to its goodwill, substantial or otherwise.

37) I would add DIGITAL REPLAY, in relation to the goods, brings to mind the inevitable and strong message that the cards are digitally encoded and will replay images; I cannot envisage that it will bring to mind REPLAY as a sign used in relation to clothing or wallets or key chains.

38) The grounds of opposition under section 5(4)(a) of the Act are dismissed.

COSTS

39) Wheels in Motion (Innovations) Limited having been successful is entitled to a contribution towards its costs. This is one of two cases between the parties, in which the evidence is substantially the same. I have taken this into account in my award of costs. Since 30 November 2000 Wheels has not been professionally represented. This was after the filing of the counterstatement and evidence of Fashion, so it is not appropriate to reduce the amount of costs by the one third, as is normal with those without representation. I order Fashion Box SpA to pay Wheels in Motion (Innovations) Limited the sum of £850. 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. This payment is subject to Wheels advising the representatives of Fashion of its current address.

Dated this 25th day of September 2006

**David Landau
For the Registrar
the Comptroller-General**