

O-237-07

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 2381744  
BY NUTMEG FOOTBALL LIMITED TO REGISTER A  
TRADE MARK IN CLASSES 16, 28 AND 41**

**AND**

**IN THE MATTER OF OPPOSITION No. 93501  
BY ASIA PACIFIC LTD**

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**IN THE MATTER OF APPLICATION No. 2381744  
by Nutmeg Football Limited to register a Trade Mark  
in Classes 16, 28 and 41**

**and**

**IN THE MATTER OF Opposition No. 93501  
by Asia Pacific Ltd**

## **BACKGROUND**

1. On 8 January 2005 Nutmeg Football Limited applied to register the following mark:



for a specification of goods and services that reads:

### **Class 16**

Paper, cardboard and goods made from these materials, not included in other classes; printed matter; instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printed publications.

### **Class 28**

Games and playthings; gymnastic and sporting apparatus and equipment not included in other classes.

### **Class 41**

Education; providing of training; entertainment; sporting and cultural activities;

2. On 16 June 2005 Asia Pacific Ltd filed notice of opposition to this application. The opponent is the proprietor of UK trade mark registration No. 2362733, MEGS, covering the following goods in Class 25:

“Sports clothing for adults and children, leisurewear for adults and children, casual clothing for adults and children, nightwear for adults and children, outdoor wear for adults and children, work clothing for adults, hats for adults and children.”

3. Specifically, the opponent claims that all the goods in Class 16, when used in connection with sporting activities, would be similar to the goods of the earlier trade mark. In respect of Class 28 it is said that “gymnastic and sporting apparatus and equipment not included in other classes” are identical to the goods of the earlier mark, particularly sports clothing for adults and children. Finally, in respect of Class 41, the goods [sic] “sporting and cultural activities” are said to be similar to the goods covered by the earlier mark.

4. I note also that the statement of grounds claims that “registration or use of the trade mark applied for would obstruct or prejudice legitimate conduct of the Opponent’s business”. However, at no point is this claim particularised or linked to one of the grounds of objection provided for by the Act.

5. The applicant filed a counterstatement which, in terms, denies the ground of opposition. There is also a detailed statement of the specific goods of interest within the applied for specifications and an explanation of what is meant by MegZ, this being a collectable trading card game base upon playing real, live soccer and the footballing skill of ‘nutmegging’ the opponent. The applicant also refers to other applications (UK and CTM) made by the parties and requests that the circumstances that are described be taken into account.

6. Both sides have requested costs in their favour. The applicant also asks for an additional award reflecting a discrepancy found in the original TM7. Although not explained in the counterstatement this appears to relate to the extension of the original objection to include the Class 16 goods.

7. Both sides have filed evidence. Neither side has requested a hearing or filed written submissions. Acting on behalf of the Registrar I give this decision.

### **Opponent’s evidence**

8. A witness statement has been filed by Joseph Michael Hegarty, the Managing Director of ABL International (UK) Ltd, an associated company of ABL Asia Pacific based in Hong Kong. I take this to be a reference to the named opponent though the point is not clear.

9. Mr Hegarty’s evidence goes primarily to use of the mark MegZ. As that is not the mark of no. 2362733 (the earlier trade mark relied on) it will immediately be apparent that some explanation is called for. It comes in Exhibit JMH1 to Mr Hegarty’s witness statement which is a copy of a letter addressed to an official in the Trade Marks Registry headed “Evidence in opposition”. It sets out what the writer (Mr Hegarty) considers to be the position in terms of the parties’ respective applications for trade marks. The letter includes the statement that an error had been made in the spelling of MegS. What Mr Hegarty appears to mean is that his company trades under the mark MegZ and the application should have been for this latter word. In fact, as can be seen from the opponent’s registration, this original mistake was compounded because the registered mark is neither MegZ nor MegS but MEGS.

10. Mr Hegarty goes on to record the advice he was given by the Registry in terms of the likely protection that would be accorded to the mark. Whether this refers to MegS or MEGS is not clear, nor is it stated what goods' specifications were being discussed.

11. These are not negligible matters. Almost all the evidence that has been provided relates to use of the mark MegZ. As this is most certainly not the mark registered or an inconsequential variation it severely compromises the value of the evidence. For that reason I do not propose to record what is said about use save to note that in Class 25 (the only relevant class based on the scope of the earlier trade mark) sales before the application date are put at £52,264 for 2004. There was a fivefold increase in 2005 but as the material date is 8 January 2005 a negligible proportion only of that amount is likely to be attributable to the first week of the year.

12. I should, however, say that the waters are further muddied by the fact that, whilst most of the use shown is of MEGZ or MegZ, one of the exhibits (JMH 6(iii)) shows Megs being used on orders/invoices. I, therefore, find the opponent's evidence to be of marginal relevance only to the issues before me.

### **Applicant's evidence**

13. This consists of a witness statement by Richard Anthony Fenoglio, the Managing Director of Nutmeg Football Ltd. He says that the trade mark MegZ was first used on goods by the applicant company in December 2005. I think that may be an error as Mr Fenoglio subsequently goes on to give the start dates for sale of goods in the individual classes applied for as being December 2004 and February 2005. However, it seems that no actual sales of goods took place before the relevant date nor was there any marketing expenditure attributable to the year 2004 (paragraphs 5 and 6 of the witness statement). What does emerge from Mr Fenoglio's statement is that preparations for trade were taking place during the second half of 2004 following concept initiation and development between February and July 2004.

14. Mr Fenoglio goes on to describe the searches conducted in relation to this trade mark application and the fact that he had no prior knowledge of the opponent's unregistered mark. He accepts that the opponent had used its mark (he is referring here to MegZ and not the opponent's registered mark) but expresses surprise that the opposition should have been launched based on the registered mark given that it is in a different class. There are some 13 exhibits in support of the statement, most relating to paraphernalia of the game. It is not necessary to record the details for the purposes of reaching a decision.

## **DECISION**

### **The pleaded case**

15. In *Demon Ale Trade Mark*, [2000] R.P.C. 345 Geoffrey Hobbs QC, sitting as the Appointed Person, held that:

“ Considerations of justice, fairness, efficiency and economy combine to make it necessary for the pleadings of the parties in Registry proceedings to provide a focused statement of the grounds upon which they intend to

maintain that the tribunal should or should not do what it has been asked to do. The statement should not be prolix. It should, however, be full in the sense indicated by Mr Simon Thorley Q.C in *COFFEEMIX Trade Mark* [1998] R.P.C. 717 at 722:

“It must be full in the sense that it must outline each of the grounds ... relied upon and state the case relied upon in support of those grounds. It should be as succinct as possible, but it must be complete”.

16. In response to question 6 on the TM7 (Notice of opposition form) “Under what sections of the Trade Marks Act are you opposing this application?” the opponent indicated ‘5’. The only identified ground, thereafter, is under Section 5(2)(b). Supporting narrative text indicates that “registration or use of the trade mark applied for would obstruct or prejudice legitimate conduct of the Opponent’s business”. In my view that statement does not identify or disclose a ground of objection with anything like the precision that the above guidance from *Demon Ale* requires.

17. As noted in my brief review of the opponent’s evidence Mr Hegarty has referred to use of MegZ but that is not the form in which the mark is registered. Moreover, it is in my view a sufficiently material departure from the registered mark that it cannot be treated as an acceptable variant such as would, for instance, bring it within the terms of Section 46(2) of the Act in the context of showing genuine use in a revocation action. The opponent has not raised a separate objection under, for instance, Section 5(4)(a) of the Act. The upshot is that the single ground of objection that I have to deal with is under Section 5(2)(b).

### **Section 5(2)(b)**

18. Section 5(2)(b) reads:

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

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

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

19. An objection under Section 5(2)(b) requires me to consider whether there are similarities in the marks and similarities in the goods and services that cumulatively, lead to a likelihood of confusion. For the benefit of the parties who are not professionally represented in these proceedings I will set out the leading guidance from the European Court of Justice contained in *Sabel BV v Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] R.P.C.117,

*Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG and Adidas Benelux BV* [2000] E.T.M.R. 723.

20. It is clear from these cases that:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v. Puma AG* paragraph 22;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v. Puma AG*, who is deemed to be reasonably well informed and reasonably circumspect and observant – but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* paragraph 27;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v. Puma AG* paragraph 23;
- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v. Puma AG* paragraph 23;
- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* paragraph 17;
- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v. Puma AG* paragraph 24;
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v. Puma AG* paragraph 26;
- (h) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v. Adidas AG and Adidas Benelux BV* paragraph 41;
- (i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 29.

## Similarity of marks

21. The marks are MegZ and swirl device (the mark of the application) and MEGS (the earlier trade mark). Normal and fair use of a mark is usually taken to include upper and lower case lettering. It would not in my view extend to the registered mark being used in a manner that gave particular or unusual prominence to say, the final letter (so as to produce MegS instead of MEGS). That would have the effect of changing the character of the mark.

22. The marks are to be compared having regard to visual, aural and conceptual considerations. In relation to the latter the European Courts have held that for conceptual considerations to counteract visual and aural similarity at least one of the marks must have a clear and specific meaning so that the public is capable of grasping it immediately (see *Phillips-Van Heusen Corp v Pash Textilvertrieb und Einzelhandel GmbH* Case T-292/01 and *Ruiz-Picasso and Others v OHIM* Case C-361/04 P).

23. The applicant's evidence suggests that its mark is derived from the term 'nutmeg', a soccer skill that involves dribbling through the legs of an opponent. Exhibit RF4 gives some history of a game based on the skill. Mr Fenoglio's witness statement says that "'megs' or 'megz' is what cheeky football players say after they have performed the nutmeg skill". It is a matter of speculation as to how widespread and well understood this expression is. In relation to the game of football and collectable card or other games based on the game itself it may be that some will recognise the allusion. They are certainly more likely to understand the allusion once the game itself is explained. But it remains a matter of some uncertainty what unprompted recognition of the word is. If I was confident that MegZ (or variants) alluded to all or any of the goods then it might have been a factor to bear in mind in approaching conceptual considerations. As matters stand I think it is more likely to be seen as an invented word. The same is true of MEGS. Save to the (uncertain) extent to which any common allusive message is conveyed the marks appear to have no conceptual common ground.

24. Visually, the earlier trade mark is a word only mark whereas the applied for mark is a composite one featuring the element MegZ and a swirl device. The construction of MegZ invites the eye to give emphasis to the final letter. It is after all not part of normal usage to finish a word with a capital letter. On that basis it would be seen as a Meg Z mark, that is to say with the Z as a distinct element. But I do not lose sight of the fact that a 'Z' is sometimes used as a substitute for an 's' though less usually in word endings (to indicate pluralisation) and in upper case form. The marks have sufficient characteristics in common to result in a reasonable degree of visual similarity.

25. Phonetic similarity is the opponent's strongest suit. In fact, if the applied for mark as seen as a single syllable word with Z as a final 's' sound then the marks become aurally indistinguishable on the assumption that there would be no attempt to describe the device element in spoken references to the applicant's mark. A different picture emerges if the final letter of MegZ is articulated as a 'Z' sound in its own right. The mark then becomes a two syllable one. Both approaches are possible. I tend to favour the former though without evidence as to how consumers will react it is an arguable position.

26. My overall conclusion is that, taking the view that is most favourable to the opponent, produces a reasonably high degree of similarity. If I am wrong in that then the similarity is on a reduced but still material scale.

### **Distinctive character of the earlier trade mark**

27. For the reasons I have already given above I am uncertain as to whether consumers would take any meaning from the word MEGS in relation to football or games based on football. I think it is even less certain whether the word would be seen as carrying any descriptive or allusive reference in the context of the sports and other clothing items that feature in the specific action of the earlier trade mark. If that is the case then for these goods it would be a distinctive word. There is no claim to enhanced distinctive character based on use and, in reality, having regard to the modest level of sales prior to the relevant date, such a claim would have no realistic prospect of success.

### **Comparison of goods**

28. In assessing the similarity of the goods and services concerned, all the relevant factors relating to those goods and services should be taken into account. Such factors include *inter alia* their nature, intended purpose and method of use, and also whether they are in competition with each other or are complementary (see judgment of the European Court of Justice, Case C-39/97, *Canon Kabushiki Kaisha v Metro Goldwyn Mayer Inc*). Further factors include the users and their pertinent distribution channels and sales outlets (see *Ampafrance v OHIM* Case T-164/03).

29. The applicant's goods and services are in Classes 16, 28 and 41. The opponent's goods are in Class 25.

30. There has been no request for a hearing on this case and no written submissions have been filed by either side. The basis of the opponent's claim rests on the assertions contained in the statement of grounds. In the case of Class 16, it is said that the goods, particularly when used in connection with sporting activities and outdoor sporting activities would be similar to the goods of the earlier trade mark.

31. That claim is not easy to reconcile with the criteria set out in the above case law. The nature, purpose and method of use of all and any of the Class 16 goods is self evidently different to clothing. They are not in competition with one another in the sense of representing alternative choices for the consumer. Nor are they obviously complementary. In this respect it has been held in *Mülhens GmbH & Co KG v OHIM*, Case T-150/04, that even goods whose nature, purpose, and method use are different may be functionally and/or aesthetically complementary in the eyes of the relevant public. The issue in that case involved perfumery products on one side and bags and clothing on the other. The Court held:

36 In order to give rise to a degree of similarity for the purposes of Article 8(1)(b) of Regulation No. 40/94, this aesthetically complementary nature must involve a genuine aesthetic necessity, in that one product is indispensable or important for the use of the other and consumers consider



it ordinary and natural to use these products together (see, to that effect, Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraphs 60 and 62).

37 However, the existence of an aesthetically complementary nature between the goods at issue, such as that referred to in the previous paragraph, is not enough to establish similarity between those goods. For that, the consumers must consider it normal that the goods are marketed under the same trade mark, which normally implies that a large number of producers or distributors of these products are the same (*SISSI ROSSI*, Paragraph 63).

32. I can see no obvious basis for finding functional or aesthetic complementarity between the Class 16 and Class 25 goods.

33. At a high level of generality the goods may have consumers in common. But that is true of a very wide range of consumer goods. Without more that is unlikely to advance the opponent's case. Finally, I am not aware that the respective goods share distribution channels and/or sales outlets. In short I find these goods to be dissimilar.

34. Turning to the applicant's Class 28 goods, the only claim made by the opponent is that "gymnastic and sporting apparatus and equipment not included in other classes" is considered to be identical to the goods of the earlier trade mark particularly "sports clothing for adults and children". The registrar is entitled to treat the Class number as relevant to the scope of an application or registration (*Altecnic Ltd's Trade Mark Application* [2002] R.P.C. 34). As the goods here are in different classes they cannot be identical. Strictly, that is the end of the matter as no alternative claim as to similarity has been made. I might also add that it would seem from the pleaded case that in any case no objection is taken to "games and playthings".

35. In case I am wrong to take the pleaded case at face value then I go on to consider whether the objected to goods are similar. That necessitates determining what is meant by gymnastic and sporting apparatus and equipment. Apparatus and equipment seem to me to be terms that naturally describe the physical items that form part of the paraphernalia of sports, the asymmetric bars used by a gymnast or a cricket bat say. The term equipment may be wide enough to encompass something like a weightlifting belt or other specialist items such as elbow guards, harnesses etc for use in the sports field that may be worn about the person. That might represent the high point of the opponent's case in comparing the applicant's Class 28 goods with clothing in Class 25. The dividing line in terms of classification will be the degree of adaptation and whether say a sports clothing item could be worn in a casual (non sporting) context. Clearly a cricket jumper could be worn away from the cricket pitch. A weightlifter's belt would not be worn outside of a competition.

36. However, it is well established that words in specifications must be given their natural meaning (see *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267). It would be stretching the natural meaning of the terms apparatus and equipment to include items that would be worn on the person and thus have a point of similarity with clothing in Class 25. But if that is too narrow an interpretation of the terms apparatus and equipment then I would hold

that, applying the *Canon* etc tests, any similarity, if it exists at all, is going to be at a very low level. However, as indicated, the question does not arise on the basis of the claim made in the statement of grounds.

37. Finally, there is the claimed similarity between the applicant's Class 41 "sporting and cultural activities" and the goods of the earlier trade mark. Again, I pause to comment that no claim is made in relation to "education, providing of training; entertainment". No explanation is offered as to why the objected to services are similar to clothing. On each of the settled criteria there is no obvious point of similarity. If there is some connection to be made on the basis of clothing being sold at sporting events then it was for the opponent to make out the case supported by evidence directed to the point. I see no need to speculate on the position.

### **Likelihood of confusion**

38. I have found the marks to be similar to a reasonable degree. The applicant's goods in Class 16 and services in Class 41 are not similar to the goods of the earlier trade mark. The issue of likelihood of confusion does not arise in these circumstances as one element of the cumulative test is absent. In relation to the applicant's Class 28 goods I have held that the opponent fails on the basis of the case pleaded because the goods are not identical. If I am wrong in that then I would need to consider the effect of, at best for the opponent, a very low level of similarity in the respective goods.

39. The average consumers for the goods would include a wide cross section of the general public. In the case of particular sports they are likely to bring a measure of knowledge and discrimination to bear when purchasing sports apparatus/equipment and sports clothing, though they may be prey to imperfect recollection. Bearing in mind the similarities and differences in marks and goods I am of the view that there is no likelihood of confusion, direct or indirect. The opposition thus fails under Section 5(2)(b).

### **COSTS**

40. The applicant is entitled to an award of costs. The applicant's counterstatement contains the following:

"Subsequent to the advertisement of Application 2381744 for the term 'MegZ' by Nutmeg Football Limited in the Trade Marks Journal and on the UK Patent Office website, the opponent has also applied for UK trademark registration of the mark 'MEGZ' in classes 18 and 25. CTM applications for 'MegZ' have now also been filed by both parties. Other international applications for 'MegZ' have also been filed by the Opponent in major markets. The Opponent is also now producing and advertising goods using the 'MegZ' trade mark.

The applicant requests that these factors be taken into consideration in determining the motivation behind the Opposition. The applicant also requests that it is awarded its costs in any proceedings relating to the Opposition. Furthermore, as a result of the discrepancy found in the Opponent's original TM7 form, it is requested that further costs be awarded to the applicant."

41. Two issues are, thereby, raised. Firstly, it seems the applicant has concerns about the motivation for the opposition as both parties are seeking to protect their marks in other classes and jurisdictions and secondly, an additional costs award is requested reflecting the error in the original TM7. As to the first of these, it is entirely proper that rival businesses with similar marks should apply for protection in jurisdictions of their choice so that their competing claims can be determined if necessary, as here, through opposition proceedings. It seems that both parties developed their ideas independently at about the same time (the early part of 2004). No claim has been made that the application was filed in bad faith. I fail to see why the opponent should be penalised in these circumstances beyond what the applicant is entitled to as the successful party in this opposition.

42. The second point raised by the applicant relates to what the opponent described at the time as being a clarification of its case. It introduced a paragraph explaining the objection against the Class 16 goods to match the reference to Class 16 in the supporting narrative statement that accompanied the Form TM7. The applicant was, quite properly, given an opportunity to amend its counterstatement. This it did under cover of an explanatory letter of 3 November 2005. It is fair to say that the applicant was put to some additional trouble as a result of the amendment to the opponent's case. I propose to increase the costs award by £100 to reflect this.

43. The applicant has not been professionally represented in these proceedings and is in effect in the position of a litigant in person. It is appropriate to reflect this in the costs award on the basis of Simon Thorley QC's observations in *Adrenalin Trade Mark*, BL O/040/02 at paragraph 8:

“It is correct to point out that the Registrar's practice on costs does not specifically relate to litigants in person but in my judgment it could not be that a litigant in person before the Trade Mark Registry could be placed in any more favourable position than a litigant in person before the High Court as governed by the CPR. The correct approach to making an award of costs in the case of a litigant in person is considered in CPR Part 48.6”.

Part 48 of the Civil Procedure Rules referred to in the above passage provides as follows:

“**48.6(1)** This rule applies where the court orders (whether by summary assessment or detailed assessment) that costs of a litigant in person are to be paid by any other person.

(2) The costs allowed under this Rule must not exceed, except in the case of a disbursement, two-thirds of the amount which would have been

allowed if the litigant in person had been represented by a legal representative”.

44. I order the opponent to pay the applicant the sum of £600 to take account of all the above considerations. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 20th day of August 2007**

**M Reynolds  
For the Registrar  
The Comptroller-General**