

BLO/508/19

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO. 3267789

BY INOVEIGHT LIMITED

TO REGISTER

TERRAULTRA

AS A TRADE MARK IN CLASS 25

AND

IN THE MATTER OF OPPOSITION THERETO

UNDER NO. 411725

BY W-D APPAREL COMPANY, LLC

Background and pleadings

1. Inoveight Limited (“the applicant”) applied to register TERRAULTRA as a trade mark in the United Kingdom on 2 November 2017. It was accepted and published in the Trade Marks Journal on 24 November 2017 in respect of the following goods:

Class 25: *Clothing; footwear, but not including safety footwear or work footwear; headgear; sports apparel; running shoes; shoe soles.*

2. The application was opposed by W-D Apparel Company, LLC (“the opponent”). The opposition is based upon Sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”) and concerns all the goods in the application.

3. With regards to its claim based upon Section 5(2)(b) of the Act, the opponent relies on the following trade mark:

European Union Trade Mark (EUTM) no. 4939773



Filing date: 3 March 2006

Registration date: 17 November 2009

4. The opponent relies on some of the goods for which EUTM 4939773 is registered, specifically:

Class 9: *shoes for protection against accidents, irradiation and fire; clothing for protection against accidents, irradiation and fire; protective helmets, protective masks, gloves for protection against accidents, gloves for protection against x-rays for industrial purposes, workmen's protective face shields.*

5. The opponent's mark is an earlier mark within the meaning of Section 6(1) of the Act because it has a filing date earlier than the filing date of the contested application. The earlier mark completed its registration procedures more than five years before the publication date of the contested application and, as a result, it is potentially subject to the proof of use provisions contained in Section 6A of the Act.

6. The opponent submits that the marks are similar and that the goods covered by the applicant's specification are similar to the goods covered by the earlier mark, leading to a likelihood of confusion on the part of the public. In particular, the opponent claims that the marks coincide in the dominant element TERRA and that the laudatory term ULTRA does little to distinguish the marks. Therefore, registration of the contested mark should be refused under Section 5(2)(b) of the Act.

7. With regards to its claim based upon Section 5(3), the opponent relies upon the same earlier EUTM which is relied upon under Section 5(2)(b) (insofar as it covers the goods detailed above). The opponent claims that (a) the opponent's mark is of enhanced distinctiveness and has acquired a reputation throughout the UK as a result of the opponent's substantial investment in relation to the marketing and promotion of the mark in the UK; (b) the applicant will benefit from the opponent's investment and use of the applicant's mark and would take unfair advantage of the reputation of the opponent's mark and cause detriment to the distinctive character of the opponent's mark; (c) use of applicant's mark will be out of the opponent's control and poor quality will cause detriment to the reputation of the opponent's mark which is associated with high quality products; (d) use of the applicant's mark will dilute the distinctive character and reputation of the opponent's mark and lead to a change in the economic behaviour of the opponent's consumers who could switch to purchasing the applicant's goods. Therefore, registration of the contested mark should be refused under Section 5(3) of the Act.

8. In respect of the ground based upon Section 5(4)(a), the opponent relies upon its claimed goodwill in the UK, since 2012, throughout the UK in respect of the sign TERRA for boots, shoes and clothing.

9. The applicant filed a defence and counterstatement, denying all the grounds. It also requested that the opponent provides evidence of proof of use of the earlier mark for all the relied-on goods.

10. Both the opponent and the applicant filed evidence in these proceedings. They also filed written submissions. Neither party requested a hearing, but the opponent filed written submissions in lieu of a hearing.

11. The applicant is represented by Murgitroyd & Company; the opponent by Cooley (UK) LLP. I now make this decision after a careful consideration of the papers before me.

The opponent's evidence

12. The opponent's evidence consists of a witness statement, dated 27 November 2018, by Christine M. Hernandez. Ms Hernandez explains that she is the Vice President/Secretary and General Counsel of the opponent. The opponent is an American company incorporated on 15 September 2017 (Exhibit CH1). It is part of the VC Corporation, a global leader in branded apparel, footwear and accessories, which owns famous brands like Vans, The North Face, Timberland, Wrangler and Lee. The brand TERRA was acquired by the VC Corporation as part of the acquisition of a global workwear company called Williamson-Dickie Mfg. Co. and its brands. Copy of a press release dated 2 October 2018 announcing the acquisition is exhibited at Exhibit CH2. Ms Hernandez also explains that the opponent manages the intellectual property portfolio of the Williamson-Dickie Mfg. Co. brands acquired by the VC Corporation.

13. Ms Hernandez states that the brand TERRA has existed for more than 40 years and that both the earlier registered mark and the unregistered sign TERRA have been used in the UK and in Europe since at least 2009. According to Ms Hernandez, the brand TERRA has grown to be "the world's leading brand of premium quality safety footwear from rugged boots to fashionably designed safety shoes", to which she refers hereafter as "the TERRA goods". TERRA branded goods are distributed through industrial services companies and safety footwear retailers for the construction, mining, oil and manufacturing industries throughout Europe, America, Asia-Pacific and

the Middle East. According to Ms Hernandez TERRA branded goods are advertised in the EU on the TERRA website at www.terrafootwear.com/terraeurope.aspx and are available in the UK on the Dickies' website at www.dickiesworkwear.com/uk/footwear/terra. Copies of pages (undated) from these websites are provided at Exhibits CH4 – 5. They show:

- a. use of both the word TERRA (including examples of the word TERRA being followed by the trade mark symbol ® and being used as a brand name, e.g. TERRA Spider Safety Trainers, Terra Innovation Centre) and the sign



in relation to safety footwear;

- b. a UK-based customer service e-mail and telephone number;
- c. articles of TERRA branded footwear available for sale with the price in sterling.

14. Ms Hernandez states that the opponent's earlier mark was applied for in 2006 and registered in 2009 in the name of a company called Terra Nova Shoes Limited. She also says that the brand TERRA was acquired in 2007 by a company called Kodiak Group Holding, Inc and was subsequently purchased in 2008 by Williamson-Dickie. These transfers of ownership were recorded by the EUIPO in 2016 and 2018 respectively. According to Ms Hernandez, up until March 2017 Kodiak would sell directly to wholesaler customers within the UK and Europe with the exception of France. From around March 2017 Williamson-Dickie's UK entity, Williamson-Dickie Europe Limited (WDE), became the sole distributor of TERRA branded goods in the UK. This, Ms Hernandez states, makes it more difficult to present a composite report of revenue generated by the sale of TERRA branded goods in the UK. She provides, in this connection the following:

- a. a table (Exhibit CH8) showing the summary of the revenue in Euros generated by Kodiak's sale of TERRA branded goods to 17 UK wholesale customers between 2012-2017. Ms Hernandez explains that confidential customer details have been redacted but she understands that all the references are to UK-based customers. The table shows the annual sale for each customer per

year but not the total sale per annum. The total sale over the period 2012 and 2017 is of € 597,633.51;

- b. a table headed 'Summary of revenue in GBP generated by sales of TERRA goods from 2012-2018' which, it is explained, are sales made by Williamson-Dickie Europe Limited (Exhibit CH9). The table shows the following total figures: 70,395.52 in 2012; 40,969.34 in 2013; 54,017.95 in 2014; 18,034.26 in 2015; 17,362.94 in 2016; 211,136.89 in 2017 and 177,716.21 in 2018 for a total of 589,633.11. Nearly all of the sales made between 2012 and 2016 are sales made in France, whilst the sales made in 2017 and 2018 show a broader geographical spread covering various EU countries, including Austria, Belgium, Denmark, Finland, Germany, Greece, Italy, Poland and Switzerland. The sales recorded in the UK are 26,257.64 in 2017 and 25,301.95 in 2018 respectively. The table also includes sales made to non-EU countries, namely Kazakhstan (346.14 in 2014 and 165.94 in 2018), Russia Federation (20,240.00 in 2017 and 34,368.54 in 2018) and Turkey (20,941.49 in 2017 and 15,328.80 in 2018); there is also a sale identified as PC – Export USD (2,239.41 in 2015) but it is not clear what it refers to. Ms Hernandez explains that “these TERRA Goods would have been despatched from WDE UK warehouse located [...] in England and distributed within the United Kingdom and countries within the European Union”;
- c. examples of 10 invoices dating between 2012 and 2018 (Exhibit CH10) which are said to reflect sales of TERRA branded goods made by Williamson-Dickie Europe Limited and despatched from the UK warehouse. Customer details are redacted but it is noted that 5 invoices are in French and 5 in English. The ones in French are for the following amounts (in Euros): 1,519 (04.01.2012); 1,780 (19.12.2013); 1,246 (30.01.2014); 2,016 (02.05.2015); 1,385 (27.01.2016); the ones in English are for the following amounts: 2,262 (22.03.2017); 2,481.60 (12.04.2017); 15,815.60 (25.04.2017¹); 1,260 (24.08.2018) and 1,214.53 (18.10.2018) for a total of 29,812.73. Ms Hernandez says that the goods would have been distributed throughout

¹ Price is in USD

Europe and the UK. She also provides a summary of the invoices in the form of a table which shows that all of the goods sold are articles of footwear, namely boots and trainers.

15. At Exhibit CH18 Ms Hernandez provides examples of UK related advertising material (undated) for TERRA. It includes pictures of posters, flyers, a footwear shelf, a floor graphic and a web banner. Exhibit CH19 include screenshots from TERRA Europe website www.terrafootwear.com/terraeurope.aspx captured on various dates in 2014, 2015, 2016 and 2017. Both exhibits feature the word TERRA being used in relation to safety footwear. Exhibit CH19 also shows use of the mark



whilst Exhibit CH18 features the marks



and



. Exhibit CH20 includes

a screenshot from www.dickiesstore.co.uk on 6 July 2017 showing TERRA branded safety trainers being offered for sale.

The applicant's evidence

16. The applicant filed two witness statement, one from Jonathan Hammond, Finance Director of the applicant and one from Emma Christina Anne Hodson, a trade mark attorney employed by Murgitroyd & Company, the applicant's legal representative. I do not propose to summarise this evidence here, but I will refer to it where appropriate in this decision.

Preliminary issue

17. The applicant has put the opponent to strict proof of use regarding all of the goods relied upon. Whilst I note that the applicant did not comment on the evidence filed by the opponent and it referred, in its submissions, to the opponent's using the mark in relation to safety footwear, it did not expressly concede that the opponent has genuinely used its mark for any of the goods relied upon. Further, even though the opponent's evidence and submissions only mentioned safety footwear, the opponent

did not withdraw its reliance on any of the goods identified in its notice of opposition (which includes goods other than safety footwear). Therefore, despite this apparent (implied) concessions, it is still necessary for me to undertake the assessment as to genuine use.

PROOF OF USE

18. The opponent's earlier mark has been registered since 17 November 2009. Consequently, Section 6A of the Act applies. The relevant parts are as follows:

"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 European Union 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 Union.

(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.”

19. The relevant period for establishing genuine use of the earlier mark is therefore 25 November 2012 to 24 November 2017.

20. Section 100 of the Act provides:

“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.”

21. The onus is therefore on the opponent to show what use it has made of the earlier mark during the relevant period.

22. What constitutes genuine use has been subject to a number of judgements. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J summarised the law relating to genuine use as follows:

“114.....The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundervsvereinigung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised 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]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* 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]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and

simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(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] and [22]. 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]; *Reber* at [29].

(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]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(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] and [76]-[77]; *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. As the earlier mark is an EUTM, the comments of the Court of Justice of the European Union (“CJEU”) in *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, are relevant. The court noted that:

“36. It should, however, be observed that..... the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase ‘in the Community’ is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use.”

And

“50. Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as ‘genuine use’, it cannot be ruled out that, in certain circumstances, the market for the goods or services for which a Community trade mark has been registered is in fact restricted to the

territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark.”

And

“55. Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77).”

24. The court held that:

“Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to ‘genuine use in the Community’ within the meaning of that provision.

A Community trade mark is put to ‘genuine use’ within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity.”

25. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. reviewed the case law since the *Leno* case and concluded as follows:

“228. Since the decision of the Court of Justice in *Leno* there have been a number of decisions of OHIM Boards of Appeal, the General Court and national courts with respect to the question of the geographical extent of the use required for genuine use in the Community. It does not seem to me that a clear picture has yet emerged as to how the broad principles laid down in *Leno* are to be applied. It is sufficient for present purposes to refer by way of illustration to two cases which I am aware have attracted comment.

229. In Case T-278/13 *Now Wireless Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* the General Court upheld at [47] the finding of the Board of Appeal that there had been genuine use of the contested mark in relation to the services in issues in London and the Thames Valley. On that basis, the General Court dismissed the applicant's challenge to the Board of Appeal's conclusion that there had been genuine use of the mark in the Community. At first blush, this appears to be a decision to the effect that use in rather less than the whole of one Member State is sufficient to constitute genuine use in the Community. On closer examination, however, it appears that the applicant's argument was not that use within London and the Thames Valley was not sufficient to constitute genuine use in the Community, but rather that the Board of Appeal was wrong to find that the mark had been used in those areas, and that it should have found that the mark had only been used in parts of London: see [42] and [54]-[58]. This stance may have been due to the fact that the applicant was based in Guildford, and thus a finding which still left open the possibility of conversion of the Community trade mark to a national trade mark may not have sufficed for its purposes.

230. In *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC), [2015] ETMR 37 at [25] His Honour Judge Hacon interpreted *Leno* as establishing that "genuine use in the Community will in general require use in more than one Member State" but "an exception to that general requirement

arises where the market for the relevant goods or services is restricted to the territory of a single Member State". On this basis, he went on to hold at [33]-[40] that extensive use of the trade mark in the UK, and one sale in Denmark, was not sufficient to amount to genuine use in the Community. As I understand it, this decision is presently under appeal and it would therefore be inappropriate for me to comment on the merits of the decision. All I will say is that, while I find the thrust of Judge Hacon's analysis of *Leno* persuasive, I would not myself express the applicable principles in terms of a general rule and an exception to that general rule. Rather, I would prefer to say that the assessment is a multi-factorial one which includes the geographical extent of the use."

26. The General Court (GC) restated its interpretation of *Leno Marken* in Case T-398/13, *TVR Automotive Ltd v OHIM* (see paragraph 57 of the judgment). This case concerned national (rather than local) use of what was then known as a Community trade mark (now a European Union trade mark). Consequently, in trade mark opposition and cancellation proceedings the registrar continues to entertain the possibility that use of an EUTM in an area of the Union corresponding to the territory of one Member State may be sufficient to constitute genuine use of an EUTM. This applies even where there are no special factors, such as the market for the goods/services being limited to that area of the Union.

Form of the mark

27. Before I consider whether the opponent has demonstrated sufficient use of its mark, I need to consider the variant forms produced in the evidence. In *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, which concerned the use of one mark with, or as part of, another mark, the CJEU found that:

"31. It is true that the 'use' through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas 'genuine use', within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, 'use' within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish 'use' within the meaning of Article 15(1)

for the purpose of preserving the rights of the proprietor of the registered trade mark.

32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestlé*, the 'use' of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition by a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

35. Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term 'genuine use' within the meaning of Article 15(1)". (emphasis added)

28. In *Nirvana Trade Mark*, BL O/262/06, Mr Richard Arnold Q.C. (as he then was) as the Appointed Person summarised the test 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."

29. Although this case was decided before the judgment of the CJEU in *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, it remains sound law so far as the question is whether the use of a mark in a different form constitutes genuine use of the mark as registered. The later judgment of the CJEU must also be taken into account where the mark is used as registered, but as part of a composite mark.



30. The earlier mark is **TERRA**. The opponent has produced screenshots dated within the relevant period intended to show that the opponent was using the mark applied for, in the course of trade in, inter alia, the form shown below²:



31. The distinctive characteristics of the earlier mark are the word TERRA and the device. They are reproduced in the mark used by the opponent. The addition of the further words TERRA WORKS HERE to the earlier mark does not alter the distinctive character of the mark because: (a) the word TERRA and the device maintain their autonomous identification function within the mark; and (b) the words TERRA WORKS HERE are significantly smaller in size and will be understood as a laudatory element which serves to reinforce the brand name TERRA and the concept conveyed by the device of a man at the work road sign. The different positioning of the device and the use of the colour yellow are minor differences that do not alter the distinctive character of the earlier mark as it is registered. I therefore find that the mark used by the

² Advertising material produced by the opponent also show other versions of the sign on yellow and grey rectangular backgrounds but are undated. The opponent also showed use of the plain word TERRA within the relevant period, however, as this constitutes use of a less similar mark, it is not necessary for me to consider it.

opponent falls into the category of variant use that enables the opponent to adapt its mark in the course of trade and qualifies as use of the opponent's earlier mark.

Genuine use

32. Whether the use shown is sufficient for this purpose will depend on whether there has been real commercial exploitation of the EUTM, in the course of trade, sufficient to create or maintain a market for the goods/services at issue in the Union during the relevant 5-year period. In making the required assessment I am required to consider all relevant factors, including:

- i) The scale and frequency of the use shown
- ii) The nature of the use shown
- iii) The goods and services for which use has been shown
- iv) The nature of those goods/services and the market(s) for them
- iv) The geographical extent of the use shown

33. The figures provided within the tables exhibited at CH8 and CH9 relate to the revenue generated by the sale of TERRA branded safety footwear in the EU and the UK. They show that the opponent's predecessors had sold some € 597,000 worth of goods in the UK in the period 2012-2017 and some £ 589,633.11 worth of goods in various EU countries in the period 2012-2018. Even considering that the sales made in the EU in 2018 (corresponding to £ 177,716.21) are outside the relevant period and that some of sales made in 2014, 2015 and 2017 were sales to non-EU countries, it still leaves some £ 368,149.86 worth of sales made within the relevant period in the EU. This amounts to nearly 1 million worth of sales of articles of safety footwear³ in the EU which took place within the relevant period, more than half of which were made in the UK. Apart from the actual sales, the examples of invoices and the evidence relating to the promotion of the goods on the opponent's predecessors' websites support the conclusion that the opponent has used its earlier mark to such an extent that it "would be viewed as warranted in the economic sector concerned to maintain or create a share in the [European Union] market for the goods or services protected

³ € 597,000 + £ 368,149.86

by the mark". Consequently, I find that the opponent has proved sufficient genuine use of its mark and, as such, it is able to rely upon it for the purposes of this opposition.

Fair specification

34. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

"In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose, the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned."

35. In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Mr Justice Carr summed up the law relating to partial revocation as follows.

"iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) ("Thomas Pink") at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how the average consumer would fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme

Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 ("Asos") at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46."

36. The mark is registered, inter alia, for *shoes for protection against accidents, irradiation and fire*. The evidence shows that the opponent sells articles of safety and work footwear, namely shoes and boots. The marketing material exhibited in the evidence also shows that the opponent's goods have protective reinforcements in the toe and penetration resistant outsoles and are designed to be oil, acid and chemical resistant. These features are normally designed to protect the foot from accidents. The marketing material also refers to the opponent's goods being slip resistant in warm temperatures, but it does not specifically refer to irradiation and fire. Though the use shown covers boots and shoes, it cannot confer the opponent protection beyond the goods for which it is registered, i.e. shoes. On that basis, I find that the opponent has demonstrated genuine use of the mark for *safety and work shoes for protection against accidents*.

37. There is no evidence of use in relation to the other goods relied upon by the opponent, namely *clothing for protection against accidents, irradiation and fire; protective helmets, protective masks, gloves for protection against accidents, gloves for protection against x-rays for industrial purposes, workmen's protective face shields*. I therefore conclude that the opponent is only able to rely upon the following goods in the opposition proceedings:

Class 9: *safety and work shoes for protection against accidents.*

DECISION

SECTION 5(2)(b)

38. Section 5(2)(b) of the Act reads:

“5(2) A trade mark shall not be registered if because –

[...]

(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.”

39. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P:

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

- (b) the matter must be judged through the eyes of the average consumer of the goods or services in question, 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, and whose attention varies according to the category of goods or services in question;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;
- (e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;
- (f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
- (g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;
- (h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;
- (i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

- (j) 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;
- (k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods

40. In comparing the respective specifications, all the relevant factors should be taken into account. In the judgment of the CJEU in *Canon*, (Case C-39/97), the Court stated at paragraph 23:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

41. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

- (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.

42. In *YouView TV Ltd v Total Ltd* ,[2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

"... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

43. In *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another*, [2000] F.S.R. 267 (HC), Neuberger J. (as he then was) stated that:

"I should add that I see no reason to give the word "cosmetics" and "toilet preparations"... 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."

44. In *Kurt Hesse v OHIM* (Case C-50/15 P), the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v OHIM*, (Case T-325/06), the General Court (GC) stated that “complementary” means:

“...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking”.

45. The goods to be compared are:

Applicant’s goods	Opponent’s goods
Class 25: <i>Clothing; footwear, but not including safety footwear or work footwear; headgear; sports apparel; running shoes; shoe soles.</i>	Class 9: <i>safety and work shoes for protection against accidents.</i>

46. The applicant argues that the respective goods are dissimilar. It refers, in this connection, to a decision of the EUIPO in Case R 1284/2007-4, in which the BoA expressed the view that items of footwear in class 25 were not similar to safety footwear in class 9. The relevant parts of that decision are reproduced below:

“17. The clothing items, footwear and headgear listed in Class 25 are used to cover and dress the human body. Although they have a protective purpose against the unpleasant effects of weather (rain, cold, wind, burning sunshine), still the choice of these items depends on personal taste and the shape and materials are also influenced by the fashion trends.

18. The goods in Class 9 are ‘safety footwear safety gloves, clothing for protection against accidents, radiation and fire, protective helmets, gloves for protection against accidents’. Contrary to the earlier mentioned goods, they are intended to protect the body, the head, hands and feet against a wide variety

of injuries such as fire, radiation, puncture, etc. As such, special protective coating to prevent or control hazard is used. Therefore, their technical features prevail against any aesthetic aspect. Moreover, they are made by different producers and sold through different distribution channels from the goods covered by the opponent's rights."

47. The applicant also argues that (a) the uses and users of the goods are different because the opponent's goods are designed to offer protection to the wearer in work environments, whereas the applicant's goods are used by athletes and foot racers in the context of running sports; (b) the goods reach the market through different channels. The applicant's goods will be sold in sport shops and advertised in running magazines, whereas the opponent's goods will be sold in specialist stores and advertised in publications aimed at the building trade; (c) the goods are manufactured by different producers and (d) the goods are not competitive.

48. The opponent submit that goods should not be regarded as dissimilar only because they appear in different classes and that the goods at issue are similar or highly similar because they are associated and may be offered by the same undertakings and/or directed to the same users.

49. As regards the decision of the EUIPO to which my attention was drawn, neither is it binding upon me nor do I find it to be a persuasive authority in support of the proposition advanced. There is also a further problem with the applicant's argument. First, the specification applied for cover *footwear, but not including safety footwear or work footwear* and it is not limited to the specific goods in relation to which the applicant has actually used the mark. Second, the evidence filed in the proceedings does not sit easily with the claim that there is no overlap between the goods, insofar as it shows that: (a) the overall appearance of the parties' shoes is highly similar. In this connection, the evidence shows that both the opponent and the applicant sell the same type of shoes, namely trainers, although the opponent's goods are marketed as safety shoes and the applicant's as running shoes; (b) footwear in Class 25 may also be used in order to protect against accidents or injuries, such as footwear

manufactured with very robust materials⁴. In this connection, the evidence reveals that the applicant's goods are made with a material used in bullet proof vests and have integrated technologies intended to protect people who wear them; for example they are described as shoes with "extra durability designed into the toe-cap to protect your foot from rocks and stones as you run"; (c) the opponent has shown that its range includes "fashionably designed safety shoes⁵" and "offer sleek styling that transition easily from the jobsite to off-site"⁶.

50. The goods are therefore similar in nature. The purpose of the respective goods is different to the extent that the specific purpose of the opponent's goods is absent from the applicant's goods. However, the general purpose is the same insofar as protective footwear serves the same purpose as ordinary shoes, i.e. they protect the feet from general wear and tear and help to keep the feet warm. Further, as I have already said, non-safety footwear may also integrate technologies intended to protect people who wear them, and safety footwear can be fashionably designed which suggests that designs and materials of ordinary and safety footwear have converged to a degree. The method of use of the goods is plainly the same, i.e. the goods are worn on the feet and the users of the goods may overlap. The respective goods are not complementary and in general it is unlikely that protective footwear competes with ordinary footwear. In terms of trade channels, some of the evidence⁷ show that the opponent's predecessor, i.e. Dickies, produces both safety footwear and non-safety footwear and that it sells both types of footwear on the same UK website, so I am inclined to accept the opponent's submission that the goods may be offered by the same undertakings. Accordingly, I find that the contested *footwear, but not including safety footwear or work footwear* are similar to a medium degree to the opponent's *safety and work shoes for protection against accidents*. The same considerations apply to the contested *running shoes*.

⁴ See Case R 3106/2014-2, where the BoA found that 'safety footwear' and 'sport shoes' are similar.

⁵ CH3

⁶ CH19

⁷ CH20 page 3

51. As regards the contested *clothing* and *headgear*, they are broad terms which would include goods that could be used for multiple purposes including workwear, outdoor wear and sportswear (including, for example, clothes used in motorcycling⁸ and clothes for hiking a mountain, windproof balaclavas, skiing hats). These include goods which may offer varying degree of protection, protection being not only against falls or impact, but also from the cold, the sun, abrasions or cuts. Thus, whilst the nature of the goods is not particularly similar, their purpose is similar, in that all the goods are intended to protect the body from the elements and the surroundings. At a high level of generality, the method of use is the same: the goods are worn on the body. However, the goods under consideration here are worn on different parts of the body. The goods are not in competition, but they are complementary to a degree as they could be worn together. The goods could share trade channels, although they will usually be found in different areas of a clothing store, or on different pages of a clothing catalogue or website. Accordingly, I find that the contested *clothing* and *headgear* is similar to a low degree to the opponent's *safety and work shoes for protection against accidents*. The same considerations apply to the contested *sports apparel*.

52. The contested *shoe soles* are constituents part of footwear. Whilst these goods differ, as to their purpose, from the opponent's safety shoes, they are fundamental parts of the opponent's shoes, the safety function of the opponent's goods not being a characteristic that would limit the complementarity of these goods, since (a) there is nothing in the opponent's specification that limits the goods to shoes using a specific type of soles and (b) the applicant's shoe soles are unlimited and could be made with material resistant to specific elements. The nature of the goods is such that their producers and distribution channels may coincide and there is a certain degree of complementarity in the sense customers may think that the responsibility for those goods lies with the same undertaking. I accept that the opponent's safety shoes are final products that target the general public, whilst the applicant's shoe soles will be normally purchased by manufacturers of footwear or professionals providing footwear repair services; however, this does not exclude that the applicant's consumers will also be purchasers of the opponent's safety shoes, so consumers may coincide. In my view, these goods are similar to a low degree.

⁸ Motorcyclists' clothing is in class 25.

The average consumer and the nature of the purchasing act

53. As the case law above indicates, it is necessary for me to determine who the average consumer is for the goods at issue; I must then determine the manner in which these goods will be selected in the course of trade. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

54. The average consumer of the goods at issue is the general public. Given their importance to his/her safety, the average consumer is likely to pay an above average degree of attention when selecting the opponent’s safety shoes in class 9 to ensure that the item would provide the precise level of protection required for the hazardous activity planned.

55. As regards the applicant’s goods in class 25, whilst I accept that the average consumer’s level of attention will vary considerably depending on the cost and nature of the item at issue, the average consumer is likely to be conscious of factors such as the size, colour, material and price of the item concerned, all of which suggest, at least, an average degree of attention. The purchase is likely to be primarily visual as it is likely to be made from a physical store on the high street, a catalogue or from a website. That said, as the selection of the goods may, on occasion, involve the intervention of a sales assistant, aural consideration cannot be ignored.

Comparison of marks

56. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by them, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

57. It would be wrong therefore artificially to dissect the marks, although it is necessary to take into account their distinctive and dominant components and to give due weight to any other features, (which are not negligible) and therefore contribute to the overall impressions created by them. The marks to be compared are:

Applicant's mark	Opponent's mark
TERRAULTRA	

58. The applicant's mark consists of the word TERRAULTRA written in capital letters. The opponent submits that the dominant element of the mark is the element TERRA because it is positioned at the beginning of the mark and because the element ULTRA

is descriptive and laudatory. The applicant submits that the dominant and distinctive element of the mark is the mark as a whole and that the mark will be understood as a reference to ultramarathons. It states:

“Contrary to the Opponent’s submission, the dominant and distinctive element of the mark is the mark as a whole: TERRAULTRA.

The Applicant submits that the two elements of the sign form an indivisible whole.

According to the Collins English Dictionary, TERRA is a word of Latin origin signifying "(the) Earth" which has also acquired the meaning of "Land".

ULTRA, contrary to the Opponent's belief, is not used as a laudatory term. Given the goods for which the Applicant seeks protection for, namely "Clothing; footwear, but not including safety footwear; headgear; sports apparel; running shoes; shoe soles", the reference is to "Ultramarathons".

Ultramarathons are a form of footraces that are longer than a traditional 42.195-kilometre marathon. These races, lasting between 6 to 24 hours consecutively, are aimed at a very specific type of athletes who are far more specialised than traditional foot racers.

In the above context, the TERRA component of the mark will be understood by the relevant consumers to signify "earth" as in "earth from the ground" as opposed to "road", i.e. the medium upon which the race is set, trails.

Therefore, the relevant consumers will appreciate the TERRAULTRA mark as an indirect reference to ultramarathons taking place on nature trails.

Moreover, both components of the sign are formed of two syllables ending in the same vowel. The rhythmic quality combined with the rhyme in "A" gives the TERRAULTRA sign an indivisible nature. The relevant consumers of those

goods will not artificially dissect the mark, rather they will appreciate it as a whole and recollect it as such”.

59. I do not understand the applicant to claim that TERRAULTRA is a term widely used to describe “ultramarathons” and in the absence of any evidence to corroborate the applicant’s claim, I reject the submission that the consumer will understand TERRAULTRA as a unit and a reference (indirect or otherwise) to ultra-marathons.

60. As regards the meaning of the word TERRA, the Collins online English dictionary defines TERRA as: “noun (in legal contexts) earth or land - Word origin of 'terra' from Latin”. The dictionary definition is not evidence that the word is used in common parlance. It suggests use in a very specific context, i.e. the legal context, and I am not convinced that the UK average consumer will be particularly familiar with a word of Latin origin. Consequently, while some might recognise TERRA as meaning earth, it is possible that others will see it as an invented word. Since the public might recognise that the word TERRA is a Latin term or it might perceive it as a term without any particular meaning, it is more likely that the public will pay more attention to that part of the application than to the following element ULTRA which will be seen as a common adjective meaning “extreme” or “extremely”. I do not see that the conjoining of the words will change this perception.

61. The opponent’s mark consists of a diamond-shaped device incorporating a work road signage with the word TERRA underneath, written in a minimally stylised typeface. The device is not particularly striking or fanciful and has an allusion to the use of the goods or the context that they would be used in, i.e. safety shoes specifically designed to prevent accidents in heavy work environments. The applicant submits that the word TERRA in the opponent’s mark is descriptive of the goods because the opponent’s safety shoes could be used on the land. I reject the submission. First, consumers are likely to regard the word TERRA either as a Latin word meaning earth or land or as an invented word. For those who will see TERRA as an invented word, the mark has no meaning, so it cannot be descriptive. But even for those who will understand the reference to earth or land, the word TERRA is not descriptive of safety shoes. As regards the argument that the goods could be used on the land, the evidence is that the opponent’s shoes are designed for the construction, mining, oil

and manufacturing industries (for which the word TERRA is not descriptive) and the specification does not limit the goods to shoes for use in the agricultural sector (in relation to which the word TERRA would carry, at most, a distant allusion). Whilst the device has a visual impact and contributes to the overall impression, in my view, it is the word TERRA that is the key element to the memory and perception of the opponent's mark.

62. Consequently, whilst the consumer will perceive both marks as wholes, the overall impression of the marks is that the term TERRA has a distinguishing character which is not substantially altered by the addition of the word ULTRA (in the applicant's mark) and the device (in the opponent's mark).

Visual and phonetic similarity

63. From a visual and phonetic point of view, the marks are similar to the extent that TERRA is the common identical element of the signs and will be pronounced in same way. I consider that the marks are visually and aurally similar to a medium degree.

Conceptual similarity

64. Conceptually, the position is that (a) for those consumers who will perceive the element TERRA as a word meaning earth or land, the presence of TERRA in both marks will create an identical concept; (b) for those consumers who will perceive the element TERRA as an invented word, the presence of the word TERRA in both marks does not introduce any concept and the marks are conceptually neutral. The additional elements in each mark, namely the words ULTRA (in the applicant's mark) and the device (in the opponent's mark) are laudatory or allusive and do not introduce particularly distinctive conceptual differences.

Distinctive character of earlier mark

65. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*²⁶, the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

66. The opponent has provided some evidence of use of the earlier mark. However, I find this inadequate to demonstrate that the earlier mark has acquired an enhanced degree of distinctive character through use in the UK, even in relation to the categories of goods for which I found that the opponent has genuinely used the mark. The volume of the UK (and EU) sales is relatively modest, and use is not particularly long-standing or intense. Whilst Ms Hernandez states that the brand TERRA has existed for more than 40 years and it is the world’s leading brand of premium quality safety footwear, she also confirms that use in the UK (and the EU) only began in 2009 and the earliest use shown is even more recent than that, i.e. from 2012. There is no indication of the market share held by the mark and whilst they are wholesale customers, no evidence relating to the number of further customers exposed to the mark has been filed. There is no indication of the amount invested by the opponent in promoting the mark and it is not possible to establish from the evidence filed to what extent the earlier mark has been advertised.

67. As regards the inherent distinctiveness of the mark, the applicant has filed evidence in the form of a witness statement by Emma Christina Anne Hodson. The relevance of this evidence is explained by the applicant in its written submissions as follows:

20. In addition, the Applicant submits that the word and prefix TERRA is common in marks registered and in use in the UK in relation to goods proper to class 25 and in particular footwear. A Witness Statement from Emma Hodson of Murgitroyd is being filed detailing TERRA composite marks found on the UK Register and in use in the marketplace in the name of third parties, as well as non-registered TERRA marks in use in the marketplace in relation to footwear and/or clothing. Such widespread registration and use evidence that there has been a dilution of rights in the word TERRA and that the word lacks distinctiveness such that the Opponents cannot claim a statutory monopoly in the word TERRA and cannot successfully claim similarity on the commonality of word TERRA.

21. The prevalence of TERRA and TERRA composite marks owned by third parties on the Register and in the marketplace in relation to the relevant goods mean that the general public will be used to seeing such marks and therefore will pay attention to differences between different parties marks, particularly when the Applicant's mark contains the immediately recognisable and dictionary defined element ULTRA.

68. The applicant's evidence relating to the registration of other marks (Exhibit ECAH1) is no more than "state of the registry evidence" in relation to which in *Zero Industry Srl v OHIM*, Case T-400/06⁹, the GC stated that:

"73. As regards the results of the research submitted by the applicant, according to which 93 Community trade marks are made up of or include the word 'zero', it should be pointed out that the Opposition Division found, in that regard, that '... there are no indications as to how many of such trade marks are effectively used in the market'. The applicant did not dispute that finding before the Board of Appeal but none the less reverted to the issue of that evidence in its application lodged at the Court. It must be found that the mere fact that a number of trade marks relating to the goods at issue contain the word 'zero' is not enough to establish that the distinctive character of that element has been weakened because of its frequent use in the field concerned (see, by analogy, Case T 135/04 *GfK v OHIM – BUS(Online Bus)* [2005] ECR II 4865,

⁹ See also *Henkel KGaA v Deutsches Patent- und Markenamt*, Case C-218/01 § 65

paragraph 68, and Case T 29/04 *Castellblanch v OHIM – Champagne Roederer (CRISTAL CASTELLBLANCH)* [2005] ECR II 5309, paragraph 71). “

69. According to the above case law, I should not have regard to other registrations, nor the applicant has directed me to any other authority in support of its proposition that the existence of other marks containing the word TERRA on the register is relevant when assessing the distinctive character of the earlier mark.

70. The rest of the evidence (Exhibits ECAH2-9) includes screenshots from various websites featuring seven of the marks identified on the register, of which: (a) some are from websites which do not target specifically the UK (ECAH 5¹⁰, 6¹¹, 7¹², 13¹³) (b) and some are from UK based websites, but the copies are dated after the relevant date (ECAH 8, 10, 11, 14, 15, 16 and 17) and (c) some do not relate specifically to safety shoes (ECAH 4, 5, 8, 9, 10). I therefore find this evidence wholly inadequate to establish that the distinctive character of the word TERRA has been weakened because of its frequent use in the field concerned.

71. I can only therefore consider the inherent distinctiveness of the earlier mark. As I have said above, the word TERRA is not descriptive in relation to the goods. Whichever way the consumer will look at TERRA (either as an invented word or of a word of Latin origin meaning land or earth), it is an unusual word and it has a high degree of distinctive character. The device will also add distinctiveness to the mark, however, it is not a very distinctive element in the context of the goods at issue and will not increase the distinctiveness of the mark to any material extent.

Likelihood of confusion

72. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective marks may be offset by a greater degree of similarity between the respective goods and vice versa. I must also keep in mind the average

¹⁰ The website is terranimalis.com and show a telephone number and address in Thailand

¹¹ It seems to be from a German website

¹² It seems to be from an Italian website

¹³ Prices shown in US dollars

consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has retained in his mind.

73. There are two types of relevant confusion to consider: direct confusion (where one mark is mistaken for the other) and indirect confusion (where the respective similarities lead the consumer to believe that the respective goods and services come from the same or a related trade source). This distinction was summed up by Mr Iain Purvis Q.C. sitting as the Appointed Person in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.”

74. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor Q.C., as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

75. Before moving on to assess the likelihood of confusion, I will deal with the evidence of use filed by the applicant and the reasons why I do not consider this evidence to be of particular assistance to the applicant’s case. The applicant’s evidence comes from

its Finance Director, Mr Jonathan Hammond. Its aim is to establish that the applied for mark has been used in the UK since June 2018, which is after the dates when the application was filed, i.e. 2 November 2017, and opposed, 26 February 2018, respectively. Mr Hammond says that the mark TERRAULTRA is used in relation to running shoes and that the goods are sold through the applicant's website, sportswear chains such as JD sports, independent retailers and third parties websites (Exhibits 1-2). Between June 2018 and February 2019 1,869 units of footwear were sold in the UK generating a turnover of £107,000 (Exhibit 3) and the applicant has spent in excess of £50,000 in promoting the mark (Exhibits 5 and 6). The argument made by Mr Hammond is that notwithstanding the use of the applied mark in the UK, no instances of confusion have been brought to the applicant's attention. Mr Hammond also refers to the UK trade mark no. 3076179 for TERRACLAW, which, he says, has been registered in the applicant's name since January 2015 and used since 2016, with no instances of confusion being recorded by the opponent.

76. The first problem with the applicant's evidence is that the likelihood of confusion must be assessed at the date when the application was filed (the relevant date). Any concurrent use subsequent to that date cannot, in my view, assist the applicant. Further, there is a tranche of case-law to the effect that lack of confusion in the market place is indicative of very little. In *The European Limited v The Economist Newspaper Ltd* Millet LJ stated:

"Absence of evidence of actual confusion is rarely significant, especially in a trade mark case where it may be due to differences extraneous to the plaintiff's registered trade mark."

77. In *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 Laddie J stated:

"22. It is frequently said by trade mark lawyers that when the proprietor's mark and the defendant's sign have been used in the market place but no confusion has been caused, then there cannot exist a likelihood of confusion under Article 9.1(b) or the equivalent provision in the Trade Marks Act 1994 ("the 1994 Act"), that is to say s. 10(2). So, no confusion in the market place means no

infringement of the registered trade mark. This is, however, no more than a rule of thumb. It must be borne in mind that the provisions in the legislation relating to infringement are not simply reflective of what is happening in the market. It is possible to register a mark which is not being used. Infringement in such a case must involve considering notional use of the registered mark. In such a case there can be no confusion in practice, yet it is possible for there to be a finding of infringement. Similarly, even when the proprietor of a registered mark uses it, he may well not use it throughout the whole width of the registration or he may use it on a scale which is very small compared with the sector of trade in which the mark is registered and the alleged infringer's use may be very limited also. In the former situation, the court must consider notional use extended to the full width of the classification of goods or services. In the latter it must consider notional use on a scale where direct competition between the proprietor and the alleged infringer could take place.”

78. Finally, for evidence of concurrent use to be relevant it must show that the relevant public has shown itself able to distinguish between goods bearing the marks in question without any confusion as to trade origin; no such evidence was provided. I therefore disregard this evidence. As regards the reference to the TERRACLAW mark, as the opponent correctly pointed out, it is a different mark and it is up to the opponent to decide what application it wishes to oppose.

79. I move on now to consider the likelihood of confusion.

80. Earlier in my decision I found that the respective goods are similar to various degrees, from low to medium. The goods will be purchased visually with a degree of attention varying from average to above average. The earlier mark is inherently distinctive to a high degree. The marks are visually and aurally similar to a medium degree. Conceptually, depending on whether consumers will perceive the word TERRA as a word meaning earth or land or as an invented word, the marks are conceptually identical or conceptually neutral. The other elements of the marks introduce some conceptual differences; however, they are not particularly distinctive differences.

81. Even allowing for imperfect recollection, the marks are not close enough to cause consumers to directly confuse them, especially if one considers that we are not talking about identical or highly similar goods. However, even where the goods involved are similar only to a low degree, given the presence in the applied for mark of the identical and highly distinctive element TERRA, I think that consumers will recollect the word TERRA from the opponent's mark and they will consider the application as a variation of goods sold by the opponent, the addition of the laudatory word ULTRA to the highly distinctive element TERRA giving the impression of a brand extension. This is all of the more so given the sector in which both parties operate, i.e. footwear and clothing. Whilst there is no evidence that other traders who sell safety shoes also sell non-safety shoes and apparel, the picture which emerges from the evidence is that the dividing line between safety and non-safety goods is somehow uncertain, and in my view, the experience of the average consumer is that in the sector concerned, there might be various ranges of products under the same brand so that the nature of the goods involved and the variation in the applied for mark are such that, in my view, they lend themselves to a finding that **there is a likelihood of indirect confusion.**

82. The Section 5(2)(b) claim succeeds.

83. As the opposition is successful in its entirety based upon this ground I am not required to consider the remaining grounds as they do not materially improve the opponent's position. However, for the sake of completeness, I shall deal with the claims briefly.

SECTION 5(3)

84. Section 5(3) states:

“(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark or international trade mark (EC), in the European Community) and the use

of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

85. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Adidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark’s reputation and distinctiveness; *Intel*, paragraph 42.

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel*, paragraphs 76 and 77.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel*, paragraph 74.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact on the earlier mark; *L'Oreal v Bellure NV*, paragraph 40.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

86. In *General Motors*, Case C-375/97, the CJEU held that:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it.”

87. The relevant date for the assessment under Section 5(3) is the application date, namely 02 November 2017.

88. The opposition under Section 5(3) is based on the claimed reputation of the earlier mark in relation to the same goods as relied upon under Section 5(2)(b). I have already made a clear finding under Section 5(2)(b) in relation to what the evidence shows. I have concluded that the earlier mark has not had its inherent level of distinctive character enhanced through use. I also consider that it has NOT been shown that, at the relevant date, the earlier mark is known to a significant part of the public of the relevant market and had acquired a reputation for the goods in relation to which it has been genuinely used. Without a reputation, the Section 5(3) ground fails at the first hurdle.

89. The Section 5(3) ground fails.

SECTION 5(4)(a)

90. 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.”

91. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56 In relation to deception, the court must assess whether “*a substantial number*” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

Relevant date

92. Whether there has been passing off must be judged at a particular point (or points) in time. Since the applicant has not filed any evidence to support that it has used its mark before it applied to register it, the date at which I must assess the Section 5(4)(a) claim is the date of the UK application, i.e. 02 November 2017.

Goodwill

93. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 at 223:

“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.”

94. The opponent's Section 5(4)(a) claim is based on its alleged earlier rights in the sign TERRA which it claims to have used in the UK in relation to boots, shoes and clothing since 2012. The applicant denies that the opponent has proved that it has a substantial goodwill in the word TERRA on its own because, it argues, where the word TERRA is used on its own, it is primarily used in articles and description of products for sale. I disagree. There is enough evidence to support the claim that the opponent and its predecessors have used the word TERRA alone as a brand name in relation to safety shoes prior to the relevant date. I am also satisfied for the reasons given above when assessing the proof of use requirements for Section 5(2)(b) that the opponent had a protectable goodwill in respect of safety shoes and that that the sign TERRA was distinctive of the opponent's business at that date.

Misrepresentation

95. 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.”

96. The opponent's claim under Section 5(4)(a) is based on the word TERRA alone without the device. I consider the opponent to be in the same (or even a better) position to successfully argue that there would be misrepresentation as well as there being a likelihood of confusion, as concluded above. The legal tests differ, but the outcome would be the same. I am therefore satisfied that “a substantial number” of the opponent's customers or potential customers will be deceived. I also find that damage is inevitable.

97. The Section 5(4)(a) ground of opposition succeeds.

OVERALL OUTCOME

98. The opposition succeeds under Sections 5(2)(b) and 5(4)(a). Subject to appeal, the application shall be refused.

COSTS

99. As the opponent has been successful, it is entitled to a contribution towards its costs. Using the guidance in Tribunal Practice Notice 2/2016, I award the opponent costs on the following basis:

Preparing a statement and considering the applicant's statement	£300
Official fee	£200
Preparing evidence	£700
Written Submissions	£300
Total:	£1500

100. I order Inoveight Limited to pay W-D Apparel Company, LLC the sum of £1500. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this day 29th August 2019

Teresa Perks
For the Registrar
The Comptroller – General