

O-204-07

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 2367246 BY  
CCC OUTDOORS LIMITED TO REGISTER A  
TRADE MARK IN CLASSES 20 AND 22**

**AND**

**IN THE MATTER OF OPPOSITION NO. 93006  
BY MR CRAIG PIERCY**

## TRADE MARKS ACT 1994

**IN THE MATTER OF Application No 2367246  
by CCC Outdoors Limited to register a trade mark  
in Classes 20 and 22**

**and**

**IN THE MATTER OF Opposition No 93006 by  
Mr Craig Piercy**

### **BACKGROUND**

1. On 2 July 2004 CCC Outdoors Limited applied to register the following mark



for a specification of goods that reads:

#### **Class 20**

Sleeping bags, tent pegs, map cases, mattresses for camping; camping furniture; garden furniture; parts and fittings for all the aforesaid goods included in Class 20.

#### **Class 22**

Tents, awnings, tarpaulins, ropes, string, ground sheets; fishing nets; parts and fittings for all the aforesaid goods in Class 22.

The application is numbered 2367246.

2. On 2 December 2004 Mr Craig Piercy filed notice of opposition to this application citing grounds under Section 3(6) and 5(4) of the Act.

3. Mr Piercy claims to be the proprietor of the mark GO OUTDOORS in the form shown below:



4. The opponent has used the trade mark in the UK since March 2003 in relation to the conduct of his retail services business consisting of sales and advice pertaining to outdoor furniture, outdoor pursuits equipment and associated accessories. On the basis of the goodwill thus established objection is raised under Section 5(4) by reference to the law of passing off.

5. In relation to the additional or alternative claim under Section 3(6) the opponent sets out his position as follows:

- “(a) The Opponent has enjoyed a commercial relationship with major suppliers of outdoor pursuits equipment and clothing, goods since the start of his business in March 2003.
- (b) The Applicant CCC Outdoors Limited is the proprietor of another large retail business, concerned with the sale of goods relating to outdoor pursuits, called CCC Outdoors Limited. This company was registered in 1998. Therefore despite the fact that the current application was filed only in July 2004, the Applicant had considerable experience in the relevant area of retail prior to the application date.
- (c) the textual elements of the Applicant’s trade mark are identical to the textual elements of the Opponent’s trade mark. This has caused considerable confusion amongst the suppliers of goods to both parties.
- (d) Despite the strong likelihood that the Applicant had become aware of the Opponent’s business and trade mark, through its knowledge of the relevant retail industry and the fact that both parties ‘shared’ the same suppliers, the Applicant proceeded to file a trade mark application, seeking exclusivity of the trade mark. Consequently the Opponent submits that Application No 2367246 was filed in bad faith.”

6. The applicant filed a counterstatement challenging whether the statement of grounds was sufficiently particularised and claiming that it disclosed no material facts capable of supporting the grounds raised. In any event the applicant denies the grounds of objection. In particular it denies that

- the opponent made any or any substantial use of his logo outside the geographical area of Shropshire;
- the opponent is the owner of goodwill in the words GO OUTDOORS.
- there is any relevant similarity. The only similarity is said to be in elements which are unprotectable being ordinary English descriptive words. The applicant notes that the opponent did not oppose its logo device. It notes too the different presentation of the words GO OUTDOORS.

7. The applicant claims there is no pleaded instance of confusion or, if there has been confusion, that it arises from a misrepresentation on its part.

8. If it is held that the opponent has a goodwill then it is suggested that any objection to registration could be met by limiting the scope of the application to exclude Shropshire.

9. The applicant claims to have been unaware of any claim to goodwill in the period from selection of its trading name and device to receipt of letters from the opponent's trade mark representatives on 29 September 2004.

10. Both sides ask for an award of costs.

11. Both sides have filed evidence. The matter came to be heard on 12 June 2007 when the applicant was represented by Mr R Wyand QC instructed by Irwin Mitchell and the opponent by Mrs Maddox of W P Thompson & Co.

### **Opponent's evidence**

12. Mr Piercy has filed a witness statement explaining that he is the owners of a business called GO OUTDOORS which began trading in March 2003 from Morton Park Garden Centre but moved in March 2004 to Mere Park Garden Centre in Shropshire. Mr Piercy is a sole trader.

13. The trade mark GO OUTDOORS has been used for retail services selling clothing, equipment and accessories used in adventure sports activities. In the period March 2003 to September 2004 turnover amounted to £1.5 million and promotional costs to £14,000.

14. Promotion his primarily been conducted through regional newspapers. A list of such publications is exhibited at CP2 together with the dates on which advertising took place, circulation figures for the Shropshire Star and some actual advertisements.

15. Mr Piercy says his company enjoys commercial relationships with many large suppliers of adventure activity goods. A list of the suppliers he has dealt with is at Exhibit CP3. He learnt of the applicant's planned use of GO OUTDOORS as a trading name in June 2004 during a conversation with Emyr Davies, a sales representative for one of his suppliers, The Burden Group. Mr Piercy says that the number of suppliers in this industry is relatively small and this incident is indicative of the manner in which information is spread.

16. Shortly after, in August 2004 Mr Piercy requested an account statement from another of his suppliers, AMG, and discovered that he had been presented with a statement of the applicant's account instead. As the applicant had another trading name, CCC Outdoors, under a company of that name established in 1998, he suggests that it is reasonable to assume it had developed commercial relationships with many suppliers in the trade. As a result he suggests that the applicant should have been aware of the existence of his company.

17. It transpired that both parties enjoyed commercial relationships with the same suppliers. Mr Piercy exhibits at CPS invoices addressed to his company for goods that the applicant had ordered.

18. As further evidence of what he calls the incestuous nature of the industry he exhibits at CP6 a witness statement from his brother, Desmond Piercy, explaining that he attended a 'trade panel' discussion forum hosted by Vango (a supplier) which was also attended by John Graham, the owner of the applicant.

19. In further support of his claim relating to confusion between the two businesses he exhibits at CP7 three witness statements by Edwina Mart, a member of his company's administrative staff, Mark Wilbery, his company's current manager and Alison Salmon his company's former manageress, detailing some of the instances of confusion that have been experienced by members of the public and by suppliers, that have occurred as a result of the applicant's adoption of GO OUTDOORS as a trading name.

### **Applicant's evidence**

20. John Llewellyn Graham has filed a witness statement. He is the Managing Director of the applicant company. It is worth setting out Mr Graham's explanation of the corporate history and the circumstances leading to the adoption of the mark that is now the subject of this dispute:

"The Applicant is the successor in title to a business that first started trading as the Camping and Caravan Centre in 1969 in Sheffield. Myself and my colleague Paul Caplan purchased this company in 1998, and began trading the business through a new limited company, CCC Outdoors Ltd, the Applicant in these proceedings. I should just state for completeness that the Applicant's original name was Ferrara Management Limited, and business was conducted with this name until arrangement could be made to change the company's name to CCC Outdoors in July 1998. Since 1998, the Applicant has grown dramatically, and now has a total of 6 stores across the country (Sheffield, Wakefield, Hathersage, Oxford, Stockport and Coventry). To the best of my recollection, a possible change of trading name was first considered in mid 2001. Our impression was that the name of CCC Outdoors, (CCC being short for Camping and Caravan Centre) no longer represented the diversity of the image of the goods sold by the company. Over the ensuing time period, various discussions took place in relation to a new name. The new name of "Go Outdoors" was settled upon as our preferred option before Christmas in December 2003. I remember receiving a telephone call from my fellow director Paul Caplan at this time, who indicated that it was his preference to use the name Go Outdoors. Various, re-branding activities took place before the company name was finally changed to go Outdoors Ltd and in July 2005. I refer to Exhibit "JLG1" which is an extract from the Companies House Register setting out relevant dates in relation to the incorporation and name changes of the Applicant."

21. Of the six stores referred to in the above paragraph three (Coventry, Oxford and Stockport) are currently branded as GO OUTDOORS and three under other names

(mainly CCC Outdoors) though it is anticipated that consistent branding will in due course be adopted. Of the stores that are branded entirely as GO OUTDOORS Coventry opened on 29 May 2004, Stockport on 10 April 2006 and Oxford on 6 May 2006.

22. Mr Graham goes on to say that the choice of name, GO OUTDOORS, was settled upon in a meeting of the Board in January 2004. Mike Kenyon, the IT Manager, was charged with researching the availability of the name. Again it is worth recording what was done:

“Mike [Kenyon] undertook searches at Companies House and on the internet. These searches revealed that Go Outdoors was not registered as a company name, however, Mike did highlight certain uses of the words “Go Outdoors” by the Outdoors Industry Association, a trade body, “Go Fly” the low cost airline, and “Go Travel” a brand owned by Jack Rogers & Co Ltd. Mike contacted Go Fly about the Applicant’s plans to use the words “Go Outdoors”, to enquire if there would be any objections on their part. At the time, Go Fly was about to go into liquidation and indicated that it had no objections to the Applicant using Go Outdoors. I contacted Jack Rogers of Jack Rogers & Co Ltd which is the company that owns the Go Travel brand, about the Applicant’s intended use of the words Go Outdoors. After discussions with the other directors of the company, Jack informed me that Jack Rogers & Co Ltd would have no objections to the Applicant using the words Go Outdoors. Go Outdoors is used by the Outdoors Industry Association as the name of an annual Trade Fair. Various discussions were had with the Managing Director of Outdoors Industry Association, Roger Southcoat, about the words “Go Outdoors” in which I indicated that we did not consider that there was any room for confusion, and the discussions ended. During our conversations, Roger indicated that they had considered the matter in detail and had decided that they would not object to the Applicant’s proposed use.

In addition to these searches, and prior to adopting the Go Outdoors name and logo, I also canvassed the opinion of a number of suppliers and major players within the industry. I recall speaking to various people at AMG (who own Vango), Berghaus and RAB. I specifically asked the various people at these organisations whether they saw any problem with our proposed use of Go Outdoors, and moreover, whether they thought it was a good name. Without exception, the responses I received were positive, that is, that they saw no problem and that the name was a good one to adopt. Specifically, no-one mentioned that there was any other trader which traded as Go Outdoors, nor did any of them mention Mr Piercy or his business.”

23. Mr Piercy’s business was not revealed as a result of these searches and enquiries.

24. Mr Graham says that once a decision had been reached to use GO OUTDOORS it was decided a new logo was required. He exhibits a copy of the logo at JLG2 and at JLG3 an invoice dated 23 February 2004 from the design consultants who worked on the initial design.

25. At this point the applicant instructed Irwin Mitchell, who acts for them in this matter, to commission a Search and Advisory Service Report from the Trade Marks Registry in relation to goods in Classes 18, 20, 22, 25 and 28. The search report revealed three existing 'GO' marks, two of which were considered to be possible 'cites'. However, the applicant had already discussed the matter with these companies (Jack Rogers & Co Ltd and Go Fly) as noted above. Again the search did not reveal any registrations or applications for Mr Piercy's business. Mr Graham confirms he was not aware that Mr Piercy was operating a business under the trading name GO OUTDOORS prior to filing the application in suit.

26. As regards his next subsequent acquaintance with Mr Piercy's business he says:

"Indeed, the first time that I became aware of Mr Piercy, his business, or his use of 'Go Outdoors', from a source other than Irwin Mitchell, was when I was told by Stephen Newlands, the Managing Director of AMG. I note that AMG is referred to in Mr Piercy's statement. This conversation took place at a Vango Retail Panel. Vango is a leading manufacturer of tents and other outdoor activity equipment. A Retail Panel is where a small number of retailers are invited to comment upon new products. This particular Retail Panel took place between the 19 & 20 October 2004 at the AMG Head Office (I have already indicated that Vango is owned by AMG) in Lanarkshire Scotland, some three and a half months after the Application. I attended on behalf of the Applicant, and Stephen Newlands attend on behalf of AMG. Stephen and I were playing snooker on the evening of 18 October, which was the day that I travelled up for the panel, when he mentioned in passing that he was aware that the brother of Desmond Piercy had set up a seasonal operation called Go Outdoors. He informed me that Mr Piercy was operating out of a marquis and had pitched tents in the grounds of a garden centre. Our conversation did not go any further. The first time I became aware of Craig Piercy and his business was when Irwin Mitchell passed on the correspondence they received from W P Thompson & Co dated 29 September 2004 (on Mr Piercy's behalf) had written to Irwin Mitchell 29 September 2004.

I have read Desmond Piercy's statement, in which he says that we discussed various companies within the industry at a trade fair. I had not spoken to Desmond Piercy before the date of the Application. I can confirm that I have spoken to Desmond Piercy at at least one trade fair since the Applicant started using the Go Outdoors logo, but not in relation to the Applicant's use of the logo. These discussions involved the possibility of purchasing his 'Great Outdoors' retail outlet in Cheshire. The discussions were amicable, however the Applicant decided not to pursue the acquisition any further. During these discussions Desmond Piercy did not mention that his brother was trading under the name 'Go Outdoors' or with a logo including those words. I am not aware of anyone else from the Applicant having spoken to Desmond Piercy at a trade fair."

27. Mr Graham goes on to describe the applicant's use of GO OUTDOORS. The logo was first used in March 2004 to promote the opening of the Coventry store in May

2004. He exhibits, as Exhibit JLG5, a copy of an advertisement published in the April 2004 edition (published in March) of the Camping and Caravan Magazine.

28. Photographs of the Coventry store are exhibited at JLG6. Also exhibited, at JLG7, is an Excel spreadsheet detailing the type of advertising used. I note that this includes newspaper inserts, flyers, press coverage, radio and TV. Advertisements placed in local press publications are exhibited at JLG8 and 9. The transcript of a Radio Mercia advertisement is exhibited at JLG10 and listener numbers for Heart FM, (also used for advertising purposes) are given at JLG11. Invoices for various promotional give-away items are show at JLG12 and various other promotional mechanisms are enclosed at JLG13. The GO OUTDOORS logo has also featured on the company's loyalty card form 5 June 2004. A copy of this along with a map showing the proliferation of loyalty card customers are exhibited at JLG14 and 15. Since May 2004 well over 2 million people have noted visited four of the applicant's stores (where technology is in place to record this information). There has also been use of a domain name featuring the words GO OUTDOORS since May 2004 and logo usage since June 2004 (see Exhibit JLG16).

29. Mr Graham finally deals with the opponent's claims as to confusion between the businesses. From his own experience and conversations with his managers and staff he has encountered no instances of confusion or instances where customers have mistakenly visited one of his own stores believing it to be one of Mr Piercy's.

30. In relation to the wrongly addressed invoices exhibited at CP5 to Mr Piercy's witness statement he attributes this to mismanagement of the invoicing and dispatch systems at J Langdon, the supplier, as this company was undergoing a period of transition after taking over a number of other suppliers including a company called Sprayway. The applicant itself received a number of incorrectly addressed invoices meant for other major outdoor pursuit stores. Exhibited at JLG17 are copy invoices where only the highlighted items were actually ordered by the applicant.

31. In relation to the conversation Mr Piercy says he had with AMG, Mr Graham agrees that Mr Newlands made a passing comment about another business trading under the name GO OUTDOORS but he was clearly aware that they were separate organisations. His own enquiries have also led him to believe that Mr Piercy only trades during the summer months and from one outlet only. He says that he attends various industry trade fairs and has never met Mr Piercy or recall him attending these fairs.

### **Opponent's evidence in reply**

32. This consists of witness statements by Rigel Kate Moss McGrath of W P Thompson & Co, the opponent's registered trade mark agent and Mr Piercy himself.

33. Ms McGrath responds to Mr Graham's evidence. She exhibits:

RKM1- a letter from AMG Outdoor addressed to the opponent and dated 2 September 2004 confirming that AMG had been trading with Mr Piercy's business since March 2003 and hence almost a year before the applicant commenced business. Contrary to



the suggestion in Mr Graham's evidence she suggests that it was highly unlikely that AMG would have been unaware of the opponent's business.

- RKM2 - an extract from the [www.patent.gov.uk](http://www.patent.gov.uk) website providing information regarding the scope of a trade mark search. In her view this shows that the applicant's searches were deficient in terms of coverage of common law rights
- RKM3 - in response to Mr Graham's evidence showing his company's loyalty card she exhibits a further copy of Mr Wilbery's evidence showing that use of this card has caused confusion amongst customers.
- RKM4 - a fax sent to her by Mr Piercy providing details of some customers of the store who have signed a form indicating that they have been confused between GO OUTDOORS, Coventry and GO OUTDOORS, Newport (Shropshire).
- RKM5 - further invoice evidence that in her view demonstrates that the confusion between the two businesses goes wider than, and is not merely attributable to, the problem with J Langdon Limited referred to by Mr Graham.
- RKM6 - copies of Christmas newspaper advertisements placed by the opponent to demonstrate that, contrary to Mr Graham's claim the opponent is not simply conducting a summer trade.

34. Mr Piercy's evidence responds to Mr Graham's claim that he has not met Mr Piercy at leading industry trade fairs. He lists the events he has attended in 2003 and 2004. He also provides a breakdown of his turnover by month for 2003 to counter the claim that he only trades in the summer.

35. That completes my review of the evidence.

### **Cross-examination**

36. Mr Piercy was cross-examined at the hearing and questioned about various aspects of his business. I will deal with points that emerged when considering the individual grounds of opposition below. Suffice to say at this point that I considered Mr Piercy to be a reliable witness who answered the questions put to him in an open and straightforward manner.

### **Section 3(6)**

37. Section 3(6) provides that a trade mark shall not be registered if or to the extent that the application is made in bad faith. In *China White* [2005] FSR 10, the Court of Appeal decided that the 'combined test' they understood to have been laid down by the House of Lords in *Twinsectra v Yardley* [2002] 2 AC 164, should be applied in deciding cases under Section 3(6) of the Act. In *Barlow Clowes International Ltd v*

*Eurotrust International Ltd* [2006] 1 Lloyd's Rep 225, the Privy Council clarified that the House of Lords' judgment in *Twinsectra* required only that a defendant's state of knowledge was such as to render his action contrary to normally accepted standards of honest conduct. There is no additional requirement that a defendant (or applicant in trade mark proceedings) must also have reflected on what the normally accepted standards were. The applicability of these principles to trade mark cases has since been confirmed in *Ajit Weekly Trade Mark* [2006] R.P.C. 25. The standard itself is that set down in *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] R.P.C. 367. It includes dishonesty but also includes some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined.

38. I would add to that the following passage from *Royal Enfield Trade Marks* [2002] R.P.C. 24 where Simon Thorley QC, sitting as the Appointed Person, said:

“An allegation that a trade mark has been applied for in bad faith is a serious allegation. It is an allegation of a form of commercial fraud. A plea of fraud should not lightly be made (see Lord Denning MR in *Associated Leisure v Associated Newspapers* [1970] 2 QB 450 at 456) and if made should be distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts (see *Davy v Garrett* (1878) 7 Ch D 473 at 489). In my judgment precisely the same considerations apply to an allegation of bad faith made under Section 3(6). It should not be made unless it can be fully and properly pleaded and should not be upheld unless it is distinctly proved and this will rarely be possible by a process of inference.”

39. The date at which the issue must be considered is in my view the date of filing of the application, that is to say 2 July 2004. Events after that date are unlikely to be relevant to consideration of the bad faith objection save to the extent that they shed light backwards as it were on the applicant's state of knowledge when the application was filed.

40. The matter can be approached from two angles, firstly what the opponent says the applicant should have known at the relevant date and, secondly what the applicant says it knew and did at the time (or in preparation for the trade mark filing).

41. Mr Piercy first became aware that the applicant was planning to use GO OUTDOORS as a trading name in June 2004. This was as a result of a conversation with one of his suppliers (paragraph 9 of his witness statement). No immediate action appears to have been taken as a result of this piece of intelligence. Subsequently, in August 2004, Mr Piercy became aware from a supplier's account that he had been shown the applicant's account statement and not his own. But that was after the relevant date and cannot be relied on as indicating that the applicant had also been alerted to the existence of the opponent's business by the relevant date whether by the supplier in question or from another source.

42. The substance of the opponent's case is, therefore, that, because the applicant had been trading under the name CCC Outdoors since 1998 and had established relationships with major suppliers, it must have known of the existence of the opponents. Particular emphasis is placed on the close-knit nature of the trade and the

way information is spread between suppliers and retailers. In this respect Mr Piercy exhibits at CP6 a witness statement from his brother who attended ‘trade panels’ at one of which he met Mr Graham of the applicant company. He does not give any further information on dates or the nature of their discussions other than in general terms. It is not suggested that he spoke to Mr Graham about his brothers’ business or that Mr Graham indicated that he was aware of that business.

43. Mr Graham, for his part, says that he first learnt of Mr Piercy’s business through a discussion with Mr Newlands of AMG (a supplier) on 18 October 2004 at one of these retail panels. Again that is well after the material date. He subsequently acknowledges that he became aware of Mr Piercy and his business as a result of a letter from W. P. Thompson to Irwin Mitchell dated 29 September 2004. Whether Mr Graham was told about this prior to the discussion with Mr Newlands on 18 October 2004 is not clear but does not appear to make any material difference to the issue I have to consider. Either way, on Mr Graham’s version of events, he was not aware of Mr Piercy’s business until well after the disputed trade mark application was filed.

44. Viewing the matter from the perspective of Mr Graham’s own actions, he provides a detailed account of the process by which the name GO OUTDOOR was chosen, the clearance process that was undertaken and the timing of events from January 2004 (when the Board settled on the name) to the trade mark filing in July 2004. The clearance process included a Search and Advisory Service Report from the Trade Marks Registry. Positive steps were taken to deal with potential commercial conflicts that had been identified as explained in Mr Graham’s evidence summarised above.

45. There was no request to cross-examine Mr Graham at the hearing. His evidence, which is in my view entirely credible, stands uncontradicted. I can find nothing in the evidence to suggest that either Mr Graham or anyone else in a position of authority in CCC Outdoors Limited was aware, or had been made aware, of the existence of Mr Piercy’s business by the relevant date.

46. The *China White* case provides support for the proposition that a party may not escape a charge of bad faith by failing to make appropriate enquiries. However, that finding related to the particular factual circumstances of the case and in particular the belief that the applicant placed in information provided by an individual who had been employed by the opponent. There is no history of past business dealings between the parties to this action.

47. The opponent’s case, therefore, turns essentially on what is said about the nature of the trade, the existence of common suppliers and the applicant’s likely commercial relationships with many suppliers since it commenced trade under the new name of CCC Outdoors Limited in 1998. As I understand its position, the opponent does not claim knowledge on the applicant’s part (or more specifically Mr Graham who is one of the controlling minds behind the company). The way its case is pleaded is that

“Despite the strong likelihood that the Applicant had become aware of the Opponent’s business and trade mark, through its knowledge of the relevant retail industry and the fact that both parties ‘shared’ the same suppliers, the Applicant proceeded to file a trade mark application, seeking exclusivity of the trade mark.”

48. In *Brutt Trade Mark*, [2007] R.P.C. 19, Richard Arnold QC, sitting as the Appointed Person, considered Mr Thorley's observations in *Royal Enfield* quoted above and went on to say:

"I agree with Mr Thorley that an allegation of bad faith is a serious allegation which must be distinctly alleged and which should not be made unless it can be properly pleaded. I also agree that it must be distinctly proved: as discussed above, the standard of proof is on the balance of probabilities, but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith. I do not believe that Mr Thorley meant to say that inference has no part to play in the proof of bad faith. As with the proof of fraud, it may be necessary and proper to rely upon inference. An example of this is *Ferrero SpA's Trade Marks* [2004] RPC 29."

but

"... it is not permissible merely to plead facts which are consistent with both fraud and innocence."

49. The latter seems to me to be the position here. The applicant's action in applying for the mark is perfectly capable of innocent interpretation. The opponent's case comes nowhere near displacing that view of the matter.

50. The searches and preparatory work that the applicant undertook do not seem to me to be the actions of someone who was intent on avoiding investigations that might produce uncomfortable results. It is true that the Trade Marks Registry Search and Advisory Service search would not cover common law rights. But, I note that Mr Kenyon (the individual charged with conducting pre-filing clearance searches) undertook searches at Companies House and on the internet. The applicant was also aware that GO OUTDOORS was the name used by the Outdoor Industries Association (a trade body) as the name of an annual trade fair and discussed the matter with the Managing Director of that Association. Again this suggests to me that prudent steps were taken prior to the filing of the trade mark application. To the extent that it is necessary and appropriate to rely on inference I would come to the conclusion that the applicant's actions were more consistent with innocent adoption of the mark rather than bad faith. In short, the Section 3(6) claim fails.

#### **Section 5(4)(a)**

51. The relevant part of the statute reads as follows:

"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.”

52. The requirements for a passing off action are not in dispute and can be summarised as being:

- (1) that the opponent’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the applicant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the applicant are goods or services of the opponent; and
- (3) that the opponent has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the applicant’s misrepresentation.

53. Mr Wyand also reminded me that the onus is on the opponent and that unsupported assertions are not enough. In relation to the latter he referred me to *Reef Trade Mark* [2002] R.P.C. 19 where Mr Justice Pumfrey observed that:

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

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

**Relevant date(s)**

54. The above passage sets out the evidential burden on an opponent relying on a passing off claim and also refers to the necessity of establishing the claim at the relevant date. The Act is silent on the matter of the relevant date but Article 4.4(b) of First Council Directive 89/104 makes the position clear:

“(b) rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed for the application for registration of the subsequent trade mark and that non-registered trade mark or other sign confers on its proprietor the right to prohibit the use of a subsequent mark;”

55. In the event that an applicant has not used his mark in advance of the filing of his trade mark application the relevant date will be that filing date. However, it is well established (see *Pub Squash* case [1981] R.P.C. 429) that in a passing off action a plaintiff must have established this right at the date the defendant started to use his mark, the so-called date of the act first complained of. I am not aware that the position is any different when the passing off issue arises, as it does here, under the umbrella of a trade mark opposition action.

56. The applicant's use in this case commenced prior to the filing of the trade mark application. In such circumstances it may be necessary for the tribunal to determine whether the opponent had a right that could be asserted against the applicant at that point in time or alternatively whether, even if the applicant's use was passing off when it commenced, the applicant had nevertheless established an independent goodwill under the mark by the filing date of the trade mark application with the result that continued use would not have been a misrepresentation. I accept Mr Wyand's submission that I need to consider the earlier date here as well as the position as at 2 July 2004 and differ from Mrs Maddox to the extent that she was contending for a contrary position.

57. The next question is what is the date of the act first complained of. Mr Wyand submitted that it was an advertisement in the April 2004 issue of *Camping and Caravanning Magazine* which was published in March 2004. The exhibit supporting this claim (JLG5) is not dated and, as I pointed out at the hearing, refers to the applicant's Coventry store as being "Now Open". As that store did not open until 29 May 2004 it leaves me in some doubt as to whether the advertisement relating to it was in fact out as early as the April edition of the magazine. There is no further evidence on the point but it was suggested at the hearing that there had been a delay in the opening of the store and that this might explain the apparent anomaly.

58. With some slight hesitation arising from the latter point I am prepared to accept that the date of first use by the applicant is end March/beginning April 2004. However, in reality neither side was inclined to suggest that the difference between considering the matter at this date as opposed to 2 July 2004 was likely to have a material effect on the outcome. Either the opponent had established goodwill by the earlier date or it had not. Furthermore, it is not suggested that any use by the applicant in the short intervening period is likely to affect the outcome. Save for the fact that the Coventry store opened on 29 May 2004 (and advertised before that date)

the applicant's business is not separately quantified or documented for the short intervening period up to 2 July 2004.

## **Goodwill**

59. The trading information supplied by Mr Piercy is summarised above. The total turnover figure of £1.5 million between March 2003 and September 2004 (given in his first witness statement) spanned the relevant date. A breakdown for 2003 was subsequently provided in Mr Piercy's second witness statement and amounts to over £600,000. The picture is one of a seasonal business with peak turnover in the summer months. There is nothing inherently surprising about this given the nature of the business. No breakdown of turnover has been given for the first quarter of 2004 (i.e. up to the date of the act first complained of). That does not mean I should ignore this period. Deducting the March to December 2003 sales figures from the total of £1.5 million to September 2004 suggests turnover in the region of £900,000 between January and September 2004. It is unlikely that this sum was evenly distributed over the nine month period and monthly turnover may well have been lower during the January to March period than the subsequent summer months. However, I consider it is reasonable to infer that the business continued to trade during the early months of 2004.

60. As I understand it all advertising in the period up to April 2004 was in the Shropshire Star. Advertising in other journals did not commence until May 2004 (see Exhibit CP2). The sample advertisements accompanying the schedule of advertising are not dated but cover both the old and new address for Mr Piercy's business. Mr Piercy has supplemented this trading information with details of his suppliers and the date he first did business with them. With one exception all were in place by March/April 2003.

61. Mr Wyand made a number of criticisms of the evidence from which he invited me to conclude that the opponent had failed to establish any or any sufficient goodwill or that any protectable goodwill was limited to the catchment area of the Shropshire Star. In cross-examination he questioned Mr Piercy about the identification of the business noting that it was operated from within the grounds of garden centres. In submissions he developed the theme by suggesting that it would have been seen simply as an outdoors section of the garden centres rather than a separate business. Mr Wyand also noted that the mobile telephone number contact point for the opponent's business had changed during the relevant period and questioned whether this lack of continuity was consistent with the claim that the business enjoyed a goodwill.

62. In my view these criticisms do not seriously undermine the opponent's claim. There is nothing intrinsically unusual in third party businesses operating independently in the grounds of, or close to, garden centres. It is clear from the advertisements at CP2 that Mr Piercy's business operated under his logo mark and merely used the successive garden centre addresses as location finders ("We are at", "Find us at"). Mr Piercy was unable to explain why he changed mobile phone numbers and did not retain his old number for business continuity purposes. It is not, of course, primarily a telephone sales business so I do not think too much should be read into the phone number point.

63. Mr Wyand also made submissions on what he referred to in his skeleton argument as “the inherent descriptiveness of the words GO OUTDOORS”. He suggested that with a mark of this kind large scale use over a period of time is necessary for it to acquire a secondary meaning as being distinctive of the user. He further noted that both the applicant and opponent used the words with devices and that the applicant has its device separately registered

64. Mrs Maddox conceded that it may be more difficult to show passing off where a descriptive mark is concerned but submitted that GO OUTDOORS is not in that category of mark. It was in her view suggestive but not directly descriptive of the characteristics of the goods and is not a term that would normally be used by traders. She referred to my summary of the case law and guiding principles in relation to descriptive words in the context of passing off actions contained in *American Golf Discount*, BL O/197/01. I do not propose to repeat the review of the case law here but it can be found at paragraphs 23 to 26 of the decision.

65. For my part I do not accept that GO OUTDOORS is descriptive of the services provided by the opponent. Clearly in the context of clothing and equipment for camping and other outdoor pursuits the element OUTDOORS is descriptive but the combination is not. It functions as an instruction or exhortation, an encouragement if you like to do something and as such it is allusive but is not in that category of marks that are so inherently and directly descriptive that very extensive use is required before it can be said to have acquired a secondary meaning as indicating the goods or services of a particular trader. It is true that both parties here use their respective marks with device elements (as set out at the start of this decision). But I have little hesitation in saying that it is the verbal element of the opponent’s mark (and the applicant’s for that matter) that will fix itself in the minds of consumers and be the primary element by which those consumers refer to the mark. As the invoice evidence also shows suppliers naturally focus on the words to identify the purchaser.

66. I should also record that Mr Wyand showed Mr Piercy a photograph of his GO OUTDOORS sign affixed to the front of his new premises at Mere Park Garden Centre. This sign does not have the logo element that forms part of the sign relied on in this action. Mr Piercy explained that the sign had to be accommodated within a triangular space above an entrance and did not allow for the full logo. This in any case relates to a later development (April 2005) and does not have a material effect on the position at the dates I have to consider.

67. The upshot of all this is that I consider that Mr Piercy’s business did enjoy a goodwill as at end March/beginning of April 2004 as a retail provider of outdoor clothing and equipment. I further find that that goodwill was local or at most regional in character. When a business operates from a single location and is in an area of trade that relies primarily on consumers being able to see and inspect the goods the immediate catchment area for trade is likely to be the area within comfortable driving distance of the premises. However, it would in my view be taking too narrow a view of the matter to conclude that the opponent’s goodwill should be treated as confined in this way. It is clear from the map in CP2 showing the catchment area of the Shropshire Star that that newspaper’s circulation extends beyond the county boundary. Moreover, it would seem from other parts of the evidence that I will deal with in relation to misrepresentation (below) that the customer base should not



necessarily be considered as being restricted by reference to county boundaries or the circulation network of the principal advertising medium.

### **Misrepresentation**

68. The evidence here falls into three main categories the dealings with suppliers (information passed to the parties by their suppliers and the misdirected invoices), the evidence of Mr Piercy's employees or ex-employees, and the consumer confusion document at RKM4.

69. Mr Wyand criticised each of these in turn. In relation to the misdirected invoices and remittance advices at he noted that although six examples are provided in fact they relate to three transactions only. For reasons that are not explained each of the documents is duplicated. The misdirection errors were in his view attributable to problems with one particular supplier (J Langdon/Sprayway). Mr Graham in his evidence refers to the fact that the applicant also received incorrect orders. The suggestion is, therefore, that this was simply symptomatic of a wider problem within this particular supplier firm and not evidence of confusion as such.

70. If the Langdon/Sprayway documents were the only evidence of confusion I might have been prepared to accept that this was simply a failure on the part of that supplier's administrative systems rather than evidence of confusion though even then it was not just a single occurrence. But, there is also Exhibit RKM 5 which consists of two more examples of misdirected invoices, this time from different suppliers. The first from HiGear appears to be an invoice addressed to Mr Piercy's business in respect of goods delivered to Go Outdoors in Coventry (the copy is barely legible).

71. The second is more difficult to understand. The "invoice to" and "ship to" addresses both appear to be branches of the applicant. It is not clear how this document came to be sent to the opponent. But again the most obvious and in my view likely explanation is that the confusion was the result of two businesses in the same field of trade operating under similar signs.

72. In addition to the misdirected invoices and remittance notes from suppliers both parties have learnt about each other from conversations with suppliers (see paragraph 9 of Mr Piercy's witness statement and paragraph 12 of Mr Graham's witness statement). As the supplier contacts took the initiative in passing on the information it suggests that each felt that this intelligence was something that the recipients would be interested in and might wish to act on even if, which may be the case, the individuals concerned were not themselves confused.

73. The second category of evidence is the statements by Mr Piercy's employees or ex-employees (Ms Mart, Mr Wilbery and Ms Salmon). I agree with Mr Wyand that in some cases the information provided is limited and that this may cast doubt on the value of certain parts of the statements. Nevertheless, the individuals were not called for cross-examination. The generality of their claims has not been challenged even if full details were not systematically recorded at the time.

74. Ms Mart gives evidence about misdirected invoices though the example she gives is another copy of a Langdon/Sprayway remittance advice. She also refers to having

to turn away deliveries and deal with telephone enquiries and complaints which turned out to relate to the applicant.

75. Mr Wilbery refers to the fact that he had to deal with customers trying to use discount cards which it transpired were the applicant's cards.

76. Ms Salmon also comments on telephone calls wrongly directed to the opponent and an attempt to deliver a tent of a kind that was not stocked by the opponent and which it turned out was intended for the Coventry branch of the applicant.

77. Mr Wyand was particularly critical of the third category – the consumer confusion document at RKM4. He was right to cast doubt on the evidential value of this document. It can scarcely be called a survey. It consists of pages headed "I as a consumer, confirm that I have been confused between Go Outdoors Coventry and Go Outdoors Newport". Customers were invited to sign the document. There are some seven pages of signatures.

78. The "survey" is deeply flawed. It does not comply with the normal standards applicable to surveys. There is no indication that there was any control exercised over the conduct of the survey. Some respondents gave addresses, some simply signed the document, most are undated. Some customers added comments others did not. There is no indication that those signing the form were presented with the marks in the form applied for and the form used as the basis for this opposition respectively. Perhaps of greatest concern is the openly leading nature of the statement set out above. I feel I can give no weight to this document in terms of its value as a survey intended to elicit and reflect consumer reaction.

79. There are a couple more general points to be made about the evidence. The first is that, as Mr Wyand pointed out, there is no or little evidence of confusion in the period from March to July when there was concurrent trading. In fact to the extent that dates are given most of the cited difficulties started to emerge in or about September 2004 (see Ms Mart and Ms Salmon's witness statements along with the invoice evidence). There is in my view nothing surprising in this. The applicant's first store did not open until 29 May 2004. It would certainly take a little while for confusion to manifest itself and it is to be expected that common suppliers would be the first to notice that independent traders were using similar names. It follows that the problem did not surface or at least to any appreciable extent in the short period between the applicant's first advertisement and the filing date of the application. I bear in mind that there was also only just over a month from the opening of the applicant's first store to the application filing date.

80. Mr Wyand posed the question as to why Mr Piercy did nothing once he learnt about the applicant's business in June 2004. According to Mr Graham's evidence (paragraph 12) Mr Piercy's legal advisers wrote on 29 September 2004. It is true, therefore, that there was a delay in Mr Piercy taking action to resolve matters. However, it was not until September that day to day problems started to manifest themselves so I do not regard it as a fair criticism that Mr Piercy delayed too long. He is after all in business in a modest scale and may reasonably have wanted to see how matters developed before embarking on legal action.

81. To summarise, whilst I accept certain of Mr Wyand's criticisms, I must consider the opponent's evidence taken as a whole. Even without the evidence discussed above the tribunal would still need to take a view on the issue of misrepresentation. In all the circumstances I have come to the clear view that the applicant's use of a closely similar sign commencing at the end of March/beginning of April 2004 constituted a misrepresentation as to the trade origin of the goods and/or services offered. The evidence considered above merely confirms me in the view that I would in any case have reached.

## **Damage**

82. It is well established that damage can take a variety of forms. Thus in *Chelsea Man Menswear Ltd v Chelsea Girl Ltd* [1987] R.P.C. 189 Slade L.J. identified the following forms of damage:

- “(a) by diverting trade from the plaintiffs to the defendants;
- (b) by injuring the trade reputation of the plaintiffs whose men's clothing is admittedly superior in quality to that of the defendants; and
- (c) by the injury which is inherently likely to be suffered by any business when on frequent occasions it is confused by customers or potential customers with a business owned by another proprietor or is wrongly regarded as being connected with that business.”

83. The applicant's Coventry and Newport stores are not so distant from each other that they could not have a (partially) shared customer base. Although for the reasons I have given I am unwilling to place reliance on Exhibit RKM4 in terms of its value as a survey I note from the few addresses that are given that a number of customers are from outside Shropshire (Birmingham, Stafford, Stourport, Dudley and even Hull).

84. The evidence from Mr Piercy's employees or ex-employees attests to customer complaints arising from customers contacting the wrong business. Attempts to use the applicant's discount card at the opponent's premises is also said to have “angered and confused customers” (Mr Wilbery). Even if one were to discount the Langdon/Sprayway problem on the basis that it might simply reflect difficulties internal to that company rather than being attributable to the applicant's entry into the market it still leaves the instances of confusion in relation to dealings with other suppliers. Also Ms Salmon's evidence regarding the wrong delivery of goods and the evidence in RKM5 suggests that not all the supplier problems can be dismissed out of hand. There is a real capacity here for damage to retailer/supplier relations in addition to the problems associated with increased administrative work to counter the problem (see paragraph 5 of Ms Mart's witness statement). There is also a real risk of loss of customer confidence/sales as a result of the misapprehension that customers will be under as to the common ownership of the two businesses. The discount card problem is one manifestation of this.

## **Conclusions**

85. It follows that the opponent has made out its case under the three heads of the passing off action. I now turn to the consequences of that finding bearing in mind the geographically limited scope of the opponent's goodwill. Mr Wyand's skeleton argument and submissions were to the effect that, if sufficient goodwill was established by the relevant date, the fact that such goodwill was not national should have the effect that the opponent could, at most, prevent the applicant from using its trade mark in the Shropshire area. He noted the protection given to local rights under Section 11(3) of the Act. As regards the latter point it does not seem to me to follow that, because a local earlier right is protected against infringement of a registered trade mark, that a (national) application for trade mark registration must succeed in the face of a local right. That is not how the Act operates. I should also add that the applicant has not offered a territorial limitation under Section 13(1)(b) of the Act.

86. Although the applicant has not disclosed turnover figures it is reasonable to infer from the information that Mr Graham has provided that it is a larger business than the opponent's. It has six stores in operation and a website presence. Paragraphs 22 to 24 of Mr Graham's witness statement give "footfall" figures for four of the stores and information about visitors to its website. In terms of proximity of trade to Mr Piercy's business Mr Graham says:

"Exhibit JLG15.1 pages 1-7 are maps showing the number of card holders across the whole of the UK. Exhibit JLG15.2 is a map which shows customers with loyalty cards in: Gloucestershire, Worcestershire, Shropshire, Staffordshire, Leicestershire, Cheshire, Merseyside, Derbyshire, South and West Yorkshire, Somerset and Wales, as these are the areas closest to Mr Piercy's premises. Present figures show that on average each week purchases are made by 5744 store card customers, across all 6 stores."

87. The maps referred to show that clusters of card holders are most heavily concentrated around the areas of the applicant's stores but are by no means confined to those areas. Thus there are card holders shown throughout the UK including the outer reaches of Scotland and Cornwall to take the two geographical extremes of the UK mainland.

88. Against this the opponent has clearly not established a nationwide reputation though from the few addresses given in the "customer confusion survey" it seems that customers come from further afield than the natural catchment area of the store might suggest would be the case. The position of a plaintiff which did not have a national reputation was considered in *Chelsea Man* supra. The Court of Appeal had to consider the scope of the injunction to which the plaintiff was entitled. The plaintiff in that case was, as here, the smaller business and faced potentially swamping use by the defendant. Slade L J held, on the particular facts of the case, that:

"Since the intended use by the defendants of the name "Chelsea Man" is nationwide, *prima facie*, it seems to me, the plaintiffs must be entitled to ask for a nationwide injunction. In my judgment, on the facts of the present case, the court would be justified in circumscribing the ambit of the injunction to narrower limits than England and Wales (which are the limits accepted by the plaintiffs) only if it were satisfied that the use by the defendants of the name "Chelsea Man" outside those limits in connection with their business *would*

*not be likely substantially to injure the plaintiffs' goodwill.* I am far from satisfied that this is the case, for a number of reasons.”

and

“However, the authorities show quite clearly that a plaintiff who has established a cause of action in passing off can obtain relief by way of injunction extending beyond the boundaries of the particular areas in which he has proved the existence of his reputation and goodwill.”

89. The underlying factual circumstances of *Chelsea Man* were quite different to those pertaining in this case but I draw some assistance from it in terms of the general principle to be applied. Nevertheless, Mr Wyand submitted that it would be unusual for a plaintiff in the position of the opponent here to succeed in getting a nationwide injunction. I do not think I need to decide the matter in quite those terms. The fact of the matter is that the applicant in applying for a trade mark registration is seeking a monopoly that is national in scope. That monopoly would overlap with the area of the country where the opponent has an established goodwill.

90. I have considered whether in these circumstances I should invite the applicant to consider a territorial limitation and agree that the rights that would be conferred by registration should be limited accordingly pursuant to Section 13(1)(b). In the event I have decided this would not be appropriate for the following main reasons:

- the applicant has shown no inclination to pursue this route despite the possibility of a finding that the opponent enjoyed a local goodwill being one of the range of outcomes considered in the counterstatement and Mr Wyand's skeleton argument.
- the opponent appears to draw customers from a catchment area that goes beyond the vicinity of the store and the circulation area of the publications in which Mr Piercy advertises.
- the scope for damage to the opponent's business is apparent from the problems which manifested themselves as soon as the applicant's Coventry store opened.
- the applicant's own evidence showing the whereabouts of its loyalty card holders suggests that this is a business that is not readily confined by territorial limitations.
- the position of suppliers must also be considered (see Christopher Wadlow's *The Law of Passing-Off*, third Edition at 5.97). The suppliers listed at CP3 are spread throughout the UK. Taking the opponent's evidence in the round it is clear that there was supplier confusion stemming from two businesses in the same area of trade having similar names.

91. It follows that the action succeeds under Section 5(4)(a) and the application will be refused.

## **COSTS**

92. The Registry's scale of costs indicates that

“Where a party appears in person or where attendance of a party's witnesses is required by the opposite party, allowance will be made for general expenses and travelling, but the allowance for general expenses will not normally exceed £250 per person per day .....

93. In determining a costs award in favour of the opponent I will take into account the fact that Mr Piercy attended for cross-examination. I will allow one month from the date of this decision for submission of a statement of Mr Piercy's expenses not exceeding the above allowance. A supplementary decision will then be issued with a costs award.

## **APPEAL PERIOD**

94. For the avoidance of doubt the appeal period in relation to this decision will run from the date shown below and not the date on which I issue my supplementary decision on costs.

**Dated this 20<sup>th</sup> day of July 2007**

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

