o/1162/24

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00003859066
BY SHENZHEN CHENXING TRADING CO., LTD.
TO REGISTER THE TRADE MARK:

UPSURF FCS

IN CLASS 28

AND

IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 439712
BY FIN CONTROL SYSTEMS PTY LIMITED

BACKGROUND AND PLEADINGS

1. On 14 December 2022, Shenzhen Chenxing Trading Co., Ltd. ("the applicant") applied to register the trade mark shown on the cover page of this decision in the UK. The application was published for opposition purposes on 13 January 2023. The applicant seeks registration for the following goods:

Class 28 Surfboards; Surf skis; Sailboards; Skateboards; Surfboard leashes; Body boards; Paddleboards; Flippers for diving; Water toys; Traction pads for surfboards; Surf fins; Surfboard fins; bags for skateboards; bags adapted for skis.

2. The application was opposed in full by Fin Control Systems Pty Limited ("the opponent") on 13 March 2023 based upon sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act ("the Act").

3. Under section 5(2)(b) the opponent relies upon the following trade marks:

FCS

Comparable UK trade mark (EU) registration no. UK00902253987
Filing date 12 June 2001.
Registration date 5 July 2002.
("the First Earlier Mark")

Comparable UK trade mark (EU) registration no. UK00903186251
Filing date 26 April 2003.
Registration date 18 August 2004.
("the Second Earlier Mark")

Comparable UK trade mark (EU) registration no. UK00903188935
Filing date 7 May 2003.
Registration date 14 October 2005.
("the Third Earlier Mark")

4. Following the end of the transition period of the UK's withdrawal from the EU, all EU trade marks ("EUTM") registered before 1 January 2021 were recorded as comparable trade marks in the UK trade mark register (and as a consequence, have the same legal status as if they had been applied for and registered under UK law). A 'comparable trade mark (EU)' retains the same filing date, priority date (if applicable) and registration date of the EUTM from which it derives.

5. Under section 5(2)(b), the opponent relies upon all of the goods for which its earlier marks are registered, contained in Annex 1 to this decision. The opponent claims that there is a likelihood of confusion because the goods are identical, and the marks are visually, phonetically and conceptually similar.

6. Under section 5(3), the opponent relies upon all of the goods for which the First and Second Earlier Marks are registered. The opponent claims that they have spent 20 years building a reputation, and that its brand is "one of the two major surfboard fin system brands globally". They claim its reputation would suffer if the applicant's goods sold under its similar mark were "of an inferior quality to those sold by the opponent", on the basis that consumers would believe that the parties' products are from linked undertakings. The opponent also submits that the public "uses social media to shame companies" that do not provide goods "to an expected standard" and "therefore a mistaken connection could lead to the opponent's reputation being wrongly tarnished".

7. Under section 5(4)(a), the opponent relies upon its **FCS** sign which it claims to have used throughout the UK since 1999 for surfboards, surfskis, waveskis and sailboards; parts and accessories for surfboards, surfskis, waveskis and sailboards; fins and fin

attachment devices for surfboards, surfskis, waveskis and sailboards; grip material for surfing, sailing, sailboarding and boating purposes and general water sports and snow sports; racks for holding surfbards and bodyboards; bags for surfboards, surfskis, waveskis and sailboards; clothing, headgear, namely shorts, shirts, skirts, dresses, t-shirts, swimsuits, board shorts, jumpers and jackets, hats, caps, sun visors, booties for surfing and other water sports, travel bags; backpacks; wallets; beach bags; purses.

8. The applicant filed a counterstatement denying all of the claims made, apart from the similarity of the goods under section 5(2)(b), for which they admit they are similar. The applicant also put the opponent to proof of use for all three earlier marks.

9. The opponent is represented by Murgitroyd & Company and the applicant is represented by Pawel Wowra. The opponent filed evidence in chief. Neither party requested a hearing but the opponent filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

RELEVANCE OF EU LAW

10. The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

EVIDENCE

11. The opponent's evidence consists of the witness statement of Nicholas Lartizien dated 24 October 2023. Mr Lartizien is the Regional Manager of Surf Hardware International Europe SARL, which is the sister company of the opponent, responsible for FCS products sold to its UK and EU customers. Mr Lartizien's statement is accompanied by 24 exhibits (NL1-NL24).

12. Whilst I do not propose to summarise it here, I have taken all of the evidence and the parties' submissions into consideration in reaching my decision and will refer to them where necessary below.

DECISION

Section 5(2)(b)

13. Section 5(2)(b) reads as follows:

> "5(2) A trade mark shall not be registered if because –
>
> (a)…
>
> (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."

14. The opponent's marks qualify as earlier marks in accordance with section 6(1)(a) of the Act as their filing dates are earlier than the filing dates of the applicant's mark. As the opponent's marks had completed their registration process more than five years before the filing date of the mark in issue, they are subject to proof of use pursuant to section 6A of the Act.

Proof of use

15. I will begin by assessing whether there has been genuine use of the earlier marks. The relevant statutory provisions are as follows:

16. Section 6A of the Act states:

“(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), (aa) 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 relevant period.

(1A) In this section “the relevant period” means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(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 relevant period 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 (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or

not the trade mark in the variant form is also registered in the name of the proprietor), 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)-(5A) [Repealed]

(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."

17. Pursuant to section 6A of the Act, the relevant period for assessing whether there has been genuine use of the earlier comparable marks is the five years ending on the filing date of the applicant's mark, i.e. 15 December 2017 to 14 December 2022.

18. By virtue of paragraph 7 of Part 1, Schedule 2A of the Act, as the opponent's First, Second and Third Earlier Marks are all comparable marks, it means that use within the EU is relevant for the part of the relevant period which falls prior to IP Completion Day (31 December 2020). However, after that date, only use of the marks in the UK will be relevant.

19. In *easyGroup Ltd v Nuclei Ltd & Ors* [2023] EWCA Civ 1247, Arnold LJ summarised the law relating to genuine use as follows:

"105. The principles applicable to determining whether there has been genuine use of a trade mark have been considered by the CJEU in a considerable number of cases, the principal decisions being Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159, 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], Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], 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], Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434] and Joined Cases C–720/18 and C–721/18 *Ferrari SpA v DU* [EU:C:2020:854].

106. Ignoring issues which do not arise in the present case, such as use in relation to spare parts or second-hand goods and use in relation to a sub-category of goods or services, the principles 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]; *Centrotherm* at [71]; *Leno* at [29]; *Ferrari* at [32].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29]; *Gözze* at [37], [40]; *Ferrari* at [32].

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

at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

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

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56]; *Ferrari* at [33].

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

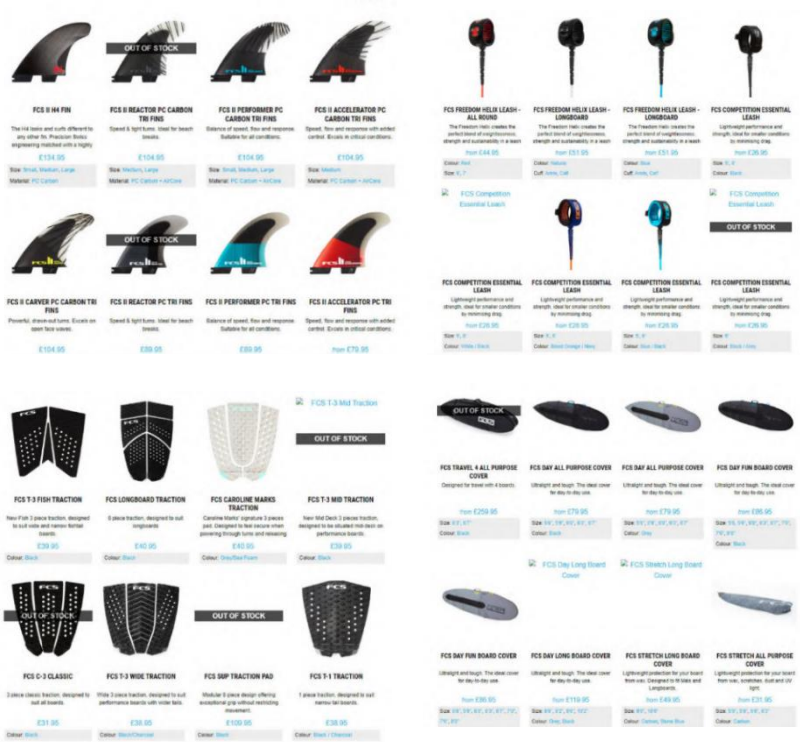
(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

Evidence of use

20. I note the following from the opponent's evidence:

a) Mr Lartizien states that FCS is a "global surfboard fin system brand" which has sold its "various types of surfing hardware and accessories" in the EU and UK for more than 20 years.

b) **Exhibit NL3** contains screenshots from the opponent's sister company UK website www.surffcs.co.uk dated between 23 June 2021 and 29 June 2022. I note that the following fins, leashes, tractions and board covers are shown for sale:



c) Within this exhibit, a screenshot dated 23 June 2021, shows the following:

d) The writing circled above states that its FCS goods are "designed to complement all surfboards". This is supported by screenshots from the opponent's website in **exhibit NL1**, which states the following:

   a. "FCS has become a true leader in the surf hardware spaces with an unwavering commitment and desire to enhance the surfing experience".
   b. "The H-2 fins were designed for superior speed and manoeuvrability of surfboards […] in 2005 the FCS H-2 surfboard fins won the Australian Design Award of the Year".
   c. In 2012, the FCS II system was launched "which seamlessly connected the 3 essential elements in surfing; the surfer, the surfboard and the fins".
   d. "The cord used in the [2018] FCS Freedom Leash was something new to the surf industry".

e) They also have an EU website, www.surffcs.eu, and **exhibit NL4** contains screenshots dated between 1 January 2019 and 31 December 2020 showing the sale of the above goods (surf fins, leashes, tractions and board covers).

f) I note that on both the UK and EU websites, the fin goods use an FCS II mark whereas the leash goods use an FCS mark, as follows:

FCS II REACTOR PC TRI FINS

FCS COMPETITION CLASSIC LEASH

g) I have been provided with the opponent's sister company turnover of FCS branded goods in the UK between January 2017 and September 2023:

	Total Year 2017	Total Year 2018	Total Year 2019	Total Year 2020	Total Year 2021	Total Year 2022	Total Year to September 2023 (ongoing)
UK	£648,926	£685,038	£745,875	£687,452	£1,012,776	£1,052,444	£639,137

h) These sales are supported by 13 UK invoices[1] exhibited in **NL5**. The invoices are dated between 14 December 2017 and 14 December 2022 and the customer locations on the invoices are Cornwall, Devon, Cardiff, West Sussex, Porthcawl and Scarborough. I note that the following fin and leash goods are listed within the invoices:

   a. FCS II tri-retail fins, FCS II tri-quad retail fins, FCS II gradient tri-fins, FCS II neo glass retail fins, FCS II quad retail fins, FCS II twin retail fins.

   b. FCS 6'comp essential leash, FCS 7'all round essential leash, FCS 8'all round essential leash, FCS 9'SUP reg essential leash, FCS 10'SUP reg essential leash, FCS freedom 6'all round leash, FCS freedom 7'all round leash, FCS freedom helix 6'all round leash, FCS 6'all round essential leash, FCS 8'all round essential leash.

i) I have also been provided with the opponent's sister company's following sales for FCS branded goods in Europe for January 2017 to September 2023:

	Total Year 2017	Total Year 2018	Total Year 2019	Total Year 2020	Total Year 2021	Total Year 2022	Total Year to September 2023 (ongoing)
France	1,781,237 €	1,796,591 €	1,735,781 €	1,841,349 €	2,359,517 €	2,985,912 €	1,968,252 €
06 - Spain	550,267 €	497,662 €	479,374 €	413,395 €	503,825 €	804,702 €	490,106 €
07 - Italy	88,987 €	86,662 €	68,010 €	83,761 €	80,389 €	107,203 €	59,688 €
08 - Germany	222,256 €	220,331 €	299,071 €	192,871 €	231,573 €	318,519 €	156,238 €
35 - Portugal	171,553 €	178,070 €	234,614 €	154,026 €	139,437 €	496,473 €	266,147 €

j) These sales are supported by 10 French invoices exhibited in **NL6**, which are dated between 4 January 2017 and 13 October 2021, 5 German invoices exhibited in **NL7** dated between 28 December 2017 and 15 October 2021, 3 Spanish invoices exhibited in **NL8** dated between 16 January 2017 and 16 February 2021, and 5 Portuguese invoices exhibited in **NL9** dated between 31 May 2017 and 23 November 2021. I note that the following fin, leash and clothing goods are listed within these invoices:

[1] I note that the invoices are typically between 3 and 4 pages long each.

a. FCS II centre fin, FCS II side fin, FCS II tri fin set, FCS II SUP touring fin, FCS II tri shaper fin, FCS II tri retail fin, FCS II quad rear retail fins, FCS II gradient tri fin.
b. FCS 9’ reg ankle essential leash, FCS 9’ reg calf essential leash FCS 6’ regular leash, FCS 6’ reg essential leash, FCS 7’ reg essential leash, FCS 8’ reg essential leash, FCS 6’ freedom leash, FCS 5’ comp essential leash, FCS 7’ all round essential leash, FCS 8’ all round essential leash, FCS 9’ all round calf essential leash.
c. FCS paddle cover, FCS paddle sleeve.
d. FCS poncho, FCS kids poncho, FCS wet baseball cap.

k) Whilst a variety of other goods are listed within these invoices, such as “FCS Zig Zag O’flow Foam”, “FCS glass powder”, “FCS leash plug” “FCS Connect PG” and “FCS LB-6 Black”, I have no explanation as to what these goods are, nor are depictions of these goods contained within **exhibits NL3** and **NL4**.

l) I also note that the above invoices are all from “Surf Hardware International”, the sister company of the opponent, to its distributors in the abovementioned countries. An official list of these are contained within **exhibits NL10** and **NL11**.

m) **Exhibit NL12** contains screenshots dated 10 February 2017, 20 July 2017 and 30 June 2022, from its UK distributors’ websites, showing the following goods for sale:

a. FCS surfboard fins for sale on shore.co.uk for £94.99
b. FCS surfboard fins for sale on downthelinesurf.co.uk for between £90 to £140
c. FCS fins for sale on secretpot.co.uk for £79.95
d. FCS cover for sale on secretpot.co.uk for £89.95

n) **Exhibit NL13** contains screenshots dated 9 October 2018 and 10 May 2021, from its French distributors websites, showing the following goods for sale:

a. FCS fins for sale on marinsurfshop.com for €175,00

b. FCS leashes for sale on marinsurfshop.com for between €28,00 and €45,00
c. FCS fins for sale on lostsurfshophossegor.com for between €109,00 and €125,00
d. FCS leashes for sale on lostsurfshophossegor.com for between €34,00 and €49,00

o) Mr Lartizien states that UK surf magazine Carve has published FCS fin guides in 2017 and an FCS board bag guide in 2019 which is exhibited at **NL15**. The fin guide refers to the opponent's FCS II tri-retail fins, which are priced at £94.99. The opponent's following board covers, which are "designed for board travel", are priced between £64.95 and £224.95:

p) **Exhibit NL16** contains promotional surfing fin guides for customers in the EU for 2020/2021 and 2021/2022. The guide gives fin suggestions to match "with some more popular board models on the market". Therefore none of the boards, more specifically the surfboards depicted in the guides, are FCS branded. I also note that none of the FCS II fins are priced.

q) **Exhibit NL17** contains the following articles from online UK surf magazines:

a. Wavelengthmag.com dated 19 March 2018 which talks about the FCS freedom leash which states that there are a limited number available in the UK from selected online retailers and surf shops. The article also uses a photo of a man on a surfboard using a leash.

b. Carvemag.com dated 24 August 2020 which refers to the final of the "RipCurl Grom Search" event which took place in Bristol on 2 October 2020, and the wildcard winners had the chance to receive a one-year sponsorship with FCS. The FCS II mark was used on the events poster, which is shown after the article, alongside surfers on the background.

r) The opponent has sponsored the Welsh National Surfing Championships in May 2015 and April/May 2016, as highlighted by **exhibit NL18**, and the open international para surf surfing competition in France in June 2022, as highlighted by **exhibit NL19**.

s) The opponent also sponsors individuals as highlighted by **exhibit NL20** which includes a press release article from surffcs.com dated July 2017. It states that "one of Europe's most respected big wave riders, João De Macedo, has re-signed his sponsorship deal representing 100% FCS Hardware. Having been the first Portuguese and European surfer to qualify for the WSL Big Wave Tour, João sits at the forefront of this unique discipline requiring both skill and courage". The article states that he has used the FCS II system and fins in his big wave tow for most of his career, and they directly quote him stating "it's amazing how much confidence you can gain from using good products, and with FCS I'm never in doubt".

t) **Exhibit NL21** contains 2 articles from the online surf magazine Surfer Today (surfertoday.com) which discuss the opponent's products. I note the following from this exhibit:

a. Article dated 24 June 2021 which lists the opponent's FCS II tri set fins as some of the best surfboard fins in the world.

b. Article dated 18 August 2020 which talks about the FCS H4 fin, which is part of the "H series".

u) Lastly, the opponent has won the following awards for its goods which is supported by **exhibits NL22** to **NL26**. I note the following from these:

a. FCS Freedom Leash won accessory product of the year at the SIMA awards 2018 (this was hosted in Santa Ana California, where more than 500 attendees from surf companies and speciality retail shops were in attendance to the sold-out event).
b. FCS Freedom Leash won Product Innovation and Surfing Accessory of the Year at the SBIA Surf & Surfboard Industry association awards in 2018.
c. FCS was awarded the 2019 Innovation of the Year Award by EUROSIMA for its FCS Freedom Leash. This award was handed out at the at Hossegor Sporting Casino on 4 October 2019 where CEOs, pro surfers and celebrities of the board sports world attend.

Form of the mark

21. 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 Court of Justice of the European Union ("CJEU") found that (my emphasis):

> "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 Nestle, 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 of 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)".

22. In *Lactalis McLelland Limited v Arla Foods AMBA*, BL O/265/22, Phillip Johnson, sitting as the Appointed Person, considered the correct approach to the test under s. 46(2). He said:

"13. […] While the law has developed since *Nirvana* [BL O/262/06], the recent case law still requires a comparison of the marks to identify elements of the mark added (or subtracted) which have led to the alteration of the mark (that is, the differences) (see for instance, T-598/18 *Grupo Textil Brownie v EU*IPO*, EU:T:2020:22, [63 and 64]).

14. The courts, and particularly the General Court, have developed certain principles which apply to assess whether a mark is an acceptable variant and the following appear relevant to this case.

15. First, when comparing the alterations between the mark as registered and used it is clear that the alteration or omission of a non-distinctive element does not alter the distinctive character of the mark as a whole: T-146/15 *Hypen v EUIPO*, EU:T:2016:469, [30]. Secondly, where a mark contains words and a figurative element the word element will usually be more distinctive: T-171/17 *M & K v EUIPO*, EU:T:2018:683, [41]. This suggests that changes in figurative elements are usually less likely to change the distinctive character than those related to the word elements.

16. Thirdly, where a trade mark comprises two (or more) distinctive elements (eg a house mark and a sub-brand) it is not sufficient to prove use of only one of those distinctive elements: T-297/20 *Fashioneast v AM.VI. Srl*, EU:T:2021:432, [40] (I note that this case is only persuasive, but I see no reason to disagree with it). Fourthly, the addition of descriptive or suggestive words (or it is suppose figurative elements) is unlikely to change the distinctive character of the mark: compare, T-258/13 *Artkis*, EU:T:2015:207, [27] (ARKTIS registered and use of ARKTIS LINE sufficient) and T-209/09 *Alder*, EU:T:2011:169, [58] (HALDER registered and use of HALDER I, HALDER II etc sufficient) with R 89/2000-1 CAPTAIN (23 April 2001) (CAPTAIN registered and use of CAPTAIN BIRDS EYE insufficient).

17. It is also worth highlighting the recent case of T-615/20 *Mood Media v EUIPO*, EU:T:2022:109 where the General Court was considering whether the use of various marks amounted to the use of the registered mark MOOD MEDIA. It took the view that the omission of the word “MEDIA” would affect the distinctive character of the mark (see [61 and 62]) because MOOD and MEDIA were in combination weakly distinctive, and the word MOOD alone was less distinctive still”.

23. The First, Second and Third Earlier Marks as registered are:

FCS  

24. I am satisfied that the First Earlier Mark has been used as registered, especially in the invoice and website evidence.

25. The website, invoice and brochure evidence also shows use of the sign “FCS II”. I note that the “II” element will be understood by the average consumer as denoting the number 2 in roman numerals. I do not consider that this addition alters the distinctive character of the FCS element, which is clearly visible and still continues to indicate origin.[2] I therefore consider that this is also acceptable variant use of the First Earlier Mark.

26. I bear in mind that the distinctive character of the Second and Third Earlier Marks lies in the letters “FCS”. I therefore consider that use of the signs “FCS” and “FCS II” without the stylised typeface, and white oval line and black background still continues to indicate origin, and is also an acceptable variant of the Second and Third Earlier Mark.

27. Lastly, the following variant appears within the opponent’s evidence:

28. This uses the typeface of the FCS element within the Second and Third Earlier Marks. However, this element is presented filled in the colour black, whereas it is presented in a white typeface with a black outline in the Second and Third Earlier Marks. The stylised FCS element is also presented alongside two decorative blue lines on its right-hand side, at the end of the sign (one being taller than the other, which have slanted tops). However, as the stylised FCS element is clearly visible, and the black colourisation of the typeface does not alter the distinctive character of the earlier marks,[3] I consider that it is acceptable variant use of the Second and Third Earlier Marks.

[2] *Colloseum Holdings AG v Levi Strauss & Co.,* Case C-12/12, paras 31-35
[3] *Dreamersclub Ltd v KTS Group Ltd*, BL O/091/19

Assessment of genuine use

29. As I have found the mark used in the evidence to be acceptable, I will now consider an assessment of genuine use. This is a global assessment, which includes looking at the evidential picture as a whole, not whether each individual piece of evidence shows use by itself.[4]

30. As indicated in the case law cited above, use does not need to be quantitively significant in order to be genuine. The assessment must take into account a number of factors in order to ascertain whether there has been real commercial exploitation of the mark which can be regarded as "warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark".

31. I am satisfied that based on all of the above French, Spanish, Italian, German and Portuguese sales for January 2018 to September 2023 amounting to €22,072,740.00 and the UK sales for January 2017 to September 2023 amounting to £5,444,684.00, which is supported by invoice, catalogue, website, article and award evidence, that the opponent's earlier marks have been put to genuine use in the EU and UK. Within his witness statement, Mr Lartizen states that FCS is a "global surfboard fin system brand" which sells "various types of surfing hardware and accessories" in the EU and UK. This is supported by the opponent's website which refers to itself as a leader of "surf hardware" which promotes its own goods in its "surfing fin guides", and in third party surf magazines (Surfer Today and Carve), as well as sponsoring National Surfing competitions. On this basis, I consider that genuine use of the opponent's marks has been shown only in relation to surfing equipment goods during the relevant period.

Fair Specification

32. I must now consider whether, or the extent to which, the evidence shows use of the goods relied upon. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*,

[4] *New Yorker SHK Jeans GmbH & Co KG v OHIM*, T-415/09

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."

33. 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 would the average consumer 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.

34. Clearly, the evidence shows that the opponent sells fins, leashes and covers. Whilst I appreciate that these goods could be used for a variety of water sports, I note that the website evidence states that the opponent's goods are all used for surfing, specifically listing its FCS II fins and the FCS Freedom Leashes as surfing goods. These are frequently listed within the invoices, and are shown for sale or advertised within third party surfing websites/magazines. Moreover, there is nothing within the evidence that positively shows me, or allows me to conclude that the opponent's goods are used for sports other than surfing. On this basis, I consider that "equipment for water sports and snow sports" in the First Earlier Mark's specification and "sports equipment, namely equipment for water sports and snow sports" in the Second and Third Earlier Marks' specification need to be narrowed down to reflect the opponent's equipment for surfing only (which I consider to be an appropriate sub-category). I also consider that the term "fins and fin attachment devices for surfboards, surfskis, waveskis and sailboards" in all three earlier marks specifications needs to be narrowed down to reflect its surfboard goods only.

35. The opponent also has the term "bags for surfboards, surfskis, waveskis and sailboards" registered in all three earlier marks' specifications. Whilst I note that the evidence shows surfboard "covers" for sale under the FCS mark, the covers are clearly

depicted with handles being “designed for board travel”. I therefore consider that the terms “bags” and “covers” can be used interchangeably to describe the same goods. This term also needs to be narrowed down to reflect its surfboard goods only.

36. Whilst I note that there is invoice evidence for hats and ponchos, I note that there are limited sales of these goods, with only 5 hats and 18 ponchos being sold during the relevant period. These sales are not supported by any website, article or award evidence. I therefore do not consider that there is enough evidence of use for the opponent to rely upon its clothing terms for these proceedings.

37. For the remaining goods the opponent has under its First, Second and Third Earlier Marks, that being its class 18 bags, class 25 clothing goods, the remaining class 28 surfski, waveski, sailboard and snow sports goods, surfboards and racks for holding surfboards and bodyboards, there has been no evidence of use filed for these.

38. For the sake of completeness, whilst all three earlier marks have “bags for sporting equipment” in class 18, I note that the NICE classification highlights that this class does not include bags especially designed for surfboards. Therefore, the opponent cannot have protection for its surfboard bags in that class.

39. Consequently, I consider a fair specification for the First Earlier Mark to be:

Class 28 Equipment for surfing; fins and fin attachment devices for surfboards; bags for surfboards.

40. I also consider a fair specification for the Second and Third Earlier Marks to be:

Class 28 Sports equipment, namely equipment for surfing; fins and fin attachment devices for surfboards; bags for surfboards.

Section 5(2)(b) - case law

41. In making this decision, I bear in mind the following principles 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 great 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

42. The competing goods are as follows:

Opponent's goods	**Applicant's goods**
First Earlier Mark Class 28 Equipment for surfing; fins and fin attachment devices for surfboards; bags for surfboards. **Second and Third Earlier Mark** Class 28 Sports equipment, namely equipment for surfing; fins and fin attachment devices for surfboards; bags for surfboards.	Class 28 Surfboards; Surf skis; Sailboards; Skateboards; Surfboard leashes; Body boards; Paddleboards; Flippers for diving; Water toys; Traction pads for surfboards; Surf fins; Surfboard fins; bags for skateboards; bags adapted for skis.

43. When making the comparison, all relevant factors relating to the goods in the specifications should be taken into account. In the judgment of the CJEU in *Canon*, Case C-39/97, the court stated at paragraph 23 that:

> "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."

44. Guidance on this issue has come from Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

(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.

45. In *Gérard Meric v OHIM*, Case T- 133/05, the General Court ("GC") stated that:

> "29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 Institut für Lernsysteme v OHIM – Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark."

46. 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 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 the responsibility for those goods lies with the same undertaking."

47. Within its counterstatement, it is admitted that "the goods of the applicant are similar to the goods of the opponent". However, the applicant did not specify the level of similarity. Consequently, I must make an assessment on this, but finding at least some level of similarity for all of the goods.

Surf fins; Surfboard fins.

48. While expressed slightly differently, the applicant's above goods are self-evidently identical to "fins and fin attachment devices for surfboards" in the First, Second and Third Earlier Mark's specification.

Surfboards; Surf skis; Surfboard leashes; Traction pads for surfboards.

49. The applicant's above goods fall within the broader categories of "equipment for surfing" in the First Earlier Mark's specification and "sports equipment, namely equipment for surfing" in the Second and Third Earlier Marks specification. The goods are identical on the principle outlined in *Meric.*

Bags for skateboards; bags adapted for skis.

50. I consider that the applicant's above goods are similar to the First, Second and Third Earlier Marks "bags for surfboards" on the basis that they overlap in nature and method of use, as they are all bags designed for holding sports equipment. However, I note that they differ to some extent in purpose as the applicant's goods carry skateboards and skiing equipment, whereas the opponent's goods carry surfboards. Therefore the goods are clearly neither in competition nor complementary. However, the goods will overlap in trade channels, with the same sports undertakings selling all of the goods, and potentially in close proximity. I therefore find the goods are similar to a medium degree.

Sailboards.

51. The applicant's above goods are boards which are used in windsurfing. I therefore consider that these goods are similar to "equipment for surfing" in the First Earlier Mark's specification and "sports equipment, namely equipment for surfing" in the Second and Third Earlier Marks specification, which would encompass surfboards. I consider that the goods may overlap in method of use, nature, and to some extent purpose, as they are all boards that are used in the sea to ride waves. However, I note windsurfing boards have a mast attached to it, whereas surfboards do not. I also consider that the goods would be sold by the same water sports undertakings, and whilst they are neither in competition nor complementary, they will be sold in close proximity. Consequently the goods are similar to a medium degree.

Paddleboards.

52. I consider that the applicant's above goods are similar to "equipment for surfing" in the First Earlier Mark's specification and "sports equipment, namely equipment for surfing" in the Second and Third Earlier Marks specification, which would encompass surfboards. The goods overlap in purpose as they are boards that are used in the water. The users will stand on both paddleboards and surfboards, and therefore, to some extent, the goods overlap in method of use. However, paddle boards also come with paddles that allows the user to manoeuvre the board. Paddleboards are also

usually inflatable and therefore differ in nature to surfboards. The goods are clearly neither in competition nor complementary, however, they are likely to be sold by the same water sports undertakings, being sold in close proximity. I find that the parties' goods are similar to between a low and medium degree.

Body boards.

53. I consider that the applicant's above goods are similar to "equipment for surfing" in the First Earlier Mark's specification and "sports equipment, namely equipment for surfing" in the Second and Third Earlier Marks specification, which would encompass surfboards. The goods overlap in purpose, as they are boards that are used in the sea to ride waves. However, body boards are smaller foam boards which the user lies or kneels on, whereas surfboards are bigger, made from sturdier materials, and the surfer stands on these boards. Therefore the goods do not overlap in method of use and nature, and they are clearly neither in competition nor complementary. However, the goods would likely be sold by the same water sports undertakings, being sold in close proximity. I find that the goods are similar to between a low and medium degree.

Flippers for diving.

54. I consider that the opponent's best-case comparison is with "equipment for surfing" in the First Earlier Mark's specification and "sports equipment, namely equipment for surfing" in the Second and Third Earlier Marks specification. The goods clearly do not overlap in nature, method of use and purpose, and they are neither in competition nor complementary. I consider that the goods could be sold by the same water sports undertakings (but not necessarily in close proximity). Whilst I do not consider that this and an overlap in user would usually be enough to establish similarity between the goods, I bear in mind that the applicant has admitted that its goods are similar to the opponent's. I therefore find the goods are similar only to a low degree.

Skateboards.

55. I consider that the opponent's best-case comparison is with "equipment for surfing" in the First Earlier Mark's specification and "sports equipment, namely equipment for

surfing" in the Second and Third Earlier Marks specification which would encompass surfboards. Whilst all of these goods are types of "boards", they are used in significantly different ways. Surfboards are used to ride the waves of the sea whereas skateboards have 4 wheels and are used on land. Therefore the method of use, nature and purpose of the goods differ. The goods are also neither in competition nor complementary. However, I consider that all of the goods would be sold and distributed in sporting retailers (but not necessarily in close proximity). Whilst I do not consider that this and an overlap in user would usually be enough to establish similarity between the goods, I bear in mind that the applicant has admitted that its goods are similar to the opponent's. I therefore find the goods are similar only to a low degree.

Water toys.

56. I do not consider that the applicant's above goods are similar to any of the opponent's First, Second and Third Earlier Marks goods. The opponent's goods are all types of surfing equipment and accessories whereas the applicant's goods are toys. Whilst all of the goods are used in the water, I do not consider that this is enough on its own to establish similarity. They clearly do not overlap in user, nature, purpose, method of use and trade channels. They are also clearly neither in competition nor complementary. However, bearing in mind the applicant has admitted that its goods are similar to the opponent's, I find that the goods are similar, but only to a very low degree.

The average consumer and the nature of the purchasing act

57. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods. I must then determine the manner in which the goods are likely to be selected by the average consumer. 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 (as he then was) 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."

58. The average consumer for the goods will be members of the general public and sports enthusiasts/professionals. The cost of the purchase is likely to vary, as will the frequency of purchase. For example, surfboards are likely to be expensive purchases made infrequently, whereas fins and leashes are likely to be less expensive purchases made more frequently. However, various factors are still likely to be taken into consideration during the purchasing process, such as materials used, aesthetic appearance and durability. Consequently, I consider that a medium degree of attention will be paid by the average consumer when selecting the goods.

59. The sports goods are likely to be obtained by self-selection from the shelves of a sports retailer its catalogue or online equivalents. Water toys are likely to be obtained from toy stores or general retail stores and their online equivalents. This means that visual considerations will be the most significant. However, I do not discount that there will also be an aural component to the purchase of the goods, as advice may be sought from a sales assistant and word-of-mouth recommendations may play a part.

Comparison of the trade marks

60. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade 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 trade marks must be assessed by reference to the overall impressions created by the trade marks, 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."

61. It would be wrong, therefore, to artificially dissect the trade marks, although it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

62. The respective trade marks are shown below:

Opponent's trade marks	Applicant's trade mark
FCS **("the First Earlier Mark")**  **("the Second Earlier Mark")**  **("the Third Earlier Mark")**	**UPSURF FCS**

Overall impression

63. The First Earlier Mark consists of the letters “FCS”. There are no other elements to contribute to the overall impression which lies in the word itself.

64. The Second Earlier Mark consists of the letters “FCS” presented in a minimally stylised white typeface which has a thin black outline. I consider that the letters “FCS” plays a greater role in the overall impression, with the stylisation playing a lesser role.

65. The Third Earlier Mark consists of the letters “FCS” presented in a minimally stylised white typeface, surrounded by a white oval line, all presented on a black oval background. I consider that the letters “FCS” play a greater role in the overall impression, with the stylisation and background playing a lesser role.

66. The applicant’s mark consists of the textual element “UPSURF FCS”. I consider that the overall impression of the mark lies in the combination of these elements.

Visual Comparison

The First Earlier Mark and the applicant’s mark

67. Visually, the marks coincide in the “FCS” element. This acts as a point of visual similarity. However, the applicant’s mark begins with the word “UPSURF”, a position to which the average consumer pays more attention.[5] This acts as a point of visual difference. I find that the marks are visually similar to at least a medium degree.

The Second Earlier Mark and the applicant’s mark

68. Whilst the “FCS” element is minimally stylised in the Second Earlier Mark, the applicant’s mark is a word only mark. I note that word only marks are protected for use in any standard typeface, and therefore the applicant’s mark is capable of use in the same standard typeface as used by the opponent in its Second Earlier Mark. On this

[5] *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02

basis, the same comparison applies as above. I find that Second Earlier Mark and the applicant's mark are visually similar to at least a medium degree.

The Third Earlier Mark and the applicant's mark

69. I consider that the same comparison applies in paragraph 68 above. However, I note that the Third Earlier Mark has the oval white line and oval black background elements which act as points of visual difference. I therefore consider that the marks are visually similar to between a low and medium degree.

Aural Comparison

The First, Second and Third Earlier Marks and the applicant's mark

70. The stylisation of the letters "FCS" in the Second and Third Earlier Marks will not affect the pronunciation of the marks, and the oval white line and black background in the Third Earlier Mark will not be articulated. On this basis, the earlier marks are all likely be pronounced as EF-SEE-ES. I consider that the applicant's mark will likely be pronounced as UP-SURF EF-SEE-ES. Therefore the end of the applicant's mark is aurally identical to the entirety of the First, Second and Third Earlier Marks. On this basis, I consider that the marks are aurally similar to at least a medium degree.

Conceptual Comparison

The First, Second and Third Earlier Marks and the applicant's mark

71. The minimally stylised typeface used in the Second and Third Earlier Marks, and the white oval line and black background in the Third Earlier mark, does not contribute to the conceptual message of the marks. I note that the letters "FCS" in both marks will not be assigned any conceptual meaning, since the letters may stand for any number of word combinations. I also note that letters on their own do not convey a particular concept over and above their existence as letters in the English alphabet. The common element between the marks will conjure no immediate concept in the mind of consumers, and are therefore, conceptually neutral.

72. However, the applicant's mark begins with the invented word "UPSURF". The opponent states that this term is a combination of the words "UP" (meaning to increase the amount or level of something) and "SURF" (to ride a surfboard). Therefore, the opponent submits that "UPSURF" will be seen "as a positive instruction to increase the frequency that one rides a surfboard". I bear in mind that in *Usinor SA v OHIM,* Case T-189/05, the General Court found that:

> "62. In the third place, as regards the conceptual comparison, it must be noted that while the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Lloyd Schuhfabrik Meyer*, paragraph 25), he will nevertheless, perceiving a verbal sign, break it down into verbal elements which, for him, suggest a concrete meaning or which resemble words known to him (Case T-356/02 *Vitakraft-Werke Wührmann* v *OHIM – Krafft (VITAKRAFT)* [2004] ECR II-3445, paragraph 51, and Case T-256/04 *Mundipharma* v *OHIM – Altana Pharma (RESPICUR)* [2007] ECR II-0000, paragraph 57)."

73. On this basis, I agree with the opponent that the average consumer will recognise the words "UP" and "SURF" within the word "UPSURF". I also consider that these words together will evoke the concept of to "up your surf" as in to increase the frequency of surfing, or to improve the level of one's surfing ability.

74. I note that the "UPSURF" and "FCS" elements, together, have no overall meaning because they do not link together. One does not qualify the other. They remain as separate elements with their own meanings.

75. Regardless, as the "UPSURF" element evokes a concept to the consumer, I note that this makes the marks conceptually dissimilar as a whole.

Distinctive character of the earlier trade mark

76. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 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 C108/97 and C-109/97 Windsurfing Chiemsee v Huber and Attenberger [1999] ECR 1-2779, 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 promotion of 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)."

77. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods and services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctiveness of a mark can be enhanced by virtue of the use that has been made of it.

78. I will begin by assessing the inherent distinctive character of the opponent's FCS marks. As noted above, the letters "FCS" may stand for any number of word combinations, and therefore does not evoke any concept. I do not consider that the typeface, stylisation or oval white line and black background in the Second and Third Earlier Marks contribute to the distinctive character of the marks. Therefore, taking all of the above into account, I consider that the opponent's First, Second and Third Earlier Marks are inherently distinctive to a medium degree.

79. Although the opponent has not specifically pleaded enhanced distinctiveness, for the sake of completeness, I will make a finding as to whether I consider the evidence sufficient to demonstrate enhanced distinctiveness. The relevant market for assessing this is the UK market.

80. I have been provided with UK invoice evidence which is geographically spread across the UK (Cornwall, Devon, Cardiff, West Sussex, Porthcawl and Scarborough). I have also been provided with UK sales figures for January 2018 to September 2023 which amount to £5,444,684.00. I note that this figure is particularly high, and whilst I have not been given a unit figure breakdown, I note that the opponent's website evidence confirms that the surfing fin, leash and cover goods range between £30 to £260. I therefore consider that the amount of goods sold over this period will also be high. Albeit I have not been provided with UK market share figures, based on the sales above, it would amount to a sizeable portion of the surfing equipment market (a subcategory of the water sports market). Moreover, whilst I do not have any advertising figures, the opponent has provided me with articles from online UK surf magazines Wavelength and Carve, which advertises the opponent's goods in FCS fin and board bag guides in 2017 and 2019, as advertises the opponent's sponsorship in a 2020 surfing competition. The opponent also provided evidence showing that they sponsored the Welsh National Surfing Championships in 2015 and 2016.

81. My finding is, therefore, that the distinctiveness of the First, Second and Third Earlier Marks been enhanced to between a medium and high degree, but only in relation to the surfing equipment goods for which use has been shown.

Likelihood of confusion

82. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods down to the responsible undertakings being the same or related. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where 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 trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. It is necessary for me to keep in mind the distinctive character of the earlier marks, the average consumer for the goods and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

83. The following factors must be considered to determine if a likelihood of confusion can be established:

First Earlier Mark and Second Earlier Mark

- I have found the marks to be visually similar to at least a medium degree.
- I have found the marks to be aurally similar to at least a medium degree.
- I have found the FCS element within both marks to be conceptually neutral, but as a whole, the marks are conceptually dissimilar.
- I have found the First and Second Earlier Marks to be inherently distinctive to a medium degree.
- I have found the distinctiveness of the First and Second Earlier Marks has been enhanced through use to between a medium and high degree, but only in relation to the surfing equipment goods for which use has been shown.
- I have identified the average consumer as the general public and sports enthusiasts/professionals who will select the goods primarily by visual means, although I do not discount an aural component.
- I have concluded that a medium degree of attention will be paid during the purchasing process.
- As the applicant has admitted the parties' goods are similar, I found the parties' goods to be identical to similar to only a very low degree.

84. Taking all of the factors listed in paragraph 83 into account, even bearing in mind the principle of imperfect recollection, I am satisfied that the parties' marks are unlikely to be mistakenly recalled as each other. I do not consider that a consumer paying a

medium degree of attention during the purchasing process will overlook the “UPSURF” element at the beginning of the applicant’s mark, a position which tends to make more of an impact than the ends. I therefore do not consider there to be a likelihood of direct confusion.

85. I will also assess if there is a likelihood of indirect confusion. Indirect confusion was described in the following terms by 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.
>
> 17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:
>
> (a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (‘26 RED TESCO’ would no doubt be such a case).
>
> (b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand

extension (terms such as ‘LITE’, ‘EXPRESS’, ‘WORLDWIDE’, ‘MINI’ etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (‘FAT FACE’ to ‘BRAT FACE’ for example)”.

86. In *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ referred to the comments of James Mellor QC (as he then was), sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria* (O/219/16), where he said at [16] that “a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion”. Arnold LJ agreed, pointing out that there must be a “proper basis” for concluding that there is a likelihood of indirect confusion where there is no likelihood of direct confusion.

87. I bear in mind the decision of *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), where Arnold J. (as he then was) considered the impact of the CJEU’s judgment in *Bimbo,* Case C-591/12P, on the court’s earlier judgment in *Medion v Thomson.* The judge said:

> “18 The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.
>
> 19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole,

and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors."

88. In that case, Arnold J. considered the registrability of a composite word mark - JURA ORIGIN - which included the opponent's earlier trade mark – ORIGIN. The judge found that the mark JURA ORIGIN formed a unit having a different meaning to those of the individual components. I have found the opposite in these proceedings; the "UPSURF" and "FCS" elements in the applicant's mark do not form a unit having a different meaning to those of the individual words. Therefore the "FCS" element retains an independently distinctive role.

89. I bear in mind that the examples above set out by Mr Purvis are not exhaustive, however, in this case, I consider that category (a) applies. As noted above, the opponent's "FCS" mark is fully replicated at the end of the applicant's mark, has an independent distinctive role, and the distinctiveness of this element has been enhanced to between a medium and high degree. Therefore, taking all of the above case law into account, I consider that the shared common use of the distinctive "FCS" element in the First and Second Earlier Marks, and the applicant's mark, will lead the

average consumer to conclude that the marks originate from the same or economically linked undertakings.

90. The applicant's "UPSURF" element which occurs at the beginning of its mark, consists of two ordinary dictionary words "UP" and "SURF". The average consumer will recognise these words, and this element as a whole, as evoking the concept of to "up your surf" as in to increase the frequency of surfing, or to improve the level of one's surfing ability. This is therefore highly allusive of the parties' surfing and water sports-based goods. Consequently, the average consumer will see the addition of the "UPSURF" element and perceive it as either an updated version of the same mark, and therefore indicative of re-branding, or a sub-brand mark (FCS being the house brand and UPSURF FCS being the sub-brand mark focussing specifically on surfing and water sports goods). Taking all of the above into account, I consider there to be a likelihood of indirect confusion for all of the goods, even on the goods that are similar to only a very low degree, due to the effect of the interdependency principle.

Third Earlier Mark

- I have found the marks to be visually similar to between a low and medium degree, and aurally similar to at least a medium degree.
- I have found the FCS element within both marks to be conceptually neutral, but as a whole, the marks are conceptually dissimilar.
- I have found the earlier mark to be inherently distinctive to a medium degree.
- I have found the distinctiveness of the earlier mark has been enhanced through use to between a medium and high degree, but only in relation to the surfing equipment goods for which use has been shown.
- I have identified the average consumer as the general public and sports enthusiasts/professionals who will select the goods primarily by visual means, although I do not discount an aural component.
- I have concluded that a medium degree of attention will be paid during the purchasing process.
- As the applicant has admitted the parties' goods are similar, I found the parties' goods to be identical to similar to only a very low degree.

91. The differing element of the Third Earlier Mark (to the First and Second Earlier Marks) is the presence of the oval white line and black background. I therefore consider that for the same reasons as stated above, there is a likelihood of indirect confusion between the Third Earlier Mark and the applicant's mark. I consider that the average consumer will see the addition of the "UPSURF" element in the applicant's mark, and perceive it as either an updated version of the same mark, and therefore indicative of re-branding, or a sub-brand mark (FCS oval mark being the house brand and UPSURF FCS being the sub-brand mark focussing specifically on surfing goods).

92. Taking all of the above into account, I consider there to be a likelihood of indirect confusion, for all of the goods, even on those that are similar to only a very low degree, due to the effect of the interdependency principle.

Section 5(3)

93. Section 5(3) of the Act states:

> "5(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 European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark."

94. Section 5(3A) of the Act states:

> "Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected."

95. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Adidas-Salomon*, Case C-487/07, *L'Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora* and Case C383/12P, *Environmental Manufacturing LLP v OHIM*. 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* and *Environmental Manufacturing, paragraph 34.*

(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 of 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*).

96. The conditions of section 5(3) are cumulative. Firstly, the opponent's and applicant's marks must be identical or similar. Secondly, the opponent must show that the First and Second Earlier Marks have achieved a level of knowledge/reputation amongst a significant part of the public. Thirdly, it must have established that the level of reputation and the similarities between the marks will cause the public to make a link between them, in the sense of the First and Second Earlier Marks being brought to mind by the later mark. Fourthly, assuming that the first, second and third conditions have been met, section 5(3) requires that one or more types of damage claimed will

occur. It is unnecessary for the purposes of section 5(3) that the goods be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks. The relevant date for the assessment under section 5(3) is the date of application of the applicant's mark i.e. 14 December 2022.

Reputation

97. 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."

98. In determining whether the opponent has demonstrated a reputation for the goods in issue, it is necessary for me to consider whether its mark will be known by a significant part of the public concerned with the goods. In reaching this decision, I must take all of the evidence into account including "the market share held by the trade mark, the intensity, geographical extent and duration of use, and the size of the investment made by the undertakings in promoting it."

99. I note that the First and Second Earlier Marks are comparable UK trade marks (EU). Therefore, I can consider the evidence that pertains both to the EU until IP Completion Day (31 December 2020), and the UK, in order to determine its reputation in both territories. However, I also remind myself that a link has to be made in the mind of the UK relevant public[6] and therefore I will focus on the opponent's UK evidence only.

100. The evidence provided by the opponent, which I have summarised at paragraph 20 above, is not without its limitations. Firstly, the opponent relies upon all of the goods contained within its First and Second Earlier Marks' specifications, for which it claims to have a reputation. However, the majority of the evidence is in relation to surfboard fins, leashes and bags.

101. I also note that I have not been provided with a breakdown of its sales figures by goods. However, I have been provided with UK sales figures for January 2018 to September 2023 amounting to £5,444,684.00. This has been provided alongside invoices dated between 14 December 2017 and 14 December 2022, which are addressed to consumers across the UK (including Cornwall, Devon, Cardiff, West Sussex, Porthcawl and Scarborough). The evidence shows that UK surf magazines have advertised its surfboard fins, leashes and bag goods, including an article which states that the opponent's tri set fins are some of the best surfboard fins in the world, and that the opponent sponsored a UK surf competition in Bristol on 2 October 2020. The opponent has also provided evidence showing that they sponsored the Welsh National Surfing Championships in 2015 and 2016.

102. Therefore, taking all of the evidence as a whole into account, I am satisfied that the opponent has demonstrated a modest reputation in the UK in relation to the First and Second Earlier Mark's following goods:

<u>First Earlier Mark:</u>

Class 28 Equipment for surfing.

[6] *China Construction Bank Corporation v Groupement Des Cartes Bancaires*, (Case BL O/281/14)

Second Earlier Mark:

Class 28 Sports equipment, namely equipment for surfing.

Link

103. As I noted above, my assessment of whether the public will make the required mental 'link' between the marks must take account of all relevant factors. The factors identified in *Intel* are:

The degree of similarity between the conflicting marks

The First and Second Earlier Marks and the applicant's mark are visually and aurally similar to at least a medium degree. I have found the FCS element within both marks to be conceptually neutral, but as a whole, the marks are conceptually dissimilar.

The nature of the goods for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods, and the relevant section of the public

I have found the goods for which the opponent has demonstrated a reputation to vary from being identical to similar to only a very low degree to the applicant's goods (as indicated by paragraphs 48 to 56 above). I found all of the goods to be similar on the basis of the applicant's admission. Whilst I note that this admission was made under section 5(2)(b), I see no reason why this admission would not apply to all of the grounds pleaded by the opponent, including section 5(3), on the basis that the respective goods are the same in each ground.

The strength of the earlier marks' reputation

The opponent enjoys a modest reputation in respect of its equipment for surfing in class 28.

The degree of the earlier marks' distinctive character, whether inherent or acquired through use

The opponent's First and Second Earlier Marks are inherently distinctive to a medium degree, which has been enhanced, through use, in relation to surfing equipment in class 28, to between a medium and high degree.

Whether there is a likelihood of confusion

I have found there to be a likelihood of indirect confusion.

104. In my view, the above factors, particularly the common presence of the FCS element, combined with the enhanced distinctiveness of the opponent's First and Second Earlier marks, and the modest strength of the opponent's reputation, will lead to a significant part of the UK relevant public making a link between the marks in use in relation to the goods that I have found to be identical to similar to between a low and medium degree.

105. For the applicant's "skateboards" and "flippers for diving", which I have found to be similar only to a low degree (based on the applicant's admission of similarity), I am still of the view that when consumers are confronted with the applicant's mark, which contains the independently distinctive "FCS" element, being used on those goods, that they would consider the marks to be linked. I say this because the relevant section of the public that selects the applicant's goods would be the same consumer who is aware of the reputation of the opponent's marks being used on the opponent's equipment for surfing. This is on the basis that all of the goods are types of sporting equipment which would be sold and distributed in the same sporting retailers. Therefore they fall within the same field of interest. On this basis, I consider that upon seeing the lowly similar goods, the average consumer would see the identical "FCS" branding element in the applicant's mark, causing them to wonder if the opponent had expanded its brand to sell other types of sporting goods. In my view, such an expansion is one that is not too far removed from what the opponent's reputation already vests in. As such, I am of the view that a link is made out in respect of these goods.

106. For the applicant's remaining goods, being "water toys", I have found them to be similar to the opponent's goods to a very low degree solely on the basis that the applicant admitted similarity. However, as noted in paragraph 56 above, I did not find any overlap in the *Treat* factors, including users, and I do not consider that the user of water toys would be aware of the opponent's reputation for surfing equipment. Taking all of the above into account, I find that these goods are too far removed from what the opponent's reputation vests in. It is my view that there will be no link made in respect of these goods, and if a link was to be made, it would be so fleeting that it would not suffice to result in an unfair advantage or damage to the opponent or its mark.

107. The opposition based upon section 5(3) must, therefore, fail in relation to the following goods in the applicant's specification for which I have found no link:

Class 28 Water toys.

Damage

108. Within the opponent's submissions in lieu of a hearing, I note that they state the following:

> "The applicant chose to register the contested mark 'UPSURF FCS' solely to ride on the coat tails of the opponent's earlier trade marks and benefits from its power of attraction. The opponent submits that there is a very high risk that the use of the contested mark will create the impression that the applicant is somehow associated with the opponent or belongs to the opponent's group and, therefore, will facilitate the marketing of the contested goods. As there is no connection between the opponent and the applicant, this would take unfair advantage of the distinctive character or repute of the earlier trade marks."

109. I also note that in *Argos Limited v Argos Systems Inc* [2018] EWCA Civ 2211, the Court of Appeal held that a change in the economic behaviour of the customers for the goods and/or services offered under the later trade mark was required to establish unfair advantage. This may be inferred where the later trade mark would gain a

commercial advantage from the transfer of the image of the earlier trade mark to the later mark: see *Claridges Hotel Limited v Claridge Candles Limited & Anor* [2019] EWHC 2003 (IPEC).

110. Unfair advantage does not require proof of a subjective intention by the applicant to benefit from the reputation of the opponent's mark. In *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) Arnold J. (as he then was) considered the earlier case law and concluded that:

> "80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill."

111. Unfair advantage means that consumers are more likely to buy the goods of the contested mark than they would otherwise have been if they had not been reminded of the earlier marks.

112. As noted above, the opponent's marks consist of the letters "FCS" which is completely replicated at the end of the applicant's mark (and has an independent distinctive role within in). The letters "FCS" will, in my view, be considered the attractive force of the opponent's business. I also note that the opponent's modest reputation is an image that would be attractive in the goods for which a link has been established, that being sporting equipment. Consequently there is clear potential for this image to

be transferred to the applicant. The applicant would consequently secure a commercial advantage, benefitting from the opponent's reputation without paying financial compensation and would, thus, be likely to take unfair advantage of the First and Second Earlier Marks.

113. As I have found in favour of the opponent, for all goods in relation to which I have found a link, I need not go on to consider the other heads of damage.

114. The opposition based upon section 5(3) succeeds in relation to the following goods only in the applicant's specification:

Class 28 Surfboards; Surf skis; Sailboards; Skateboards; Surfboard leashes; Body boards; Paddleboards; Flippers for diving; Traction pads for surfboards; Surf fins; Surfboard fins; bags for skateboards; bags adapted for skis.

Section 5(4)(a)

115. Section 5(4)(a) of the Act states as follows:

> "5(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –
>
> a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,
>
> aa)…
>
> 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".

116. Subsection (4A) of section 5 of the Act states:

> "(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application."

117. 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

118. Whether there has been passing off must be judged at a particular point (or points) in time.

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

> "43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows: 'Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.'"

120. As the applicant has filed no evidence of use, I have only the prima facie relevant date to consider i.e. 14 December 2022.

Goodwill

121. The House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL) provided the following guidance regarding goodwill:

> "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 customers. It is the one thing which distinguishes an old-established business from a new business at its first start."

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

> "27. There is one major problem in assessing a passing 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 that 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; 54 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."

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

"[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application."

124. Goodwill arises as a result of trading activities. It is clear from the turnover figures provided by Mr Lartizien that the opponent's company has been trading under the FCS sign since 2017.

125. Although I have not been provided with a breakdown of its sales figures by goods, I have been provided with UK sales for January 2017 to December 2022 amounting to £5,454,473.00. I note that the majority of the opponent's evidence relates to

surfboard fins, leashes and board bags, and therefore I consider that a significant proportion of its above sales figure will relate to these goods.

126. In terms of the opponent's remaining goods, being: surfboards, Surfskis, waveskis and sailboard goods, clothing, headgear and bags, there is little to no evidence pertaining to them. The only evidence before me is two invoices showing the sale of 5 hats and 18 ponchos, which is not supported by any other evidence or example screenshots of these goods at least for sale on the opponent's website or third-party websites. Consequently, due to the lack of evidence, I do not consider that the opponent has demonstrated goodwill for the remaining goods at the relevant date.

127. Taking the evidence as a whole into account, I am satisfied that the opponent has demonstrated a modest degree of goodwill prior to the relevant date in relation to fins and fin attachment devices for surfboards, bags for surfboards and surfboard leashes (which all fall within the term "parts and accessories for surfboards" which the opponent relies upon under 5(4)(a)). Examples have been provided of the mark being used in relation to the opponent's website and invoices, in UK surf magazines and surf competition sponsorships. In light of this, I am also satisfied that the FCS sign was distinctive of the opponent's goodwill at the relevant date.

Misrepresentation and damage

128. 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."

129. 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."

130. I recognise that the test for misrepresentation is different from that for likelihood of confusion in that it entails "deception of a substantial number of members of the public" rather than "confusion of the average consumer". However, as recognised by Lewison L.J. in *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, it is doubtful whether the difference between the legal tests will produce different outcomes. Certainly, I believe that to be the case here.

131. The goods for which the opponent has shown goodwill (that being parts and accessories for surfboards) will be identical to surfboard leashes, traction pads for surfboards, surf fins and surfboard fins. Therefore, taking the identity of the parties' fields of activity into account, as well as the marks being similar, as the FCS element of the opponent's marks have been fully replicated at the end of the applicant's mark, I consider that a substantial number of members of the relevant public would be misled into purchasing the applicant's goods in the mistaken belief that they are the goods of the opponent. Damage through diversion of sales is easily foreseeable.

132. I consider that the applicant's surfboards, surf skis, sailboards, skateboards, body boards, paddleboards, flippers for diving, bags for skateboards and bags adapted for

skis will overlap in user and trade channels with the goods for which the opponent has shown goodwill (that being parts and accessories for surfboards), all of which will be sold in sports retailers. I therefore consider that the parties' fields of activity in this case are still close, as all of the goods are used for sporting activities. Consequently, I find that a substantial number of members of the relevant public would be misled into purchasing the applicant's goods in the mistaken belief that they are the goods of the opponent, in which damage would arise through diversion of sales.

133. For the applicant's remaining goods, being "water toys", in paragraph 56 above, I found these goods to be similar to the opponent's surfing accessories to a very low degree, based on the applicant's admission of similarity. However, I consider that the differences between the goods would be sufficient to avoid misrepresentation occurring. The parties fields of activity (toys vs sporting goods) are not close enough, and therefore, I consider that these differences are sufficient to avoid a substantial number of members of the relevant public purchasing the applicant's goods in the mistaken belief that they are provided by the opponent's business. As there is no misrepresentation, there can be no damage.

134. The opposition under section 5(4)(a) succeeds in relation to the following goods:

Class 28 Surfboards; Surf skis; Sailboards; Skateboards; Surfboard leashes; Body boards; Paddleboards; Flippers for diving; Traction pads for surfboards; Surf fins; Surfboard fins; bags for skateboards; bags adapted for skis.

CONCLUSION

135. The opposition is successful in its entirety and the application is refused.

COSTS

136. The opponent has been successful and is entitled to a contribution towards its costs, based upon the scale published in Tribunal Practice Notice 1/2023. In the

circumstances, I award the opponent the sum of £1,600 as a contribution towards the costs of the proceedings. The sum is calculated as follows:

Filing a Notice of opposition and considering the applicant's counterstatement	£250
Preparing and filing evidence	£800
Preparing and filling submissions	£350
Official Fee	£200
Total	**£1,600**

137. I therefore order Shenzhen Chenxing Trading Co., Ltd. to pay Fin Control Systems Pty Limited the sum of £1,600. This sum is to be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 6th day of December 2024

L FAYTER
For the Registrar

ANNEX 1

The First Earlier Mark

Class 18

Travel bags; bags for sporting equipment; wallets; beach bags; purses; parts and fittings for the aforesaid goods.

Class 25

Clothing, footwear, headgear; shorts; shirts; skirts; dresses; t-shirts; swimsuits; board shorts; jumpers; jackets; hats; caps; sun visors; sandals; footwear for beach use.

Class 28

Sports equipment; equipment for water sports and snow sports; surfboards; surfskis; waveskis; sailboards; fins and fin attachment devices for surfboards, surfskis, waveskis and sailboards, grip material for surfing, sailing, sailboarding and boating purposes and general water sports and snow sports; racks for holding surfboards and bodyboards; bags for surfboards, surfskis, waveskis and sailboards; parts and fittings for the aforesaid goods.

The Second Earlier Mark

Class 18

Travel bags; backpacks; wallets; beach bags; purses.

Class 25

Clothing, footwear, headgear, namely shorts, shirts, skirts, dresses, T-shirts, swimsuits, board shorts, jumpers and jackets, hats, caps, sun visors, sandals, footwear for beach use.

Class 28

Sports equipment, namely equipment for water sports and snow sports; surfboards, surfskis, waveskis and sailboards; parts and accessories for surfboards, surfskis, waveskis and sailboards; fins and fin attachment devices for surfboards, surfskis, waveskis and sailboards; grip material for surfing, sailing, sailboarding and boating

purposes and general water sports and snow sports; racks for holding surfboards and bodyboards; bags for surfboards, surfskis, waveskis and sailboards.

The Third Earlier Mark

Class 18

Travel bags; backpacks; wallets; beach bags; purses.

Class 25

Clothing, headgear, namely shorts, shirts, skirts, dresses, t-shirts, swimsuits, board shorts, jumpers and jackets, hats, caps, sun visors, booties for surfing and other water sports.

Class 28

Sports equipment, namely equipment for water sports and snow sports; surfboards, surfskis, waveskis and sailboards; parts and accessories for surfboards, surfskis, waveskis and sailboards; fins and fin attachment devices for surfboards, surfskis, waveskis and sailboards; grip material for surfing, sailing, sailboarding and boating purposes and general water sports and snow sports; racks for holding surfboards and bodyboards; bags for surfboards, surfskis, waveskis and sailboards.