

JAMAICA

IN THE COURT OF APPEAL

SUPREME COURT CIVIL APPEAL NO 64/2014

**BEFORE: THE HON MR JUSTICE MORRISON JA
THE HON MISS JUSTICE PHILLIPS JA
THE HON MR JUSTICE BROOKS JA**

BETWEEN 3M COMPANY APPELLANT
AND MANUFACTURERA 3M SA DE CV RESPONDENT

**Mrs Tana'ania Small Davis, Mrs Kathryn Pearson and Mikhail Jackson
instructed by Livingston Alexander & Levy for the appellant**

Respondent absent and unrepresented

20, 21 May 2015 and 21 July 2017

MORRISON JA

[1] I have had the good fortune to read the judgment prepared by Phillips JA in draft. I agree with it and there is nothing that I can possibly add.

PHILLIPS JA

[2] This is an appeal against the decision of Sykes J contained in a judgment delivered on 30 May 2014. In his judgment, the learned judge dismissed the opposition filed by the appellant (3M Company, hereinafter referred to as "3M") to an application filed by the respondent (Manufacturera 3M SA de CV, hereinafter referred to as "M3M"),

for registration of the use of the "3M & Device" mark; and ordered that M3M's mark shall proceed to registration.

[3] 3M is the proprietor of the trade mark "3M", which has been registered in Jamaica since at least 1971 in respect of numerous classes, including class 7 (various types of agricultural equipment), class 11 (various types of food processing and sanitary equipment) and class 12 (various types of vehicles) under the Trade Marks Act (TMA) and Trade Mark Rules, 2001 (TMR). M3M is a company incorporated in Mexico, which manufactures machinery and spare parts for use in the sugar industry. The registered mark of 3M is shown below marked by the number "3" and the letter "M" and the "3M & Device" mark, the subject of the application to register by M3M, is also shown below, marked by a grasshopper or locust and the number "3" and the letter "M":



Background

Proceedings before the Registrar of Industrial Property

[4] On 12 December 2005, M3M made an initial application for the registration of the “3M & Device” mark. The application was refused by the Registrar of Industrial Property (the registrar), who communicated the decision, via letter, to M3M. Subsequently, M3M made further representations to the registrar that were successful and the mark was accepted for publication.

[5] The mark “3M & Device” was published in the Jamaica Gazette dated 12 March 2008. The publication of a mark is deemed to be notice to the public and it may trigger the lodgement of an opposition to the registration of that mark. Accordingly, on 17 June 2008, 3M lodged an objection by way of a notice of opposition supported by grounds of opposition with the registrar. In response to 3M’s objection, on 10 July 2008, M3M filed its grounds of counter statement.

[6] Consequently, on 23 February 2012, the registrar received submissions, oral and written, from counsel acting on behalf of 3M and M3M, respectively. On 24 December 2012, the registrar delivered his ruling and the reasons therefor. He found that:

- (a) the mark that M3M was seeking to have registered was aurally identical to 3M’s mark;
- (b) both marks were similar;
- (c) the goods for which M3M was seeking to have its mark applied, were identical (within the interpretation of section 13 of the TMA) to 3M’s goods;

- (d) some of the goods to which M3M wished to have its mark applied were similar in nature and in end-users and was complementary to some of 3M's goods;
- (e) there was a risk of or likelihood of confusion on the part of the public between 3M's goods and M3M's goods, though minimal; and
- (f) 3M's mark has a reputation in Jamaica due to long established usage, advertising and sales in Jamaica since 1971.

Notwithstanding the foregoing findings, the registrar further found that M3M had honestly and independently used its mark for almost 50 years and ruled in favour of the registration of M3M's mark.

Proceedings in the Supreme Court

[7] In light of this ruling by the registrar, 3M filed a fixed date claim form in the Supreme Court on 22 January 2013, in which it sought an order refusing the registration of M3M's "3M & Device" mark in classes 7, 11 and 12. The fixed date claim form was accompanied by an affidavit in support, which was also filed on 22 January 2013, and deponed by Mrs Anne Marie White-Feanny, attorney-at-law on behalf of 3M.

[8] In her affidavit, Mrs White-Feanny recounted the events leading up to the matter being filed in the Supreme Court, and expressed dissatisfaction with the registrar's decision to dismiss 3M's opposition and to direct that M3M's "3M & Device" mark in classes 7, 11 and 12 proceed to registration. Mrs White-Feanny also attached to her

affidavit all the documents and evidence that were before the registrar, including 3M's statement of grounds of opposition and supporting affidavits, and M3M's grounds in support of its counter statement and statutory declarations in support of its application.

[9] A second affidavit in support of the fixed date claim form was filed on 14 October 2013, and deponed by Miss Marcela Bolland, an attorney-at-law, who is an associate at a law firm in Mexico which represents 3M in intellectual property matters in Mexico. Ms Bolland in her affidavit addressed the proceedings between 3M and M3M in respect of the registration of the "3M & Device" mark in that country.

3M's statement of grounds opposition

[10] In its statement of grounds of opposition, 3M asserted that it is the proprietor of the "internationally well-known trade mark '3M'", which was registered in Jamaica in numerous classes, including classes 7, 11 and 12, and that it had been using that mark since 1971 in Jamaica. It claimed exclusive rights in the "3M" mark, pursuant to section 5 of the TMA. In the statement of grounds of opposition, 3M advanced its reasons for opposing M3M's registration of the "3M & Device" mark as follows:

- (a) The trade mark "3M & Device", which M3M wishes to register, is virtually identical to 3M's mark and is in respect of goods which are identical to those protected by 3M's trade mark (section 13(1) of the TMA).
- (b) In the alternative, the trade mark "3M & Device", which M3M wishes to register, is virtually identical to

3M's mark and is in respect of goods which are similar to those protected by 3M's trade mark (section 13(1) of the TMA).

- (c) The trade mark "3M & Device", which M3M is desirous to have registered, is virtually identical to 3M's mark and is in respect of goods which are similar to those protected by 3M's trade mark, and there exists a likelihood of confusion, including a likelihood of association with 3M's trade mark (section 13(2)(a) of the TMA).
- (d) In the alternative, the trade mark "3M & Device", which M3M is desirous to have registered, is virtually similar to 3M's mark and is in respect of goods which are identical with or similar to those protected by 3M's trade mark, and there exists a likelihood of confusion, including a likelihood of association, with 3M's trade mark (section 13(2)(b) of the TMA).
- (e) 3M's trademark has a reputation in Jamaica and the use of the "3M & Device" mark by M3M would take unfair advantage of and be detrimental to the distinctive character and reputation of 3M's trademark (section 13(3) of the TMA).

- (f) M3M's use of the mark "3M & Device" in Jamaica is liable to be prevented under the law related to passing off (section 13(4) of the TMA).
- (g) The foreign based "3M" mark registrations are entitled to protection under the Paris Convention and qualify as the earlier mark (section 14(1)(b) of the TMA).
- (h) The filing of the application by M3M to register the "3M & Device" mark constituted an act of bad faith, given its awareness of 3M's earlier mark, at the time of filing (section 11(4)(a) of the TMA).

[11] The court below also had the benefit of considering six affidavits in support of 3M's objection to the registration of the "3M & Device" mark. The first affidavit came from Mr Robert Sprague, the assistant secretary of 3M, who deponed that 3M is a US company created in 1902 and is a diversified technology company. He testified further to the extensive operations of 3M on five continents, its advertising campaigns, and its numerous prizes and awards and recognition around the world, which were demonstrative of the "considerable fame and notoriety" of the "3M" trade mark. He also deponed that 3M's worldwide sales in 2005 were in excess of US\$21,167,000,000.00 and of that figure US\$12,900,000,000.00 (61% of total) came from sales outside of the United States. Indeed, he stated, that 3M and its affiliates expended an average of approximately US\$400,000,000.00 worldwide annually, for advertising, during the

period 2000-2005. Mr Sprague in his affidavit (at paragraph 11) mentioned that 3M has been involved in numerous disputes worldwide with M3M, concerning the use of the "3M & Device" mark and 3M has obtained favourable outcomes in a number of those proceedings. He also exhibited numerous articles and newspaper publications, *inter alia*, recognising the 3M brand, its international reputation, its ranking as a top global brand and manufacturing company, and its practice as a corporate citizen. Mr Sprague also exhibited a document depicting the evolution of the "3M" mark since 1906.

[12] Mr Vincent Gordon, general manager of the Jamaican branch of 3M, in his affidavit dated 7 August 2009, stated that (at that time) he had been employed to the company for 16 years. He asserted that although the earliest registration of the "3M" trade mark in Jamaica was in 1977, the mark has been used as a trade and/or company name in Jamaica since at least 1970. He also asserted that the "3M" mark is registered in respect of many markets, including but not limited to architecture and construction, automotive, marine and aerospace, electronics, manufacturing, health care, home and leisure.

[13] The "3M" trade mark, Mr Gordon noted, is well known in Jamaica, enjoys a considerable reputation and is used in relation to a wide range of goods. He stated that the element "3M", in the "3M & Device" mark, that M3M is seeking to have registered, is identical to 3M's trade mark and that it is undeniable that the use and/or registration of the "3M & Device" mark would lead to confusion in the market, as it is extremely likely that consumers will assume that there is some connection between the goods of M3M and 3M. This likelihood of confusion, he stated, is heightened by the fact that the

goods for which M3M is seeking to register its mark fall within the same classes for which the "3M" trade mark is registered.

[14] Attached to his affidavit, Mr Gordon exhibited several documents showing the nature of 3M's presence in Jamaica. He exhibited a document showing the classes to which the "3M" trademark had been registered, which included classes 7, 11 and 12, and the classes in which M3M is seeking to have its mark registered. 3M also has registration in classes 1, 2, 3, 4, 6, 8, 10, 16, 17, 19, 21, 27 and 40. Mr Gordon also exhibited various newspaper articles circulated in Jamaica publicizing the "3M" mark, while recognizing 3M as "an exceptional corporate citizen", offering support to charities and other institutions in need.

[15] The other five affidavits opposing the registration of the "3M & Device" mark came from the following persons;

1. Glen Christian – chief executive officer of Cari-Med Limited (a Jamaican company and 3M customer for two years);
2. Karl Wynter – general manager of operations of HD Hopwood and Company Limited (a Jamaican company and 3M customer for 10 years);
3. Joseph Matalon – president of the Private Sector Organization of Jamaica;

4. Brenda Cuthbert – chief executive officer of the Jamaica Employers' Federation (a trade union in Jamaica of which 3M is a member); and
5. Diana Stewart – president of the American Chamber of Commerce of Jamaica.

The above mentioned persons, all acknowledged that the "3M" mark is well known in Jamaica, which they said could be attributed to the company's provision of a wide range of goods under the 3M mark, advertisement of the mark and by the company's participation in the Jamaican community. They all asserted their lack of awareness of M3M or the mark "3M & Device", and indicated that by virtue of the reputation of the "3M" trade mark in Jamaica and the similarity between the "3M" mark and the "3M & Device" mark, they felt that the use of the latter mark would cause confusion and unfairly take advantage of the goodwill of the "3M" mark.

M3M's grounds of counter statement

[16] In its grounds of counter statement, M3M responded to 3M's objection as follows:

- (a) M3M has been using the mark "3M & Device" in Jamaica since 1989 uninterrupted, and has developed a reputation and goodwill in the mark, which co-existed and continues to co-exist with 3M's alleged mark.

- (b) The "3M & Device" mark is "distinctive in its own right" and is not identical or similar to 3M's mark, and there is no likelihood of confusion between 3M's mark and the "3M & Device" mark.
- (c) The assertions by 3M that: (i) the use of M3M's mark was liable to be prevented by the law of passing off; (ii) M3M in filing the application for the registration of the "3M & Device" mark acted in bad faith; and (iii) 3M's mark is an earlier mark, were denied. However, if 3M's mark is the earlier mark, there has been honest concurrent use of the "3M & Device" mark by M3M.
- (d) M3M further put 3M to proof in respect of *inter alia*:
 - (i) reputation and distinctiveness of the mark "3M"
 - and (ii) that the "3M" mark qualifies for protection under the Paris Convention.

[17] M3M's counter statement was supported by statutory declarations from its administrative director and two Jamaican customers, Worthy Park Estate Limited and J Wray & Nephew Limited, which are companies in Jamaica engaged in the manufacture of sugar and rum respectively.

[18] Mr Robert Clarke, managing director of Worthy Park Estate Limited and Mr Robert Henriques, managing director of J Wray and Nephew Limited, both declared that

they have been engaged in a commercial relationship with M3M since 2001 and that they were familiar with the "3M & Device" mark, which was used on the packaging of M3M's goods and stationery. Both declarants stated that they were familiar with 3M, and were aware that the company distributed pharmaceutical and consumer products in Jamaica, but were unaware that 3M manufactured or distributed products similar to those distributed by M3M. They further stated that they had never been confused into believing that the goods supplied by M3M to their respective companies under the "3M & Device" mark originated from or were associated with 3M. Mr Clarke also asserted, at paragraph 9 of his statutory declaration, that confusion between the goods distributed under the "3M & Device" mark was unlikely given the cost and capital outlay necessary for the acquisition of goods sold by M3M under the said "3M & Device" mark. Additionally, the relevant prospective purchaser of those goods would be "knowledgeable, medium to large manufacturers and processors of sugar-cane in the sugar and alcohol industries".

[19] Mr Gabriel Sayeg Nevares, the administrative director of M3M, declared that M3M had been a manufacturer of machinery and spare parts for use in the sugar industry, and had been using "3M & Device", since 1963. The "3M & Device" mark, he explained, was a fusion of M3M's name with the grasshopper, which is an insect well known to be associated with Mexico. He asserted that the mark is "an invented design", independent of any mark used by 3M, and that at the time M3M commenced use of the "3M & Device" mark it was not aware of 3M or any mark used by 3M.

[20] Mr Nevares also stated that M3M began exporting goods to Jamaica using its "3M & Device" mark since at least 1989, as evidenced in an invoice for these goods attached to his declaration, and he stated that M3M continued to export goods to several major entities in Jamaica's sugar industry. He deponed that M3M did not market its goods to the general public in Jamaica, given the high cost and capital outlay required in the acquisition of its goods and the fact that its goods are "extremely specialized and designed specifically for use on sugar estates and plantations". Accordingly, he stated that M3M's goods were marketed and sold directly to large manufacturers in the sugar industry, who were familiar with its trade mark and business.

[21] Mr Nevares declared that 3M's trade mark is used in relation to goods of an entirely different description from those of M3M, and given the "highly select group of consumers" of M3M it was very unlikely that either consumer group will confuse M3M's and 3M's respective businesses and trade mark. The "continued honest concurrent use" of their respective trade mark, he noted, supported M3M's position that there was no likelihood of confusion between M3M's and 3M's respective products, businesses and trade marks.

Ruling of Sykes J

[22] Neither M3M nor the registrar was present and represented at the hearing before Sykes J. In considering the matter the learned judge sought guidance from the cases adjudicated in the Court of Justice of the European Community (CJEC), which I will analyse later, and the First Council Directive (89/104/EEC) of 21 December 1988 (the

1988 Directive), which he believed heavily influenced the promulgation of the TMA in Jamaica. He found that articles 4 and 5 of the 1988 Directive were similar or equivalent to sections 11, 13 and 14 of the TMA.

[23] Sykes J, at paragraph [91] of his reasons for judgment, referred to the law deduced from the cases examined. He analysed the law in respect of the following areas:

- (a) the factors to be considered in assessing the similarity of the marks and the likelihood of confusion;
- (b) the matters to be considered in determining the similarity of goods; and
- (c) the interpretation of the phrases "likelihood of confusion" and "the average consumer".

[24] On the issue of whether the "3M & Device" mark was identical or similar to 3M's trademark, the learned judge, at paragraph [100] of his judgment, in reliance on the decision in **Marca Mode CV v Adidas AG and Adidas Benelux BV** [2000] ETMR 723, found that "the marks in this case are not identical". While he accepted that phonetically the marks sounded the same, he found that they were conceptually and visually different. The visual difference he reasoned "is not such that it can be said that the questioned mark contains immaterial differences that would not be obvious to the average consumer". The learned judge, at paragraph [120] of the judgment, was of the view that the grasshopper (the device in the "3M & Device" mark) "is a very significant

feature of the questioned mark”, it being quite large, it “is not an immaterial or inconsequential image”.

[25] Furthermore, at paragraph [120] of the judgment, Sykes J rejected the submissions on behalf of 3M that the marks were conceptually, visually and aurally similar (the “3” and the “M” being the dominant features of both marks, with both being called “three em”). The learned judge stated that “[t]his seems to be a percentage argument, that is since two of the three criteria were the same or similar then the test of similarity was satisfied”. Accordingly, the learned judge, in considering the characteristics of the average consumer (which is addressed below), stated that “[t]he court is not prepared to accept that both marks are similar within the meaning of section 13(2)(b)” of the TMA.

[26] With regard to the issue of whether the goods of M3M were identical or similar to those of 3M, Sykes J, at paragraph [122], found that the “goods are not similar for the purpose of section 13(2)(b)” of the TMA. The learned judge accepted the detailed information provided by Mr Nevares on the goods manufactured by M3M, which he recognized 3M had not challenged, nor had 3M made any assertion that it provided equipment of the type stated by M3M to the same market. He also found that “so specialised is M3M’s market that not a single witness of 3M had ever heard of [M3M]” despite the fact that M3M has been selling sugar manufacturing equipment in Jamaica (which is not a continent) since 2001. Sykes J, at paragraph [123], also accepted that “the equipment produced by M3M would represent significant capital outlay by any sugar manufacturer”.

[27] At paragraph [129], Sykes J found that Mr Sprague, in his affidavit, was “too vague” in the goods supplied by 3M to the manufacturing industry and recounted that the fact that goods are in the same classification does not lead to the inexorable conclusion that they are the same or similar goods.

[28] On the issue of the average consumer, Sykes J, at paragraph [120], concluded that the average consumer in this case “is a highly knowledgeable and technical person”; he is “not the person buying a shoe but producers of sugar”, nor is he “the casual observer”.

[29] The learned judge, having found that the average consumer was highly knowledgeable, concluded at paragraph [121], that the court did not think that the average consumer, who was likely to purchase 3M’s goods was likely to make an association between 3M and the “3M & Device” mark.

[30] At paragraph [126], the learned judge concluded that there was no risk of the likelihood of confusion on the part of the average consumer of the goods under the “3M & Device” mark. Sykes J further concluded that the average consumer of goods covered by the “3M” mark was not likely to confuse M3M’s goods with those of 3M, given that it was unlikely that they would come in contact with M3M’s goods.

[31] With regard to the question of detriment or dilution of 3M’s mark, which mark Sykes J accepted was well established in Jamaica and internationally, the learned judge found that “[t]here is no free rider problem” (paragraph [133]) and “[t]here is no risk of dilution of 3M’s mark” (paragraph [131]). These findings were based on his

characterization of the average consumer, and the fact that “it is not readily obvious how it can be said that M3M’s mark would take unfair advantage of 3M’s mark” (paragraph [132]).

[32] On the point of whether M3M’s mark should not be registered based on the law of passing off, Sykes J found, at paragraph [135], that “[t]here is no misrepresentation to anyone about the goods manufactured by M3M” and there was no evidence capable of amounting to injury of 3M’s business.

[33] Sykes J also rejected the submission on behalf of 3M, that the “3M” mark was entitled to the protection offered by the Paris Convention to well-known marks, where there is the likelihood of confusion between the “3M” mark and the “3M & Device” mark, since in his view, there was no risk of the likelihood of confusion between the marks

[34] He also rejected the submission that M3M acted in bad faith, because it was unsuccessful in its quest to register its mark in Mexico, and it must have known of the existence of 3M’s mark in Jamaica. The learned judge opined that the fact that M3M’s application to register its mark in a foreign jurisdiction failed, without more, was not sufficient to impute bad faith. He further rejected the argument of bad faith as in his opinion, M3M was seeking to register its mark in respect of goods which though classified in the same classes as 3M’s goods, there was no danger of the average consumer mistaking M3M’s mark for 3M’s mark because the marks were not in respect of identical or similar goods, and the markets for their respective goods were different.

[35] On the issue of whether there was honest concurrent use by M3M of its mark in Jamaica, Sykes J ruled, at paragraph [141], that “[t]here is no reason for this court to find that M3M’s use of its mark has been anything but honest”. He found that there was no good ground of opposition raised by 3M on the facts presented and 3M’s successful opposition to M3M’s use of its mark in another jurisdiction, without more, did not mean simpliciter that its use of the mark in Jamaica was not honest.

[36] In all these circumstances, the learned judge refused to grant the orders 3M had sought in its fixed date claim form.

The appeal

[37] Accordingly, on 14 July 2014, 3M filed notice and grounds of appeal against Sykes J’s decision.

[38] 3M filed several grounds of appeal. In essence, they are as follows:

- (a) The learned judge erred in finding that the marks are not similar, by placing too much or an inappropriate measure of emphasis on the grasshopper logo and the slanted writing of M3M’s mark, while failing to place any or sufficient weight on the identical nature of the aural identities of the two marks. The learned judge failed to make proper assessment of the degree of aural, visual or conceptual similarity between the marks, and to take into account the inherent or

acquired distinctiveness of 3M's mark. In dismissing 3M's argument on similarity between the marks as a "percentage argument", the learned judge failed to give proper weight to: (i) the learning that establishes that in composite marks, the textual element is most significant; (ii) the identical nature of the aural identity of the marks; and (iii) the documented versions and variations of 3M's mark over the years.

- (b) The learned judge made several errors in confusing the strands and stages of the applicable tests, in that he: (i) failed to first assess the marks for similarity before going on to assess whether the marks would engender a likelihood of confusion and (ii) appeared not to have appreciated that the concept of the average consumer is to be considered with respect to whether there is a likelihood of confusion, not in determining whether the mark themselves are similar.
- (c) The learned judge fell into error when he stated that "their nature, their end users and their methods of use and whether they are in competition with each other or complimentary" are relevant factors to determine whether a mark is highly distinctive,

thereby failing to appreciate that these are relevant factors in determining whether the goods are similar per **Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc (formerly Pathe Communications Corp)** [1998] All ER (EC) 934. The learned judge further misstated the legal principle when he went on to state “[t]he idea here is that despite the dissimilarity of the goods and services the questioned mark is so similar to the earlier mark that allowing the registration of the second mark would tarnish the reputation and image of the earlier mark”, given that the broader protection granted to distinctive marks, where the goods are dissimilar, does not rest on the marks being “so similar”, but on the reputation of the earlier mark being such that a similar mark may be linked to it.

- (d) The learned judge, having cited **Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV** [2000] FSR 77 with approval and concluded that “the combined effect of the similarity of goods or services, the similarity aurally and the distinctiveness of the earlier mark created fertile ground for the likelihood

of confusion to take root”, erroneously went on to find that, in the instant case concerning identical goods, aural identity and a highly distinctive mark, there is no likelihood of confusion and he also failed to consider whether 3M’s reputation ought to have been protected irrespective of such finding.

- (e) The learned judge erred in finding that because M3M’s goods are specialized, they were not similar to 3M’s and accordingly, failed to give proper consideration to the wide range of goods concerned in M3M’s application for registration in categories for which 3M’s mark had been earlier registered.
- (f) The learned judge erred in his assessment of the likelihood of confusion due to his emphasis on the specialized goods in use by M3M, instead of the goods for which it sought to register its mark, which if registered would undermine and dilute 3M’s trade mark rights and place them in jeopardy.
- (g) The learned judge erred when he limited his consideration of the average consumer being one with “significant technical expertise” and he found support in applying an incorrect interpretation of

“relevant section of the public” as being limited to actual consumers of the goods in question.

- (h) The learned judge failed to take account or take proper account of 3M’s reputation worldwide and in Jamaica, and the fact that it is an entity that a broad section of the public would likely immediately automatically associate with M3M’s mark and products, notwithstanding their specialized nature, and that M3M’s customers are a subset of 3M’s customers, given that many of 3M’s products are sold to the general public.
- (i) The learned judge erred in finding that M3M’s use of its mark would not take unfair advantage of or be detrimental to the distinctive character or reputation of 3M’s mark, without reasons or proper reasons for so finding. The learned judge further failed to address the likelihood of association that M3M’s mark would give rise to, namely, that M3M was a subsidiary or economically related enterprise to 3M.
- (j) The learned judge fell into error in finding that M3M’s use of its mark in Jamaica was honest, without any evidence to support such a finding, given that M3M’s

evidence had not established how or why the name 3M had been adopted by its company. There was no evidence by M3M of honest adoption or compulsion to adopt or to use the mark "3M". The learned judge also had not advanced any reasons for concluding that there was no good ground for 3M's opposition and as a consequence, M3M's use of its mark was honest concurrent use.

- (k) The learned judge erred in placing undue emphasis on 3M's witnesses' lack of prior knowledge of M3M and failing to appreciate the importance of that evidence, which was demonstrative of the ability of M3M to gain unfair advantage of the "3M" mark and reputation, given that all the witnesses (experienced business persons) indicated that in their view, M3M's mark would cause confusion.
- (l) The learned judge erroneously misplaced the relevance of the evidence of the proceedings in Mexico, which were adduced to show that M3M had been aware of 3M's opposition to the use of the questioned mark, thereby negating honest concurrent

use and imputing bad faith in continued use of the mark.

- (m) The learned judge having properly interpreted section 13(3) of the TMA (at paragraphs [45] and [105] of his reasons for judgment), failed to properly consider the evidence or to apply the relevant principles and further, he gave no reasons or proper reasons for concluding that there was no risk of dilution of 3M's mark, nor did he address the issue of whether M3M had due cause to use the questioned mark.

Preliminary issue

[39] Prior to hearing this appeal, in light of the absence of legal representation for M3M, a preliminary point was raised by the court as to whether service of the relevant documents, giving notice of the appeal before this court, had been properly effected on M3M. Counsel for 3M indicated that M3M had been duly served with all the relevant documents. Service had been effected on DunnCox, the law firm acting as the local agent of M3M for the service of process. Mr Emile Leiba, attorney-at-law at DunnCox, informed the court that his firm acted in the sole capacity of local agent for M3M in respect of the service of process, and that all the documents served on the firm in respect of the appeal before this court had been brought to M3M's attention.

[40] Rule 9(1)(a) of the TMR requires that for the purpose of any appeal from the decision of the registrar, an address for service of process in Jamaica must be provided

by the applicant for the registration of a trademark. Rule 9(4) of the TMR provides that anything sent to any applicant at his address for service shall be deemed to be properly sent. Accordingly, Mr Leiba having informed the court that DunnCox was the local agent for the service of process for M3M, and that the firm was in receipt of the relevant documents for this appeal, which had been brought to the attention of M3M, the court was satisfied that service in respect of this appeal had been properly effected on M3M.

[41] Mr Leiba had also informed the court that DunnCox were not the attorneys representing M3M in the appeal as they had been given instructions not to do so. As a consequence, this court was not afforded the benefit of hearing submissions on behalf of M3M. Additionally, no submissions were made or filed on the registrar's behalf. Accordingly, we heard submissions only from learned counsel representing 3M.

Issues

[42] Based on the 13 grounds of appeal filed, the main issues in this appeal are as follows:

- (a) Whether the learned judge erred in failing to find that the "3M & Device" mark was not eligible for registration by virtue of the provisions of sections 13(1) and (2) of the TMA (grounds (a), (b), (c), (d), (e), (f) and (g)).
- (b) Whether the learned judge erred in failing to find that the "3M & Device" mark was not eligible for

registration pursuant to section 13(3) of the TMA (grounds (h), (i), (k) and (m)).

- (c) Whether the "3M & Device" mark may be registered pursuant to section 15 of the TMA even if it were to be found that the mark was not eligible for registration by virtue of sections 13(1), (2) and (3) of the TMA (grounds (j) and (l)).
- (d) Whether the learned judge erred in failing to find that the "3M & Device" mark was not registrable by virtue of the provision of section 11(4)(e) of the TMA (grounds (j) and (l)).

Issue (a) - Whether the learned judge erred in failing to find that the "3M & Device" mark was not eligible for registration by virtue of the provisions of sections 13(1) and (2) of the TMA (grounds (a)-(g)).

[43] In assessing issue (a), in my view, the following sub-issues must be considered:

- i. Whether the learned judge erred in finding that the earlier 3M mark and the "3M & Device" mark were not in certain respects identical and in other respects similar (grounds (a) and (b)).
- ii. Whether the learned judge failed to properly assess whether the goods were identical or similar (grounds (c) and (e)).

- iii. Whether the learned judge's finding that there is no risk of the likelihood of confusion can be impugned (grounds (d), (f) and (g)).

Issue (a)(i): Whether the learned judge erred in finding that the earlier 3M mark and the "3M & Device" mark were not identical and/or similar (grounds (a) and (b))

Submissions

[44] Learned counsel complained that, in finding that the "3M & Device" mark was not similar to the earlier 3M mark, Sykes J referred to **Marca Mode v Adidas**, which has no relevance in the determination of similarity of marks. In fact that case, it was submitted, dealt with the protection of distinctive marks in circumstances where the challenged mark was likely to cause confusion.

[45] It was submitted that the *locus classicus* in the determination of whether marks were identical or similar was **Sabel BV v Puma AG, Rudolf Dassler Sport** [1998] RPC 199. That case, learned counsel argued, laid down the basic framework to assess whether marks are similar namely, the "global appreciation approach", by comparing the marks as a whole, in the way an average consumer would see them, bearing in mind that the average consumer does not analyse the various details of marks.

[46] The learned judge, it was argued, placed too much or inappropriate emphasis on the grasshopper logo and the slanted writing demonstrated in the "3M & Device" mark, while failing to place any or significant weight on the identical nature of the aural identities of the two marks. Learned counsel also complained that Sykes J failed to make any proper assessment of the degree of aural, visual or conceptual similarity

between the marks and to consider the inherent or acquired distinctiveness of the 3M mark.

[47] In rejecting 3M's submission, counsel argued that the learned judge focused on what he said was the dominant visual features of the marks and also by referring to the aural identity of the marks as a "percentage argument". This, learned counsel submitted, demonstrated the learned judge's failure to give proper weight to: (i) the learning related to the significance of the textual element in composite marks; (ii) lack of relevance of the grasshopper device in the aural comparison of the marks; and (iii) the documented versions or variations of the 3M mark over the years.

[48] Counsel submitted that the dominant element of the marks is "3M" (textual element). Additionally, she contended that the marks are aurally identical, each has two syllables "three" and "em". Thus, "when M3M's trade mark is spoken, there is no room whatsoever for differentiation between its mark and that of 3M". Further, counsel argued that the 3M mark has been the subject of several variations over the years.

[49] Accordingly, learned counsel submitted, relying on **Lloyd Schuhfabrik Meyer, Matratzen Concord GmbH v Office for Harmonisation In the Internal Market** [2002] ETMR 31, and **In the Matter of Trade Mark Application Number 2275058 In the name of Coco de Mer Limited v Opposition Number 90007 thereto By Chanel Limited** 2004 WL 1074178, that the aural identity and visual similarity between the 3M mark and M3M's mark were such that "the inescapable conclusion is that the marks are similar to a very high degree", especially when consideration is given

to the distinctive quality of the 3M mark and the imperfect recollection of the average consumer.

Issue (a)(ii): Whether the learned judge failed to properly assess whether the goods were identical or similar (grounds (c) and (e))

Submissions

[50] Counsel submitted that Sykes J erred when he concluded, at paragraphs [122] and [123] of his judgment, that the goods were not similar based on his findings that M3M's goods were specialized. Learned counsel argued that the learned judge failed to consider the wide range of goods in the classes for which M3M sought to apply for registration and that those were classes for which the earlier 3M mark had been registered and therefore deserving of due protection.

[51] In determining whether goods are identical, learned counsel referred the court to an extract from the learned authors of Bentley & Sherman, Intellectual Property Law, third edition, page 862, which states that "[i]f the category of goods or services protected by an earlier trade mark is broader than, but includes, the category of goods or services to which the application relates, then the applicant's goods are identical with those of the earlier mark". Consequently, she submitted that "since the '3M' trademarks [sic] are registered and protected for the full class headings of class[es] 7, 11 and 12, any goods applied for which fall within the categories of class[es] 7, 11 and 12 would be identical to the goods for which the earlier '3M' mark is registered".

[52] Learned counsel, in reliance on **Discovery Communications Inc v Discovery FM Limited** 2000 SC 69, further argued that the mere fact that 3M may not yet have

used its mark in relation to the particular goods for which it is registered, does not prevent it from challenging M3M's registration. Counsel submitted further that in that case, the court had held, "on the issue of protection to be afforded to a registered mark, that where a mark had not yet come into use in relation to the services in respect of which the defendant sought to use its mark, the court was required to assume that the claimant's mark would be used in a normal and fair manner in relation to the services for which it was registered". She further stated that Lord Marnoch at page 72 of the judgment envisaged "normal and fair" use as "any normal and fair potential use of the mark".

Issue (a)(iii): Whether the learned judge's finding that there is no risk of the likelihood of confusion can be impugned (grounds (d), (f) and (g))

Submissions

[53] Counsel submitted that the learned judge's finding that: "there is no risk of the likelihood of confusion" based on the nature of M3M's market; "the highly educated and specialized" consumer of its goods; and the fact that the average consumer of 3M's goods is unlikely to know or come in contact with M3M's goods, was flawed.

[54] She asserted that the assessment of whether there was a likelihood of confusion is consequent on a finding that there was similarity of the marks and of the goods or services. Accordingly, it was highly improbable that the learned judge would have found there was a likelihood of confusion given his conclusion that the marks were different, as well as the goods.

[55] Counsel submitted that good guidance on the correct approach in assessing whether there was a likelihood of confusion between the “3M” mark and “3M & Device” mark was stated clearly in the dicta in the following cases: **Lloyd Schuhfabrik Meyer**, **Sabel v Puma**, and **Canon v Metro-Goldwyn-Mayer**, and should be adopted. She asserted that the cases required that a tribunal, when assessing the issue of likelihood of confusion, should consider: (i) the degree of recognition of the trade mark; (ii) the degree of similarity between the marks and between the goods and services; (iii) the distinctive character (reputation) of the earlier mark; (iv) the possibilities of making an association with the registered trade mark; and (v) the overall impression of the mark on the average consumer.

[56] She maintained that the learned judge placed undue emphasis on the average consumer, who he described as possessing significant technical expertise and a high degree of specialized information, in considering the likelihood of confusion, which was “far over and beyond all the other relevant factors”. This, she argued, led him into an incorrect interpretation of “relevant section of the public” as being limited to actual consumers of the goods in question.

[57] Counsel submitted, in reliance on **Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd** [2009] RPC 9, that to the contrary, the “relevant section of the public” for these purposes has been held to include, but is not limited to, “the consumers of the goods and services in [sic] to which the mark applies, people involved in the distribution of the type of goods in question and business circles dealing with the goods or services in question”.

[58] The learned judge, it was submitted, failed to take into account that 3M is a well known innovative entity which has a wide cross-section of related and unrelated goods and thus it was not a farfetched notion that one would assume that anything bearing the text "3M" had originated from 3M Company or a connected entity.

Analysis of issues (a)(i), (ii) and (iii)

[59] In order to properly assess issues (a)(i), (ii) and (iii), in my view, one must review the relevant provisions of sections 13(1) and (2) of the TMA. Sections 13(1) and (2) state:

"(1) A trade mark shall not be registered if-

- (a) it is identical with an earlier trade mark; and
- (b) the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected.

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

- (a) it is identical with an earlier trade mark and the goods or services in relation to which application for registration is made are similar to those for which the earlier trade mark is registered; or
- (b) it is similar to an earlier trade mark and the goods or services in relation to which application for registration is made are identical with or similar to those for which the earlier trade mark is protected,

and there exists a likelihood of confusion on the part of the public, including the likelihood of association with the earlier trade mark."

[60] Sykes J set out in detail what he described as the source of the TMA in Jamaica namely the Directive which he stated informed the promulgation of the TMA. With

gratitude, I have repeated his clear and concise exposition and text of the applicable directives at paragraphs [27]-[29] and paragraphs [51]-[56] of his judgment:

“The source of the TMA

[27] The TMA has been heavily influenced by First Council Directive (89/104/EEC) of 21 December 1988 (‘the Directive or the 1988 Directive’). This Directive was issued in order to ensure that there were minimum and uniform standards for the registration of trade marks in member states of the economic union. Member states could exceed what was stated in the Directive but it was not expected that they could go below it. Although the 1988 Directive appears to have been replaced by Directive 2008/95/EC of October 22, 2008, the new Directive has the same articles that are relevant to this case.

[28] The court will demonstrate the conclusion that the TMA relied heavily on the 1988 direction by listing the articles in the Directive and provisions in the TMA that reflect the essence of the various articles.

Subject matter of provision	Provision of TMA	Article of 1988 Directive
Definition of trade mark	Section 2 (1) -	Article 2
Limitation on rights	Section 10	Article 6
Disqualification of marks from Registration	Section 11 (1), (a), (b), (c), (d),	Article 3 (3) (1) (a), (b), (c), (d)
	Section 11 (2)	Article 3 (3)
	Section 11 (3) (a), (b), (c)	Article 3 (1)(e)
	Section 11 (4) (a), (b)	Article 3 (1) (f), (g)
	Section 13 (1) (a), (b)	Article 4 (1) (a)
	Section 13 (2) (a), (b)	Article 4 (1) (b)
	Section 13 (3)	Article 4 (4)

		(a); 5 (2)
Earlier Mark	Section 14 (1) (b)	Article 4 (2) (d)
Ground for revocation	Section 43	Article 12

[29] From this table it is safe to say that Jamaica adopted the core protective provisions of the Directive. Immaterial alterations aside, Jamaica, for all practical purposes, enacted articles 2, 3, 4 and 5 of the 1988 Directive. These articles define what a trade mark is (article 2). Articles 3 and 4 speak to the grounds for refusal of registration. Article 5 confers rights following from registration.

...

The text of the relevant articles of the 1988 Directive

[51] It is important to set out the actual text of the relevant articles of the 1988 Directive so that the analyses of the CJEC in the various cases can be appreciated.

[52] Article 4 (1) reads:

1. *A trade mark shall not be registered or, if registered, shall be liable to be declared invalid:*

(a) if it is identical with an earlier trade mark, and the goods or services for which the trade mark is applied for or is registered are identical with the goods or services for which the earlier trade mark is protected;

(b) if because of its identity with, or similarity to, the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks, there exists a likelihood of confusion on the part of the public which includes the likelihood of association with the earlier trade mark.

[53] Articles 4(3) [and (4)(4)(a) read]:

3. *A trade mark shall furthermore not be registered or, if registered, shall be liable to be declared invalid if it is identical with, or similar to, an earlier Community trade mark within the meaning of paragraph 2 and is to be, or has been, registered for goods or services which are not similar to those for which the earlier Community trade mark is registered, where the earlier Community trade mark has a reputation in the Community and where the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier Community trade mark.*

4. *Any Member State may furthermore provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where, and to the extent that:*

(a) *the trade mark is identical with, or similar to, an earlier national trade mark within the meaning of paragraph 2 and is to be, or has been, registered for goods or services which are not similar to those for which the earlier trade mark is registered, where the earlier trade mark has a reputation in the Member State concerned and where the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark;*

[54] Article 5 (1) (a), (b), (2) states:

[1.] *The registered trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:*

(a) *any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered;*

(b) *any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trade mark.*

2. *Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.*

[55] In addition to the article mentioned, the tenth recital in the preamble has been important in the decisions of the court. It reads:

*Whereas the protection afforded by the registered trade mark, the function of which is in particular to guarantee the trade mark as an indication of origin, is absolute in the case of identity between the mark and the sign and goods or services; whereas the protection applies also in case of similarity between the mark and the sign and the goods or services; whereas it is indispensable to give an interpretation of the concept of similarity in relation to the likelihood of confusion; **whereas the likelihood of confusion, the appreciation of which depends on numerous elements and, in particular, on the recognition of the trade mark on the market, of the association which can be made with the used or registered sign, of the degree of similarity between the trade mark and the sign and between the goods or services identified, constitutes the specific condition for such protection;** whereas the ways in which likelihood of confusion may be established, and in particular the onus of proof, are a matter for national Procedural*

rules which are not prejudiced by the Directive; (my emphasis)

[56] This recital distinguishes between a situation where, on the one hand the marks and the goods are identical from, on the other hand, a situation where the mark is identical/similar and the goods are similar. In the former case, the recital says that protection is absolute. In the latter case, while the expression relative is not used it is clear that the protection only arises where there is real likelihood of confusion on the part of the public. The preamble also notes that a determination of whether there is a likelihood of confusion depends on a number of factors and those factors determine the circumstances in which protection is given."

[61] As can be seen from the above, articles 4 and 5 of the Directive and the tenth preamble to the directive, which are similar in many respects to sections 13(1), (2) and (3) and, 11(4)(e) and 15 of the TMA, are relevant to the resolution of the issues on this appeal.

[62] With regard to section 13(1) of the TMA it is clear that a trade mark will not be registered if it is identical to an earlier trade mark and if the goods and services that it covers are identical to the goods and services of the earlier trade mark.

[63] It is also clear that sections 13(2)(a) and (b) is almost identical to article 4(1)(b) and 5(1)(b) of the Directive. That provision makes it clear that an earlier trade mark is entitled to protection and a later trade mark will not be registered if the later mark is identical to the earlier mark and its goods or services are similar to those for which the earlier mark is registered; or the later mark is similar to the earlier trade mark and its goods or services are identical or similar to the earlier mark. In these circumstances, but not those set out in section 13(1) of the TMA which refers to the mark and the

goods and services to which it covers being identical, there must exist a likelihood of confusion on the part of the public including a likelihood of association with the earlier trade mark.

[64] Thus, in examining whether a mark runs afoul of sections 13(1) and (2) of the TMA, the following questions must be answered:

- (a) Which mark is the earlier mark?
- (b) Are the marks identical or similar?
- (c) Are the goods or services to be protected by the later mark identical or similar to those protected by the earlier mark?
- (d) Is there a likelihood of confusion (including a likelihood of association) on the part of the public in respect of the marks, and/or the goods and services in that they are either identical and/or similar?

Earlier mark

[65] Section 14(1) of the TMA defines an "earlier trade mark" to mean, *inter alia*, "a registered trade mark".

[66] There is no dispute that 3M's mark is the earlier mark in the instant case in that it has been registered in Jamaica pursuant to the TMA since 1971 to protect goods in numerous classes, including classes 7, 11 and 12 to which M3M's application relates, which was made as indicated in December 2005. However, M3M started exporting to

Jamaica at least in 1989. Indeed, it is the application for registration of the "3M & Device" mark in classes 7, 11 and 12 which once advertised triggered the proceedings in opposition. The classifications of goods are set out in the third and fourth schedule to the TMR pursuant to rule 7 of the TMR. I set out below classes 7, 11 and 12 in respect of which M3M sought registration of the "3M & Device" mark and in respect of which 3M has already been registered:

- "Class 7 Earth plows, portable harrows, rubble removers, granular fertilizers, sugar cane loaders, mill yard equipment, mechanical grabs, stackers, cane feed tables; machines and machine tools; motors and engines (except for land vehicles); machine coupling and transmission components (except for land vehicles); agricultural implements; incubators for eggs.
- Class 11 Evaporators, juice heaters, bagasse drying systems; vacuum pans, mechanical circulators, crystallizers; apparatus for lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purposes.
- Class 12 Hydraulic dump semi-trailers, pneumatic discharge hopper tank semi-trailer; bulk products hopper tank semi-trailer, elliptical tank semi-trailer, cylindrical tank semi-trailer, cranes; vehicles, apparatus for locomotion by land, air or water."

Marks Identical and/or similar

[67] The next question to be considered, in these circumstances, in relation to the interpretation of section 13(1) of the TMA, is whether the marks are identical. It is necessary to compare the earlier mark contained in the registration certificate with the representation of the mark being applied for. As stated by the authors Bently and

Sherman at page 861 paragraph 2.2.1, the marks must be considered as a whole, so nothing in the applicant's mark can be ignored. The authors emphasise that it is important to examine the marks, and if they are identical then there is no need to prove whether there is likely to be any confusion between them. Additionally, it is not usually difficult to ascertain whether the marks are identical, but the examination they state, must be undertaken strictly as the marks must be identical in all respects. However, the authors note that the examination is still to be assessed from the view point of the average customer, and the authorities make it clear that such a person would assess the sign globally, viewing it for its overall impression, and in these circumstances, any insignificant aspects of the sign may therefore go unnoticed. It was stated, however, that the conclusion as to whether a mark is identical is a question of fact.

[68] In the instant case, the marks could appear to be aurally identical, and one might wish to place much weight and great significance on that position. Each mark has two syllables, utilising the number "3" and the letter "M". Accordingly, as counsel for 3M pointed out, once the mark is spoken there is no differentiation whatsoever between the "3M" mark and that of M3M's "3M & Device". As indicated, the appellant's mark is not made up only of the letter "M" but is coupled with the number "3". However, the two components are not necessarily always depicted in the same way, which may add to the distinctive character of the mark particularly as it is not descriptive of the goods in respect of which the mark is registered in the various classes. However, there is also the component element of the grasshopper which is a part of the respondent's "3M & Device" mark and which cannot be ignored. As the cases say, both marks must be

examined globally to arrive at a decision as to whether the marks are identical. In my view, the significant component elements of the marks are aurally identical.

[69] The next issue is whether the marks are similar. As the cases, which I will analyse in more detail later in this judgment, indicate, and as Bently and Sherman confirm, in order to decide whether the marks are similar, one must also utilise the global approach: that is, compare the marks as a whole, in the way the average consumer would see them. The learned authors state further, that the tribunal assessing the situation must therefore examine and identify the dominant and distinctive features of the mark and the components thereof, especially in the case of composite and complex marks, and examine also the degree of the aural, visual and conceptual similarity in relation to them. Consideration must be given to the inherent as opposed to the acquired distinctiveness of the mark. However, one must not only consider the dominant features of the mark. The authors make it clear that certain marks are best assessed visually and, in respect of others, an aural examination would be more apposite. It is obvious though that in certain circumstances, the mere aural similarity of the mark may be sufficient to cause confusion.

Goods and services identical and/or similar and the likelihood of confusion (including the likelihood of association)

[70] The final question to be considered under this issue is whether the goods and services in respect of which an application is being made for registration of a trade mark are identical or similar in respect of goods and services protected by an earlier

mark already registered. The authors, Bently and Sherman, state clearly (relevant to the facts of the matters before the court) that:

“If the category of goods or services protected by an earlier trade mark is broader than, but includes, the category of goods or services to which the application relates, then the applicant’s goods are identical with those of the earlier mark. So, if an earlier trade mark relates to ‘broadcasting services’, a later application relating to radio broadcasting services would be understood as being identical. Equally, if the specifications of the trade mark [of the] applicant overlap with those of the earlier trade mark owner/opponent, those goods within the overlap will be regarded as identical.”
(page 862, paragraph 2.2.2)

[71] The learned authors also point out that the question of whether goods and services are similar depends on the facts of the case. It is usually a mere paper exercise to ascertain whether the goods and services relating to the applicant’s mark are covered by the earlier trade mark registration. However, the learned authors note that in an action for infringement of the mark, the actual use of the goods and services is the subject of the comparison as against the specification of the goods on the trade mark register. The court then has to ascertain if the goods really fall within the classification/specification of the goods covered by the registered mark. Indeed, the authors posited that in **Canon v Metro-Goldwyn-Mayer**, which I will deal with in detail later, the court decided that ultimately the issues were: what was the nature of the goods; the end users; are the goods in competition with each other, or are they complementary to each other.

[72] There are several cases that deal with this aspect of the matter (whether the marks and/or goods and services are identical or similar) and I thought it may be useful

to set out the facts, rationes decidendi and dicta from some of them in order to highlight the principles emanating therefrom; the approach to be adopted in arriving at a conclusion with regard to the identical nature or similarity of the marks, and/or the goods and services relating to them, and to resolve the rather unusual issues surrounding this case.

[73] In **Coco de Mer v Chanel**, the applicant Coco de Mer, made an application to register "COCO DE MER" in a number of classes of goods including class 3 (perfumery, essential oils and cosmetics), class 14 (jewellery), class 18 (travelling bags) and class 25 (clothing, footwear and headgear). Chanel Limited, which had a previously registered mark "COCO", opposed this registration. The opposition was upheld under section 5(2)(b) of the United Kingdom (UK) Trade Marks Act, 1994 based on the strength of the "COCO" element in the earlier mark and therefore the likelihood of confusion. The registrar held that there would be association between the two marks, and as the goods were identical this would lead consumers to believe that the goods came from the same or economically linked undertakings.

[74] Patten J in the High Court of Justice, Chancery Division set out the history of the background to the marks. He referred particularly to the origin of the "Chanel" and "COCO" marks outlining that they had been devised by Mlle Gabrielle ("Coco") Chanel in 1910 who began selling hats before she opened fashion boutiques and couture houses, and before launching the Chanel No 5 perfume in 1921. Chanel Limited was formed in 1925 in the UK to take advantage of the reputation built by Mlle Chanel in respect of the mark "Chanel" in Paris, and later through various trade marks including the mark

"COCO" recognised throughout the world. "Coco" was the affectionate name by which Mlle Chanel was generally known. Indeed, as Patten J noted, the New York Times Obituary on 11 January 1971 stated that: "she was known the world over as 'Coco'". In fact, the name "COCO" had been adopted as a trademark for one of the fragrances of Chanel Limited, and the approximate trade value of sales relating to the "COCO" perfume immediately preceding the application of the "COCO DE MER" mark was £4,500,000.00. In his reasons for judgment Patten J gave a detailed catalogue of various products for which Chanel Limited had acquired registration under the name "COCO". He stated that the annual turnover of all Chanel fashion and accessory items including jewellery and watches was in excess of £13,000,000.00 per annum.

[75] On the other hand, the appellant company operated from retail shop premises in London under the name "COCO DE MER". The company, Patten J, stated operated as a "modern, fashionable erotic emporium". It had been selling a wide range of erotica related products since November 2001. The aim of Mrs Samantha Roddick (who had established the business), was "to sell items of high quality in an attractive environment that is not smutty or alienating". The product range of goods included under class 18 was whips and harnesses. As Patten J pointed out, Chanel Limited was not competing by selling similar goods under the "COCO" mark. The mark "COCO DE MER" was described as a fruit of a tree, which was a large nut with two lobes which resembled the female bottom and genitalia. The name "COCO DE MER" was actually a species of palm trees which grew only in one or two of the islands in the Seychelles. Patten J noted that Miss Roddick had indicated, that in designing the mark, she had merged the spiritual

and sexual significance of the coco de mer nut, as there was certain folklore which surrounded the tree and the nut, which she deposed was ideally suited as a means of identifying and promoting her business, which was focused on appealing to women, and not to the more down market and sleazy shops which were mainly directed at men. Of course, Miss Roddick denied any association of the two marks.

[76] In dealing with the issue of assessing the degree of similarity of the marks, Patten J said at paragraph 12 of the reasons for judgment, that it was first necessary to analyse the character of each mark and its significance to those who came into contact with them. The marks, he said, must be assessed by way of their aural and visual characteristics. He said further that it was important to make a global assessment of the marks and to do that "it is necessary first to ascertain what was the respective aural, visual and conceptual features of the mark and the relative strengths and weaknesses of each element". Patten J having analysed in great detail the important components of each mark in the case, and also having indicated that the average consumer would have had no actual understanding of what the actual "COCO DE MER" mark meant, concluded in paragraph 24 as follows:

"The average consumer's lack of understanding of what COCO DE MER means will, by the same token, diminish the ability of the words DE MER to control the impact of what is otherwise the most eye- and mind-catching word in the phrase. Views may differ as to the degree to which the word COCO has any distinctive visual significance or impact, but that seems to me to be less important than the attraction which it has as a word. It is, to my mind, clearly the most catchy part of the phrase and the one element in it which is more likely to attract consumers' attention than the remaining two words DE MER or the graphic style in which

the words are presented. The Hearing Officer was therefore, in my judgment, entitled to conclude that, when taken together, the combination of the conceptual, aural and visual characteristics of the mark left COCO as a strong and obvious element in it."

[77] With regard to the issue of likelihood of confusion, Patten J made the comment, as Sykes J did in the reasons for judgment, that in the absence of any error of principle a court should be slow to substantiate its own judgment for the conclusion of the hearing officer (registrar) reached on a conclusion of the same material. Patten J referred to the case of **Reef Trade Mark** [2003] RPC 5 for that proposition. Patten J also referred to **Sabel v Puma** for the principle that the likelihood of confusion as to the economic origin of the goods depends on "a global appreciation of all relevant factors. When the goods are identical, the predominant factor is likely to be the degree of similarity (or not) which exists between the two marks, having regard to their distinctive characteristics" (paragraph 27). In that case, Patten J found that one could not help but find that there was a link between the two marks in the common word "COCO". So, the issue to be determined was whether the other elements in the applicant's mark were likely to rule out the conclusion which the word "COCO" would have otherwise produced when used in the market for similar classes of goods. The court found that there was a likelihood of confusion between these two marks.

[78] In the instant case, as already stated, in my view, the "3M" in both marks are the distinctive features in the marks. The issue would therefore be, was the component in "3M & Device", the grasshopper, a sufficiently significant character so as to take away from the overall global appreciation of the marks the conclusion that there was a

link between them providing a sufficiently identical assessment between the two marks, which would ultimately produce a likelihood of confusion. In other words, the question must be is "3M" the most noticeable part of the mark and the element most likely to attract the consumer's attention.

[79] The case of **Lloyd Schuhfabrik Meyer** is also instructive on the issues of similarity of marks and the likelihood of confusion. In that case, questions arose between the claimant, a registered proprietor in Germany of a number of marks comprising the word "LLOYD" for footwear and the defendant, who had an international registration of "LOINT's" for footwear with protection extending to Germany. The claimant had sold footwear under the "LLOYD" mark since 1927. The mark was recognised by 36% of the total population aged between 16 and 64. The case related to the claim for a restraining order in respect of "LOINT's". The issue was whether there was a likelihood of confusion between the claimant's mark and the defendant's sign. Certain questions were referred to the Court of Justice of the European Community (Court of Justice) for a ruling with regard to the similarity between the signs and the similarity and identity of the goods and services. The questions posed were: (i) was there a likelihood of confusion between the claimant's mark and the defendant's sign related to their goods and services and (ii) what was the significance of a likelihood of confusion including a likelihood of association between the sign and the trade mark.

[80] It was contended in this case that the sign "LOINT's" would be confused with the trade mark "LLOYD" because of "the particularly distinctive character of the ["LLOYD"] mark, which arises from the absence of descriptive elements, from the high degree of

recognition of the mark and from its comprehensive, consistent and extensive use over a very long period" (paragraph 8). "LOINTS" claimed that there was no likelihood of confusion, and that the "LLOYD's" products had not been known to enjoy a high degree of recognition. It was also contended that in the shoe sector, there was no likelihood of confusion with regard to sound but only with respect to the graphic form of the mark. The questions posed for the court were: (1) whether a likelihood of confusion could be based solely on the aural similarity of the marks in question and (2) whether the mere fact that a mark has no descriptive element is sufficient for it to have an enhanced distinctive character.

[81] It was contended by "LLOYD" that in assessing the distinctive character of the mark, one ought not to refer in a systematic way to the percentage of recognition by the public which could be revealed by surveys. What was important was the qualitative assessment of all the factors constituting the representation of the trade mark, including its original distinctive character, the extent and distribution and of the use of the mark, and its degree of recognition through the public's association with the mark. "LOINT's" on the other hand had contended that one ought not to refer to the combination of vowels, but to the overall impression created by the two marks taking account of all relevant factors in each particular case.

[82] The court made the following findings:

"It was possible that mere aural similarity between trade marks may create a likelihood of confusion within the meaning of Article 5(1)(b) of [the directive]... The more similar the goods or services covered and the more

distinctive the earlier mark, the greater will be the likelihood of confusion. In determining the distinctive character of a mark and, accordingly, in assessing whether it was highly distinctive, it is necessary to make a global 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. In making that assessment, account had to be taken of all relevant factors and, 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 had been registered. It is not possible to state in general terms, for example by referring to given percentages relating to the degree of recognition attained by the mark within the relevant section of the public, when a mark had a strong distinctive character.”

In the opinion of the court, it was important in determining the distinctiveness of a mark, in order to make an overall assessment of the capacity of the mark, to identify the goods and services in respect of which it had been registered from those of any other undertaking.

[83] Ultimately the Court of Justice rejected “LOINT’s” submissions and made the rulings as set out above.

[84] In my opinion, in the instant case, it is important to examine the qualitative overall assessment of the marks, and in respect of the “3M” registered mark in particular, its inherent characteristic, including the fact that it did not contain an element descriptive of the goods in respect of which it was registered. The question would be whether this fact enhanced its distinctiveness, and its overall capacity therefore to identify the goods and services in respect of which it is registered from those goods and services of other undertakings.

[85] In **Sabel v Puma**, Sabel BV applied for a registration of a trade mark made up of a device depicting a bounding cheetah and the word "SABEL" for goods, *inter alia*, in class 18 (leather, imitation leather and products made therefrom) and class 25 (clothing). Puma opposed the application on the basis that it was the proprietor of an earlier pictorial mark showing a bounding Puma for goods, *inter alia*, in class 18 (leather, imitation leather and products made therefrom) and class 25 (articles of clothing). The court held that article 4(1)(b) of the Directive (section 13(2)(a) and (b) of the TMA), applied only if the marks and the goods and services which they designated were similar and/or identical, and that there existed a likelihood of confusion on the part of the public; and that this included the likelihood of association with the earlier mark. The court made it clear that the concept of likelihood of association was not an alternative to the concept of the likelihood of confusion but "served to define its scope". The court also decided that articles 4 and 5 of the Directive permit the proprietor of a trade mark with a reputation to prevent the use without cause, of signs identical with and similar to its mark, without the proof of likelihood of confusion, which is so even where there is no similarity between the goods. But this approach only applies to marks with a reputation, and in circumstances where the use of the mark takes unfair advantage to its detriment or to the distinctive character or the repute of the mark. This issue however relates to section 13(3) of the TMA. I will deal with the same later under issue (c).

[86] At page 224 of the judgment, the court held that the likelihood of confusion must be appreciated globally taking into consideration all the circumstances of the case. The

court underpinned that the global appreciation related to the visual, aural and conceptual similarity of the marks, the conclusion of which must be based on the overall impression given by the marks, bearing in mind their distinctive and dominant components. It is the perception of the marks in the mind of the average consumer of the goods and services which will play a decisive role in the global appreciation of the likelihood of confusion. The court made the point that the average consumer usually perceives a mark as a whole and does not proceed to analyse its various details. As a consequence, the court held that “the more distinctive the earlier mark the greater would be the likelihood of confusion”.

[87] The court in **Sabel v Puma** opined further that in that case, the fact that the two marks used images “with analogous semantic content” could give rise to the likelihood of confusion, if the earlier mark had a particularly distinctive character, either per se or because of the reputation it enjoyed with the public. However, if the earlier mark was not well known to the public, and consisted of an image with little imaginative content, the mere fact that the marks were similar, would not be sufficient to give rise to the likelihood of confusion. As a consequence, in that case, the court held that the mere association that the public might make between the marks, as a result of the analogous semantic content of the two marks, was not sufficient grounds to conclude that there was a likelihood of confusion.

[88] In the instant case, the court would have to assess whether the “3M” mark contained a distinctive characteristic; ascertain whether the quality of the goods and services were identical and/or similar; discern the nature and extent of the mark’s

reputation enjoyed with the public; and determine whether those factors caused confusion with the average consumer.

[89] In **Matratzen**, the applicant sought to register in Germany a figurative trade mark containing the words "Matratzen" and "Concord", for cushions, pillows and mattresses and related goods in classes 10, 20 and 24 respectively. The opponent to the mark alleged that there is the likelihood of confusion with its registered word mark "Matratzen" in Spain for rest furniture, such as "beds, studio couches, camp beds, cradles, couches, hammocks, bunks and carry-cots; transformable furniture; wheels for beds and furniture; bedside tables; chairs, arm chairs; spring mattresses, straw mattresses, mattresses and pillows" (class 20). The Opposition Division refused the application for goods falling in classes 20 and 24 but rejected the opposition in respect of goods falling with class 10 (cushions, pillows, mattresses, air cushions and beds for medical purposes) on the grounds that there was no likelihood of confusion. Both parties appealed. The Board of Appeal dismissed the applicant's appeal but allowed that of the opponent finding that there was a likelihood of confusion on all categories of goods covered by the application.

[90] The applicant's appeal to the Court of First Instance of the European Communities was dismissed. The Court of First Instance agreed with the Board of Appeal that as the goods of the parties were identical or highly similar, and on a global assessment, the marks were also similar, there was a likelihood of confusion, and so the opposition on behalf of the Spanish registered proprietor must succeed. The court found that the fact that the word "Matratzen" in Germany meant "mattresses" did not

affect the ruling in favour of the opposition as it was a word which meant nothing to Spanish consumers. The word "Matratzen" was not at all similar to the word "colchon" which means "mattresses" in Spanish. The court also found that in keeping with previous authorities, if the content of the mark was identical, the risk of the public believing that the goods may come from the same undertaking or from economically linked undertakings would lead to the likelihood of confusion.

[91] Additionally, the court also found that the likelihood of confusion must be assessed globally, with all relevant factors being taken into account. The global assessment recognized a certain interdependence between these factors, particularly the similarity between the marks, and the goods and services that the marks cover. Thus, a lesser degree of similarity between the goods and services may be offset by a greater degree of similarity between the marks and vice versa. The court specifically referred to the fact that the mind of the average consumer of the goods and services plays a decisive role in the global assessment of the likelihood of confusion. The court in this case also reiterated that the authorities say that the average consumer perceives the mark as a whole and does not dissect it into pieces or details. For these purposes, the court reiterated at paragraph 26 that:

"...the average consumer is deemed to be reasonably well-informed and reasonably observant and circumspect. However, account should be taken of the fact that the average consumer only rarely has the chance to make a direct comparison between the different marks but must place his trust in the imperfect picture of them that he has kept in his mind. It should also be borne in mind that the average consumer's level of attention is likely to vary

according to the category of goods and services in question.”

[92] The court gave guidance on how to determine whether marks are similar. The court stated that two marks are similar when “from the point of view of the relevant public they are at least partially identical as regards one or more relevant aspect”. Indeed, it would emphasise yet again that the visual, aural and conceptual aspects of the marks are relevant, and it is important to view the similarity of the marks through the overall impression which must consider the dominant and distinctive components of the mark.

[93] The court stated further in paragraphs 33-35:

“33. Consequently, it must be held that a complex trade mark cannot be regarded as being similar to another trade mark which is identical or similar to one of the components of the complex mark, unless that component forms the dominant element within the overall impression created by the complex mark. That is the case where that component is likely to dominate, by itself, the image of that mark which the relevant public keeps in mind, with the result that all the other components of the mark are negligible within the overall impression created by it.

34. It should be made clear that that approach does not amount to taking into consideration only one component of a complex trade mark and comparing it with another mark. On the contrary, such a comparison must be made by examining the marks in question, each considered as a whole. However, that does not mean that the overall impression created in the mind of the relevant public by a complex trade mark may not, in certain circumstances, be dominated by one or more of its components.

35. With regard to the assessment of the dominant character of one or more given components of a complex trade mark, account must be taken, in particular, of the

intrinsic qualities of each of those components by comparing them with those of other components. In addition and accessorially, account may be taken of the relative position of the various components within the arrangement of the complex mark.”

[94] The court therefore concluded having followed the approach set out above, that “Matratzen” was the most prominent element of the mark occupying a central position in the mark and therefore a dominant element in the mark. The marks were aurally and visually similar. There were no conceptual differences between the dominant elements of the marks and so the trade marks were similar. Once there was a degree of similarity between the marks and the goods and services, the likelihood of confusion existed.

[95] The court found that the goods were partly identical and partly highly similar. They were sufficiently highly similar so that it was more than reasonable for the court to conclude that there was a likelihood of confusion between the trade marks in question in all the classes applied for by the applicant.

[96] In the instant case, one cannot help but conclude, in reviewing the two marks and on an overall global assessment, that the element “3M” represents the dominant element of the mark when reviewed as a whole. In answer to the question posed as to what the average consumer, who is reasonably well informed and reasonably observant and circumspect, would recall; namely, what would he keep in mind without dissecting the mark into details, in my opinion it would be the character “3M” and not the component of the grasshopper. The grasshopper, in my view, is supplemental. Additionally, in assessing whether the marks are identical or highly similar, the significance of the aural similarity in the marks also cannot be overlooked.

[97] Additionally, in examining the registrability of the mark, the court must assess whether there is a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected, and then must view the risk that the public being the average consumer, might believe that the goods and services in question came from the same undertaking, or from economically linked undertakings constituting a likelihood of confusion. I agree with counsel for 3M that in this case, the learned judge placed undue emphasis on one factor, that being, that the average customer in this case, could have significant technical expertise and possess a high degree of specialised information about the goods and services, to such an extent, that he was unlikely to confuse the trade marks relating to one set of goods and services with another, over all other factors. So as counsel pointed out and I agree, he therefore limited "relevant section of the public" to having reference to actual consumers of the goods whereas "relevant section of the public" has been held to include but not "limited to: (i) actual and/or potential consumers of the type of goods and/or services to which the mark applies; (ii) persons involved in channels of distribution of the types of goods and/or services to which the mark applies; [and] (iii) business circles dealing with the goods and/or services to which the mark applies" (see **Hotel Cipriani** at paragraph 59). It is therefore given a wider interpretation and not limited to the specialised customer with technical expertise in a very limited market. Indeed, Mr Gordon in paragraph 43 of his affidavit in opposition sworn to on 7 August 2009, stated that the 3M trade mark is of such distinctive character and such fame that the trademark:

"...['3M & Device'] will automatically signify '3M' Company to consumers as the source of origin of the goods, regardless of whether the locust/grasshopper element of '3M & Device' appears on the goods or not. The locust/grasshopper device could simply be interpreted by consumers as a new trade mark of 3M Company, being used in conjunction with its already well established and powerful '3M' trade mark to identify the maker of the goods to consumers. The locust/grasshopper device cannot suffice to distinguish the two marks, which are otherwise identical. Furthermore, as stated previously, the '3M' mark is sometimes used together with other 3M Company marks and the grasshopper could mistakenly fall into this category."

[98] In **Canon v Metro-Goldwyn-Mayer**, MGM applied for registration in Germany of "CANON" in respect of video film cassettes and the production, distribution and projection of films for cinema and television organisations. The application was opposed by Canon Kabushiki Kaisha (CKK) as it argued that it infringed the earlier mark "CANON" registered in Germany in respect of still and motion picture cameras and other similar devices. The opposition was dismissed by the German Patent Office and the Federal Patent Court. The German Federal Court stayed the matter and referred it to the Court of Justice for a preliminary ruling on the question whether: "(i) the distinctive character and reputation of the earlier trade mark had to be taken into account when determining whether the similarity between the goods or services covered by the two trade marks was sufficient to give rise to 'the likelihood of confusion', contrary to art 4(1)(b) of the Directive; and (ii) whether there could be a 'likelihood of confusion' where the public perception was that the goods or services had different places of origin". The court decided as follows:

"(1) The more distinctive the earlier trade mark, the greater the risk of confusion: the protection of a trade mark

depended, in accordance with art 4(1)(b) of the directive, on there being a likelihood of confusion and, as such, marks with a highly distinctive character, either per se or because of the reputation they possessed on the market, enjoyed broader protection under the directive than marks with a less distinctive character. It followed that art 4(1)(b) of the directive required, in addition to evidence of similarity between the goods or services in question, that the distinctive character and in particular the reputation of the earlier trade mark be taken into account when determining whether the similarity between the goods or services covered by two trade marks was sufficient to give rise to the likelihood of confusion (see p 948 *f g*, p 949 *b j* and p 950 *h*, post); *Sabel BV v PUMA AG, Rudolph Dassler Sport* Case C-251/95 [1997] ECR I-6191 applied.

(2) The essential function of a trade mark was to guarantee the identity of the origin of the marked product to the consumer or end user by enabling him to distinguish the product or service from others which had another origin. Thus, a risk that the public might believe that the goods or services in question came from the same or economically linked undertakings constituted a likelihood of confusion within the meaning of art 4(1)(b) of the directive. It followed that, for the purposes of art 4(1)(b), there could be a likelihood of confusion even where the public perception was that the goods were produced in different places. Conversely, there could be no such likelihood where it did not appear that the public could believe that goods or services came from the same or economically linked undertakings (see p 950 *c to f j*, post); *Sabel BV v PUMA AG, Rudolph Dassler Sport* Case C-251/95 [1997] ECR I-6191 applied."

[99] At paragraph 15 of the judgment, the court made the observation that the tenth recital of the preamble to the Directive states that the protection afforded the registered mark was absolute in the case of identity between the mark and the sign and goods or services, and that that also applied in the case of similarity between the mark and the sign and the goods or services. The court again reiterated the principle that the question of the likelihood of confusion must be assessed globally taking into account all

the relevant circumstances of the case. The court set out its findings in this way at paragraphs 17-19:

“17. A global assessment of the likelihood of confusion implies some interdependence between the relevant factors, and in particular a similarity between the trade marks and between these goods or services. Accordingly, a lesser degree of similarity between these goods or services may be offset by a greater degree of similarity between the marks, and vice versa. The interdependence of these factors is expressly mentioned in the tenth recital of the preamble to the directive, which states that it is indispensable to give an interpretation of the concept of similarity in relation to the likelihood of confusion, the appreciation of which depends, in particular, on the recognition of the trade mark on the market and the degree of similarity between the mark and the sign and between the goods or services identified.

18. Furthermore, according to the case law of the court, the more distinctive the earlier mark, the greater the risk of confusion (see [1997] ECR I-6191 (para 24)). Since protection of a trade mark depends, in accordance with art 4(1)(b) of the directive, on there being a likelihood of confusion, marks with a highly distinctive character, either per se or because of the reputation they possess on the market, enjoy broader protection than marks with a less distinctive character.

19. It follows that, for the purposes of art 4(1)(b) of the directive, registration of a trade mark may have to be refused, despite a lesser degree of similarity between the goods or services covered, where the marks are very similar and the earlier mark, in particular its reputation, is highly distinctive.”

[100] The court also stated that even where a mark is identical to another with highly distinctive character, it is still necessary to adduce evidence of the similarity of the goods and services covered by the mark as under article 4(1)(b) of the Directive as

likelihood of confusion presupposes that the goods and services covered are identical or similar.

[101] Further, in assessing similarity of the goods, the court found as had been stated previously that, all relevant factors in relation to the goods and services must be taken into account, and these include, as stated previously, their nature, end users, method of use, whether they are in competition with each other, or are complementary.

[102] The court therefore concluded that the distinctive character of the earlier mark and its reputation must be taken into account when determining whether the similarity between the goods and services covered by the trade mark was sufficient to give rise to the likelihood of confusion. Additionally, the court decided that there was the likelihood of confusion once the goods can be mistaken with regard to the origin of the goods and services in question.

[103] In the instant case, therefore, the court must consider and conclude on the interdependence between the extent of the similarity of the marks, and of the goods and services that they cover, particularly, whether the mark is highly distinctive, and whether the goods are identical or similar, for instance would a lesser degree of similarity between the goods and services be offset by a greater degree of similarity between the marks. Also, what would the average consumer recall in respect of these marks, and does the earlier mark have a reputation which would give it broader protection so that there would be a likelihood of confusion between the two marks.

[104] In **Marca Mode v Adidas**, Marca Mode offered for sale clothes which bore on their side two longitudinal parallel stripes and also a t-shirt bearing three black vertical stripes which ran parallel down the entire length of the front of the t-shirt edged on the outside wall with a narrow white border and broken up by a medallion showing a picture of a cat and bearing the word "TIM". Adidas applied to restrain the use of what it described as its figurative trade mark composed of three stripes. They also sought to restrain Marca Mode from using signs composed of triple or double stripes in the future. The trial judge found in favour of Adidas and this was upheld by the Regional Court of Appeal *Gerechtshof te 's-Hertogenbosch*. Marca Mode appealed to Hoge Raad on a point of law claiming that the regional Court of Appeal had found in favour of Adidas on the basis of a risk of association between the marks on the part of the relevant public as against what the case law required which was an existing likelihood of a confusion between the marks.

[105] The Court of Justice was essentially asked to make a determination as to whether the likelihood of confusion between the marks and signs may be presumed where the mark has a particularly distinctive character because of its reputation, and where the sign used by the third party in respect of identical or similar goods, so clearly corresponded to the mark, so that it gave rise to the possibility of it being associated with that mark. So, the issue was, can a proprietor in those circumstances prevent a third party from using the distinctive character of the mark if there is a possibility of the association being made by the public, between the sign and the mark, such that giving rise to confusion cannot be ruled out. The court pointed out that the likelihood of

confusion cannot be presumed, and further that the wording of the “concept of likelihood of association is not an alternative to the likelihood of confusion, but serves to define its scope”. It was also stated, with some force, that the words of the Directive make it clear that its terms exclude its application if there is no likelihood of confusion. In my view, on the basis of the principles as outlined, a likelihood of association per se is not sufficient to give protection.

[106] The court referred to the ruling in **Sabel v Puma**, particularly the statement that the more distinctive the earlier mark the greater will be the likelihood of confusion, and that it was not impossible for conceptual similarity of the two marks although using images with a analogous semantic content, to still give rise to a likelihood of confusion of the earlier mark, if the earlier mark is a particularly distinctive character per se, or because it has a reputation with the public. In this case, the court stressed that that situation did not imply presumption of likelihood of confusion resulting from an existing likelihood of association, in its strict sense. The court reiterated that each case must be analysed and assessed on its own peculiar facts. The court further emphasised that the likelihood of confusion must be appreciated globally taking into account all relevant factors, which itself implied an interdependence between the relevant factors. However, the court ultimately found that although the reputation of the mark was of some importance, and a mark with a highly distinctive character does by that representation enjoy a broader protection than marks of a less distinctive character, nonetheless, the reputation of a mark does not give grounds of presuming the existence of the likelihood of confusion simply because of the existence of a likelihood of association in the strict

sense. The possibility of the likelihood of confusion cannot be ruled out where there is the possibility of association.

[107] Sykes J relied on this case in coming to his findings in respect of sections 13(1) and (2) of the TMA. This court will have to consider whether the reputation of the "3M" mark was sufficient to cause a likelihood of confusion and not merely the possibility of association. The court will have to consider the evidence set out in the affidavits of Mr Sprague and Mr Gordon with regard to the reputation of the mark being very strong in Jamaica and worldwide, to decide whether based on that evidence it could have caused a likelihood of confusion as to whether the goods applied for by M3M could have originated from economically connected undertakings.

[108] In **Discovery Communications Inc**, the claimant owned registered trade marks in the UK and Europe for "The Discovery Channel" and "Discovery Channel" in class 38 (communication services, radio, cable and broadcasting services) for daily non-fiction entertainment television. They had used the marks since 1989 in relation to television and other goods and services. Their television channel had been advertised extensively in the press. They intended to move into the area of radio broadcasting under the name "Discovery Channel Radio". However, these plans were not imminent. The defendants were about to launch a local radio station in the vicinity of Dundee under the name "Discovery 102". The claimant sought an interim injunction. The defendants denied any infringement. They contended that Dundee was known as the "City of Discovery" and so their use of the word "Discovery" was "an allusion to Dundee and was not therefore the use of the word in the sense of a trade mark".

[109] The application for a declaration of infringement was refused by the trial judge. Although the mark was similar and their services identical, the learned judge found that the case was relatively weak in relation to the likelihood of confusion. The court held that one should look at how similar the marks were, and that it was legitimate to look at the nature of the services on which use was actually being made by the trade mark owner, rather than the breadth of the specification, as actual use and not the theoretical use, was the use with which the public would be more familiar.

[110] The claimants appealed to the Extra Division, Inner House of the Court of Session. That court held *inter alia* as stated in the head note:

“(1) that the effect of the condition or limitation was no more and no less than to preclude any allegation of infringement based solely or partly on the use of the word ‘Channel’ and was not to confer on the pursuers the exclusive use of the word ‘Discovery’ (p 71B); (2) that the Lord Ordinary erred in focusing on the actual use to which the marks were put: what had to be envisaged was any normal and fair use of the registered mark and that had to cover any normal and fair potential use in connection with *inter alia* broadcasting (p 72B-C); (3) that applying the test in sec 10(2)(b), it was almost self-evident that there was a likelihood of confusion at least in the locality of Dundee with any channel operated by the defenders under the name of ‘Discovery 102’ (p 72E); (4) that sec 10 did not require the registered mark or sign to be ‘used in a trade mark sense’ (p 72G-H); and (5) that sec 11(2)(b) had no application where the mark was used to any degree as a trade mark so that even if the word ‘Discovery’ were derived from the city of Dundee, it was nonetheless used as a trade mark and thus sec 11(2)(b) could not preclude liability for infringement (p 73B); and reclaiming motion allowed.”

[111] The court rejected an argument which the Lord Ordinary had found favour with, namely, that the court ought legitimately to focus more on the nature of the services in

respect of which the proprietor of the mark actually uses it, than on the breadth of the class to which it was registered, and stated that the statute viz section 10 presupposed that the plaintiff's mark was in use or will come into use. The section required the court to assume that the mark was used in a normal and fair manner in relation to the goods for which the mark was registered, and then to assess the likelihood of confusion in relation to the way the defendant used its mark. The court explained further that "what must be envisaged is any 'normal and fair' use of the registered mark and that... must cover any normal and fair potential use of the mark". The court concluded that in that case, whilst the claimant had only to date used their registered mark in relation to television, it was necessary to test the likelihood of confusion on the part of the public on the "hypothetical basis" in terms of their averred intention. The likelihood of confusion therefore must be assessed on the "hypothetical basis" that the registered mark will or may be used to the full extent of the protection afforded by the registration.

[112] In the instant case therefore, it is important to view the specification of the goods registered in the name of "3M" as goods in respect of which "3M" has potential use and also to assume that what must be envisaged was the normal and fair use to which the "3M" mark could be put, bearing in mind the extent of the registration of the mark in the relevant classes. If one reviews the mark in respect of which 3M is registered with particular reference to the application of M3M in the same classes, but in respect of only some of the same goods and services, it is clear that, the goods are identical and would be accepted as such in the circumstances. In my view, based on

the authorities, the goods would be considered identical or highly similar, and the marks would also be considered aurally identical and highly similar as "3M" constitutes the most noticeable part of the mark which the average consumer would recall. It is distinctive and not descriptive of the goods in question. It enjoys a strong reputation with the public as can be seen from the evidence filed in support of the opposition to register "3M & Device" which gives it broader protection. The aural similarity of the marks is strong, the grasshopper element is far weaker and supplemental.

[113] In any event, in this case, in my view, the lesser degree of similarity in the goods would be offset by the distinctive character of the "3M" mark. The likelihood of confusion could not therefore in all the circumstances be ruled out. This would not be a case of mere likelihood of association of the marks. I would therefore answer the questions posed in paragraph [63] herein, as follows: "3M" is the earlier mark; the marks are aurally identical or highly similar; and the goods and services are identical if comparing the specification of the registered mark "3M" or similar otherwise; and there is a likelihood of confusion in respect of the similarity of the marks and the goods and services in that they are identical and/or similar. I therefore reject the finding of Sykes J in this aspect of the matter as his conclusions are not in keeping with the principles emanating from the cases. Additionally, my conclusions are in keeping with the findings of the registrar in respect of paragraphs (a)-(e) set out in paragraph [6] herein.

Issue (b): Whether the learned judge erred in failing to find that that the "3M & Device" mark was not eligible for registration pursuant to section 13(3) of the TMA (grounds (h), (i), (k) and (m)).

[114] In the determining issue (b), the following two sub-issues must be addressed:

- i. Whether the learned judge can be faulted for having found that M3M's use of its mark would not take unfair advantage of or be detrimental to the distinctive character or reputation of 3M's mark (grounds (h) and (i)).
- ii. Whether there was due cause for M3M to use "3M" in its mark in Jamaica (ground (m)).

Issue (b)(i): Whether the learned judge can be faulted for having found that M3M's use of its mark would not take unfair advantage of or be detrimental to the distinctive character or reputation of 3M's mark (grounds (h) and (i))

Submissions

[115] It was submitted that once a mark is deemed to have a reputation, a higher level of protection is bestowed upon that mark, so that it was not necessary to prove likelihood of confusion, where the goods are similar or dissimilar and the marks are identical or similar (section 13(3) of the TMA).

[116] Learned counsel complained that notwithstanding the fact that Sykes J recognized that 3M's mark is well established, he failed to properly take into account the reputation in 3M's name and mark and the highly positive association the public placed on same when compared to the relatively unknown M3M, "which would inevitably lead to a real possibility of detriment/disadvantage to [the] 3M mark and [its] reputation". Counsel further complained that the learned judge did not consider the likelihood of association that would give rise to the belief that the "3M & Device" mark and/or goods is a subsidiary of or economically related entity to 3M.

[117] Relying on **General Motors Corporation v Yplon SA** [1999] ETMR 950, **Lloyd Schuhfabrik Meyer** and **Mango Sport System SRL Socio Unico Mangone Antonio Vincenzo v Diknah SL** [2005] ETMR 5, learned counsel argued that in determining whether a mark has a reputation, consideration ought to be given to all the relevant facts of the case, such as the market share held by the trade mark; the intensity, and geographical extent and duration of its use; size of investment for promoting the mark; and statements from the chambers of commerce, industry or other trade and professional associates. Accordingly, learned counsel submitted that there was sufficient evidence before Sykes J in respect of the use of the "3M" mark in Jamaica. She further submitted that the "3M" mark qualifies for protection in Jamaica as a mark with a reputation, and so it was unreasonable for the learned judge to have found that "there is no question of M3M benefitting from the 3M mark" because of his view that there was no connection between the two marks or the relevant public perceiving a link between them.

[118] Learned counsel submitted that a link between the two marks would easily and necessarily be formed given the high level of similarity of the marks and at least some of the goods. The protection afforded "3M" under section 13(3) of the TMA, she argued, is that M3M ought not to take unfair advantage of 3M's reputation. Unfair advantage, she submitted, encompasses "instances where there is clear exploitation and free-riding on the coattails of a famous mark or an attempt to trade upon its reputation", as articulated, she stated, in **Adidas-Solomon AG and another v Fitnessworld Trading Ltd** [2004] Ch 120, at page 131, paragraph 39. For an

example of the application of the principle of unfair advantage, counsel referred the court to **In The Matter of Application No 82014 in the name BIBA + Pariscop Daub GmbH For revocation of trade mark No 1021571 in the name of Hachel International Foundation**, which is an application for registration decided by the Registrar of the UK Intellectual Property Office dated 7 December 2006.

[119] In reliance on **Mango Sport System**, learned counsel argued that when one considers the identical or similar nature of the goods and the relationship between the goods being applied for protection by the "3M & Device" mark and 3M's range of goods as a whole, the "3M & Device" mark would unfairly benefit from the reputation of the earlier "3M" mark.

[120] Learned counsel also argued, in reliance on Kerly's Law of Trade Marks and Trade Names, 15th edition, at page 321, paragraph 9-124 that there will be detriment to the "3M" mark in the form of dilution of its mark's distinctive character. She complained that the use of the "3M & Device" mark would "blur and or have a negative effect on the distinctiveness of the '3M' mark" and that "the '3M' mark would no longer have the exclusive bringing to mind of the famous 3M Company and its products".

[121] She further complained that the learned judge erred, when he found at paragraph [132]-[133] of his judgment, that actual or present harm is required to prove detriment to 3M's mark. Instead, learned counsel submitted what is required, relying on **Crunch Fitness International Inc v Societe des Produits Nestle SA** [2008] ETMR 18, "is a future risk which must be demonstrated".

Issue (b)(ii): Whether there was due cause for M3M to use "3M" in its mark in Jamaica (ground (m))

Submissions

[122] The learned judge, counsel asserted, did not address the issue of whether there was due cause for M3M to use "3M" in its mark. Learned counsel, relying on **Premier Brands UK Ltd v Typhoon Europe Ltd and Another** [2002] ETMR 1071 and **Crunch Fitness International Inc**, submitted that M3M, if it was desirous of availing itself with the exception provided under section 13(3) of the TMA with respect to due cause for use of "3M" in its mark, had the burden to adduce evidence to show the same. However, learned counsel argued that M3M had not adduced any evidence to demonstrate that there was any compulsion to use "3M" in its mark in Jamaica, as the learned authors of Kerly's, at page 326, paragraph 9-140, seem to be suggesting.

Analysis on issue (b)(i) and (ii)

[123] In assessing issues (b)(i) and (ii), it is prudent to set out section 13(3) of the TMA. The sub-section states as follows:

"(3) A trade mark which is identical with or similar to an earlier trade mark and is to be registered in relation to goods or services that are not similar to those for which the earlier trade mark is protected, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in Jamaica and the use of the later mark, without due cause, would take unfair advantage of, or be detrimental to, the distinctive character or the reputation of the earlier trade mark."

[124] I concur with Sykes J that section 13(3) of the TMA appeared to be the equivalent of the provision contained in article 4(4)(a) of the Directive. That article provides:

“Any Member State may furthermore provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where, and to the extent that:

(a) the trade mark is identical with, or similar to, an earlier national trade mark within the meaning of paragraph 2 and is to be, or has been, registered for goods or services which are not similar to those for which the earlier trade mark is registered, where the earlier trade mark has a reputation in the Member State concerned and where the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark;”

[125] Section 13(3) of the TMA clearly makes provision for the protection of an earlier mark with a reputation in Jamaica, where the marks are identical or similar, despite the goods being dissimilar, and in circumstances where the applicant of the later mark has failed to show due cause in the use of its mark, and further, that the use of the applicant’s mark would take unfair advantage of, or be detrimental to, the distinctive character or reputation of the earlier mark. In essence, the section allows a proprietor of an earlier mark which has a reputation to prohibit use, without due cause, of marks similar to his or its mark, even though there is no similarity between the goods in question.

[126] As stated above, “3M” is the earlier mark and “3M & Device” the later mark. There have been several authorities dealing with how the courts have said one should

treat with the reputation of the mark, detriment to its character and/or repute, and whether the later mark has shown due cause for its use. I will deal with a few cases in an attempt to illustrate the approach that I think the court should take in relation to the circumstances of this appeal.

Reputation

[127] Under this section of the TMA, in order to claim protection, the proprietor of the trade mark must show that the earlier mark has a reputation in Jamaica or worldwide. The question is, what is the threshold that must be crossed in order to get protection under this provision. The proprietor must prove that the mark is known with a sufficient degree of knowledge by a part of the public in Jamaica. Once that is proven then the mark can be shown to have been damaged by the use of the later mark. There are different criteria to show that a mark has a reputation, as can be seen from the cases cited earlier herein. This, as has been stated, includes the “market share held by the trade mark, the intensity, the geographical extent and the duration of its use, and the size of the investment made by the undertaking in promoting it” (see Bently and Sherman, page 878-879, paragraph 2.4.1).

[128] The next question that arises is whether the threshold is a low one or is it a quantitative analysis or a qualitative one, so that one must prove a good reputation which can be tarnished by the use of other marks, and show that unfair advantage can be taken of the reputation depending on the circumstances of, and the extent of the quality of the reputation of the mark. Under section 13(3) of the TMA, it is not necessary to prove confusion. One must prove, on a global appreciation of the mark

through the similarity of the marks, a link between the registered mark and that of the subject of the application to register, or the use of the later mark. As stated by the learned authors of Kerly's at paragraph 9-119, the link must have the effect of "calling to mind" the earlier mark although not confusing any member of the public, but the link must be without due cause, and must take unfair advantage of the distinctive character of the earlier mark, or be detrimental to the distinctive character or repute of it.

Detriment to distinctive character

[129] The authors of Kerly's describe detriment to the distinctive character of the mark as harm to the mark's ability to distinguish the goods and services by the proprietor from the goods and services of others. Distinctiveness they say can be gleaned from inherent distinctiveness of the mark or distinctiveness of fact, the latter interpretation being preferred. Damage that occurs in this way has also been referred to as "a dilution of the mark or a blurring or whittling down" of the distinctiveness of the mark, preventing the mark from being capable of arousing immediate association in respect of which it was registered, or by affecting that ability, so that the mark would thereby be weakened.

Detriment to repute

[130] The authors of Kerly's describe detriment to repute differently as they indicate that in such a case it concerns harm to the reputation of the mark through an injurious association with the mark applied for, or the goods to which the mark is associated, and through which there may be some tarnishing of the mark. As the authors make clear, where there may be annoyance or displeasure with the use of the later mark either

through an unpleasant mental association created with the goods with which the earlier mark is registered, or the later mark is used in an unpleasant or defamatory context, it is never impossible that the earlier mark's image may be tainted.

Unfair advantage

[131] The learned authors of Kerly's, at paragraph 9-135, indicate that the concept of unfair advantage contemplates a benefit accruing to the applicant through the use of the mark applied for. If the public is confused that there is a commercial connection between the two marks then the protection will apply. It is more difficult to apply the protection when the public does not believe that there was any commercial connection between the two marks. The learned authors state that being reminded of the mark is not sufficient to claim unfair advantage of the reputation of the mark. This protection will apply however, where there is clear exploitation or free riding on the coat tails of a famous mark or an intention to trade upon its reputation even in circumstances where it causes no harm to the distinctive character or repute of the mark. The more distinctive the mark the easier it will be to accept that unfair advantage has been taken or that detriment has been caused.

Without due cause

[132] The learned authors of Kerly's, at paragraph 9-140, take the position that there is no clear guidance by the Directive as to the meaning of the phrase "without due cause", but maintain that one must focus on the "purpose of the provision", which is ultimately to "protect the value and goodwill of trade marks, particularly where they are well-known, from being unfairly taken advantage of or being unfairly harmed". So,

using the mark innocently is not an answer. The phrase must be read with the “use of the sign” and essentially means “without justifiable reason”. So, unless the applicant can show that he was under “some compulsion to use the mark” and he honestly cannot be asked to refrain from doing so, regardless of the damage that may be suffered by the proprietor of the earlier mark, then the user is not entitled to use its mark in his own right and will have to yield to the owner of the earlier trade mark.

[133] In **General Motors Corporation v Yplon**, General Motors (GM) registered the mark “CHEVY” for motor vehicles in Europe. From 1988 Yplon, a Belgium company, used the mark “CHEVY” for detergents, deodorants and various cleaning products in the Benelux countries. The goods relating to the marks were clearly dissimilar. Yplon became (through various subsequent assignments) the registered proprietor of two registrations in the Benelux countries bearing the mark “CHEVY” in classes 1, 3 and 5 including washing preparations, laundry substances, preparations for cleaning, dry-cleaning and scouring, soaps, perfumes, essential oils, cosmetics, hair locations, toothpaste, detergents and cleaning products.

[134] GM filed an application which sought to restrain Yplon from using the trade mark “CHEVY” relying on the reputation of the mark although the goods were not similar, on the basis that Yplon was taking unfair advantage, and that the use of the mark would be detrimental to the distinctive character and repute of the trade mark. GM argued that Yplon’s use of the “CHEVY” mark caused dilution of the mark and thus damaged its advertising function. Yplon denied that GM had a reputation within the Benelux countries and therefore it could not benefit from that protection. Yplon argued further

that as the goods were dissimilar, the use of "CHEVY" by them could not be detrimental to GM's mark. In fact, Yplon stated that GM had been unsuccessful in attempting to challenge Yplon's many claims to "CHEVY" in Europe and therefore challenged that the GM "CHEVY" mark should be revoked for non-use.

[135] The Court of Justice was asked to explain the meaning of the word "reputation" in respect of a registered mark. The court ruled *inter alia* that, pursuant to article 5(2) of the Directive, in order to enjoy protection extending to non-similar products or services, a registered mark must be known by a significant part of the public concerned by the products and services which it covers. The court also ruled that:

1. The first condition implies a certain degree of knowledge of the earlier mark among the public. It is only if there is sufficient degree of knowledge of the earlier mark, that the public when confronted by the later mark, could possibly make an association between the two marks even though they are non-similar products, and this may yet cause damage to the earlier mark.
2. The mark must have acquired a reputation among the public and depending on the product that would refer to either the public at large or a more specified public, for example traders in a specific sector.

3. It ought to be inferred from either the letter or the spirit of the Directive that the mark must be known by a given percentage of the public so defined.
4. The degree of knowledge is reached when the earlier mark is known by a significant part of the public.
5. The court, in examining whether the conduct has been fulfilled, must look at all the relevant factors namely as indicated earlier: the market share of the mark; its intensity and geographical extent; duration of use; and the significant investment of the undertaking to promote it.
6. The condition is fulfilled if the mark has a reputation throughout the country or in a substantial part of it.

The preliminary question was answered as set out above.

[136] In the instant case, there was much evidence in the affidavits of Mr Sprague and Mr Gordon that "3M" enjoyed to a significant degree a reputation throughout a significant part of the public. The products, though identical in certain aspects of the specification of the marks, were not similar or currently used by the earlier registered proprietor "3M" in respect of the application for registration in respect of the goods used by M3M. In my view, the court must look therefore at the information produced before it in respect of the market share, the intensity and graphical extent of the market and the funds spent by 3M in respect of the promotion of the mark, its

reputation and the goods and services in the market under its name. Both the registrar and the learned judge assessed the evidence before them. There was no reason to dispute the extent of the reputation of the “3M” mark throughout Jamaica.

[137] In paragraph 49 of his affidavit, Mr Gordon deponed to the high level of distinctiveness of the “3M” trade mark which he said necessitated a high level of protection. The numeral/letter combination of “3M” is completely, he indicated, unrelated to and unconnected with all goods for which the mark is used and/or registered. The mark he said is not a word and has no meaning or relevance in the English language and was conceptualised and derived from the company’s former name – Minnesota Manufacturing and Mining Company (MMM= three M’s= “3M”). These factors Mr Gordon deponed make 3M a distinctive mark the dilution of which should not be permitted in any way.

[138] In **Mango Sport System**, the applicant applied to register the trade mark “MANGO” in class 9 for protected helmets. The registered proprietor of the trade mark “MANGO” in Spain in class 25 in respect of clothing for men, women and children opposed the application on the basis that it had a reputation in its mark amongst fashion conscious women in Spain. The opposition was successful. The applicant appealed claiming that: (i) the proprietor had not proven notoriety of the mark; (ii) the earlier mark would not confer any advantage on the later mark as it did not have “an attractive luxury persona”, nor did it have an image for safety in sports activities which the applicant could take advantage of in respect of its helmets; and (iii) the fact that the opponents had experienced growth since the applicant’s had come on the market in

1992, showed that the opponents had not experienced any detriment to its mark. The Board of Appeal made several rulings which are very instructive in my view, with regard to the final disposition of this matter. I have set them out below:

H4 1. When a sign is used for identical or similar goods or services, it must enjoy at least as extensive protection as where the sign is used for non-similar goods or services.

H5 2. The scheme and purpose of Art.8 dictates that the relevant date at which a reputation must exist is the date of application for registration of the Community trade mark.

H6 3. The infringements referred to in Art.8(5) are a consequence of a certain degree of similarity between the mark and the sign which causes consumers to establish a link between them, even in the absence of confusion.

H7 4. A knowledge threshold is implied by the requirement of a reputation for the earlier mark under Art. 8(5), both in terms of the public concerned and the territory concerned.

H8 5. Once the earlier mark's reputation is established, it must be determined whether the later mark takes unfair advantage of or is detrimental to the distinctive character or repute of the earlier mark. These requirements are in the alternative and are not cumulative.

H9 6. Unfair advantage occurs when another undertaking exploits the distinctive character or repute of the earlier mark to benefit its own marketing efforts, using the renowned mark as a vehicle for generating consumer interest in its products. This allows the undertaking to make a substantial saving on investment in promotion and publicity of its own goods since it is able to free-ride on that undertaken by the earlier reputed mark. Such a result is unfair because the reward for the costs of promoting, maintaining and enhancing a particular trade mark should belong to the owner of the earlier trade mark in question.

H10 7. The stronger the earlier mark's distinctive character and reputation, the easier it will be to accept that unfair advantage has been taken or detriment has been caused.

H11 8. The closer the similarity between the marks, the greater the risk that unfair advantage will be taken. Identity or a very high degree of similarity between the marks is a factor of particular importance in establishing whether an unfair advantage will be taken.

H12 9. The greater the proximity between the parties' goods and the circumstances in which they are marketed, the greater the risk that the public in question will make a link between the mark and the sign in question and the greater the risk there is that unfair advantage will be taken.

H13 10. The applicant claimed that the applied-for mark was only meant to protect cycling helmets. However, in the absence of any request for restriction under Art.44(1) and because intent to use is not a requirement for registration of a Community trade mark, the examination should be based on the application in its entirety.

H14 11. The fact that the two marks had coexisted in Spain did not mean that the later mark was permissible under Art.8(5) since that article applies where the mark applied for *would* cause harm in one of the ways specified and the use in Spain for cycle helmets did not exclude the possibility that unfair advantage or detriment could occur in the future. Furthermore, the fact that the applicant's mark had enjoyed some success in the past in the Spanish market could indicate a free ride on the success and reputation of the earlier mark. In any event, the argument of coexistence was only raised for the first time in the appeal proceedings and could not be admitted.

H15 12. The marks consisted of the same word and were therefore identical. Since the work MANGO was completely arbitrary and fanciful in relation to the goods in question, it was considered to be highly distinctive.

H16 13. The knowledge threshold was attained in Spain and the mark had been shown to have a reputation. Although there were flaws in the survey evidence and the

revenue statistics, the advertising and promotional expenditures in well-known fashion magazines and the statements in well-known Spanish financial newspapers and other magazines attested to the revenues achieved in previous years. Additionally, the mark had an extensive and important physical presence throughout Spain due to the existence of numerous outlets under the mark in every major Spanish town and city.

H17 14. The possibility that the applicant's mark might take unfair advantage of the opponent's mark could not be ruled out. The opponent's mark was aimed at fashion-conscious women who took pride in their appearance and engaged in sporting activities in their spare time. This could be seen from the use of the mark on swimwear and leisurewear. While technical considerations were relevant to the applicant's mark, aesthetic considerations were equally important. The public buying the opponent's MANGO clothing might have wanted to carry out a sporting, leisure or DIY activity in which protective helmets were worn. The clothing covered by the earlier mark could complement the helmets covered by the later mark because the sporty fashionable women who were the focus of the opponent's marketing strategy could have wanted to match their accessories to their MANGO clothing and, in doing so, would wear co-ordinating headgear. The identity of the marks, the complementary nature of the goods, the fact that MANGO was highly distinctive for the goods concerned and the extensive nature of the reputation of the opponent's mark throughout Spain meant that unfair advantage within the meaning of Art.8(5) could not be excluded. These considerations made it likely that the applicant would benefit from and free-ride on the opponent's successful marketing efforts, enabling the applicant to derive an unfair advantage in Spain from the link the relevant public would make to the earlier mark which already had substantial reputation there.

H18 15. The applicant was wrong to argue that only a luxury mark can attract customers and by the subject of the infringement under Art.8(5). An earlier mark can be attractive to the consumer and yet enjoy a reputation for everyday goods (such as the fashion goods in this case) that are not luxury goods.

H19 16. On the basis of the above findings, the applicant had not shown that its use of the MANGO mark would be with due cause.”

[139] From the above, I accept that based on “3M’s” reputation in the Jamaican market, it was entitled to protection due to the high similarity of the mark “3M & Device” and in respect of the goods being identical/similar in their specification or dissimilar in respect of current actual use. By this, M3M had taken unfair advantage of 3M’s reputation. In fact, the great degree of similarity between the marks and the specification of the goods make it easier to accept that M3M had taken unfair advantage of the name and reputation of the “3M” mark. The “3M” mark is completely arbitrary and fanciful in relation to the goods covered by the mark and, in my view, is accepted as being highly distinctive. As a consequence, in the circumstances, the possibility of M3M taking unfair advantage of 3M cannot be ruled out.

[140] In **Adidas Salomon AG v Fitnessworld**, the Court of Justice was also asked to give a preliminary ruling on the facts. Adidas Solomon Ag was the registered proprietor in the Benelux countries of a trade mark for articles of clothing consisting of three prominent parallel vertical stripes of equal width along the sides of the articles of clothing in a colour contrasting with that of the specific article of clothing. Fitnessworld marketed sports clothes with two parallel vertical stripes of equal width which contrasted with the main colour of the item of clothing. Adidas contended that the mark of Fitnessworld would confuse its public and that the defendant was trading on the popularity of Adidas’s triple stripe mark. Adidas therefore brought proceedings and claimed an injunction which was granted, but Fitnessworld successfully appealed on the

basis that: (i) there was no likelihood of confusion and (ii) that the double stripes were used only as an embellishment and not as a trade mark. On appeal to the Court of Justice, the questions posed as part of a preliminary point were:

1. Was there protection under article 5(2) of the Directive if the marks were similar, as the Directive spoke to protecting the reputation and distinctiveness of a mark in respect of dissimilar goods?
2. Was it necessary for the benefit of the protection under the Directive that there was a likelihood of confusion?
3. What is the effect of a finding if in the public's view the defendant says the use of the sign was purely for embellishment?

[141] It was held by the court that:

1. The protection existed in the circumstances where the goods and services were similar or dissimilar.
2. For there to be a finding of similarity between the mark with a reputation and the sign, there does not have to be a likelihood of confusion between the mark and the sign.
3. But it was sufficient that the relevant part of the public made a connection or established a link

between the mark and the sign, even though they did not confuse them, but the protection would be excluded if there was a perception by the public that the sign was merely an embellishment so that no link could be established between the registered mark and the sign.

[142] In the instant case therefore as already stated, section 13(3) of the TMA should be interpreted to mean and to give protection to marks which are similar and relate to goods whether similar or dissimilar. Thus, the finding by Sykes J that the goods are dissimilar simpliciter, without taking into account the fact that the specification of goods registered by 3M, yet embraces the goods applied for by M3M, cannot avail M3M in relation to this section, as the protection extends to circumstances where the marks are similar. In any event, as I have stated, whether the goods are similar or dissimilar under this provision, one does not have to show a likelihood of confusion, the protection is accorded to 3M by its substantial reputation and a sufficient link which would thereby have been established between "3M" and "3M & Device" in the market, resulting in a dilution of the mark or a blurring or whittling down of the distinctiveness of the mark.

[143] **Crunch Fitness International** is a case about revocation of a trade mark. In 1998, Crunch Fitness obtained registration of a Community trade mark "CTM" in respect of clothing, footwear and headgear in class 25. In 2003 Nestlé sought a declaration of invalidity of that mark on the basis of its earlier French registration of an international

mark "CRUNCH" for various edible goods in class 29. Nestlé claimed that the Crunch Fitness mark would take advantage of and be detrimental to the distinctive character and repute of its earlier international registration. Nestlé argued that its mark and the Crunch (CTM) sign had a strong similarity from a visual, phonetic and conceptual view point. Nestlé claimed that its earlier mark enjoyed a reputation in France. Crunch Fitness's position was that the reputation of Nestlé's "CRUNCH" mark depended on it being used with other marks, and that it did not have a reputation by itself.

[144] The Cancellation Division found that the Nestlé mark "CRUNCH" had a strong reputation in the chocolate based market in France, and although Crunch Fitness represented dissimilar goods, nonetheless it stated that on the basis that the nature and extent of Nestlé's trade in Crunch products in a substantial part of the public, knew its mark "CRUNCH"

"...it could not be excluded that the use of Crunch Fitness's mark for clothing, footwear and headgear would lead the consumer to associate CRUNCH clothing, footwear and headgear with the image of dynamism, youth and modernity of the 'CRUNCH' chocolate bars and thus take unfair advantage of the reputation of Nestlé's earlier mark".

[145] The Division found that it also could not be contended that Crunch Fitness was using the mark with due cause as it had given no reason for this due cause in the market. The Cancellation Division cancelled Crunch Fitness's registration and they appealed the ruling in so far as it related to clothing, but that appeal was dismissed by the Fourth Board of Appeal.

[146] In arriving at that decision, the Fourth Board of Appeal made some clear statements on the approach to be taken with regard to the reputation of the mark and the question as to whether the applicant has taken unfair advantage of the earlier mark. With regard to reputation the board stated *inter alia* at paragraph 45 that:

“...in order to satisfy the requirements relating to reputation, the earlier mark **must** be known by a significant part of the public concerned by the goods or services covered by that trade mark, that is to say, depending on the goods or services marketed, either by the public at large, or by a more specialised public such as traders in a specific sector. In examining whether this condition is fulfilled, it is necessary to 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 amount spent by the undertaking in promoting it, without any requirement that it must be known by a given percentage of the relevant public or that that reputation must exist in a substantial part of the territory concerned.”
(Emphasis added)

[147] The Board noted that no evidence should be excluded when dealing with the question of whether a trade mark enjoys a reputation. The Board commented on the issue of the unfair advantage which could possibly be taken of the earlier mark and addressed the fact that as has already been stated in the cases, there must be a global appreciation between the two marks based on the degree of similarity between the sign for which the earlier mark is registered, and the mark utilised by the later mark, although no confusion existed in any relevant section of the public. The Board commented that it was necessary to take account of all factors relevant to the circumstances of each case and made the following observations at paragraph 58:

"...the proprietor of the earlier mark is not required to demonstrate actual and present harm to its mark, but it must adduce evidence of a further risk, which is not hypothetical, of unfair advantage or detriment (see judgment of Monopole SpA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)- 'Spa-Finders' (T-67/04) [2005] E.C.R. II-1825 at [40]; and judgment in TDK at [64]). Such a conclusion may be established, in particular, on the basis of logical deductions resulting from an analysis of probabilities and by taking into account usual practices in the relevant commercial sector as well as all the other circumstances of the case."

The Board also noted at paragraph 59 that:

"... unfair advantage is taken of the distinctive character or the repute of the earlier mark where there is clear exploitation and free-riding on the coat-tails of a famous mark or an attempt to trade upon its reputation (see judgment in Spa-finders at [51]; and judgment in TDK at [65]), while detriment to the distinctive character of the earlier mark is usually established where the use of the mark applied for has the effect that the earlier mark is no longer capable of arousing immediate association with the goods for which it is registered and used (see judgment in Spa-Finders at [43]) and detriment to the repute is usually established where the goods for which the mark applied for is used appeal to the public's senses in such a way that the earlier mark's power of attraction is diminished..."

The Board of Appeal emphasised that:

"60 ...as these are alternative conditions, it is sufficient that one of those circumstances is established in order to establish detriment caused to the earlier mark within the meaning of Art.8(5)of the CTMR."

Accordingly, the Board also made it clear that:

"61 ...the stronger the earlier mark's distinctive character and reputation the easier it will be to accept that the detriment has been caused to it within the meaning of Art.8(5) of the CTMR..."

65 In the light of these considerations, it is clear that the appellant took unfair advantage of the reputation of the earlier mark insofar as it would not have to spend any money on advertising to draw the public's attention to its goods. By using the same word element as the one protected by the earlier mark which enjoys reputation it was not obliged to spend a lot of money to get consumers' attention.

66. Therefore, in light of the similarity of the marks at issue, the importance of the reputation and the highly distinctive character of the trade mark 'CRUNCH', it must be held that the respondent has established the existence of a future risk, which is not hypothetical, of unfair advantage being drawn by the appellant, by the use of the mark applied for, from the reputation of the trade mark 'CRUNCH'."

[148] In the instant case, equally, due to the reputation and highly distinctive character of the trade mark "3M", I would accept that 3M has established a future risk, not hypothetical, of unfair advantage being taken by M3M's use of the "3M & Device" mark applied for, from the reputation of 3M. M3M would not have been obliged to spend as much money to get the consumer's attention, and possibly the similarity of the later mark would permit the public to create a link of economic assistance. 3M was not required to demonstrate actual or present harm to its mark. This conclusion has been made from logical deduction based on the facts and circumstances of this case.

Issue (c): Whether the "3M & Device" mark may be registered pursuant to section 15 of the TMA even if it were to be found that the mark was not eligible for registration by virtue of section 13(1), (2) and (3) of the TMA (grounds (j) and (l))

Submissions

[149] Learned counsel submitted that Sykes J erred in finding that M3M's use of the "3M & Device" mark was honest concurrent use, as it was a matter that was not

properly before him. It was argued that section 15 of the TMA permits the registrar to consider whether or not to accept an application before it and has no applicability once there is an objection by the owner of the earlier trade mark.

[150] In any event, learned counsel noted, relying on **Mango Sport System**, that any use of the "3M & Device" mark, ought to be given very little weight and not taken as probative of any defence raised. She submitted further, that a finding of concurrent use does not preclude a finding of a likelihood of confusion or that unfair advantage would be taken of the 3M mark.

[151] Further, learned counsel submitted that M3M's concurrent use of the "3M & Device" mark was not honest, on the basis that M3M, on its case, had asserted that it began use of the mark in 1989 and by that date, it already had a judgment against it and in favour of 3M, in 1982, in its bid to register its mark in another jurisdiction. Accordingly, it was submitted that it was well aware that 3M would take the necessary steps to protect its mark.

Analysis on issue (c)

[152] Section 15 of the TMA provides that:

"Where on an application for the registration of a trade mark it appears to the Registrar that-

- (a) there is an earlier trade mark to which section 13 (1), (2) or (3) applies; or
- (b) there is an earlier right in relation to which section 13 (4) applies,

then, unless the proprietor of the earlier trade mark or other right raises objection on any such ground in opposition proceedings, the Registrar shall not refuse the application by

reason of the earlier trade mark or earlier right, if the applicant satisfies the Registrar that there has been honest concurrent use of the trade mark for which registration is sought.”

[153] The submissions of counsel for 3M on this aspect did not find favour with the learned judge in the court below. I must confess, the provision is somewhat unusually framed, but on the well-known principle of statutory interpretation, namely that one ought to give the words their natural and ordinary meaning, I would interpret the section to mean that, when considering an application to register a trade mark if there is an earlier trade mark to which sections 13(1), (2) and (3) of the TMA are applicable (that the marks and goods and services are either identical, or are similar and identical and the likelihood of confusion exists, or the mark has a reputation which may be diluted blurred or tarnished by the later mark) or there is an earlier right (protected by the law of passing off or by copyright, section 13(4)), then once the proprietor of the earlier mark opposes the application for registration, even if the registrar is satisfied of honest concurrent use of the applicant’s trade mark with the earlier mark, section 15 will not avail the applicant.

[154] However, even if sections 13(1), (2), (3) and (4) of the TMA could be applicable to the earlier mark on the application for registration of the later mark, there being no opposition to the mark, the application ought not to be refused by the registrar if satisfied of honest concurrent use of the later mark with the earlier mark.

[155] So, to put it another way, the section does seem to envisage that once opposition is raised on behalf of the earlier mark (to which sections 13(1), (2), (3) and

(4) apply) honest concurrent use is inapplicable and cannot assist the applicant in those circumstances.

[156] The Kerly's Law of Trade Marks and Trade Names, 14th edition at page 275, paragraph 9-152 also seems to support my view. It states as follows:

"The Act therefore permits an applicant to rely upon honest concurrent use during the course of examination to defeat an objection raised on the basis of an earlier trade mark or earlier right. If the Registrar is satisfied that there has been honest concurrent use, as to which see below, the he must allow the application to proceed to advertisement and, if there is no opposition, to registration. If the proprietor of the earlier trade mark or earlier right opposes the application and the Registrar concludes that the opposition is properly founded and the ground of objection is a valid one, then he must refuse the application. He cannot at that stage rely upon honest concurrent use to dismiss the opposition. Nevertheless it may be appropriate in evaluating the opposition to take into account any period of side by side use."

[157] I agree with counsel for 3M that the wording of section 13(3) of the TMA is instructive, in that the word "would" is used in the phrase "would take unfair advantage", which therefore does not preclude a finding that a likelihood of confusion exists or that unfair advantage could be taken of an earlier registered mark. In **Mango Sport System**, as set out earlier at paragraph [138] herein, the court had made it clear on the facts stated in that case, that the fact that the two marks had co-existed did not mean that the later mark was acceptable for registration, as it could possibly have caused harm through unfair advantage and detriment in the future. I also agree with counsel for 3M that the evidence adduced by Miss Boland on behalf of 3M was instructive in that there were three contested proceedings between the parties in which

3M was vindicated by the final tribunal's finding which refused and/or cancelled the registration of M3M's "3M & Device" on the grounds that: (a) it was similar to the "3M" mark; (b) the application was in relation to similar goods; (c) "3M & Device" was likely to lead to confusion; and (d) "3M" was well known and had a reputation. This showed that M3M was aware at all material times of the 3M registered mark; that it had attempted to register "3M & Device" which had been unsuccessful; and that M3M therefore could not be said to be making honest concurrent use of its mark. Indeed, the above evidence suggested that M3M **was** acting in bad faith, and I therefore disagree with the learned judge's conclusion that M3M **was not** acting in bad faith.

[158] On the basis of the above, therefore, and the case law, I accept that M3M's concurrent use was not honest. M3M states that by 1989, it had begun use of its mark; but by then it had already been unsuccessful in its attempts to obtain registration of the "3M & Device" mark and, as Miss Boland deponed, 3M had obtained a judgment against it in 1982 based on its opposition relying on its earlier mark. M3M could not therefore be heard to say that it was unaware of the earlier registration of the well known "3M" mark or the fact that 3M vigorously opposed any application for registration of "3M & Device".

[159] Based on my earlier findings, I cannot agree therefore with the findings of Sykes J stated at paragraph [141] in his reasons for judgment, that there was no good ground for the opposition by 3M in respect of the application for registration on behalf of M3M on the facts of this case. I do not accept, as stated by the learned judge, that M3M's use of "3M & Device" could not have been "anything but honest". In my view, M3M's

use of "3M & Device" would not have been honest in keeping with the case law. Additionally, on the facts of this case, the use of "3M & Device" could not have been innocently used based on the continuous fight through opposition proceedings to the application for "3M & Device" in other jurisdictions. This is therefore not a case of 3M's opposition to M3M's mark in another country "without more" as Sykes J put it in paragraph [141] in his reasons for judgment. In my view, the aurally identical nature of the marks, the similarity of the goods and services leading to the likelihood of confusion, and the dilution of the reputation of the "3M" mark, also supports this conclusion.

Issue (d): Whether the learned judge erred in failing to find that the "3M & Device" mark was not registrable by virtue of the provision of section 11(4)(e) of the TMA (grounds (j) and (l)).

Submissions

[160] 3M, through its counsel, argued that the application for registration of the "3M & Device" mark was in bad faith and accordingly should not be registered by virtue of section 11(4)(e) of the TMA. It was submitted, relying on **Melley's Trade Mark Application (Fianna Fail and Fine Gael Trade Marks)** [2008] RPC 454, that in the determination of an application being made on the basis of bad faith, the learned judge erred when he gave effect to M3M's own belief in the propriety of its behaviour, by stating at paragraph [127] of the judgment that M3M conducted its commercial activities out in the open.

[161] Learned counsel submitted, in reliance on **Scania CV AB v Leif Westlye** [2000] ETMR 767 and **Davide Campari Milano SPA v Ozal Finkol Giyim Sanayi Ve**

Ticaret Ltd STO [2002] ETMR 75, that “an application for a trade mark which is well known to be the mark of another proprietor is an application in bad faith”. Counsel contended that the learned judge had misconstrued the value of 3M’s evidence related to the contested proceedings between the parties, in which the tribunals found in favour of 3M by refusing and or cancelling registration of “3M & Device”.

Analysis of issue (d)

[162] Under section 11(4)(e) of the TMA, a trade mark is not registrable if the application is made in bad faith. I accept the rationes decidendi of **Scania v Westlye** and **Davide Campari Milano** to the effect where a trade mark which is well known in the industry and it cannot reasonably be argued that the proprietor of the application to register a trade mark which is identical and/or similar is unaware of the trade mark, then the application to register would be made in bad faith. The case law is clear, M3M has not shown any due cause why they must use the distinctive character of the earlier registered mark, bearing in mind the unique origination of the mark as set out in paragraph [137] herein and that “3M” has a substantial world-wide reputation over several decades which is not descriptive of the goods it covers. There is no reason shown why there could be honest use of the mark. I am therefore compelled to disagree with Sykes J on this aspect also.

Conclusion

[163] In conclusion, I cannot on the basis of all the authorities and the guidance obtained from them, agree with the learned judge in the court below that the marks are not similar. As indicated they are aurally identical and visually and conceptually highly

similar. The grasshopper, with due respect, cannot be considered a very significant feature of the mark. In my view, the "3M" feature of the mark is the significant component of the mark.

[164] In my opinion, the learned judge took the wrong approach to the global assessment recommended by the cases. Based on the authorities, one cannot, in determining whether the goods are identical and/or similar, fail to examine the specification or the classification of the goods applied for. Having done so, one would conclude that the goods were identical or at least similar in the instant case. The specialised nature of the goods disclosed and used by "M3M", did not make the goods dissimilar bearing in mind the particular goods covered by the registration of "3M" in the relevant classes. I am also of the view, that had the learned judge not focussed on the "specialised customer" of M3M as against the "average consumer" who is well informed and aware, and who though not buying shoes but sugar manufacturing products, would nonetheless, on the basis of the non-descriptive and fanciful nature of the mark, presume a link between the economic undertakings of that of 3M and M3M, which would support a likelihood of confusion between the respective marks and the goods and services protected, he would have concluded otherwise. He also failed to appreciate that the meaning provided in the cases as to what constitutes a "relevant part of the public" and therefore also erred in his analysis in that regard.

[165] The learned judge found that the marks and goods and services were dissimilar, and based on that finding he accepted that there was honest use by M3M and that no bad faith had been deployed. However, I reject those conclusions and find that because

of the aurally identical nature of the marks and/or their high similarity, and the similarity between the goods and services, there was a link between the marks, and there was a likelihood of confusion. Additionally, based on the well-known reputation of the "3M" mark, there was a potential dilution and tarnishing of the reputation of the mark. M3M's knowledge of the earlier registered mark and the repeated valid opposition to the application for registration of "3M & Device" mark by 3M, illustrates that there was no honest concurrent use of the mark "3M & Device" and the application by M3M was made in bad faith. I would therefore allow the appeal, set aside the judgment of Sykes J, thereby not permitting registration of "3M & Device", with costs both here and in the court below to the appellant, to be taxed if not agreed.

[166] It would be remiss of me to conclude this judgment without commenting on and apologising for the delay in delivering it. I deeply regret that it was not possible to have it ready for delivery at an earlier date.

BROOKS JA

[167] I have read, in draft, the comprehensive judgment of Phillips JA. I agree with her reasoning and conclusion that the appeal should be allowed and the judgment of the court below set aside with costs both here and below to the appellant.

MORRISON JA

ORDER

1. Appeal allowed.

2. The order made by Sykes J on 30 May 2014 is set aside.
3. Judgment for 3M in Claim No HCV00372 of 2014 refusing the registration of M3M's "3M & Device" (3M & Design) mark in classes 7, 11 and 12.
4. Costs to the appellant both here and below to be taxed if not agreed.