



Trinity Term  
[2025] UKSC 25  
*On appeal from: [2024] EWCA Civ 29*

## **JUDGMENT**

**Iconix Luxembourg Holdings SARL (Respondent) v  
Dream Pairs Europe Inc and another (Appellants)**

before

**Lord Hodge, Deputy President  
Lord Briggs  
Lord Hamblen  
Lord Stephens  
Lady Rose**

**JUDGMENT GIVEN ON  
24 June 2025**

**Heard on 17 and 18 March 2025**

*Appellants*

Mark Vanhegan KC

Theo Barclay

(Instructed by Bird & Bird LLP (London))

*Respondent*

Simon Malynicz KC

Thomas St Quintin

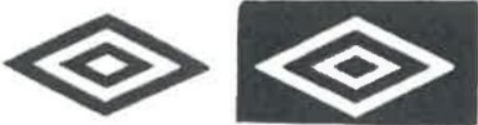

(Instructed by Brandsmiths (London))

**LORD BRIGGS AND LORD STEPHENS (with whom Lord Hodge, Lord Hamblen and Lady Rose agree):**

**1. Introduction**

1. This appeal concerns a trade mark dispute about logos on football boots. It raises two main issues of trade mark law of general public importance. It also raises the issue as to whether the circumstances were such as to justify the Court of Appeal substituting its own decision on trade mark infringement for the multi-factorial decision of the trial judge.

2. The respondent Iconix Luxembourg Holdings SARL (“Iconix”) owns the well-known sportswear brand UMBRO and is the registered proprietor of the two trade marks pictured below (“the UMBRO Trade Marks”):

Number and dates	Trademark	Class of goods
UK00000991668 (filed and deemed registered on 5 May 1972)  (“the 668 Mark”)		Articles of clothing for use in sports, athletics and gymnastics  (Class 25)
UK00903266459 (filed and deemed registered on 10 July 2003)  (“the 459 Mark”)		Articles of clothing, footwear and headgear  (Class 25)

3. The UMBRO Trade Marks have been widely used on football boots in the United Kingdom since 1987. Sales of goods bearing the UMBRO Trade Marks with a value of more than \$60 million were made in the UK in each of the years 2016-2018.

4. The appellants Dream Pairs Europe Inc and Top Glory Trading Group Inc (together “Dream Pairs”) sell a wide variety of footwear in multiple countries under various brands, including one brand called ‘Dream Pairs’ which has used the Sign below (also referred to as “the DP Sign”):



5. The DP Sign was designed and created in 2015, and thereafter used as a US trade mark by Dream Pairs in relation to footwear. Commencing in late 2018, Dream Pairs have, via the Amazon UK website and to a lesser extent the eBay UK website, sold a variety of footwear branded with the DP Sign in the United Kingdom, including the example below extracted from pages from Amazon UK's website.



6. On 19 July 2021 Iconix brought the present action against Dream Pairs for infringement of the UMBRO Trade Marks by use of the DP Sign in relation to footwear pursuant to section 10(2) and/or section 10(3) of the Trade Marks Act 1994 ("the Act"). Under section 10(2) of the Act Iconix claimed that the DP Sign was similar to the UMBRO Trade Marks such that its use on footwear was likely to cause confusion on the part of the public.

7. Iconix's claim was tried before Miles J over two days in March 2023 and dismissed in a reserved judgment handed down on 28 March [2023] EWHC 706 (Ch); [2023] RPC 15. It will be necessary to review his judgment in detail in due course but, in bare outline, he found in relation to the claim under section 10(2) that there was "at most a very low degree of similarity" between the UMBRO Trade Marks and the DP Sign, and no likelihood of confusion between the two in the mind of the average consumer. He also dismissed the claim under section 10(3).

8. Iconix's appeal was heard by the Court of Appeal (King, Arnold and Birss LJ) on 16 January 2024 and allowed in a judgment delivered on 26 January 2024: [2024] EWCA Civ 29; [2024] RPC 10. In summary, the Court of Appeal held:

(i) That the judge's conclusion that there was a very low degree of similarity between Iconix's 668 Mark ("the 668 Mark") and the DP Sign was irrational when one considered the DP Sign affixed to footwear from any angle other than square-on;

(ii) That the judge had erred in principle by being unduly swayed by a side-by-side comparison of the 668 Mark and the DP Sign, particularly looking at their graphic images rather than when affixed to footwear, for the purpose of assessing post-sale confusion;

(iii) That the judge had erred in principle by failing to appreciate that, in the post-sale context, the average consumer would see the DP Sign from an angle, and in particular from above, rather than sideways-on, as when viewed at the point of sale.

9. These perceived errors led the Court of Appeal to consider that it should conduct the multi-factorial assessment of similarity and confusion afresh. Doing so, it concluded that Iconix's case under section 10(2)(b) had been made good, because: (a) there was "a moderately high level of similarity" between the 668 Mark and the DP Sign in the post-sale context, in particular when the DP Sign was viewed on a football boot being worn at a game, by a viewer standing nearby and looking down at it; and (b) there was a likelihood of confusion on the part of a significant proportion of consumers.

10. Dream Pairs' appeal to this court challenged head-on the Court of Appeal's conclusions that the judge had reached an irrational conclusion or made any error of law or principle, sufficient to entitle it to make the similarity and confusion appraisal afresh. Counsel for Dream Pairs, Mr Mark Vanhegan KC and Mr Theo Barclay, also submitted that the Court of Appeal's own approach involved two significant errors of law:

(i) That at the stage of assessing whether the DP Sign and the 668 Mark are similar and, if so, then when assessing the degree of similarity, extraneous circumstances, such as how the goods are subsequently perceived are not to be taken into account. Furthermore, that the assessment of the similarity of the 668 Mark and the DP Sign was conducted from only one viewpoint or angle, namely looking down from head height at the feet of another person wearing the footwear: counsel submitted that such an assessment of similarity cannot be legitimate unless that is the only viewpoint or angle from which the average consumer would ever encounter the DP Sign. We shall refer to this issue as being the "Similarity issue".

(ii) That post-sale confusion is a self-standing basis for infringement of a trade mark under section 10(2)(b): counsel submitted that the essential purposes of trade mark protection require the likelihood of confusion on the part of the public to be

assessed as at the point of a subsequent sale or in a subsequent transactional context. We shall refer to this issue as being the “Confusion issue”.

11. In the analysis that follows we will first address the two issues of law raised by Dream Pairs’ submissions, as outlined above, before considering whether the judge’s decision was vitiated by irrationality, error of law or principle, sufficiently to entitle the Court of Appeal to re-make the decision. As will appear neither of the two issues of law is determinative of the outcome of this appeal. We consider them nonetheless since it is because of them that permission for this appeal was granted.

## **2. Legal framework**

*(a) The Trade Marks Act 1994, the Directives and the application of EU law*

12. The UMBRO Trade Marks are registered under the Act.

13. The Act transposed into United Kingdom law First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (“Directive 89/104”). Directive 89/104 was repealed and replaced by the European Parliament and Council Directive 2008/95/EC of 22 October 2008 and this in turn was repealed and replaced by the European Parliament and Council Directive (EU) 2015/2436 of 16 December 2015 (“Directive 2015/2436”). The Act was successively updated by amendment to implement each of the Directives.

14. The European Union also operates its own registry of EU Community trade marks (“Community trade marks”), previously governed by Council Regulation (EC) No 40/94 (“Regulation 40/94”) and now by Parliament and Council Regulation (EU) 2017/1001 of 14 June 2017 on the European Union trade mark (“Regulation 2017/1001”).

15. The protection of trade marks under the Act has been interpreted in line with the evolving case law of the Court of Justice of the European Union (“the CJEU”), including the case law of both divisions of the CJEU, namely the Court of Justice dealing with requests for preliminary rulings from national courts and the General Court of the European Union dealing with actions for annulment of decisions regarding trade marks made by the European Union Intellectual Property Office (“EUIPO”), previously called the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (“OHIM”). Following the European Union (Withdrawal) Act 2018 and the Retained EU Law (Revocation and Reform) Act 2023, “assimilated” CJEU case law on the interpretation of the provisions of the Act, the Directives and the Regulation are of persuasive authority only in this court.

*(b) The functions of a trade mark and the right of an owner of a registered trade mark*

16. In *L'Oréal SA v Bellure NV* (C-487/07) [2010] Bus LR 303, para 58, the CJEU gave a non-exhaustive list of the various functions of a registered trade mark, referring to “not only the essential function...but also its other functions, in particular that of guaranteeing the quality of the goods or services in question and those of communication, investment or advertising”.

17. In *SkyKick UK Ltd v Sky Ltd* [2024] UKSC 36; [2025] Bus LR 251, para 54, Lord Kitchin (with whom the other Justices agreed) outlined the essential function of a registered trade mark as being:

“... in particular, to guarantee the identity of the origin of the goods or services in relation to which it is used. In more colloquial terms, it is a badge of origin and its purpose is to permit the consumer, without any possibility of confusion, to distinguish the goods or services of one undertaking from those of another.”

18. The rights of an owner of a trade mark registered under the Act are set out in section 9 which provides:

“(1) The proprietor of a registered trade mark has exclusive rights in the trade mark which are infringed by use of the trade mark in the United Kingdom without his consent.

The acts amounting to infringement, if done without the consent of the proprietor, are specified in subsections (1) to (3) of section 10.”

Section 9 of the Act transposes into United Kingdom law article 10(1) of Directive 2015/2436. The rights of an owner of a registered trade mark are also set out in article 16(1) of the TRIPS Agreement that is to say, the Agreement on Trade-Related Aspects of Intellectual Property Rights forming Annex 1C of the Marrakesh Agreement Establishing the World Trade Organisation of 15 April 1994. Article 16(1) in so far as relevant states:

“The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner’s consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in

respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed....”

Lord Kitchin, in *SkyKick UK Ltd v Sky Ltd*, at para 187, noted that it was “common ground that the United Kingdom and Member States of the European Union are bound by ... the World Trade Organisation Agreement, which includes the TRIPS Agreement” and that “there is now a legal obligation on the United Kingdom to comply with the TRIPS Agreement under article 222(1)(a) of the Trade and Cooperation Agreement between the European Union and the United Kingdom which came into force on 1 May 2021, and this obligation has been made effective in the United Kingdom by section 29(1) of the European Union (Future Relationship) Act 2020”.

*(c) The infringement proceedings in this case*

19. Section 10 of the Act provides for infringement proceedings under subsections (1), (2) and (3).

20. The infringement proceedings in this case are not brought under section 10(1) of the Act which provides for infringement in circumstances where the mark and sign are *identical* and the use of the sign is in respect of goods or services that are *identical* with the goods and services for which the trade mark is registered: see *Bentley Motors Ltd v Bentley 1962 Ltd* [2020] EWCA Civ 1726; [2021] Bus LR 736, para 24. At first instance the infringement proceedings were brought under section 10(3) of the Act which provides that a person infringes a trade mark with a reputation if he or she uses in the course of trade a sign which is identical or similar to the trade mark, where such use, being without any due cause, takes unfair advantage of, or is detrimental to, the distinctive character or repute of the trade mark. The claim under section 10(3) of the Act was dismissed by Miles J. Iconix appealed against the dismissal of the section 10(3) claim to the Court of Appeal, but the parties were agreed on appeal that the outcome on infringement under section 10(3) followed the decision on infringement under section 10(2), on the basis that if there was a likelihood of confusion there was a risk of detriment to distinctive character under section 10(3). Accordingly, it was common ground between the parties that the appeal in relation to section 10(3) stood or fell with the section 10(2) appeal.

21. At first instance and on appeal the infringement proceedings are brought under section 10(2)(b) of the Act which provides that:

“A person infringes a registered trade mark if he uses in the course of trade a sign where because ... (b) the sign is similar to the trade mark and is used in relation to goods or services



identical with or similar to those for which the trade mark is registered, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the trade mark.”

22. Section 10(2)(b) of the Act transposes into United Kingdom law article 10(2)(b) of Directive 2015/2436, which, in so far as relevant, provides:

“(2) ... the proprietor of [a] registered trade mark shall be entitled to prevent all third parties not having his consent from using in the course of trade, in relation to goods or services, any sign where:

...

(b) the sign is identical with, or similar to, the trade mark and is used in relation to goods or services which are identical with, or similar to, the goods or services for which the trade mark is registered, if there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark;

...”

23. In order to establish infringement under section 10(2)(b) of the Act, six conditions must be satisfied: (i) there must be use of a sign by a third party within the UK; (ii) the use must be in the course of trade; (iii) it must be without the consent of the proprietor of the trade mark; (iv) it must be of a sign which is at least similar to the trade mark; (v) it must be in relation to goods or services which are at least similar to those for which the trade mark is registered; and (vi) it must give rise to a likelihood of confusion on the part of the public: see *Sky plc v Skykick UK Ltd* [2018] EWHC 155 (Ch); [2018] RPC 5, para 285.

24. In relation to condition (i) as to the use of a sign, section 10(4) of the Act provides:

“(4) For the purposes of ... section [10] a person uses a sign if, in particular, he—

- (a) affixes it to goods or the packaging thereof;
- (b) offers or exposes goods for sale, puts them on the market or stocks them for those purposes under the sign, or offers or supplies services under the sign;
- (c) imports or exports goods under the sign;...
- (ca) uses the sign as a trade or company name or part of a trade or company name;
- (d) uses the sign on business papers and in advertising;  
or
- (e) uses the sign in comparative advertising in a manner that is contrary to the Business Protection from Misleading Marketing Regulations 2008.”

The list in section 10(4) is non-exhaustive and transposes into United Kingdom law article 10(3) of Directive 2015/2436.

25. We consider it appropriate at this stage to note that the non-exhaustive list in section 10(4) of the Act includes numerous acts that are remote in time from the point when a purchase of goods or services or a transaction in relation to goods or services is concluded. For instance, the list includes affixing a sign to goods or their packaging, importing or exporting goods under the sign, using the sign as a company name, using the sign on business papers, using the sign in advertising, and using the sign in improper comparative advertising. Iconix submits that the inclusion of all these types of use, which may each independently give rise to infringement, is irreconcilable with Dream Pairs’ submission (see para 67 below) that only post-sale confusion affecting or jeopardising the essential function of a trade mark as a guarantee of origin at the point of a subsequent sale or in a subsequent transactional context can amount to an actionable infringement.

*(d) The dispute in this case in relation to infringement proceedings under section 10(2)(b) of the Act*

26. In this case there was no dispute that: (i) there had been use of the sign by Dream Pairs within the UK; (ii) the use was in the course of trade; (iii) it was without the consent of Iconix, the proprietor of the trade mark; and (v) it was in relation to goods or services

which are at least similar to those for which the UMBRO Trade Marks were registered. The dispute in this case relates to condition (iv) as to similarity of the sign to the 668 Mark and condition (vi) as to likelihood of confusion on the part of the public.

*(e) Identification of the sign used by the defendant and a determination of the goods or services (if any) in relation to which the defendant is using it*

27. All acts of infringement under sections 10(1) to 10(3) of the Act are based on the “sign” as used by the defendant, which must be compared with a claimant’s registered trade mark. The identification of the sign must be conducted from the perspective of the average consumer. The question the court should ask is what would a significant proportion of persons with the characteristics of the average consumer perceive the defendant’s origin identifying sign to be? The identification of the sign must be conducted as a preliminary step before the assessment of the similarity of the sign to the trade mark.

28. The acts of infringement under sections 10(1) and (2) of the Act require the court to determine the goods or services (if any) in relation to which the defendant is using the sign so that it can be determined, for instance, under section 10(2)(b) whether the goods or services are identical with or similar to those for which the trade mark is registered.

*(f) The average consumer*

29. The average consumer includes “any class of consumer to whom the guarantee of origin is directed and who would be likely to rely on it, for example in making a decision to buy or use the goods”: *London Taxi Corpn Ltd v Frazer-Nash Research Ltd* [2017] EWCA Civ 1729; [2018] FSR 7 per Floyd LJ, at para 34.

30. The characteristics of the average consumer have been considered in several cases. In *Lidl Great Britain Ltd v Tesco Stores Ltd* [2024] EWCA Civ 262; [2025] 1 All ER 311 Arnold LJ observed, at para 15, that discussion of the characteristics and role of the average consumer occupies the whole of Chapter 3 in *Kerly’s Law of Trade Marks and Trade Names*, 17<sup>th</sup> ed (2023). Arnold LJ then proceeded to highlight several points for the purposes of that case, at paras 16-20. It is appropriate also for the purposes of this appeal to set out those points:

“16. First, the average consumer is both a legal construct and a normative benchmark. They are a legal construct in that consumers who are ill-informed or careless and consumers with specialised knowledge or who are excessively careful are excluded from consideration. They are a normative benchmark in that they provide a standard which enables the courts to strike

a balance between the various competing interests involved, including the interests of trade mark owners, their competitors and consumers.

17. Secondly, the average consumer is neither a single hypothetical person nor some form of mathematical average, nor does assessment from the perspective of the average consumer involve a statistical test. They represent consumers who have a spectrum of attributes such as age, gender, ethnicity and social group. For this reason the European case law frequently refers to ‘the relevant public’ and ‘average consumers’ rather than, or interchangeably with, ‘the average consumer’: see, for example, *Intel Corp'n Inc v CPM United Kingdom Ltd* (Case C-252/07) [2008] ECR I-8823; [2009] Bus LR 1079, para 34. It follows that assessment from the perspective of the average consumer does not involve the imposition of a single meaning rule akin to that applied in defamation law (but not malicious falsehood). Thus, when considering the issue of likelihood of confusion, a conclusion of infringement is not precluded by a finding that many consumers of whom the average consumer is representative would not be confused. To the contrary, if, having regard to the perceptions and expectations of the average consumer, the court considers that a significant proportion of the relevant public is likely to be confused, then a finding of infringement may properly be made.

18. Thirdly, assessment from the perspective of the average consumer is designed to facilitate adjudication of trade mark disputes by providing an objective criterion, by promoting consistency of assessment and by enabling courts and tribunals to determine such issues so far as possible without the need for evidence. ....

19. Fourthly, the average consumer's level of attention varies according to the category of goods or services in question.

20. Fifthly, the average consumer rarely has the opportunity to make direct comparisons between trade marks (or between trade marks and signs) and must instead rely upon the imperfect picture of the trade mark they have kept in their mind.”

*(g) Similarity of the sign to the trade mark*

31. It is sufficient for the purposes of this appeal to state that the test for the similarity of the sign to the trade mark was set out by the CJEU in *Sabel BV v Puma AG* (Case C-251/95) [1998] 1 CMLR 445 which, at para 23, it stated:

“That global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components.”

In short, in order to assess the degree of similarity between the marks concerned, the court must determine the degree of visual, aural (or phonetic) and conceptual similarity between them.

32. If the threshold of similarity is passed, then an assessment of the degree of similarity becomes relevant to the subsequent question as to whether “there exists a likelihood of confusion on the part of the public”: *Sabel BV v Puma AG*, at para 23.

33. In *Ferrero SpA v Office for Harmonisation in the Internal Market* (Trade Marks and Designs) (C-552/09 P) [2011] ETMR 30 the CJEU stated, at para 66, that:

“It is only if there is some similarity, even faint, between the marks at issue that the General Court must carry out a global assessment in order to ascertain whether, notwithstanding the low degree of similarity between them, there is, on account of the presence of other relevant factors such as the reputation or recognition enjoyed by the earlier mark, a likelihood of confusion or a link made between those marks by the relevant public.”

The CJEU also referred to this requirement for a global assessment even if the degree of similarity was only faint, at para 60 of its judgment in *European Union Intellectual Property Office v Equivalenza Manufactory SL* (Case C-328/18 P) EU:C:2020:156 (“*Equivalenza*”). At para 60 the CJEU stated:

“... It is only if there is some similarity, even faint, between those signs that the General Court must carry out a global assessment in order to ascertain whether, notwithstanding the low degree of similarity between them, there is, on account of

the presence of other relevant factors such as the reputation or recognition enjoyed by the earlier mark, a likelihood of confusion in the mind of the relevant public (see, to that effect, judgment of 24 March 2011, *Ferrero v OHIM* (C-552/09 P) EU:C:2011:177; [2011] ETMR 30, paras 65 and 66 and the case-law cited).”

In relation to the faint degree of similarity see also *JW Spear & Sons Ltd v Zynga Inc* [2015] EWCA Civ 290; [2016] 1 All ER 226, paras 58-60. Furthermore, in that case Floyd LJ also addressed the issue of taking forward the court’s assessment of the degree of similarity to the global assessment of the likelihood of confusion. He stated at para 60(iv) that:

“In conducting the global appreciation test the court must take forward its assessment of the degree of similarity perceived by the average consumer between the mark and sign.”

*(h) Likelihood of confusion on the part of the public*

34. If the sign is at least similar to the trade mark, then the court is required to assess whether “there exists a likelihood of confusion on the part of the public”.

35. The public does not (always) mean everyone but instead means the relevant public. So, in *Koninklijke Philips Electronics NV v Remington Consumer Products Ltd* (C-299/99) [2003] Ch 159, para 63, the CJEU, citing *Gut Springenheide GmbH v Oberkreisdirektor des Kreises Steinfurt—Amt für Lebensmittelüberwachung* (Case C-210/96) [1998] ECR I-4657, para 31, identified the relevant public as the “average consumer of the category of goods or services in question”. In *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* (C-342/97) [1999] ECR I-3819; [1999] All ER (EC) 587, the CJEU again identified the relevant public in the same way. The CJEU stated, at para 25:

“The wording of article 5(1)(b) of the Directive — ‘... there exists a likelihood of confusion on the part of the public...’ — shows that the perception of marks in the mind of the average consumer of the category of goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion.”

36. The average consumer is only a consumer of the particular type of goods or services concerned. There is no requirement that the average consumer is an actual purchaser who buys or who has bought the specific goods or services in respect of which a potentially infringing sign is used. Where the goods are consumer goods in almost universal use in the United Kingdom, the relevant public consists of a very wide group of the members of the public. As this case concerns footwear, it was common ground that the public concerned with footwear is the UK adult population generally: see the judgment of Miles J at para 122.

37. In *Canon Kabushiki Kaisha v Metro Goldwyn Mayer Inc* (Case C-39/97) [1999] ETMR 1; [1998] All ER (EC) 934, para 29, the CJEU explained what amounts to a likelihood of confusion in the following terms:

“... the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion....”

38. The manner in which the requirement of a likelihood of confusion in article 9(2)(b) of Regulation 2017/1001 and article 10(2)(b) of Directive 2015/2436 (see paras 13-14 above), and the corresponding provisions concerning relative grounds of objection to registration in Directive 2015/2436 and Regulation 2017/1001, should be interpreted and applied has been considered by the CJEU in a large number of decisions. In order to try to ensure consistency of decision making, a standard summary of the principles established by these authorities, expressed in terms referable to the registration context, has been adopted in this jurisdiction. The current version was set out by Arnold LJ in *Match Group LLC v Muzmatch Ltd* [2023] EWCA Civ 454; [2023] Bus LR 1097, para 27, as being:

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

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; and

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come



from the same or economically-linked undertakings, there is a likelihood of confusion.”

39. Having set out the standard summary of the principles in terms referable to the registration context, Arnold LJ went on to state, at para 28, that:

“The same principles are applicable when considering infringement, although it is necessary for this purpose to consider the actual use of the sign complained of in the context in which the sign has been used.”

(i) *The context in which the sign has been used*

40. The context in which the sign has been used was considered by Kitchin LJ in *Specsavers International Healthcare Ltd v Asda Stores Ltd* [2012] EWCA Civ 24; [2012] FSR 19. Kitchin LJ, at para 87, stated:

“In my judgment the general position is now clear. In assessing the likelihood of confusion arising from the use of a sign the court must consider the matter from the perspective of the average consumer of the goods or services in question and must take into account all the circumstances of that use that are likely to operate in that average consumer’s mind in considering the sign and the impression it is likely to make on him. The sign is not to be considered stripped of its context.”

There is no dispute in this case that in the post-sale context a realistic and representative way in which the average consumer will encounter the sign is by seeing it from head height on footwear being worn by another person. Therefore, there is no challenge to that part of the judgment of the Court of Appeal which stated, in para 32, that “the key aspect of the post-sale context [is] that the viewer would see the Sign as affixed to footwear looking down from head height at the feet of another person wearing the footwear”. That post-sale context requires consideration as to the impression which the sign would make on the average consumer when viewed in that way.

41. The context in infringement proceedings under section 10(2)(b) of the Act is “limited to the circumstances characterising [the allegedly infringing] use, without there being any need to investigate whether another use of the same sign in different circumstances would also be likely to give rise to a likelihood of confusion”: see *O2 Holdings Ltd v Hutchison 3G UK Ltd* (Case C-533/06) [2009] Bus LR 339, para 67.

### 3. The Similarity issue

42. Dream Pairs submits that at the stage of assessing whether the DP Sign and the 668 Mark are similar and, if so, then when assessing the degree of similarity, extraneous circumstances such as how the goods are marketed or subsequently perceived are not to be taken into account. Rather, at this stage the court should be confined to considering the intrinsic features of the DP Sign and the 668 Mark on a side-by-side analysis leaving out of account any realistic and representative viewing angles in the post-sale environment. Dream Pairs argues that if the DP Sign and the 668 Mark are intrinsically dissimilar on a side-by-side comparison then the court must not proceed to make a global assessment of the likelihood of confusion to the public. However, if there is intrinsic similarity and an assessment is made of the intrinsic degree of similarity then Dream Pairs submits that the court takes those assessments forward into the global assessment of the likelihood of confusion to the public, and during the global assessment can then take into account realistic and representative viewing angles so as to adjust its initial assessment as to the degree of similarity between the DP Sign and the 668 Mark.

43. Dream Pairs submits that the Court of Appeal fell into error when it arrived at an assessment of “a moderately high level of similarity” between the DP Sign and the 668 Mark, at paras 30-31 and 34-35 of Arnold LJ’s judgment, because that assessment relied on the view of an onlooker in the post-sale environment when the sign was viewed from head height at the feet of another person wearing the footwear. Rather, it is argued, the Court of Appeal ought to have, but failed to assess similarity purely based on the intrinsic degree of similarity leaving out of account realistic and representative viewing angles in the post-sale environment.

44. We would observe that this submission is without merit on the findings at first instance. Miles J held, at para 135, that there was no aural or conceptual element to the UMBRO Trade Marks or the DP Sign. Then, at para 139, and before taking into account someone seeing the footwear itself being worn post-sale (in the street, on the football pitch or in the changing room), he carried out a side-by-side analysis of the images for visual similarity. He held that there was only the faintest resemblance between the DP Sign and the UMBRO Trade Marks. There has been no challenge to that finding. Thereafter, Miles J correctly considered the likelihood of confusion. Dream Pairs accepts that during the global assessment the court takes into account realistic and representative viewing angles so as to adjust its initial assessment as to the degree of similarity between the DP Sign and the UMBRO Trade Marks. So, Dream Pairs’ submission is without merit because no matter when the realistic and representative viewing angle is considered it will be considered on the facts of this case.

45. Another articulation of this ground of appeal is that, even if at the stage of the assessment of the similarity of the UMBRO Trade Marks and the DP Sign the court can take into account the viewpoint of an onlooker in the post-sale environment, then the

Court of Appeal fell into error in that such an assessment of similarity cannot be legitimate unless it is the only viewpoint or angle from which the average consumer would ever encounter the DP Sign. Again, if on this assessment there is similarity then Dream Pairs submits that the court takes those assessments forward into the global assessment of the likelihood of confusion to the public and during the global assessment can then take into account realistic and representative viewing angles so as to adjust its initial assessment as to the degree of similarity between the DP Sign and the UMBRO Trade Marks. Dream Pairs suggests that the Court of Appeal fell into error at the assessment of similarity stage by taking the head height view into account in circumstances where it was not the only viewpoint or angle from which the average consumer would ever encounter the DP Sign. Dream Pairs argued that for the head height viewpoint to be taken into account it had to be the unique and only viewpoint.

46. Again, we would observe that this alternative articulation is without merit on the findings at first instance, as Miles J found faint resemblance on a side-by-side comparison so as to require a global assessment of the likelihood of confusion during which the court takes into account realistic and representative viewing angles so as to adjust its initial assessment as to the degree of similarity between the DP Sign and the 668 Mark. Dream Pairs' submission is without merit because no matter when the realistic and representative viewing angle is considered it will be considered on the facts of this case.

47. Despite this ground of appeal having no merit, on the findings made by Miles J we consider it appropriate to make some observations in relation to it. In support of the submissions Dream Pairs relies on the decisions of the CJEU in *Equivalenza*, and in *Audi AG v GQ* (Case C-334/22) [2024] Bus LR 1056. It is necessary to go into some detail in relation to each of those judgments.

48. Also in support of these submissions Dream Pairs relies on the further argument that when assessing similarity if the court took into account how the sign was realistically and representatively encountered and perceived in the post-sale environment then it would lead to the absurd result that the same sign could be classified as similar or different based on the manner in which it was realistically and representatively presented or encountered.

*(a) European Union Intellectual Property Office v Equivalenza Manufactory SL (Case C-328/18 P)*

49. In this case Equivalenza Manufactory SL filed with the EUIPO an application for registration of a Community trade mark in respect of perfumery. ITM Enterprises SAS filed a notice of opposition against the registration of the mark on the ground that there was a likelihood of confusion within the meaning of article 8(1)(b) of Council Regulation (EC) No 207/2009 with its earlier figurative mark registered in respect of, amongst other

goods, perfumery. Article 8(1)(b) is the equivalent registration provision to the infringement provision contained in section 10(2)(b) of the Act. Article 8(1)(b) provided:

“(1) Upon opposition by the proprietor of an earlier trade mark, the trade mark applied for shall not be registered:

...

(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 in the territory in which the earlier trade mark is protected; the likelihood of confusion includes the likelihood of association with the earlier trade mark.”

Accordingly, successful opposition to the registration of Equivalenza’s trade mark depended on there being similarity to ITM Enterprises’ earlier mark and there being a likelihood of confusion on the part of the public.

50. The Opposition Division upheld the opposition filed by ITM Enterprises. The second Board of Appeal of the EUIPO dismissed the appeal brought by Equivalenza against the decision of the Opposition Division. The Board of Appeal considered that the signs had an average degree of visual and phonetic similarity and following a global assessment of the likelihood of confusion, it concluded that such a likelihood was present on the part of the relevant public.

51. Equivalenza then commenced an action before the General Court of the European Union to annul the decision of the Board of Appeal. The General Court (First Chamber) in its judgment of 7 March 2018 allowed the appeal: Case T-6/17. It is important to identify the basis upon which the appeal was allowed, which was a finding that the signs at issue were not similar so that the General Court declined to carry out a global assessment of the likelihood of confusion. The General Court held, at para 29, that there was a low degree of visual similarity between the signs but then, at paras 32 and 33, proceeded to rule out any finding of visual similarity. The General Court found that there was an average degree of phonetic similarity: para 39. Thereafter, at para 48, the General Court stated that it was appropriate to analyse the objective conditions under which the trade marks may be presented on the market and having done so concluded, at para 52, that the visual aspect was of greater importance than the phonetic or conceptual aspects. The General Court then arrived at the conclusion, in para 55, that the signs at issue were not similar. In short, the objective conditions under which the trade marks may be

presented on the market were being used by the General Court to disregard phonetic similarity and some elements of visual similarity which it had identified at para 28.

52. The EUIPO then appealed against the decision of the General Court to the CJEU (Fourth Chamber). By its judgment dated 4 March 2020 the CJEU allowed the appeal: Case C-328/18 P.

53. First, the CJEU held, at para 29, that “the General Court implicitly but clearly stated in paragraph 29 of the judgment under appeal that [elements of visual similarity] led to the conclusion that there is, at the very least, a low degree of visual similarity between [the] signs, thus contradicting the conclusion reached in para 32 [of its judgment ruling out any finding of visual similarity]”. The General Court had fallen into error by arriving at contradictory conclusions.

54. Thereafter, the CJEU proceeded to consider whether the General Court had incorrectly examined the circumstances in which the goods in question were marketed and the buying habits of the relevant public at the stage of comparing the similarity of the signs at issue.

55. The CJEU recorded, at para 56, the submission of the EUIPO that:

“... the General Court was not entitled, at the stage of assessing the similarity of the signs at issue as a whole, to take account of the ways in which the goods in question are marketed and counteract the similarities between those signs *in order to rule out any similarity between them* and dispense with a global assessment of the likelihood of confusion.” (Emphasis added.)

56. At para 69, the CJEU referred to case law which had “given rise to divergent applications by the EU Courts, in that it has been possible to take account of the marketing circumstances at the stage, as the case may be, of the assessment of the similarity of the signs at issue or the global assessment of the likelihood of confusion”. At para 70 the CJEU stated that “the marketing circumstances ... are to be taken into account at the stage of the global assessment of the likelihood of confusion and not at that of the assessment of the similarity of the signs at issue”. The CJEU continued by stating that:

“71. ... the assessment of similarity of the signs at issue ... involves comparing [them] in order to determine whether those signs are visually, phonetically and conceptually similar. *Although that comparison must be based on the overall impression made by those signs on the relevant public*, account

must nevertheless be taken of the intrinsic qualities of the signs at issue ....

72. However, as EUIPO rightly argues, taking into account the circumstances in which the goods or services covered by the two signs at issue are marketed for the purposes of comparing those signs could lead to the absurd result that the same signs could be classified as similar or different depending on the goods and services they cover and the circumstances in which they are marketed.

73. It follows from the foregoing that the General Court erred in law by taking account, in ... the judgment under appeal, of the circumstances in which the goods in question were marketed at the stage of an assessment of the similarity of the signs at issue as a whole and by giving precedence, by reason of those circumstances, to the visual differences between those signs over their phonetic similarity.” (Emphasis added.)

57. By this decision the CJEU held that it was impermissible for the General Court to “rule out any similarity between” the signs at issue by reference to the circumstances in which the goods in question were marketed. The issue on the appeal to this court is different: namely whether the post-sale circumstances can be considered at the stage of assessing similarity to establish, rather than to rule out, similarity between the signs at issue.

*(b) Audi AG v GQ (Case C-334/22) [2024] Bus LR 1056*

58. Iconix argued that, properly understood, the decision of the CJEU in *Equivalenza* to the effect that the circumstances in which the goods in question were marketed are not to be taken into account at the stage of an assessment of similarity of the signs at issue, was restricted to the context of cancellation or opposition to registration proceedings and was inapplicable in the context of infringement proceedings. In response, Dream Pairs referred to the judgment of the CJEU in *Audi AG v GQ* which involved a preliminary reference in infringement proceedings brought by Audi AG against GQ. At para 47 of its judgment the CJEU stated:

“If, ... [the national court] determines that GQ is using a sign which is similar, and not identical, to the Audi trade mark and that his radiator grilles, as spare parts, are identical or similar to the goods for which that trade mark is registered, it will have to assess whether there is a likelihood of confusion, within the

meaning of article 9(2)(b) of Regulation 2017/1001, taking into account all the relevant factors, in particular the degree of similarity between the signs and the goods, the perception of the average consumer of the relevant public, who is reasonably well informed and reasonably observant and circumspect when he sees the goods for which the third party uses the sign, and the level of attention of that public, the distinctive character of the EU trade mark or the conditions under which the goods are marketed.”

In support of these legal principles in para 47 the CJEU cited judgments of 11 November 1997, *Sabel BV v Puma AG* (Case C-251/95) [1998] RPC 199, para 22, and of 4 March 2020, *Equivalenza*, paras 57 and 70).

59. Dream Pairs relies on para 47 of the CJEU’s judgment in *Audi AG v GQ* to establish that the reasoning in *Equivalenza* is equally applicable in the context of infringement proceedings. However, the matter under consideration in para 47 of *Audi AG v GQ* was the assessment of the likelihood of confusion rather than whether, at the stage of assessing similarity, how the signs at issue are perceived in the post-sale environment can be taken into account to establish similarity. We agree that by virtue of the decision in *Equivalenza* post-sale circumstances cannot be used to rule out intrinsic similarities between the signs at issue and that this also applies in relation to infringement proceedings. However, we consider that *Audi AG v GQ* is not authority for the proposition that at the stage of assessing similarity, post-sale circumstances cannot be considered to establish similarity between the signs at issue.

*(c) Conclusion in relation to this ground of appeal*

60. For several reasons we consider that realistic and representative post-sale circumstances can be taken into account for the purpose of establishing whether the signs at issue are similar and, if so, the degree of similarity.

61. First, the CJEU in *Equivalenza* is authority for the proposition that at the stage of assessing similarity it is impermissible to consider post-sale circumstances in order to rule out intrinsic similarities between the signs at issue. It is not authority for the proposition that at the stage of assessing similarity post-sale circumstances cannot be considered to establish similarities between the signs at issue.

62. Secondly, if the appellants’ submissions are correct then a global assessment of the likelihood of confusion would be ruled out in circumstances where there was no intrinsic similarity between the signs at issue even if, in a realistic and representative post-sale environment, there was similarity. To rule out a global assessment in such

circumstances would run counter to the requirement for a global assessment where there is a faint degree of similarity.

63. Thirdly, if the post-sale circumstances are restricted to realistic and representative circumstances, then we do not consider that any absurdity will result. Provided the viewpoints in such circumstances are realistic and representative the signs at issue would either be classified as similar or dissimilar.

64. Fourthly, the approach that at the stage of assessing similarity a court, in order to establish similarity, can take into account how the sign at issue is perceived in a realistic and representative post-sale environment, is consistent with that part of para 71 of the judgment in *Equivalenza* in which the CJEU stated that the “comparison must be based on the overall impression made by those signs on the relevant public”.

65. Fifth, marketing conditions counteracting any similarity will be taken into account in the global assessment of the likelihood of confusion.

66. In conclusion, both on the findings made by Miles J and as a matter of principle, we reject this ground of appeal.

#### **4. The Confusion issue**

67. Dream Pairs identified as a key issue on this appeal the following question:

“When assessing whether there is a likelihood of confusion under section 10(2) of the Act, can that include a risk of confusion arising outside the transactional context and/or by someone other than the potential purchaser?”

Accordingly, Dream Pairs seeks to establish as a matter of law that any post-sale confusion between the DP Sign and the 668 Mark should not amount to actionable infringement under section 10(2)(b) of the Act unless it involves confusion so as to affect or jeopardise the essential function of a trade mark as a guarantee of origin *at the point of a subsequent sale or in a subsequent transactional context*. If actionable infringement is so restricted, then Dream Pairs submits that the Court of Appeal erred in finding that there was actionable infringement in this case because the judge found that there was no likelihood of confusion at the point of sale due to contextual factors on the Amazon website and that any confusion as between the DP Sign and the 668 Mark that might arise outside the transactional context would be dispelled by the time of any actual or notional purchase that the average consumer might make in a transactional context. So, Dream



Pairs submits the Court of Appeal fell into error, at para 12 of Arnold LJ's judgment, in holding that "... it is possible in an appropriate case for use of a sign to give rise to a likelihood of confusion as a result of post-sale confusion *even if there is no likelihood of confusion at the point of sale*". (Emphasis added.)

68. In advancing this ground of appeal Dream Pairs does not submit that post-sale confusion is irrelevant. It would have been extraordinary if Dream Pairs had attempted to do so as there are numerous authorities which take post-sale confusion into account. In advancing this ground of appeal, rather than challenging the relevance of post-sale confusion, Dream Pairs seeks to limit its impact by contending that there is no actionable infringement absent a finding that the post-sale confusion affects or jeopardises the essential function of a trade mark as a guarantee of origin at the point of a subsequent sale or in a subsequent transactional context.

69. Another articulation of this ground of appeal is Dream Pairs' contention that for post-sale confusion to amount to actionable infringement it must result in damage at the point of sale or in a transactional context in the sense of influencing consumers when they make a choice with respect to the goods or services in question. In this articulation Dream Pairs defines damage as being an actual impact on the choice of goods or services arising because of confusion affecting or jeopardising the essential function of a trade mark as a guarantee of origin at the point of sale or in a transactional context.

70. Dream Pairs uses the term "transactional context" as well as "point of sale" because Dream Pairs recognises that if confusion was limited only to confusion at the point of sale then this would unjustifiably exclude transactional decisions where signs are relied on by consumers in selecting goods or services to use without purchasing them: for instance, National Health Service patients selecting between different products for which they will not pay.

71. In advancing this ground of appeal Dream Pairs relies on or seeks to distinguish the decisions of the CJEU in *Arsenal Football Club plc v Reed* (Case C-206/01) [2003] Ch 454, *Anheuser-Busch Inc v Budejovicky' Budvar, Národní Podnik* (Case C-245/02) [2005] ETMR 27 and *Ruiz-Picasso v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* in the Court of First Instance, (Case T-185/02) [2005] ETMR 22, and on appeal to the CJEU, (Case C-361/04 P) [2006] ETMR 29. It is necessary to go into some detail in relation to each of the judgments in those cases. However, before doing so we make some preliminary observations in relation to post-sale confusion.

#### *(a) Post-sale confusion*

72. Post-sale confusion was defined by Arnold J in *Datacard Corp'n v Eagle Technologies Ltd* [2011] EWHC 244 (Pat); [2012] Bus LR 160, para 277, as being:

“...confusion on the part of part of the public as to the trade origin of goods or services in relation to which the impugned sign has been used which only arises *after* the goods or services have been purchased.”

With that definition in mind and for present purposes it is sufficient to refer to the judgment of Arnold LJ in *Montres Breguet SA v Samsung Electronics Co Ltd* [2023] EWCA Civ 1478; [2024] ETMR 13 in which, at para 84, he identified with consummate clarity a justification for taking post-sale confusion into account. He stated:

“84. Most trade marks are visible, and relied upon by the consumer, at the point of sale. But other trade marks, while visible at the point of sale, are not relied upon by the consumer at that point. An example of this type of trade mark is what is probably the oldest form of trade mark in the world, namely a potter’s mark. A third category of trade mark is not even visible at the point of sale. An old example of this category is the mark traditionally placed upon the cork in a bottle of wine. The fact that a mark is not relied upon, or is invisible, at the point of sale does not mean that it does not function as a trade mark. It still functions as a trade mark because it operates as a badge of origin, and hence quality, after the goods have been sold. It does so not primarily to the purchaser of the goods, who is likely to be aware of their origin, but to third parties who encounter the goods after sale. It is a very old human trait to wish to acquire a product that one has seen worn by a friend or acquaintance or in their home. Furthermore, the goods may be consumed or used by persons other than those who purchased them.”

Arnold LJ continued, at para 85, to state that:

“... it is well established in both EU and domestic case law that it can be relevant to take the post-sale context into account when considering trade mark issues, including issues as to use: see in particular *Arsenal Football Club plc v Reed* (Case C-206/01) at para 57; *Anheuser-Busch* (Case C-245/02) at para 60; *Ruiz-Picasso v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (Case C-361/04 P) at para 48; *Datacard Corp v Eagle Technologies Ltd* [2011] EWHC 244 (Pat); [2012] Bus LR 160, paras 277-289 (Arnold J); *Thomas Pink Ltd v Victoria’s Secret UK Ltd* [2014] EWHC 2631 (Ch); [2014] ETMR [57], paras 142-145 (Birss J); and *London Taxi Corp Ltd v Frazer-Nash Research Ltd* [2017]

EWCA Civ [1729]; [201[8]] FSR 7, paras 34-35 (Floyd LJ, with whom Kitchen LJ agreed).”

*(b) Arsenal Football Club plc v Reed (Case C-206/01) [2003] Ch 454*

73. This case concerned a trader, Mr Reed, who carried on business from a stall near the Arsenal Football Club ground selling souvenirs and articles of clothing which had words on them that were identical to the football club’s registered trade marks (eg “ARSENAL”). A notice on the stall said that the names on the goods were solely to adorn the products and not to indicate any affiliation with the manufacturers of any goods and indicated that they were not official Arsenal Football Club merchandise. Arsenal Football Club sued Mr Reed complaining of passing off and trade mark infringement. Mr Reed argued that there was no trade mark infringement because the words on the scarves would not, he said, be seen to say anything about the origin of the goods, but instead were merely a way for fans to indicate their support for the club. Instead of being “badges of origin”, they were “badges of allegiance”. Laddie J at first instance sought guidance from the CJEU by way of a preliminary reference as to whether a trader who was using a sign identical to a valid registered trade mark for identical goods had a defence if the sign was not perceived as an indicator of origin but rather as a badge of allegiance.

74. The CJEU, at para 48 of its judgment, affirmed the essential function of a trade mark as being:

“...to guarantee the identity of origin of the marked goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin. For the trade mark to be able to fulfil its essential role in the system of undistorted competition which the Treaty seeks to establish and maintain, it must offer a guarantee that all the goods or services bearing it have been manufactured or supplied under the control of a single undertaking which is responsible for their quality: ....”

75. The CJEU stated, at para 55, that “[i]n the present case, the use of the sign takes place in the context of sales to consumers and is obviously not intended for purely descriptive purposes”; ie the words were not “scarf” or “woolly” or some other term describing the goods. The CJEU then said:

“56. Having regard to the presentation of the word ‘Arsenal’ on the goods at issue in the main proceedings and the other secondary markings on them ... the use of that sign is such as

to create the impression that there is a material link in the course of trade between the goods concerned and the trade mark proprietor.”

That conclusion was sufficient to establish that the use of the sign by Mr Reed was liable to jeopardise the essential origin function of the trade mark. Consequently, it was a use which the trade mark proprietor could prevent. Having arrived at that conclusion, the CJEU stated, at para 57:

“57. That conclusion is not affected by the presence on the defendant's stall of the notice stating that the goods at issue in the main proceedings are not official Arsenal Football Club products (see para 17 above). Even on the assumption that such a notice may be relied on by a third party as a defence to an action for trade mark infringement, there is a clear possibility in the present case that some consumers, in particular if they come across the goods after they have been sold by the defendant and taken away from the stall where the notice appears, may interpret the sign as designating the claimant as the undertaking of origin of the goods.”

In short, the post-sale confusion confirmed that there was a breach of trade mark rights, notwithstanding the wording that Mr Reed displayed on his stall stating that the goods did not come from the Arsenal Football Club. Dream Pairs submits that the only relevance of post-sale confusion in *Arsenal Football Club plc v Reed* was to confirm a prior breach of trade mark rights. We reject that submission. In *Arsenal Football Club plc v Reed* the CJEU recognised “that some consumers, in particular if they come across the goods after they have been sold by the defendant and taken away from the stall where the notice appears, may interpret the sign as designating the claimant as the undertaking of origin of the goods”. Three points emerge. First, a trade mark continues to identify origin even after sale so that, in appropriate circumstances, it can give rise to infringement on the basis of a likelihood of post-sale confusion. Secondly, perceptions of a sign post-sale leading to confusion as to origin are not limited to perceptions at the point of a subsequent sale or, as Dream Pairs states, in a subsequent transactional context. In this respect the decision of the CJEU in *Arsenal Football Club plc v Reed* does not support Dream Pairs’ submission that any post-sale confusion between a sign and a trade mark should not amount to actionable infringement under section 10(2)(b) of the Act unless it involves confusion so as to affect or jeopardise the essential function of a trade mark as a guarantee of origin at the point of a subsequent sale or in a subsequent transactional context. Thirdly, we consider that in *Montres Breguet SA v Samsung Electronics Co Ltd*, at para 85, Arnold LJ correctly cited *Arsenal Football Club plc v Reed*, at para 57, in support of the proposition that “it can be relevant to take the post-sale context into account when considering trade mark issues”.

76. *Anheuser-Busch Inc v Budějovický Budvar, Národní Podnik* (“*Anheuser-Busch*”) involved a preliminary reference to the CJEU in relation to one of an ongoing series of trademark disputes between Anheuser-Busch and the Czech company Budějovický Budvar. Dream Pairs in the appeal before this court seeks to confine the significance of the decision of the CJEU in *Anheuser-Busch* by stating that the CJEU simply took the same approach to post-sale confusion as it had in *Arsenal Football Club plc v Reed*.

77. For present purposes it is sufficient to state that the CJEU considered, at para 59, article 5(1) of Directive 89/104 which was then in force. Article 5(1) had two parts. First, article 5(1)(a) which is the equivalent of section 10(1) of the Act. Secondly, article 5(1)(b) which is the equivalent of section 10(2) of the Act. Therefore, in referring to article 5(1) of Directive 89/104 the CJEU was referring to infringement proceedings within both section 10(1) and (2) of the Act. With respect to article 5(1) of Directive 89/104 the CJEU stated, at para 59:

“... that the exclusive right conferred by a trade mark was intended to enable the trade mark proprietor to protect his specific interests as proprietor, that is, to ensure that the trade mark can fulfil its functions and that, therefore, the exercise of that right must be reserved to cases in which a third party's use of the sign affects or is liable to affect the functions of the trade mark, in particular its essential function of guaranteeing to consumers the origin of the goods (see *Arsenal Football Club* (Case C-206/01) [2002] ECR I-10273; [2003] Ch 454, paras 51 and 54).”

The CJEU then stated, at para 60:

“60. That is the case, in particular, where the use of that sign allegedly made by the third party is such as to create the impression that there is a material link in trade between the third party's goods and the undertaking from which those goods originate. *It must be established whether the consumers targeted, including those who are confronted with the goods after they have left the third party's point of sale, are likely to interpret the sign, as it is used by the third party, as designating or tending to designate the undertaking from which the third party's goods originate* (see, to that effect, *Arsenal Football Club*, cited above, paras 56 and 57).” (Emphasis added.)

78. In the appeal before this court Dream Pairs argues that by citing *Arsenal Football Club* the CJEU was restricting the relevance of post-sale confusion as being solely confirmation of a prior breach of trade mark rights. We do not consider that para 60 of the CJEU's judgment in *Anheuser-Busch* can be confined in that way. First, in para 60, the CJEU recognised that a trade mark continues to identify origin even after sale so that, in appropriate circumstances, it can give rise to infringement on the basis of a likelihood of post-sale confusion. Secondly, the CJEU again recognised that perceptions of a sign post-sale leading to confusion as to origin are not limited to perceptions at the point of a subsequent sale or, as Dream Pairs states, in a subsequent transactional context. In this respect the decision of the CJEU in *Anheuser-Busch* does not support Dream Pairs' submission that any post-sale confusion between a sign and a trade mark should not amount to actionable infringement under section 10(2)(b) of the Act unless it involves confusion so as to affect or jeopardise the essential function of a trade mark as a guarantee of origin at the point of a subsequent sale or in a subsequent "transactional context". Thirdly, we consider that in *Montres Breguet SA v Samsung Electronics Co Ltd*, at para 85, Arnold LJ correctly cited *Anheuser-Busch*, at para 60, in support of the proposition that "it can be relevant to take the post-sale context into account when considering trade mark issues".

*(d) Ruiz-Picasso v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (Cases T-185/02 and C-361/04 P) [2005] ETMR 22; [2006] ETMR 29*

79. In *Ruiz-Picasso v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* ("*Ruiz-Picasso*"). DaimlerChrysler AG had filed an application for a Community trade mark for the word mark PICARO. The goods and services in respect of which the mark were sought to be registered were for "vehicles and parts [thereof]; omnibuses". Claude Ruiz-Picasso and four other heirs of the Picasso estate ("the Picasso estate") had been registered as owners of an earlier Community trade mark in the word mark PICASSO for goods described as "vehicles; apparatus for locomotion by land, air or water, motor cars, motor coaches, trucks, vans, caravans, trailers". The Picasso estate objected to the registration of the Community trade mark PICARO under article 8(1)(b) of Regulation 40/94 on the basis of a likelihood of confusion with its own earlier Community trade mark of PICASSO. Whilst Regulation 40/94 has subsequently been repealed, article 8(1)(b) of that Regulation then provided that "[u]pon opposition by the proprietor of an earlier trade mark, the trade mark applied for shall not be registered ... 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 in the territory in which the earlier trade mark is protected".

80. The opposition division of the OHIM held that there was no likelihood of confusion between the trade marks PICASSO and PICARO and granted the registration of the Community trade mark PICARO. The Picasso estate appealed to the Third Board of Appeal of OHIM which dismissed the appeal, upholding the registration of PICARO

as a Community trade mark. The Picasso estate then commenced an action before the Court of First Instance of the European Communities to annul the decision of the OHIM. The Court of First Instance (Second Chamber) by its judgment dated 22 June 2004 dismissed the action: (Case T-185/02) [2005] ETMR 22. The Picasso estate then appealed against the decision of the Court of First Instance (Second Chamber) to the CJEU (First Chamber). By its judgment dated 12 January 2005 the CJEU dismissed the appeal: (Case C-361/04 P) [2006] ETMR 29.

81. A central issue before the Court of First Instance and on appeal to the CJEU was as to the degree of attention exercised by the average consumer in determining whether there was a likelihood of confusion on the part of the public. In short, the issue was as to the attentiveness of the average consumer given that if there is a higher degree of attention then the less likely it is that there will be confusion. The average consumer's level of attention varies according to the category of goods in question: see *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* (Case C-342/97) [1999] ECR I-3819; [1999] ETMR 690. The Court of First Instance held, at para 59, that “in view of the nature of the goods concerned [vehicles and parts thereof and omnibuses] and in particular their price and their highly technological character, the degree of attention of the relevant public *at the time of purchase* is particularly high” (emphasis added). There was no challenge to the assessment of a high level of attention at the time of purchase. Rather, the issue was whether that high level of attention when purchasing the goods should also apply if the relevant public perceived the goods concerned in situations in which they did not pay such attention, such as circumstances unconnected with any act of purchase. The Court of First Instance stated, at para 59, that:

“A refusal to register a trade mark because of the likelihood of confusion with an earlier mark is justified on the ground that such confusion is liable to have an undue influence on the consumers concerned *when they make a choice with respect to the goods or services in question*. It follows that account must be taken, for the purposes of assessing the likelihood of confusion, of the level of attention of the average consumer at the time *when he prepares and makes his choice between different goods or services* within the category for which the mark is registered.” (Emphasis added.)

On the appeal before this court Dream Pairs seized on the emphasised words to submit that because the court applied the same level of attentiveness at the time of purchase and in other situations, the only explanation was that the court was limiting the likelihood of confusion on the part of the public to the point when the average consumer made a choice with respect to the goods or services in question. That is confusion so as to affect or jeopardise the essential function of a trade mark as a guarantee of origin at the point of a subsequent sale or in a subsequent transactional context. We reject this submission. It is correct that the Court of First Instance was considering the level of attentiveness in

relation to post-sale confusion. However, and quite simply, there was no issue before the Court of First Instance as to whether actionable infringement should be limited to post-sale confusion so as to affect or jeopardise the essential function of a trade mark as a guarantee of origin at the point of a subsequent sale or in a subsequent transactional context. That issue did not arise for determination and was not decided. Rather, there was a pragmatic decision first to determine the level of attentiveness of an average consumer “*when he prepares and makes his choice between different goods or services*” and then secondly to apply that level of attentiveness when determining whether there was a likelihood of confusion in the post-sale context. The Court of First Instance also made clear, at para 60, that:

“It should be added that the question of the degree of attention of the relevant public to be taken into account for assessing the likelihood of confusion is different from the question whether circumstances subsequent to the purchase situation may be relevant for assessing whether there has been a breach of trade mark rights, as was accepted, in the case of the use of a sign identical to the trade mark, in [*Arsenal Football Club* (Case C-206/01) [2003] Ch 454] ..., relied on by the applicants.”

Accordingly, the Court of First Instance expressly recognised that, in appropriate circumstances, there could be a likelihood of confusion amounting to a breach of trade mark rights in circumstances subsequent to the situation in which goods are purchased.

82. The same pragmatic approach to the level of attentiveness in relation to post-sale confusion was applied on appeal in the judgment of the CJEU (First Chamber). The relevant paragraphs in the judgment are paragraphs 40–43. At para 40 the CJEU stated:

“40. Where it is established in fact that the objective characteristics of a given product mean that the average consumer purchases it only after a particularly careful examination, it is important in law to take into account that such a fact may reduce the likelihood of confusion between marks relating to such goods at the crucial moment when the choice between those goods and marks is made.”

In this paragraph the CJEU identified the crucial moment for assessment of the level of attentiveness as being when the choice between those goods and marks is made. The CJEU then considered, at para 41, that the relevant public is also likely to perceive such goods and marks relating to them in circumstances unconnected with any act of purchase and to display, where appropriate, a lower level of attention on such occasions. However,



the CJEU rejected applying varying standards of attentiveness depending on whether the circumstances were or were not connected with any act of purchase. It stated that:

“41. ... the [Court of First Instance] was also fully entitled to observe, ... in [59] of the judgment under appeal, that the existence of such a possibility does not prevent the taking into account of the particularly high level of attention exhibited by the average consumer when he prepares and makes his choice between different goods in the category concerned.”

The CJEU set out reasons in paras 42 and 43 justifying the application of the same level of attention in circumstances unconnected with any act of purchase. We observe that the second reason in para 43 is entirely pragmatic. Paragraphs 42 and 43 are in the following terms.

“42. First, it is clear that, whatever the goods and marks at issue, there will always be situations in which the public faced with them will grant them only a low degree of attention. However, to require that account be taken of the lowest degree of attention which the public is capable of displaying when faced with a product and a mark would amount to denying all relevance, for the purpose of an assessment of the likelihood of confusion, to the criterion relating to the variable level of attention according to the category of goods, noted in [38] of this judgment.

43. Secondly, as observed by OHIM, the authority called upon to assess whether there is a likelihood of confusion cannot reasonably be required to establish, for each category of goods, the consumer's average amount of attention on the basis of the level of attention which he is capable of displaying in different situations.”

83. The CJEU then considered what the Court of First Instance had stated at para 60 of its judgment (see para 81 above). The CJEU stated:

“48. Finally, it must be stated that, by asserting in [60] of the judgment under appeal that the question of the degree of attention of the relevant public to be taken into account for assessing the likelihood of confusion is different from the question *whether circumstances subsequent to the purchase situation may be relevant for assessing whether there has been a breach of trade mark rights, as was accepted, as regards the*

*use of a sign identical to the trade mark, in Arsenal Football Club*, the [Court of First Instance] did not, contrary to the appellants' submission, in any way hold that the concept of likelihood of confusion under articles 8(1)(b) and 9(1)(b) [of Regulation 40/94] must be interpreted differently.” (Emphasis added.)

84. The decision of the CJEU to apply the same level of attentiveness at the transaction stage and at the post-sale stage acknowledges the relevance of the post-sale scenario when determining the question as to whether there is a likelihood of confusion on the part of the public. To that extent, the decision of the CJEU supports the proposition that post-sale confusion can be taken into account when considering trade mark issues. Furthermore, the words which we have emphasised in para 48 of the judgment of the CJEU (First Chamber), support the proposition that the CJEU accepted that circumstances subsequent to the purchase situation may be relevant for assessing whether there has been a breach of trade mark rights. We consider that in *Montres Breguet SA v Samsung Electronics Co Ltd*, at para 85, Arnold LJ correctly cited the judgment of the CJEU (First Chamber) in *Ruiz-Picasso*, at para 48, in support of the proposition that “it can be relevant to take the post-sale context into account when considering trade mark issues”.

85. We add that there was no issue before the CJEU (First Chamber) in *Ruiz-Picasso* as to whether actionable infringement should be limited to post-sale confusion which affects or jeopardises the essential function of a trade mark as a guarantee of origin at the point of a subsequent sale or in a subsequent transactional context. That issue did not arise for determination and was not decided. Rather, there was a pragmatic decision first to determine the level of attentiveness of an average consumer “when he prepares and makes his choice between different goods or services” and then secondly to apply that level of attentiveness when determining whether there was a likelihood of confusion in the post-sale context.

*(e) Conclusion in relation to this ground of appeal*

86. Arnold LJ, at para 12 of his judgment in this case, stated that:

“... it is possible in an appropriate case for use of a sign to give rise to a likelihood of confusion as a result of post-sale confusion even if there is no likelihood of confusion at the point of sale.”

We agree with that statement of the law. We reject Dream Pairs’ submission that only post-sale confusion affecting or jeopardising the essential function of a trade mark as a guarantee of origin at the point of a subsequent sale or in a subsequent transactional

context can amount to an actionable infringement. We also reject Dream Pairs' submission that before there is an actionable infringement the post-sale confusion must result in damage at the point of sale or in a transactional context in the sense of influencing consumers when they make a choice with respect to the goods or services in question; see para 69 above. We arrive at these conclusions for several reasons.

87. First, none of the CJEU authorities support the proposition that actionable infringement should be limited to post-sale confusion which affects or jeopardises the essential function of a trade mark as a guarantee of origin at the point of a subsequent sale or in a subsequent transactional context. Rather, the CJEU authorities support the propositions that: (i) a trade mark continues to identify origin even after sale so that, in appropriate circumstances, it can give rise to infringement on the basis of a likelihood of post-sale confusion; (ii) perceptions of a sign post-sale leading to confusion as to origin are not limited to perceptions at the point of a subsequent sale or in a subsequent transactional context; and (iii) that "it can be relevant to take the post-sale context into account when considering trade mark issues".

88. Secondly, we can discern no reason in principle for imposing a limitation that only post-sale confusion affecting or jeopardising the essential function of a trade mark as a guarantee of origin at the point of a subsequent sale or in a subsequent "transactional context" can amount to an actionable infringement.

89. Thirdly, in *Canon Kabushiki Kaisha v Metro Goldwyn Mayer Inc* (Case C-39/97) [1999] ETMR 1; [1998] All ER (EC) 934, para 29, the CJEU explained what amounts to a likelihood of confusion not by reference to "the purchasing public" but by reference to "the public". The CJEU stated that what constituted a likelihood of confusion was:

"... the risk that *the public* might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings ...."  
(Emphasis added.)

90. Fourthly, we agree with Iconix's submission, set out at para 25 above, that the inclusion in section 10(4) of the Act of the uses of a sign that are remote from the point when a purchase of goods or services or a transaction in relation to goods or services is concluded, is irreconcilable with Dream Pairs' submission that only post-sale confusion affecting or jeopardising the essential function of a trade mark as a guarantee of origin at the point of a subsequent sale or in a subsequent transactional context can amount, in appropriate circumstances, to an actionable infringement. We illustrate this point by reference to the act of advertising. We consider that it is simply unsustainable to contend that the act of advertising should not be actionable unless there was confusion at the point of purchase or in a transactional context. Furthermore, there is no reference in section

10(4) to the act of sale itself and this omission further undermines Dream Pairs' submission that only post-sale confusion affecting or jeopardising the essential function of a trade mark as a guarantee of origin at the point of a subsequent sale or in a subsequent transactional context can amount, in appropriate circumstances, to an actionable infringement.

91. Fifthly, there is no mention of the point of purchase or reference to a transactional context in TRIPs, or in the Directives.

92. Sixthly, the exclusive right under section 9 of the Act is conferred in order to enable the trade mark proprietor to protect his specific interests as proprietor, that is, to ensure that the trade mark can fulfil its functions. Damage to the origin function of a trade mark is complete if an average consumer is confused about the origin of goods. While other damage may well arise from that origin confusion (for example, direct damage to the proprietor's economic interests through lost sales) no such further damage is required.

## **5. Was the Court of Appeal entitled to re-make the decision?**

93. The question whether there is a trade-mark infringement under section 10(2)(b) of the Act is a classic example of what has come to be known as a multi-factorial assessment. It involves the finding of primary facts, the application of relevant principles or rules of law to those facts and the evaluative decision whether, thus considered, something has happened which falls within (here) a statutory definition. In the present case those definitions are similarity and confusion, and the existence of the requisite causative link between the two, as required by section 10(2)(b), as well as the artificial (largely judge made) construct of the average consumer, through whose eyes similarity and confusion have to be gauged.

94. It is perhaps obvious, and certainly an inevitable conclusion drawn from experience, that reasonable minds, and in particular reasonable judicially trained minds, each faithfully applying the relevant law and principles, will come to different conclusions about the answer to these multifactorial questions. While of course the decision of an appellate court trumps that of the court below, the law has imposed structured constraints designed to prevent a free for all in a higher court whenever a party (with the necessary resources) wishes to challenge the first instance decision of the trial judge. The reasons for these constraints are set out in a string of well-known authorities including, in the intellectual property context, *Fage UK Ltd v Chobani UK Ltd* [2014] EWCA Civ 5; [2014] FSR 29, per Lewison LJ at para 114. The reasons there set out relevantly include the following:

- (i) The trial is not a dress rehearsal. It is the first and last night of the show.

(ii) Duplication of the trial judge's role on appeal is a disproportionate use of the limited resources of an appellate court.

(iii) In making his decisions the trial judge will have regard to the whole of the sea of evidence presented to him, whereas an appellate court will only be island hopping.

95. In *Lifestyle Equities CV v Amazon UK Services Ltd* [2024] UKSC 8; [2024] Bus LR 532 this court reviewed those constraints in a trade mark context. After citing from the *Fage* case this court in a joint judgment said, at paras 49-50:

“49. That does not, however, mean the appeal court is powerless to intervene where the judge has fallen into error in arriving at an evaluative decision such as whether an activity was or was not targeted at a particular territory. It may be possible to establish that the judge was plainly wrong or that there has been a significant error of principle; but the circumstances in which an effective challenge may be mounted to an evaluative decision are not limited to such cases. Many of the important authorities in this area were reviewed by the Court of Appeal in *In re Sprintroom Ltd* [2019] 2 BCLC 617, paras 72–76. There, in a judgment to which all members of the court (McCombe, Leggatt and Rose LJ) contributed, the court concluded, at para 76, in terms with which we agree, that on a challenge to an evaluative decision of a first instance judge, the appeal court does not carry out the balancing exercise afresh but must ask whether the decision of the judge was wrong by reason of an identifiable flaw in the judge's treatment of the question to be decided, such as a gap in logic, a lack of consistency, or a failure to take into account some material factor, which undermines the cogency of the conclusion.

50. On the other hand, it is equally clear that, for the decision to be ‘wrong’ under CPR r 52.21(3), it is not enough to show, without more, that the appellate court might have arrived at a different evaluation.”

96. The particular respects in which the Court of Appeal found that the judge went sufficiently wrong to justify appellate intervention are summarised at para 8 above. We will take them in turn. But it is first worth considering the images that were relied on by Iconix before the judge and then summarising the judge's conclusions.

97. The images included in the Annex to the judgment were those relied on by Iconix in its closing submissions at trial. The images were all taken from Dream Pairs' Amazon UK web pages. The more extensive range of images in the Annex to Iconix's Re-Amended Particulars of Claim were also screen shots of Dream Pairs' Amazon site webpages. The image of the boot on the foot of a tennis player included in para 6 of the Court of Appeal's judgment was taken from Iconix's written closing submissions where it is described as having been provided by Dream Pairs in disclosure. Iconix's submission was that it was the tennis player image which "gives a realistic perspective of a consumer seeing that shoe post-sale, looking down at the vertically presented sign on the side of a shoe on the wearer's foot".

98. Under the heading *Similarity/identity of goods* the judge first concluded that there was a high level of similarity between the parties' clothing and footwear so that the statutory requirement for similarity in relation to goods for which the trade mark is registered would be met (paras 129-30). This is uncontentious.

99. Next, under the heading *Comparison of the Marks and the Sign in use: similarity* the judge addressed similarity (at paras 131-142). He did so first by addressing the UMBRO Trade Marks and the DP Sign separately, to ascertain how each would appear to the average consumer (which he had previously concluded to be likely to exercise a moderate degree of attention). He did so both from a graphic view and from a perception of how they would appear in use. In particular he looked at photographs showing how they (and the DP Sign in particular) would appear from different angles. The judge recorded at para 145 that it was common ground that the webpages constituted relevant context. Those showed the sign as it appears on boots pictured at various angles.

100. He decided that, to "effectively all consumers" the UMBRO Trade Marks would both appear "as flat, elongated, diamonds and not as tilted squares" (para 133). In that respect, as in many others, he was responding to a specific submission to the contrary from Iconix.

101. He then described the DP Sign as appearing to be "a tilted, broken, slightly rounded-off square with a P-like form in the middle" (para 138). He did this by reference to the photographs produced to him by the parties, some square-on and others at different angles. He noted the submission that the angled view was important because it elongated the DP Sign (in the horizontal plane). Nonetheless he concluded that the average consumer would look at the products from various angles. He concluded that the DP Sign "hardly resembles (even in angled photos) a pair of sideways-sitting stretched-out diamonds. This is true even of the photos where the image is not square on and there is an element of perspective" (para 138). He repeated this (in para 139), and added "even in the more angled photos where perspective plays some part there is only the faintest resemblance between the Sign and the Marks".

102. He described the P-like form in the middle of the DP Sign as “the distinctive and dominant element of the logo” (para 140). Then (at para 141), he added:

“As to someone seeing the footwear itself being worn post-sale (in the street, on the football pitch or in the changing room) it appears to me that the Sign would again present as explained above; as a tilted, round-cornered, broken, square with [a] P-form in the middle. It would not appear to a third party on a visual inspection as a pair of elongated sideways-sitting diamonds.”

103. The judge concluded his assessment of similarity as follows (at para 142):

“I do not however think that there is absolutely no similarity between the Marks and the Sign. They both involve rhomboid shapes with an outer and inner dominant element and both sit on one angle. But there are also multiple variances between the Marks and the Sign. I have reached the overall assessment (applying the average consumer perspective) that there is at most a very low degree of similarity between the Marks and the Signs - it is very faint indeed.”

104. Under the heading *Distinctiveness of the Marks* the judge concluded that “the Marks have a highly distinctive character”.

105. Under the heading *Use of the Signs in context* the judge addressed (at paras 144–150) submissions about how the DP Sign would appear on boots as shown on the Amazon UK website. He did so because those were the images on which Iconix primarily relied. But he reminded himself (at para 144) that the full context in which the average consumer would perceive the signs must be considered, and ended by saying (at para 150), “I shall return to post-sale use below”. Nothing turns on the rest of the detail of this section.

106. The judge then turned to actual confusion, concluding that little weight could be given either to examples of confusion, or to evidence of lack of confusion, for reasons which have not been criticised. He then proceeded to his overall conclusion on confusion under the heading *Global assessment*. He began by reminding himself that, unlike the court, the average consumer does not have the opportunity to make direct comparisons between the UMBRO Trade Marks and the DP Sign, but must rely on their imperfect recollection, under which small differences between them will be lost. He then reminded himself of the assumed characteristics of the average consumer, and of the fact that the identical nature of the goods concerned may offset any lesser degree of similarity between

the UMBRO Trade Marks and the DP Sign. He also warned himself that the distinctive characteristics of the UMBRO Trade Marks could increase the likelihood of confusion.

107. Finally, he set out his concluding reasoning. This was that:

(i) There was no more than a “very faint” similarity between the DP Sign and the UMBRO Trade Marks.

(ii) Neither in the Amazon UK context (relied upon by Iconix) nor on a global assessment was there a likelihood of confusion, nor on an assessment which ignored the special Amazon features.

(iii) The same conclusion was to be reached in relation to post-sale confusion. The degree of attention of the average consumer would be the same (as was conceded by Iconix). “A potential consumer who saw someone wearing shoes branded with the DP logo would not to my mind confuse them with the Marks” (para 160). Differences between pre-sale and post-sale presentation would not be material.

(iv) There was no likelihood of indirect confusion. This is not challenged.

108. The judge returned to post-sale confusion in the final paragraph of his overall assessment (para 162). It is worth quoting in full:

“The claimant contends that there is a likelihood of post-sale confusion. Consumers who saw people wearing Dream Pairs shoes would confuse them with Umbro shoes. The claimant accepts that the average consumer would have the same attentiveness as in the position where they were considering buying the goods. Therefore the only relevance of this point was that the context of the buying process (i.e. the various other images and other information on the relevant Amazon page) would be absent. The claimant submitted that the court should consider how the shoes with the DP logo would look to other consumers in realistically likely situations. The claimant relies on an image where a boot was muddy and argues that this approach is permissible because football boots might well be seen on the pitch or the changing rooms covered in mud. I see the force of this argument in principle. However it must be remembered that the claimant has to show that it is the use of the Sign (rather than the shape of the boot or anything else)



which leads to the relevant confusion. I do not consider that a significant proportion of the public (having the characteristics of the average consumer) would see the DP logo, even when muddy, as more than very faintly similar to the Marks. I do not consider that a significant proportion of the public would confuse the DP logo with the Marks. Carrying out the global assessment [I] reach the same conclusion for post-sale as for presale confusion.”

*(a) Irrationality in the similarity assessment*

109. The Court of Appeal acquitted the judge of irrationality in the assessment of similarity between the DP Sign and the 459 Mark, and as between the DP Sign and the 668 Mark, when the graphic images were compared side-by-side. They expressed doubt as to a square-on assessment when affixed to footwear, but found that the judge’s assessment of very faint similarity between the DP Sign and the 668 Mark in the assessment of footwear from other angles was irrational. At para 30 they said that the similarity was of a higher degree than that, for reasons given later. Their later reasoning (mainly at para 34) was that, viewed post-sale, when the boot was being worn and seen by an onlooker looking down, the DP Sign on the side of the boot would be foreshortened (in the vertical plane) so as to look more like the flattened diamond 668 Mark. They noted in particular that the judge had in his para 162 dealt with the example of the muddy boot but not with the boot seen from an angle as shown in the tennis player image.

110. In our view this criticism, which amounts to saying that no reasonable judge could have reached the same conclusion, is misplaced. The judge had, when dealing with similarity, dealt carefully with, and rejected, the submissions about viewing the DP Sign from different angles, and the potential for the perspective of the DP Sign thereby to be foreshortened (in the vertical plane, but elongated in the horizontal plane): see his paras 138-9. The Court of Appeal’s assessment also ignores the fact (apparent from the photographs of boots with the DP Sign affixed also appearing on the Amazon webpages) that the DP Sign appears affixed not only to the side but also to the top of the boot, on the tongue or similar surface. Thus, as the angle of the viewer to the side DP Sign becomes more acute, so their angle to the top DP Sign becomes more square-on.

111. We would readily acknowledge that reasonable judicial views might differ on this issue about similarity when viewed from an angle, but our task is not to form our own view, unless both the judge and the Court of Appeal made what may loosely be called appealable errors. It is enough for us to say that, whether we would or would not have agreed with the judge’s assessment, his was by no means irrational.

*(b) Side-by-side assessment of the DP Sign and the UMBRO Trade Marks*

112. The first supposed error of principle identified by the Court of Appeal was that the judge had:

“fallen into the common trap in trade mark cases of allowing his eye to be conditioned by the side-by-side comparison of the Trade Marks and the Sign, and in particular the side-by-side comparison of the Trade Marks and the Sign as a graphic image.” (Para 31, quoting and later accepting this submission by Iconix.)

The result, it was said, was that the judge failed to consider the impact of the DP Sign, particularly in the post-sale context.

113. We do not accept this as a fair summary of the judge’s judgment, viewed as a whole. He did begin with a side-by-side comparison between the DP Sign and the UMBRO Trade Marks, viewed on their own (whether graphically or in photographs). As we have concluded above, this was not an error of principle or of law, as long as the separate and different effect of seeing the DP Sign in use affixed to the boot, by an average consumer who has to rely upon his imperfect recollection of the UMBRO Trade Marks is taken into account, both at point of sale and post-sale. But the judge did take this into account, both in his point of sale and separate post-sale review of the likely (or otherwise) propensity of the Sign to cause confusion: (see his paras 138, 139, 141, 152, 154, 155, 160 and 162). The parties’ focus was on the appearance of the Sign on the boots as shown on the Dream Pairs’ Amazon webpages. Those webpages do not show the graphic image of the Sign and of course do not show the UMBRO Trade Marks in any form. There is no basis for saying that he relied too heavily on a comparison of the graphic Mark and Sign rather than on how they appeared on a boot, or too heavily on a side-by-side comparison of the Mark and the Sign.

114. The reason why the Court of Appeal appears to have concluded that the judge fell into that supposed trap was, we think, the same as their reason for finding irrationality, namely their own firm contrary view about similarity: (see para 34). With respect, they appear to have fallen into the trap of thinking that the only reasons why the judge could have reached an equally firm view differing from their own was that he must have made the errors of principle of which he was accused by Iconix.

*(c) Failure to consider the angled view of the DP Sign in a post-sale context*

115. The second supposed error of principle was that the judge failed to take into account “the key aspect of the post-sale context” namely the likelihood that a post-sale consumer would view the DP Sign on the side of a boot in actual use from above, and at an acute angle. We have already dealt with that point under ‘irrationality’ above. It is plain that the judge gave careful consideration to the post-sale context, and to the effect of an angled view of the DP Sign, but did not regard those considerations as detracting from his conclusion about faint similarity or unlikelihood of confusion.

## **6. Conclusion**

116. For those reasons, while we have rejected the main points of law raised by Dream Pairs, we would allow the appeal. This was a case in which there were not matters such as irrationality, error of principle or of law which justified the Court of Appeal in substituting their own different view of the answer to the multifactorial question facing the judge from that which he had reached.