O/0890/23

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00003670752
BY GUANGZHOU DESOL E-COMMERCE CO., LTD.
TO REGISTER THE FOLLOWING TRADE MARK

IN CLASS 25

AND

IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 428732
BY DIESEL S.P.A.

Background and pleadings

1. On 20 July 2021, Guangzhou Desol E-Commerce Co.,Ltd. ("the applicant") applied to register the trade mark shown on the cover page of this decision in the UK. The application was published for opposition purposes on 03 September 2021 and registration is sought for the following goods:

> **Class 25:** *Bras; Coats; Footwear; Gloves; Hats; Hosiery; Insoles; Scarfs; Shorts; Athletic uniforms; Athletic footwear; Athletic clothing; Sports caps and hats; Sport shirts; Bottoms [clothing]; Skirt suits; Dress suits; Shirts for suits; Blazers; Blouses; Trousers; Rompers; Sleepwear; Jumpers; Pajamas; One-piece clothing for infants and toddlers; Cowls [clothing]; Smoking jackets; Men's suits; Women's suits; Sports jackets; Sports pants; Sports vests; Tee-shirts; Tops [clothing]; Women's clothing.*

2. On 03 December 2021, DIESEL S.P.A. ("the opponent") opposed the application based upon Sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 ("the Act").

3. For the purposes of its claims under Sections 5(2)(b) and 5(3), the opponent relies upon the following earlier trade mark:

> UK00001559279
> DIESEL
> Filing date: 15 January 1994
> Registration date: 28 July 1995

4. Under Section 5(2)(b) the opponent relies on some of the goods for which the earlier mark is registered, namely *Clothing, footwear, headgear; all included in Class 25,* and claims that the marks are similar, that the goods are identical or similar, and that there is a likelihood of confusion.

5. Under Section 5(3), the opponent claims that its DIESEL mark is well-known by the average consumer in the UK as a high-end fashion brand and that the mark has a reputation in relation to the same goods which are relied upon under Section 5(2)(b).

The opponent claims that the similarity between the parties' marks and the goods would cause the relevant public to believe there is an economic connection between them, when there is not, leading to the contested mark taking unfair advantage of, and/or being detrimental to, the distinctive character and/or repute of the earlier mark.

6. The opponent's mark qualifies as an "earlier trade mark" in accordance with Section 6 of the Act, as its filing date is earlier than the filing date of the contested mark. As the opponent's mark had completed its registration process more than five years before the filing date of the contested mark, it is subject to the use provisions specified in Section 6A of the Act.

7. Under Section 5(4)(a), the opponent relies upon the sign DIESEL which it claims to have used throughout the UK since approximately 1999 in relation to *clothing, footwear and headgear*. The opponent claims that use of the contested mark would cause a misrepresentation, leading consumers to believe that the goods marketed by the applicant originate from the opponent or that there is an association between the applicant and the opponent, causing damage to the opponent's business and/or its goodwill.

8. After numerous attempts to file an acceptable defence, which had required multiple interventions from the Tribunal and various extensions of time, on 24 May 2022 the applicant filed a defence which was deemed acceptable (the first Form TM8 and counterstatement having been filed on 22 January 2022). In its counterstatement, the applicant put the opponent to proof of use in relation to the goods relied upon, and makes the following points:

- The applicant denies that its mark is the same or similar to that of the opponent. In particular, the applicant states: *"The two trademark names of the two sides are not consistent. The applicant's trademark is a design trademark. And Applicant's mark's name has its own commercial design concept. The company of the applicant is specialized in selling clothes, and the logo of the company is designed by the founder of this company and also a fashion designer. The logo looks very elegant and flowing. The designer of the logo also hopes that the clothes we sell can make people look more grand and elegant. This trademark*

has its own uniqueness and is not registered according to the modification of the opponent's trademark";

- The opponent's company is not a clothing company as its registration covers goods in other classes, namely in classes 3, 9, 14, 16, 18, 24 and 25;

- The applicant has used the applied-for mark for a long time in the UK selling clothes through its UK website;

- The applicant denies the opponent's claim that the earlier trade mark has a reputation;

- The applicant denies that use of an unregistered trade mark would be contrary to law of passing off. The applicant also states that its website *"in the UK has great brand influence and has many consumers depending on product quality"* and that the applicant "*does not need to rely on the opponent's trademark to increase sales".*

9. Both parties filed evidence during the evidence rounds. I shall refer to the evidence to the extent that I consider necessary.

10. The opponent is represented by Murgitroyd & Company and the applicant by AXIS PROFESSIONALS LTD. Neither party asked to be heard, nor did they file submissions in lieu. This decision is taken following a careful perusal of the papers.

EU Law

11. Although the UK has left the EU, Section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case law of EU courts.

The evidence

12. The opponent's evidence consists of two witness statements; one by Stefano Iesurum and one by Christian Finn. Mr Iesurum is the Head of Legal Affairs for the opponent; his witness statement is dated 30 September 2022 and is accompanied by 8 exhibits (Exhibits D1 – D8). Mr Finn is a Chartered Trade Mark Attorney and a Director for Murgitroyd & Company, the opponent's representatives in these proceedings; his witness statement is dated 10 October 2022 and is accompanied by 1 exhibit (Exhibit CF1).

13. The applicant's evidence consists of a witness statement by Jiewen Li who is the Director of the applicant's company; his witness statement is dated 21 December 2022 and is accompanied by 5 exhibits (JS1 – JS5).

DECISION

Proof of use

14. The relevant statutory provisions are as follows:

> "6A – (1) This section applies where
>
> (a) an application for registration of a trade mark has been published,
>
> (b) there is an earlier trade mark of a kind falling within section 6(1)(a), (aa) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
>
> (c) the registration procedure for the earlier trade mark was completed before the start of the relevant period.
>
> (1A) In this section "the relevant period" means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the relevant period the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or
(b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes –

(a) use of a trade mark includes use in a form (the "variant form") differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5)-(5A) [Repealed]

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services."

15. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J (as he then was) summarised the law relating to genuine use as follows:

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

115. The principles established by these cases may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single

undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

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

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

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

16. Section 100 of the Act is also relevant, which reads:

> "100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it."

17. Pursuant to Section 6A of the Act, the relevant period for assessing whether there has been genuine use of the earlier mark is the five-year period ending with the filing date of the application at issue, namely 21 July 2016 to 20 July 2021.

18. Proven use of a mark which fails to establish that *"the commercial exploitation of the mark is real"* because the use would not be *"viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services protected by the mark"* is not, therefore, genuine use.

Assessment of proof of use

19. The most important evidence emerging from Mr Iesurum's witness statement is as follows:

- Diesel was founded in Italy in 1978 with a vision of building an innovative and globally renowned denim brand. The DIESEL name was inspired by the global oil crisis in the late seventies, during which, diesel was considered an alternative fuel. This resonated with Diesel's founder (Mr Rosso), who wanted his clothing brand to be considered a forward-thinking and 'alternative' brand on the market. Since then, the DIESEL mark has become synonymous with luxury, cutting-edge fashion generally, as well as a badge of quality for denim goods. Globally, Diesel now has over 5,000 points of sale and over 400 stand-alone stores. Diesel has also produced over 2,000 different washes of denim, cementing its status as the authority in the denim clothing market;

- The mark DIESEL has been applied to goods in class 25 and their packaging since 1978 and has been in use continuously since that date;

- At Exhibit D1, Mr Iesurum produces copies of webpages (obtained using the 'Wayback Machine') which show Diesel's UK website (at https://uk.diesel.com) as it appeared in February and April 2020 (within the relevant period). This evidence shows the mark DIESEL used in relation to the offering of various types of clothing including jackets, dresses, sweatshirts, t-shirts, skirts, pants and shorts, shirts and underwear. There are also examples of articles of footwear and headgear, but they appear to be undated (the only visible date being the printing date of 30 July 2021);

- Diesel's goods are available in the UK through the opponent's website. The goods are also available through 11 DIESEL stores[1] located throughout the UK, including in London, Manchester, Birmingham, Glasgow, Sheffield and Nottingham. Mr Iesurum confirms that all of these stores were operational within the relevant period. Diesel's goods have also been available for sale at concession stands and online in various department stores and clothing stores throughout the UK, including the following: House of Fraser, Cruise Fashion, Fenwick, Harrods, Selfridges, John Lewis, Harvey Nichols, Debenhams, Sports Direct and Flannels;[2]

[1] D2
[2] D3

- Mr Iesurum gives turnover figures for goods bearing the mark DIESEL supported by a selection of sales invoices listing the UK customers' names (those are said to be retailers who stock goods bearing the mark DIESEL) dated between 2016 and 2020.[3] The figures are broken down under three headings, namely 'Diesel London', 'Diesel Rags S.r.l.' and 'Diesel S.p.A.. It is not clear what the last two headings represent, as 'S.r.l.' and 'S.p.A.' are abbreviations used in relation to Italian companies (which are more or less equivalent to the UK legal abbreviations LTD and PLC). Nevertheless, as the figures for 'Diesel London' are given in GBP, it is reasonably safe to conclude that they refer to goods sold in the UK. On that basis, the turnover figures for the UK are as follows (rounded to the next thousand):

  2016: £44million
  2017: £44.4million
  2018: £42.6million
  2019: £38.4million
  2020: £12.4million
  2021: £14.1million
  Total: £195.9million

- Mr Iesurum says that the opponent has invested considerable resources into marketing its goods and gives the figures shown below which, he says, is the approximate marketing spend by the opponent between 2016 to 2021:

YEAR	AMOUNT SPENT (EUR)
2016	1.876.501
2017	1.416.677
2018	1.133.048
2019	741.851
2020	438.218
2021	378.576

[3] D4

20. Although the applicant has filed its own evidence of use, there is no challenge to Mr Iesurum's evidence.

21. Mr Iesurum's evidence establishes that during the relevant period the opponent has generated a significant turnover in the UK under the mark DIESEL as shown by the evidence concerning sales between 2016 and 2020 which amount to a total of nearly £200million. There are plenty of sales invoices to support these figures and there is also evidence of the opponent operating a fully working website for UK-based customers, as well as 11 DIESEL stores throughout the UK, all within the relevant period. Further corroboration of use of the mark 'DIESEL' in the UK during the relevant period comes from the evidence concerning the distribution of lookbooks that introduce the DIESEL 2017/2018 collections (printed in English) which, Mr Iesurum says, were distributed to fashion buyers and third-party retailers to encourage sales of the new collection to be stocked in-store and online.

22. In terms of promotion of the mark DIESEL in the UK, the advertising spend cited above is not said to relate to the UK specifically (although, given the focus of the evidence on the UK, it is possible that it does) and is given in Euros rather than GBP. Having said that, even if I were to disregard the marketing figures, the absence of detailed evidence about the UK marketing spend would be counterbalanced by the amount of evidence about the promotional activities carried out in the UK. This is shown by a report setting out a list of online UK publications and websites that featured or mentioned the mark DIESEL between 2019 and 2022[4] - the document, which runs 10 pages, show an extensive presence of the mark DIESEL in well-known UK magazines and newspapers such as Financial Times UK, Daily Mail UK, The Guardian, Vogue etc. The evidence also shows the mark DIESEL being advertised in the UK on buses, billboards and shop signage within the relevant period. Finally, there is a huge variety of goods in class 25 in relation to which the mark DIESEL is shown as having been used; these cover denim and non-denim goods and range from items of clothes to articles of underwear, swimming wear, footwear and headwear, as shown by the website evidence, the sales invoices and the lookbooks.

[4] D6

23. Taking all of the above into account, in particular (a) the significant turnover figures, (b) the continuity and geographical spread of the use shown, (c) the marketing efforts, and (d) the variety of goods sold under the mark DIESEL, I am of the view that the evidence before me is sufficient to demonstrate genuine use for all of the goods upon which the opponent relies, namely *Clothing, footwear, headgear; all included in Class 25.*

Section 5(2)(b)

24. Section 5(2)(b) of the Act is as follows:

> "A trade mark shall not be registered if because-
> […]
> (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,
>
> there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark".

25. Section 5A of the Act is as follows:

> "5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only."

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

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

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

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

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

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

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

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

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

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

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

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

Comparison of goods

27. The General Court ("GC") confirmed in *Gérard Meric v OHIM*, Case T-133/05, paragraph 29, that, even if goods are not worded identically, they can still be considered identical if one term falls within the scope of another, or vice versa:

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

28. The goods to be compared are as follows:

The contested goods	**The opponent's goods**
Class 25: *Bras; Coats; Footwear; Gloves; Hats; Hosiery; Insoles; Scarfs; Shorts; Athletic uniforms; Athletic footwear; Athletic clothing; Sports caps and hats; Sport shirts; Bottoms [clothing]; Skirt suits; Dress suits; Shirts for suits; Blazers; Blouses; Trousers;*	**Class 25:** *Clothing, footwear, headgear; all included in Class 25*

Rompers; Sleepwear; Jumpers; Pajamas; One-piece clothing for infants and toddlers; Cowls [clothing]; Smoking jackets; Men's suits; Women's suits; Sports jackets; Sports pants; Sports vests; Tee-shirts; Tops [clothing]; Women's clothing.	

29. The fact that the opponent's mark might cover goods which are proper to classes other than class 25 is irrelevant. The opponent's mark is registered in class 25, and the opponent (having demonstrated genuine use) is entitled to rely upon the goods in that class; whether the mark is also registered in other classes is irrelevant.

30. The applicant's goods are all items of clothing, footwear and headgear; as such they all fall within the opponent's broad terms *Clothing, footwear, headgear; all included in Class 25.* The goods are identical on the principle outlined in *Meric*.

Average consumer

31. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods. I must then determine the manner in which the goods are likely to be selected by the average consumer. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited,* [2014] EWHC 439 (Ch), Birss J. (as he then was) described the average consumer in these terms:

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

32. The average consumer for the goods is a member of the general public. The cost of the purchase is likely to vary, and the goods will be purchased relatively frequently. However, various factors are still likely to be taken into consideration during the purchasing process, such as materials used, cut, aesthetic appearance and durability. Consequently, I consider that a medium degree of attention will be paid by the average consumer when selecting the goods. The goods are likely to be obtained by self-selection from retail outlets, websites and/or catalogues. This means that the visual element of the mark will be the most significant. However, I do not discount that there will also be an aural component to the purchase, as advice may be sought from a sales assistant or representative and the average consumer might hear the mark in the context of word-of-mouth recommendations.

Comparison of marks

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

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

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

35. The respective marks are shown below:

The applicant's mark	The opponent's mark
	DIESEL

36. The opponent's mark consists of the single word 'DIESEL' presented in capital letters. There are no other elements that could contribute to the overall impression of the mark which lies in the word itself.

37. The applicant's mark consists of the word 'Desol' presented in title case, in a stylised font with a broken line underneath the word. Although the stylisation and the broken line have a visual impact, they will be perceived as purely ornamental and will have very little weight in the overall impression.

38. Visually, the marks coincide in the letters 'D-', '-ES' and '-L' which are placed in the same position, namely, at the beginning of the mark (the letter 'D-'), in the middle of the mark (the sequence '-ES') and at the end of the mark (the letter '-L'). The marks also have a similar length, being made of five and six letters respectively. The only differences between the marks lie in the presence of an additional vowel 'I' after the first letter 'D-' in the opponent's mark, which has no counterpart in the contested mark, and in the penultimate letter of the marks which is an 'O' in the contested mark and an 'E' in the opponent's mark. These differences, placed towards the middle of the marks, are not particularly noticeable because the first and the last letters (the letter 'D-' and the letter '-L') and the middle letters (the sequence '-ES-') are identical. Admittedly, the stylisation of the contested mark adds further differences between the marks, however, the opponent's mark being a word-only mark, it can also be presented in title case in a font similar to that used in the contested mark. Overall, I consider the marks to be visually similar to a medium to high degree.

39. Aurally, the sound of the double vowels '-IE' in the opponent's mark is the same as that of the single vowel 'E' in the contested mark, so effectively the only difference between the marks lies the sound of the last vowel 'O' (in the applicant's mark) and 'E' (in the opponent's mark). The marks as wholes will be pronounced as 'DI-SOL' and 'DI-SEL' respectively and are aurally similar to a high degree. Alternatively, if the letter 'E' in 'DESOL' is pronounced as the second letter 'E' in 'desolate', the marks are aurally similar to a medium to high degree.

40. Conceptually, the contested mark has no meaning whilst the opponent's mark will be understood as referring to a type of heavy oil used as fuel. The marks are therefore conceptually different.

Distinctive character of the earlier mark

41. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV,* Case C-342/97, the CJEU stated that:

> "22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *WindsurfingChiemsee* v *Huber and Attenberger* [1999] ECR I-0000, paragraph 49).
>
> 23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of

commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)."

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

43. The opponent's mark consists of the dictionary word DIESEL. The word is neither descriptive nor allusive of the goods at issue and has a medium degree of inherent distinctiveness.

44. The opponent has provided evidence that during the relevant period it sold nearly £200million worth of goods in the UK. Although there is no indication of market share, the turnover figures are significant (even in the context of what would be the value of the market as a whole) and there is a great amount of evidence of the mark DIESEL being promoted in the UK in well-known magazines and newspapers. Further, there is evidence of the brand DIESEL collaborating with famous brands such as Coca-Cola in 2019 to raise awareness around recycling of clothing and attending UK fashion events like London Fashion week. In my view, although the evidence presents some gaps, as a whole, it indicates that the distinctiveness of the opponent's mark has been enhanced through use in the UK to an above medium (between medium and high) degree.

Likelihood of confusion

45. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the earlier mark, the average consumer for the goods and the nature of the purchasing process. In doing so, I must

be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between marks and must instead rely upon the imperfect picture of them that they have retained in their mind.

46. Confusion can be direct or indirect. The difference between these two types of confusion was explained in *L.A. Sugar Trade Mark,* BL O/375/10, where Iain Purvis Q.C. as the Appointed Person explained that:

> "16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: "The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.
>
> 17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:
>
> (a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right ("26 RED TESCO" would no doubt be such a case).
>
> (b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand

extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

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

47. Earlier in this decision I have found as follows:

- the applicant’s goods are identical to the opponent’s goods;

- The average consumer is a member of the general public. The purchasing process will be predominantly visual, although I do not discount an aural component to the purchase and the average consumer will pay a medium degree of attention;

- The marks are visually similar to a medium to high degree, aurally similar to a high degree (or medium to high degree, depending on how the second letter ‘E’ in the applicant’s mark is pronounced) and conceptually different, insofar as the contested mark will be perceived as an invented word and the applicant’s mark will be understood as referring to a type of fuel;

- The earlier mark is inherently distinctive to a medium degree, however, the extensive use of the mark made by the opponent has enhanced its distinctiveness to a medium to high degree.

48. The applicant denied that there is a likelihood of confusion however, it did not elaborate as to why confusion would not occur. In my view, taking all of the above into account, there is a likelihood of direct confusion through the average consumer misreading the verbal element of the applicant’s mark ‘DESOL’ for ‘DIESEL’ and overlooking the visual differences introduced by the figurative elements of the applied-for mark; the average consumer could reasonably misremember whether the earlier mark was presented in a particular font with a broken line underneath. In addition to

that, the opponent's mark being a word-only mark, it could be presented in a font that resembles that used by the applicant's mark, increasing the risk of direct confusion. Finally, even if the relevant public were to notice the different stylisation of the applicant's mark, that would not prevent confusion through a misreading of the word 'DESOL' for 'DIESEL' – in which case the applicant's mark would simply be seen as a stylised version of the opponent's mark.

49. In reaching the above conclusion, I have not overlooked the fact that the word 'DIESEL' in the opponent's mark conveys a clear meaning (as discussed above); however, I am of the view that that concept is unlikely to create sufficient distance between the marks and enable the average consumer to distinguish them. Whilst conceptual differences can sometimes outweigh visual and/or aural similarities, that is not always the case, and I am not persuaded it would be here. This is because the verbal elements of the marks have more or less the same length, share the same beginnings, same middle letters and same ends, creating a very similar overall impression. Consequently, it is likely that, owing to the visual and aural similarities between the verbal elements of the marks, the identity of the goods and the medium to high degree of distinctiveness of the opponent's mark, the conceptual difference will escape the attention of the relevant public. I also bear in mind that average consumers rarely have the chance to make a direct comparison between different marks and must rely on their imperfect recollection. Overall, I consider that the differences between the marks are not sufficient to outweigh the similarities between them.

50. I should also say that whilst the applicant has filed evidence aimed at establishing use of the contested mark in the UK since 2019, the applicant did not plead that the peaceful co-existence of the marks on the market has reduced any likelihood of confusion. In any event, even if the applicant had pleaded honest concurrent use, the evidence filed does not include any turnover figures and it is mostly undated or dated after the relevant period. The most the evidence might show is that the applicant sold a few articles of clothing through Amazon just before the relevant date. Hence, even if the applicant had used the mark prior to the application being filed, it would not have

any bearing on the likelihood of confusion as the evidence produced is far from showing a long period of honest concurrent use as required by the case-law.[5]

Section 5(3)

51. Section 5(3) states:

> "(3) A trade mark which-
>
> (a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark".

52. Section 5(3A) states:

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

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

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

[5] Budejovicky Budvar NP v Anheuser-Busch Inc, Case C-482/09

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

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

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

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

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77* and *Environmental Manufacturing, paragraph 34.*

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

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs

particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

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

54. The relevant date for the assessment under Section 5(3) is the filing date of the application at issue, being 20 July 2021.

Reputation

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

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

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

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market

share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

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

56. I have summarised the opponent’s evidence of use above. For the same reasons, I am satisfied that the opponent has demonstrated a reasonably strong reputation in relation to the goods relied upon.

The Link

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

The degree of similarity between the conflicting marks. The marks are visually similar to a medium to high degree, aurally similar to a high degree (or medium to high) and conceptually different.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public. The applicant’s goods are identical to the goods in relation to which the opponent’s mark has a reputation. The relevant public is a member of the general public.

The strength of the earlier mark’s reputation. The opponent’s mark has a reasonably strong reputation.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use. The opponent's mark is inherently distinctive to a medium (or average) degree, which has been enhanced through use to a medium to high degree in relation to the goods relied upon.

Whether there is a likelihood of confusion. I have found there to be a likelihood of direct confusion

58. Taking all of the above factors into account, particularly the visual and aural similarity of the marks, the strength of the opponent's reputation and the identity of the goods, I consider that the relevant public will make a link between the marks. For the avoidance of doubt, I would still have found there to be a link even if I am wrong in my finding that there is a likelihood of confusion due to the weight of the other factors listed above.

Damage

59. I must now consider whether any of the types of damage pleaded will arise.

60. I bear in mind that unfair advantage has no effect on the consumers of the earlier marks' goods. Instead, the taking of unfair advantage of the distinctive character or reputation of an earlier mark means that consumers are more likely to buy the goods of the later mark than they would otherwise have been if they had not been reminded of the earlier mark. To the extent that the relevant public believes that the goods of the applicant originate from the opponent, there will clearly be unfair advantage. However, even if they do not consider that the goods originate from the same undertaking, I consider that the applicant will still gain an unfair advantage. This is because the applicant will gain from being instantly more familiar to the relevant public and, given the identity of the goods, will benefit from the opponent's marketing efforts without incurring the costs itself. Consequently, I consider that damage is made out.

61. As the opponent has been successful in demonstrating unfair advantage, I do not consider it necessary to assess the other claimed heads of damage.

Section 5(4)(a)

62. Section 5(4)(a) states:

> "(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-
>
> (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,
> (aa) […]
> (b) […]
> (c)
>
> A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an "earlier right" in relation to the trade mark."

63. Subsection (4A) of Section 5 states:

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

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

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

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

Goodwill

65. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL):

"What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start."

The relevant date

66. The relevant date for the assessment under Section 5(4)(a) is normally the filing date of the application at issue. In this case even if the applicant had managed to show that it has used the mark since 2019 (as it claims) it would not make any difference, because the evidence I have summarised above establishes that the opponent had sufficient goodwill to sustain a passing off claim since at least 2016.[6]

67. I can deal with this ground very briefly. I have already found that the opponent's mark 'DIESEL' (which is identical to the sign relied upon under Section 5(4)(a)) had a strong reputation in the UK by the relevant date (or even since 2019 when the behaviour complained about allegedly started). It follows that the opponent also had a significant goodwill associated with the sign 'DIESEL'. I recognise that the test for misrepresentation is different to that for likelihood of confusion because misrepresentation requires *"a substantial number of members of the public are*

[6] *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11

deceived" rather than considering whether the *"average consumer is confused".* However, as recognised by Lewinson L.J. in *Marks and Spencer PLC v Interflora,* [2012] EWCA (Civ) 1501, it is doubtful whether the difference between the legal tests will produce different outcomes. I believe that to be the case here. Given my finding that there is a likelihood of confusion between the opponent's mark 'DIESEL' and the applicant's mark, I also find that a substantial number of the opponent's customers will be misled into purchasing the applicant's goods in the belief that they are those of the opponent, for essentially the same reasons that I set out when considering the likelihood of confusion under Section 5(2)(b).

OUTCOME

68. The opposition succeeds in its entirety and the application is refused.

COSTS

69. As the opponent has been successful, it is entitled to a contribution towards its costs. Based upon the scale in Tribunal Practice Notice 2/2016, I award the opponent the sum of £1,400 as a contribution towards the cost of the proceedings. This sum is calculated as follows:

Preparing a statement and considering the applicant's statement:	£400
Preparing evidence and considering the applicant's evidence:	£800
Official fees:	£200
Total	£1,400

70. I therefore order Guangzhou Desol E-Commerce Co.,Ltd. to pay DIESEL S.P.A. the sum of £1,400. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of the proceedings if any appeal against this decision is unsuccessful.

Dated this 19th day of September 2023

Teresa Perks

For the Registrar