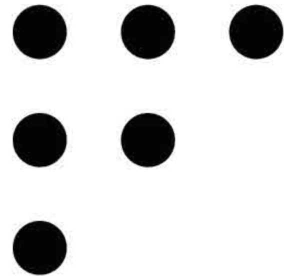
O/420/22

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO.
UK00003538852 BY SANCON INVESTMENTS LIMITED
TO REGISTER:**



AS A TRADE MARK IN THE UNITED KINGDOM

IN CLASS 25

AND

**IN THE MATTER OF
OPPOSITION THERETO UNDER NO. 423207**

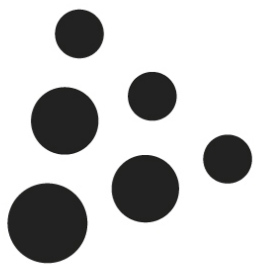
BY CRAFT OF SCANDINAVIA AB

BACKGROUND AND PLEADINGS

1. On 30 September 2020, Sancon Investments Limited ("the applicant") applied to register the trade mark shown on the cover page of this decision in the United Kingdom in respect of *footwear* in class 25.

2. The application was published for opposition purposes on 13 November 2020 and, on 12 February 2021, the application was opposed by Craft of Scandinavia AB ("the opponent"). The opposition is brought under sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 ("the Act").

3. In respect of its section 5(2)(b) and 5(3) claims, the opponent relies upon its European Union Trade Mark ("EUTM") 14009872[1], which has since been converted to a comparable UK mark under the Withdrawal Agreement Act. The relevant details of the opponent's mark are highlighted below:



Filing date: 28 April 2015
Registration date: 25 August 2015

Relies upon: *Clothing, footwear and headgear, hereunder socks, underwear, trousers, jackets, anoraks, sweatsuits, sweatpants, sweatshirts, sweaters, mittens, glove, caps, sun visors [headwear], mufflers, shorts, vests, tshirts, tennis shirts, coveralls, shoes, sandals, hoodies, shoe covers, leg and sleeve warmers, training shoes for indoor and outdoor use* (class 25)

[1] Although the UK has left the EU and the transition period has now expired, EUTMs, and International Marks which have designated the EU for protection, are still relevant in these proceedings given the impact of the transitional provisions of The Trade Marks (Amendment etc.) (EU Exit) Regulations 2019 – please see Tribunal Practice Notice 2/2020 for further information.

4. The earlier mark qualifies as an acceptable basis to oppose the application at hand, in accordance with section 6 of the Act. As it had been registered for more than five years at the date of application, it is subject to the proof of use requirements defined in section 6A of the Act.

5. With regard to its 5(2)(b) claim, the opponent submits that, on account of the similarities between the respective marks and the identity between the respective goods, there exists a likelihood of confusion on the part of the public. It claims that, by reason of imperfect recollection, the applicant's mark could easily be mistaken for that of the opponent. For the purpose of its claim under section 5(3), the opponent states that use of the contested mark would allow the applicant to benefit from the opponent's established reputation and thus gain an unfair commercial advantage. Furthermore, the opponent states that the distinctive nature of its mark would be reduced by the use of the application. Finally, the opponent pleads that the applicant may bring to market goods which differ in terms of quality and could affect the reputation of the opponent and cause economic damage, should consumers believe the marks to be the same or linked.

6. In its counterstatement, the applicant asks that the opponent provide proof of use (of its earlier mark) and contends that the marks are visually and conceptually dissimilar. It asks the opponent to identify specifically which goods it considers to be similar or identical, though it admits that "footwear" is an identical term in each of the specifications. It further denies that a likelihood of confusion or association exists. With regard to section 5(3), the applicant puts the opponent to proof of its alleged reputation and puts the opponent to proof of damage by unfair commercial advantage. It denies that use of the application would damage the distinctive character of the earlier mark or erode or dilute its alleged reputational standing.

7. The opponent is represented by Mathys & Squire LLP and the applicant by Brand Protect Limited. Only the opponent filed evidence during the course of these proceedings, which will be summarised to the extent that it is considered necessary. The parties were given the option of an oral hearing and though neither asked to be heard on the matter, the opponent elected instead to file written submissions in lieu.

Again, I do not intend to summarise these but will refer to them throughout this decision, as and where necessary. This decision is taken following a careful perusal of the papers before me, keeping all submissions in mind.

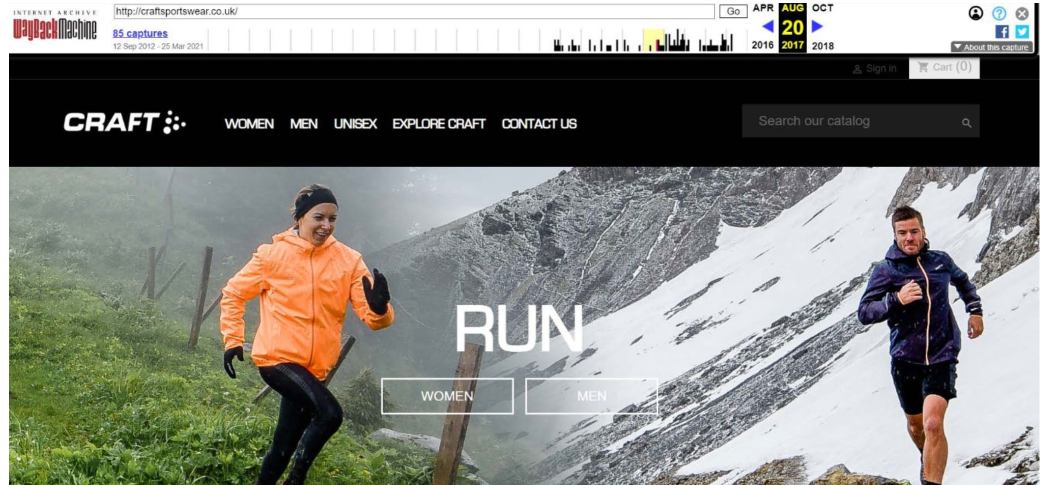
EVIDENCE

Opponent’s evidence in chief

8. The opponent’s evidence in chief comprises a witness statement dated 9 July 2021 from Mr Staffan Sandblad, which is supported by exhibits SS1 to SS9. Mr Sandblad is Legal Counsel for New Wave Group AB, the parent company to the opponent. At Exhibit SS1 is a Power of Attorney statement alongside extracts from the Swedish Companies Registration Office to confirm Mr Sandblad’s authority.

CRAFT

10. At Exhibit SS3 are a number of extracts from the opponent’s website, www.craftsportswear.com, some taken from online archive The Wayback Machine. Its website invites users to select a location, thirty of which are in Europe and include the United Kingdom. The additional territories are Canada and the USA. By way of background, the site explains that the opponent “started out in the 1970s… and five decades later we continue to collaborate closely with athletes across the world in order to develop pioneering, high-quality sportswear and performance wear.” Underneath the heading ‘About Craft’ reads the tagline “We live and breathe sportswear”. The website lists the opponent’s nationwide stockists which are based at various locations across the UK.



Our Mission

With passion for sports and a commitment to innovation, design and performance, we offer tools for sport achievements that inspire and enable athletic progress for world champions and everyday heroes.

11. At Exhibit SS4 are extracts from the opponent's annual reports from 2017 to 2019. Mr Sandblad explains that "the most central parts" of the reports are highlighted in yellow, and I have reproduced those below, obtained from the translated copies later filed by the opponent, on request. The figures are displayed in SEK, with a ratio of 1=1000.

Note 2 Breakdown of net turnover by geographical markets

The breakdown of net turnover by geographical markets is as follows:

	2017	2016
Sweden	221,556	216,077
Other Nordic countries	76,481	66,155
Europe, excluding the Nordic region	92,530	63,791
Other markets	12,513	10,078
Total	403,080	356,101

Note 2 Breakdown of net turnover by geographical markets

The breakdown of net turnover by geographical markets is as follows:

	2018	2017
Sweden	260,906	221,556
Other Nordic countries	87,989	76,481
Europe, excluding the Nordic region	94,805	92,530
Other markets	15,810	12,513
Total	459,510	403,080

Note 2 Breakdown of net turnover by geographical markets

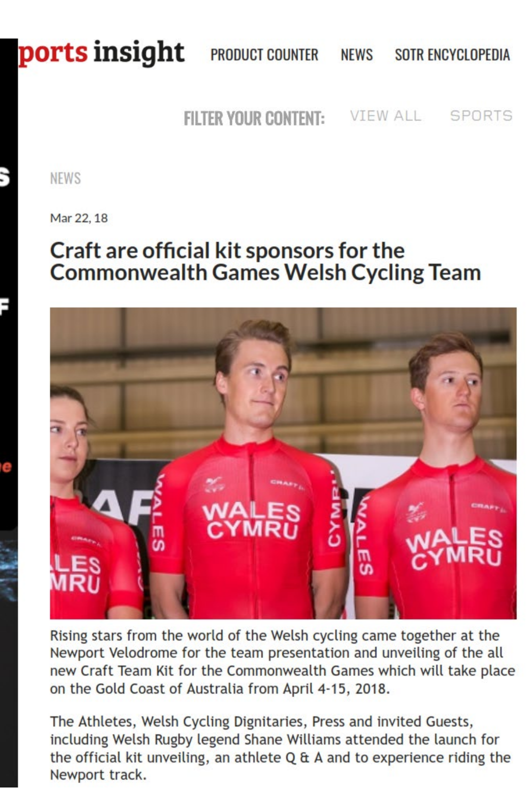
The breakdown of net turnover by geographical markets is as follows:

	2019	2018
Sweden	312,759	260,906
Other Nordic countries	111,315	87,989
Europe, excluding the Nordic region	169,587	94,805
Other markets	15,095	15,810
Total	608,756	459,510

12. Mr Sandblad submits that the opponent's 'six dots' mark was first applied for in 2003, in Swedish Trade Mark 2003/01755, and it currently has 22 registrations for the trade mark within the EU.

13. At Exhibit SS5 the opponent provides examples of its earlier mark being used in photographs and brochures, a selection of which are shown below:

CRAFT



ports insight PRODUCT COUNTER NEWS SOTR ENCYCLOPEDIA

FILTER YOUR CONTENT: VIEW ALL SPORTS

NEWS

Mar 22, 18

Craft are official kit sponsors for the Commonwealth Games Welsh Cycling Team

Rising stars from the world of the Welsh cycling came together at the Newport Velodrome for the team presentation and unveiling of the all new Craft Team Kit for the Commonwealth Games which will take place on the Gold Coast of Australia from April 4-15, 2018.

The Athletes, Welsh Cycling Dignitaries, Press and invited Guests, including Welsh Rugby legend Shane Williams attended the launch for the official kit unveiling, an athlete Q & A and to experience riding the Newport track.

15. Mr Sandblad explains that one of the methods utilised by the opponent in the promotion of its products is publication of an annual catalogue, as well as seasonal workbooks and product brochures which are available to trade and non-trade consumers via its website and distributors. Extracts from the opponent's catalogues from 2016 to 2020 are provided at Exhibit SS7 and a select few pages are shown below.

999900

1905456 REEL THERMAL JERSEY M

Lightweight, soft and warm jersey with ergonomic fit, full zipper and four pockets.

Soft and elastic thermal jersey. Elastic polyester with brushed inside for extra warmth. Sublimation print
Elastic and soft cuff at sleeve ending. Four back pockets (one zippered). Reflective tape and prints for optimal visibility
Elastic edging at bottom hem and sleeve ends
Ergonomic fit.

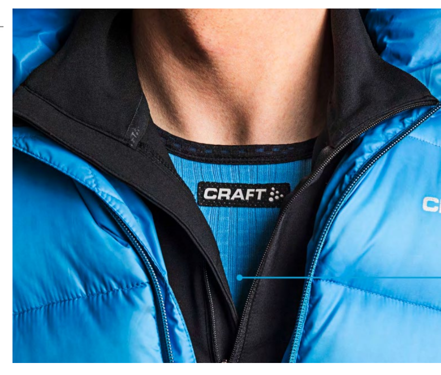
Material: Fabric 1: 89% Polyester, 11% Elastane
Size: S-2XL

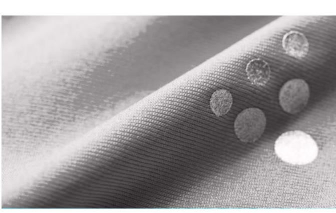
999386 999566

Socks

BE ACTIVE

KEEP WARM





COOL

COOL is a lightweight, high-tech fabric that provides excellent cooling. The fabric is based on a continuous filament, a uniquely patterned construction with channels that efficiently pull vapour off the body to keep it cool.

- Super-cooling effect
- Excellent moisture transport
- Soft and comfortable
- Fibre construction (six channels)
- UPF 50+

2456

1904767 BREAKAWAY SINGLET W

Soft, comfortable running singlet with straps at shoulders and UPF 40+ sun protection.

Straps at shoulders. Strap racerback. Soft and comfortable 4-channel polyester jersey with wicking finish. UPF 40+ sun protection.

Material: 100% Polyester
Size: XS-XL

9999

Back image

1947

1903483 WATER BOTTLE

500 ml water bottle with a detachable and washable lid.

500 ml volume. Detachable and washable lid. Craft logo design. Soft and BPA-free plastic.

Material: BPA free, EU-certified
Size: One size

9920

1904229 FLEX CAP

Flex fit cap with great moisture transport and embroidered Craft logo.

Soft and moisture-transporting fabric. Embroidered Craft Logo. Ergonomically shaped.

Material: 97% Cotton 3% Elastane
Size: One size

1947

999221

1905851 SHADE RACING SHORTS W

Stretchy running shorts with side slits for extra freedom of movement. Wide waistband.

Strech fabric for comfort. Inner trousers in jersey. Wider soft waistband to avoid chafing. Side slit for comfort & freedom of movement. Curved bottom leg for comfort.

Fabric: Fabric 1: 95% Polyester 5% Elastane
Size: XS-2XL

619610

Side

Back

16. At Exhibit SS8 are, as Mr Sandblad explains, activity reports from the independent marketing company retained by the opponent's group of companies which summarise press releases, advertisements, editorials and press coverage. The marketing reports point to a number of product reviews and features in German publications and show that the opponent (or its marketing team) regularly contact a number of UK and online publications and sent samples of its products for testing. It also encloses photographs from trade fairs, exhibitions and social media channels showing the earlier mark in use. A sample of those documents are reproduced below:

SPONGE – Activity Report – 3rd April 2018

PUBLISHED COVERAGE:

With the arrival of the SS18 kit - which came into stock at the end of February, Sponge has, this month, put efforts into seeding the kit out to relevant Tier 1 bike and run publications.

220Triathlon featured the CRAFT Active Intensity in its duathlon special, commenting positively on the product. This is great exposure for the brand in the triathlon market.

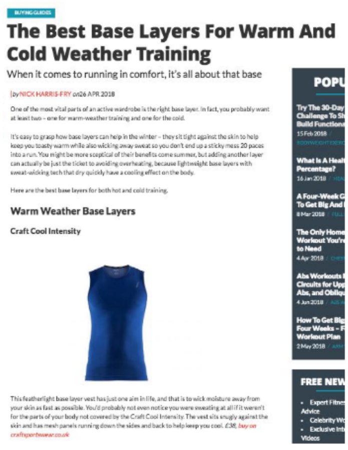
SPONGE – Activity Report – 9th February 2018

PUBLISHED COVERAGE:

CRAFT had a brilliant start to the year, with kit appearing in 7 run and bike titles.

Craft Siberian Gloves
£40.00
www.craftsportswear.co.uk
Cold hands are miserable and, more importantly, can affect your ability to shift gear and brake. With extremely cold sensitive hands, due to freezing them in the Arctic a few years ago, I doubted whether the fairly lightweight Craft Siberian gloves would be man enough.

Totally Active Magazine gave the Siberian Gloves a fantastic review and commented favourably on details such as the silicon print on palms, the velcro adjuster, and the colour.



BUYING GUIDES

The Best Base Layers For Warm And Cold Weather Training

When it comes to running in comfort, it's all about that base

by NICK HARRIS-FRY on 26 APR 2018

One of the most vital parts of an active wardrobe is the right base layer. In fact, you probably want at least two – one for warm-weather training and one for the cold.

It's easy to grasp how base layers can help in the winter – they sit tight against the skin to help keep you toasty warm while also wicking away sweat so you don't end up a sticky mess 20 paces into a run. You might be more sceptical of their benefits come summer, but adding another layer can actually be just the ticket to avoiding overheating, because lightweight base layers with sweat-wicking tech that dry quickly have a cooling effect on the body.

Here are the best base layers for both hot and cold training.

Warm Weather Base Layers

Craft Cool Intensity

This featherlight base layer vest has just one aim in life, and that is to wick moisture away from your skin as fast as possible. You'd probably not even notice you were sweating at all if it weren't for the parts of your body not covered by the Craft Cool Intensity. The vest sits snugly against the skin and has mesh panels running down the sides and back to help keep you cool. £38, buy on craftsportswear.co.uk

Coach

Monthly visitors: 800,000

Online men's title, Coach Magazine, reposted its 'Best of Base Layers' feature to include warm weather layers, and included the men's Cool Intensity, listing it first in the article.[2]

SOCIAL MEDIA:

RUNNER'S WORLD

Runner's World published a piece on the 'The best cold weather base layers', where the Fuseknit Comfort Jersey was praised for its comfort and lightweight, noting it was made from eco-yarn.

Date: 3rd January 2019

Reach/Circulation: 476,000 MUV

https://www.runnersworld.com/uk/gear/a776673/best-base-layers-running/

[2] *http://www.coachmag.co.uk/running/6210/the-best-base-layers-for-warm-and-cold-weather-training*

SPONGE – Activity Report – 2nd November 2018

Published Coverage:

Craft gloves: £17.99, zalando.co.uk

Made from a single layer of insulating polyester, these lightweight gloves are ideal for short rides such a daily commute. The stretch well and feel comfortable.

The Independent Online published a piece on the 8 best winter cycling gloves. CRAFT gloves were featured mentioning the soft and comfortable feel.

Reach: 82,400,000 Total Visits Per Month

2016:
Craft Women's Run took place in 16 german cities:

17. Mr Sandblad also provides, at the same exhibit, a breakdown of sales figures "specifically related to the United Kingdom" for the registered class 25 goods bearing the earlier mark in isolation or alongside CRAFT. The breakdown comprises a list of 'row labels' which appears to refer to UK stockists or retailers, alongside a corresponding 'sum of sales'. It is not clear whether the sales pertain to a specific period or represent the total sales within said stockist (since commencing trade of the opponent's class 25 goods), and the currency is not specified. As the sales are UK-specific, it appears likely that the figures would be expressed in GBP though, as the figures were obtained from the opponent's accounting records, it is possible that they

could be presented in SEK[3]. The ‘row labels’ include ASOS.COM LTD (65,947.20), EVANS CYCLES (78,040.35), HALFORDS (23,440.60) and WIGGLE LTD (1,411,738.55). The sums’ grand total is calculated at 5,406,623.77

18. Redacted invoices are provided at Exhibit SS9 and relate to sales of the relied upon goods over the last five years. An invoice to Wiggle Ltd (based in the West Midlands) dated 8 June 2017 totals £21,937.43 and the itemized goods include ‘Greatness bike shorts’ and ‘Active comfort bike boxer’.

19. That concludes my summary of the evidence, insofar as I consider it necessary.

Proof of use

20. 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), (b) 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] For context, I understand (at the time of writing) that one SEK equates to approximately 0.081 GBP; *www.xe.com*

(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) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(5A) In relation to an international trade mark (EC) the reference in subsection (1)(c) to the completion of the registration procedure is to be construed as a reference to the publication by the European Union Intellectual Property Office of the matters referred to in Article 190(2) of the European Union Trade Mark Regulation.

(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."

21. The onus is on the opponent, as the proprietor of the earlier mark, to show use made of the mark because section 100 of the Act states:

> "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."

22. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J 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]."

23. As the earlier trade mark being relied upon is an EUTM, the comments of the Court of Justice of the European Union ("CJEU") in *Leno Merken BV v Hagelkruis Beheer BV,* Case C-149/11 are relevant, in which the Court noted:

"36. It should, however, be observed that...... the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase 'in the Community' is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use."

And

"50. Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as 'genuine use', it cannot be ruled out

that, in certain circumstances, the market for the goods or services for which a Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark."

And

"55. Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider* v *OHIM*, paragraphs 72 and 77)."

The court held that:

> "Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to 'genuine use in the Community' within the meaning of that provision.
>
> A Community trade mark is put to 'genuine use' within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the

trade mark and the territorial extent and the scale of the use as well as its frequency and regularity."

24. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited,* Arnold J. reviewed the case law since the *Leno* case and concluded as follows:

> "228. Since the decision of the Court of Justice in *Leno* there have been a number of decisions of OHIM Boards of Appeal, the General Court and national courts with respect to the question of the geographical extent of the use required for genuine use in the Community. It does not seem to me that a clear picture has yet emerged as to how the broad principles laid down in *Leno* are to be applied. It is sufficient for present purposes to refer by way of illustration to two cases which I am aware have attracted comment.
>
> 229. In Case T-278/13 *Now Wireless Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* the General Court upheld at [47] the finding of the Board of Appeal that there had been genuine use of the contested mark in relation to the services in issues in London and the Thames Valley. On that basis, the General Court dismissed the applicant's challenge to the Board of Appeal's conclusion that there had been genuine use of the mark in the Community. At first blush, this appears to be a decision to the effect that use in rather less than the whole of one Member State is sufficient to constitute genuine use in the Community. On closer examination, however, it appears that the applicant's argument was not that use within London and the Thames Valley was not sufficient to constitute genuine use in the Community, but rather that the Board of Appeal was wrong to find that the mark had been used in those areas, and that it should have found that the mark had only been used in parts of London: see [42] and [54]-[58]. This stance may have been due to the fact that the applicant was based in Guildford, and thus a finding which still left open the possibility of conversion of the Community trade mark to a national trade mark may not have sufficed for its purposes.
>
> 230. In *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC), [2015] ETMR 37 at [25] His Honour Judge Hacon interpreted *Leno* as

establishing that "genuine use in the Community will in general require use in more than one Member State" but "an exception to that general requirement arises where the market for the relevant goods or services is restricted to the territory of a single Member State". On this basis, he went on to hold at [33]-[40] that extensive use of the trade mark in the UK, and one sale in Denmark, was not sufficient to amount to genuine use in the Community. As I understand it, this decision is presently under appeal and it would therefore be inappropriate for me to comment on the merits of the decision. All I will say is that, while I find the thrust of Judge Hacon's analysis of *Leno* persuasive, I would not myself express the applicable principles in terms of a general rule and an exception to that general rule. Rather, I would prefer to say that the assessment is a multi-factorial one which includes the geographical extent of the use."

25. The General Court ("GC") restated its interpretation of *Leno Merken* in Case T-398/13, *TVR Automotive Ltd v OHIM* (see paragraph 57 of the judgment). This case concerned national (rather than local) use of what was then known as a Community trade mark (now a European Union trade mark). Consequently, in trade mark opposition and cancellation proceedings the registrar continues to entertain the possibility that use of an EUTM in an area of the Union corresponding to the territory of one Member State may be sufficient to constitute genuine use of an EUTM. This applies even where there are no special factors, such as the market for the goods/services being limited to that area of the Union.

26. Whether the use shown is sufficient for this purpose will depend on whether there has been real commercial exploitation of the EUTM, in the course of trade, sufficient to create or maintain a market for the goods/services at issue in the Union during the relevant 5 year period. In making the required assessment I am required to consider all relevant factors, including:

i) The scale and frequency of the use shown
ii) The nature of the use shown
iii) The goods and services for which use has been shown
iv) The nature of those goods/services and the market(s) for them
v) The geographical extent of the use shown.

27. 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, i.e. 1 October 2015 to 30 September 2020.

Form of the mark

28. In *Colloseum Holdings AG v Levi Strauss & Co.,* Case C-12/12, which concerned the use of one mark with, or as part of, another mark, the Court of Justice of the European Union ("the CJEU") found that:

> "31. It is true that the 'use' through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas 'genuine use', within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, 'use' within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish 'use' within the meaning of Article 15(1) for the purpose of preserving the rights of the proprietor of the registered trade mark.
>
> 32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestle*, the 'use' of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.
>
> 33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition of a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

35. Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term 'genuine use' within the meaning of Article 15(1)". (emphasis added)

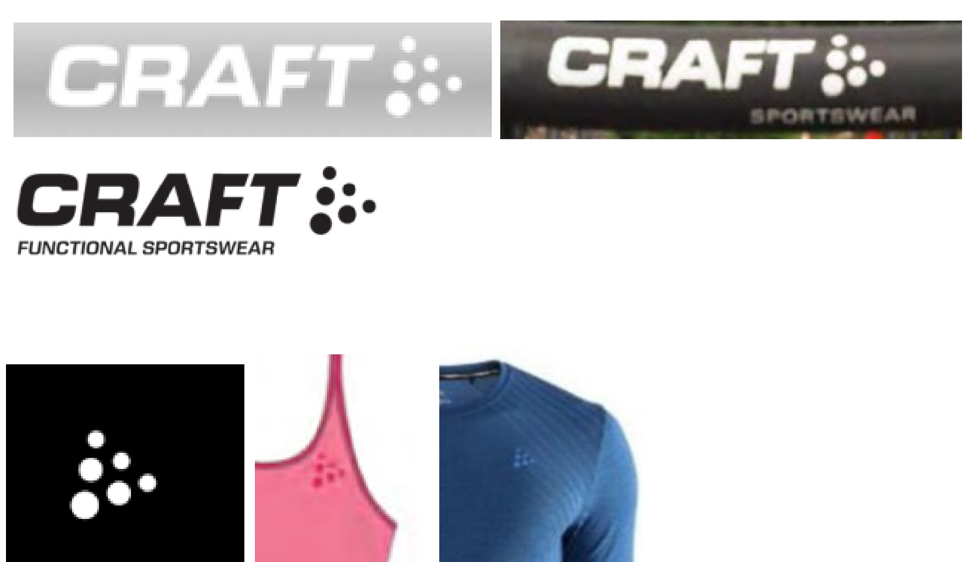
29. In *Nirvana Trade Mark*, BL O/262/06, Mr Richard Arnold Q.C. (as he then was), sitting as the Appointed Person, summarised the test under section 46(2) of the Act as follows:

"33. …The first question [in a case of this kind] is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period…

34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. As can be seen from the discussion above, this second question breaks down in the sub- questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all."

30. Although this case was decided before the judgment of the CJEU in *Colloseum*, it remains sound law so far as the question is whether the use of the mark in a different form constitutes genuine use of the mark as registered. The later judgment of the CJEU must also be taken into account where the mark is used as registered, but as part of a composite mark.

31. The opponent’s earlier mark appears both in isolation, as registered, and in varying forms throughout the opponent’s evidence, specifically:



32. In the first variants, at point (a), the earlier mark is presented in combination with additional wording, namely the opponent’s house brand ‘CRAFT’ and, on occasion, the additional term(s) ‘SPORTSWEAR’ or ‘FUNCTIONAL SPORTSWEAR’. Use in combination with additional matter is acceptable use upon which the opponent may rely, as established in *Colloseum,* providing that the mark continues to be indicative of the product at issue. I find that to be the case here. The variants are acceptable.

33. In the second variants, shown at point (b), the earlier mark is displayed in a variety of colours other than black, as it appears on the register. Registration of a mark in black and white covers use of the mark in different colours and I do not consider that such use alters the distinctive character of the mark. The variants are therefore acceptable.

Sufficient use

34. An assessment of genuine use is a global assessment, which includes looking at the evidential picture as a whole, not whether each individual piece of evidence shows use by itself[4].

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

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

36. The turnover shown in the opponent's financial reports show use of the mark in various countries, including Sweden where the figures are highly substantial, with the opponent's assurance that hardly any of its goods are absent of the earlier mark. Its turnover in 'Europe excluding the Nordic region' (which I understand to include the UK) totalled 63,791 in 2016, 92,530 in 2017, 94,805 in 2018 and 169,587 in 2019, displayed in SEK, with 1 unit equalling 1000. The turnover generated in respect of 'Other Nordic countries' (besides Sweden) stood at 66,165 in 2016, 76,841 in 2017, 87,989 in 2018 and 111,315 in 2019. Whilst the countries are not specified, it seems reasonable to expect that at least some of the turnover or activity can be attributed to those within the EU, at least given the context of the remaining exhibits. Still, I take that uncertainty into account in my assessment. The opponent utilises its earlier mark in its sponsorship of high-profile athletes representing EU countries including Denmark and Finland and sporting clubs, including UK clubs, operating in arenas including the Olympics and Commonwealth Games. The mark has been displayed on various goods itemized on the opponent's website and in its catalogues which are available online and to trade and non-trade customers. The opponent's goods are available for purchase in a vast selection of UK stockists which have amassed sales reaching, collectively, in excess of 5 million (GBP/SEK). Whilst it is not clear over what period, I have a limited number of invoices from within the relevant period demonstrating trade within the UK and Sweden. The opponent's goods have further been reviewed or featured in a number of publications with large readerships, with some featuring a .co.uk domain name and the articles presenting the goods in GBP, during the relevant period. Though I have no indication of market share, and I expect the market within which the opponent operates to be highly lucrative, weighing all findings, I nevertheless find the evidence to demonstrate that the opponent has made genuine use of its earlier mark during the

relevant period in the UK and beyond, and has sought to preserve its share in the market.

Fair Specification

37. It falls to me now to consider whether, or the extent to which, the evidence shows use for all of the goods relied upon. The opponent claims to have used its mark in respect of *clothing, footwear and headgear, hereunder socks, underwear, trousers, jackets, anoraks, sweatsuits, sweatpants, sweatshirts, sweaters, mittens, gloves, caps, sun visors [headwear], mufflers, shorts, vests, tshirts, tennis shirts, coveralls, shoes, sandals, hoodies, shoe covers, leg and sleeve warmers* and *training shoes for indoor and outdoor use*.

38. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited,* BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

> "In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned."

39. In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Mr Justice Carr summed up the law relating to partial revocation as follows:

> "iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) ("Thomas Pink") at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Pl*c [2015] EWCA Civ 220 ("Asos") at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46."

40. The evidence has shown use of the opponent's mark in relation to a variety of clothing goods including t shirts, shorts, jackets and gloves as well as items of footwear (training shoes, for example) and headgear (baseball caps, for example). The range of goods does not seem greatly restricted and the opponent clearly caters to both men and women, though the goods admittedly appear geared towards a sporting environment. Indeed, the opponent has elected to use the website '*www.craftsportswear.co.uk*' and its evidence clearly highlights an interest in

sportswear specifically, including training clothes. The opponent's website, for example, declares that "We develop high-quality performance sportswear" and "We live and breathe sportswear." Weighing those observations against the aforementioned case law, I find it likely that the average consumer would describe the category of goods upon which use has been shown as *sportswear, comprising clothing, footwear and headgear* and this is, consequently, what the opponent can rely upon for the purpose of the opposition.

DECISION

Section 5(2)(b)

Legislation and case law

41. Sections 5(2)(b) and 5A of The Act read as follows:

> "5(2) 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."
>
> "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."

42. 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

43. The goods to be compared are shown in the table below:

Opponent's goods	Applicant's goods
Class 25: *Sportswear, comprising clothing, footwear and headgear*	Class 25: *Footwear*

44. Where goods or services are not literally identical, the General Court ("GC") laid out a further provision for identity in *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, where it stated:

"29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 Institut fur 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".

45. Applying that principle, I find the opponent's *sportswear comprising…footwear* to be encompassed by the applicant's broader term 'footwear'. The goods are to be deemed identical.

The average consumer and the nature of the purchasing act

46. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question (see *Lloyd Schuhfabrik Meyer,* Case C-342/97).

47. The average consumer of footwear (including sporting footwear) is likely to be a member of the general public. The goods are typically self-selected from the shelves of traditional retail outlets, such as clothing stores, or their online equivalents, or the pages of a catalogue. The goods are likely to be promoted in retail environments or through advertisements on television or online channels. Whilst this suggests that the purchase will predominantly be made based on visual considerations, I do not discount the relevance of the marks' aural impact as the consumer could seek advice or recommendations from salespeople or peers, for example. In my experience, the goods are purchased relatively frequently and do not usually command a particularly high price, though the consumer will likely be alive to factors such as materials, compatibility and comfort when approaching the purchase. On balance, the degree of attention paid is likely to be of a medium degree.

Distinctive character of the earlier mark

48. 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)."

49. Registered trade marks possess varying degrees of inherent distinctive character. These range from the very low, such as those which are suggestive or allusive of the goods or services for which they are registered, to those with high inherent distinctive character, such as invented words. Dictionary words which do not allude to the goods or services will typically fall somewhere in the middle. The degree of distinctiveness is an important factor as it directly relates to whether there is a likelihood of confusion; the more distinctive the earlier mark, the greater the likelihood of confusion. The distinctive character of a mark may be enhanced as a result of it having been used in the market.

50. I begin by considering the earlier mark's inherent distinctiveness. The mark is a figurative triangular depiction comprising six dots. In the absence of any conceptual significance, the mark can have no relationship to the goods relied upon, directly nor allusively. That said, I do not find the mark's aesthetic particularly elaborate. On balance, I find its inherent distinctiveness to be of no more than a medium degree.

51. I will now consider whether the distinctiveness of the earlier mark has been enhanced as a result of the use made of it. The relevant market for an assessment of enhanced distinctiveness is specifically the UK market. The evidence shows use of the

earlier mark throughout its seasonal catalogues, for example, from 2016, in relation to sportswear. The catalogues are available on its website and the UK is one of a number of countries the website targets or caters to. The opponent's goods are available for sale at a wide range of UK stockists and via its UK website, though it is not clear whether this was the position prior to the relevant date. In its financial reports, the opponent's UK turnover is bundled together with other countries under the heading 'Europe exc Nordic regions' and is therefore difficult to determine. The UK sales recorded at Exhibit SS8, totalling 5,406,623.77, are potentially substantial, although it is unclear whether the amount is presented in GBP or SEK and I keep in mind that the sportswear market is likely to be vast and it is not clear how long of a period these sales pertain to or how much of the amount was accrued prior to the relevant date. Additionally, I have only a limited number of invoices to indicate which of the opponent's goods those sales can be attributed to. The opponent utilises its earlier mark in its sponsorships with a number of high-profile athletic clubs and athletes in which a significant number of UK consumers will likely have an interest, though I cannot be sure how many. In 2018 the opponent was selected as the official kit sponsor for the Welsh Cycling team participating in the Commonwealth Games, for example, with the mark relied upon displayed on the team's kit alongside CRAFT. Whilst the opponent's marketing efforts show a continuous engagement with UK publications and online channels and its evidence features positive reviews from a number of sources, the evidence does not show the amount financially invested in the promotion of the earlier mark. In light of the deficiencies, particularly how difficult it is to attribute a particular level of sales to the UK prior to the relevant date, I am not satisfied that the evidence is sufficient to make a finding of enhanced distinctiveness.

Comparison of trade marks

52. 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."

53. It would be wrong, therefore, to artificially dissect the trade marks, though it is necessary to take into account the distinctive and dominant components of the marks. Due weight must be given to any other features which are not negligible and hence contribute to the overall impressions created by the marks.

54. The trade marks to be compared are as follows:

Opponent's mark	Applicant's mark

55. Each of the respective marks solely comprises a figurative depiction of six dots, of varying sizes in the opponent's and each appearing the same size in the applicant's, positioned to create an impression of a triangular shape. In both marks, I find the overall impression to reside in the mark as a whole.

56. Visually, as above, both marks comprise a total of six dots, all presented in black. In the opponent's mark the 'triangle' created by the dots is positioned at somewhat of an angle. The dot at the bottom left corner of the mark is the largest and the dots gradually

decrease in size as the triangle widens, with two dots in the triangle's central row and three in the final row (these being the smallest by comparison). The applicant's mark, by contrast, is presented at a 90-degree angle and the dots appear equally sized. Whilst I keep in mind the variation in the marks' angles and the sizing of the dots, I find the visual similarity between the marks to be of a fairly high degree.

57. Given the nature of the respective marks, particularly that they are simply figurative depictions with no word elements to speak of, it follows that neither can be articulated and therefore an aural comparison is not appropriate.[5]

58. For a conceptual message to be relevant it must be capable of immediate grasp by the average consumer.[6] I find it highly unlikely that either of the marks will convey a concept of any description. Both will simply be seen as figurative shapes absent of any tangible meaning.

Likelihood of confusion

59. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. It is also necessary for me to keep in mind the distinctive character of the opponent's trade mark, as the more distinctive it is, the greater the likelihood of confusion.

60. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one trade mark for the other, while indirect confusion is where the average consumer realises the trade marks are not the same but puts the similarity that exists between the trade marks and goods down to the responsible undertakings being the same or related.

61. I take note of the comments made by Mr Iain Purvis Q.C., as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, where he explained that:

[5] *Dosenbach-Ochsner AG Schuhe und Sport v OHIM*, T- 424/10
[6] *Ruiz Picasso v OHIM* [2006] e.c.r.-I-643; [2006] E.T.M.R 29.

> “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.””

62. To make the assessment, I must adopt the global approach advocated by the case law whilst taking account of my earlier conclusions. I also bear in mind that the average consumer rarely has the chance to make direct comparisons between trade marks and, instead, must rely upon the imperfect picture of them retained in its mind.

63. I have concluded that the respective goods are identical. The average consumer is likely to pay a medium degree of attention to the purchase and visual considerations are likely to dominate the selection process. I have found the respective marks visually similar to a fairly high degree and that the earlier mark has no more than a medium degree of inherent distinctiveness. Without overlooking the opportunity for the earlier mark to be deemed inherently distinctive to less than a medium degree, given that the average consumer rarely has the opportunity to compare marks side-by-side and will instead encounter them in different settings at different times, to my mind, the closeness between the marks, and the nature of the goods’ purchase will lead the average to fall foul of the effects of imperfect recollection. In other words, consumers of the earlier mark will, upon seeing the later mark displayed on identical goods, erroneously believe that the mark is that of the opponent (or vice versa). On that basis, I consider there to be a likelihood of direct confusion.

Section 5(3)

Legislation and case law

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

> "(3) A trade mark which 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 un the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark."

65. 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'Oréal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora* and Case C383/12P, *Environmental Manufacturing LLP v OHIM.* The law appears to be as follows:

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

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; 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-Salomon, 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'Oréal 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'Oréal v Bellure).

66. The conditions of section 5(3) are cumulative. Firstly, the opponent must show that its earlier mark has achieved a level of knowledge, or reputation, amongst a significant part of the public. Secondly, the opponent must establish that the public will make a link between the marks, in the sense of the earlier mark being brought to mind by the later mark. Thirdly, assuming the first and second conditions have been met, section 5(3) requires that one or more of three types of damage claimed by the opponent will occur. It is unnecessary for the purposes of section 5(3) that the goods or services are similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

67. The relevant date for the assessment under section 5(3) is the date the application was filed, namely, 30 September 2020.

Reputation

68. 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."

69. As outlined above, in *General Motors* the CJEU provided guidance on assessing the existence of a reputation. That judgement requires that I 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.

70. The evidence shows that the opponent commenced trading in the 1970s, at least under its CRAFT brand, with evidence of the relied upon mark dating back to 2016. I do not have any insight with regards the amounts financially invested in the promotion of the earlier mark but I can identify a concerted effort on the opponent's behalf to raise awareness of its mark via continuous engagement with a number of publications, including those in the UK, offering to provide samples for review, for example. I expect the market within which the opponent operates to be vast and I am not aware of its market share, though its increasing turnover is significant, with Sweden the most lucrative market. Its breakdown of UK sales provides a helpful insight but I am unclear as to the currency and the period those sales pertain to. The opponent's website suggests that it caters to a range of EU countries and the UK and its financial reports show a large presence on the market in Sweden, particularly, throughout the relevant period. The opponent clearly maintained an active UK website and the invoices show exchanges with UK stockists within the relevant dates. The opponent's marketing summaries show reviews featuring the opponent's goods published on websites with a high numbers of readers and, though it is not clear where all of those readers originate, some of the websites specify a .co.uk web address, so will likely be accessed by the UK consumer. The opponent has secured sponsorships with high profile athletes and sporting clubs representing the EU and UK, likely to have been recognised by a sizeable audience. Taking into account what the evidence shows, as a whole, alongside the deficiencies or uncertainties I have highlighted (particularly the absence of a specific market share or indication of financial investment), I am satisfied that the opponent's evidence shows what I would describe as a modest reputation in sportswear (comprising clothing, footwear and headgear) at the relevant date.

Link

71. As 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

I have found the conflicting marks visually similar to a fairly high degree. It was not appropriate to conduct a conceptual nor aural comparison.

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

I have found the parties' respective goods identical, with the opponent's *sportswear comprising…footwear* encompassed by the applied-for *footwear*, at large.

The strength of the earlier mark's reputation

I have found the mark to enjoy a modest reputation in sportswear (comprising clothing, footwear and headgear).

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

I have found the mark's inherent distinctive character to be of no more than a medium degree.

Whether there is a likelihood of confusion

I have concluded that there is a likelihood of direct confusion.

72. As above, I have already found that consumers are likely to directly confuse the respective marks. With that in mind, and on reflection of the remaining *Intel* factors, I find that the public would make the requisite link between the parties' marks.

Damage

73. I must now assess whether any of the pleaded types of damage will arise. The opponent submits that the use of the application would take unfair advantage of the reputation of its earlier mark and dilute its distinctive character, ultimately causing economic damage on the part of the opponent.

74. In *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) Arnold J. concluded that:

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

75. I have already found that there is a likelihood confusion between the competing marks, whereby a consumer may select the applicant's goods in the mistaken belief that they originate from the opponent. That being so, even if there is no intention on the part of the applicant, it is clearly foreseeable that, in those circumstances, it would secure an unfair commercial advantage, benefitting from the reputation already established by the opponent and potentially diverting consumers to the applicant. As a finding of unfair

advantage is sufficient to satisfy a claim under section 5(3), I need not consider the remaining heads of damage.

76. The opposition under section 5(3) succeeds.

CONCLUSION

77. The opposition has succeeded on both grounds. Subject to any successful appeal against my decision, the application will be refused.

COSTS

78. The opponent has been successful and is entitled to a contribution toward its costs. Awards of costs are governed by Annex A of Tribunal Practice Notice ("TPN") 2/2016. In accordance with that TPN, I award costs to the opponent as follows:

Filing a form TM7 (official fee):	£200
Preparing a Notice of Opposition and considering the counterstatement:	£200
Preparing evidence:	£600
Preparing written submissions:	£200
Total:	**£1200**

79. I order Sancon Investments Limited to pay Craft of Scandinavia AB the sum of £1200. This sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an unsuccessful appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 13th day of May 2022

Laura Stephens

For the Registrar,

The Comptroller General