

O-021-14

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO 2594728
IN THE NAME OF STEPHANE MICHEL
IN RESPECT OF TRADE MARK:



FEDERICO IGUZZINI
Shanghai 1903

AND

AN APPLICATION FOR A DECLARATION OF THE INVALIDITY THEREOF
UNDER NO 84626 BY FRATELLI GUZZINI S.P.A.

BACKGROUND

1. Trade mark No. 2594728 shown above stands registered in the name of Stephane Michel (the proprietor). It was applied for on 16 September 2011 and completed its registration procedure on 23 December 2011. It is registered for the following goods in class 14:

Watches, jewellery, precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.

2. On 19 December 2012, Fratelli Guzzini S.P.A. (the applicant) filed an application to have this trade mark declared invalid under the provisions of sections 47(2)(a) and (b) and 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 ("the Act") which state:

"47(2) The registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier trade mark in relation to which the condition set out in section 5(4) is satisfied, unless the proprietor of that earlier trade mark or other earlier right has consented to the registration."

And:

"5. - (2) A trade mark shall not be registered if because -

(a)....

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, or
there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.

(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, or..."

3. The application is made against all of the goods for which the proprietor's mark is registered. The applicant relies on the following trade mark registration:

| Mark details and relevant dates | Goods relied upon |
|---|--|
| CTM: 9861147 Mark: GUZZINI Filing date: 1 April 2011 Registration date: 5 September 2011 | Horological and chronometric instruments; Imitation jewellery; Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; Jewellery, precious stones. |

4. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“6.-(1) In this Act an “earlier trade mark” means -

(a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

5. The applicant's mark is an earlier mark, which is not subject to proof of use because, at the date of the application for invalidation, it had not been registered for five years.¹

6. On 1 March 2013, the proprietor filed a counter statement which denies the grounds of invalidation.

7. The applicant filed written submissions during its allowed period for filing evidence. The proprietor filed documents titled written submissions with three witness statements attached. Both parties filed additional written submissions in lieu of a hearing, as neither elected to be heard.

EVIDENCE

8. The proprietor's evidence consists of the following witness statements:

Stephane Michel dated 19 June 2013 with exhibits A, B and 1-3

Ms Vanessa Ramirez dated 28 June 2013

Mark Sorenti dated 29 June 2013 with exhibits MS1 and MS2

9. Mr Michel's statement includes the following figures:

“9. Annual Sales of these Goods in the UK, retail value, prior to 2011 were as follows, Exhibit B:

| Year | Turnover by cash |
|-------------|-------------------------|
| 2008 | 4.100 USD |
| 2009 | 21.600 USD |
| 2010 | 34.500 USD” |

10. It also includes the following statement:

“3. The trademark FEDERICO IGUZZINI SHANGHAI 1903 was first used in the UK in October of 2008 and has had an uninterrupted presence in that market since that time in the UK.”

¹ See section 6A of the Act (added by virtue of the Trade Marks (Proof of Use, etc.) Regulations 2004: SI 2004/946) which came into force on 5th May 2004.

11. I have read and noted the evidence and exhibits but, given that they contain a mixture of fact and submissions and, in most cases, refer to matters outside the relevant jurisdiction and issues which are not relevant to the matters to be decided in these proceedings, I do not intend to summarise the evidence here. I will, however, refer to it as necessary later in this decision.

Section 5(2)(b) case law

12. In his decision in *La Chemise Lacoste SA v Baker Street Clothing Ltd* - BL O/330/10 (approved by Arnold J in *Och-Ziff Management Europe Ltd v Och Capital LLP* [2011] FSR 11), the Appointed Person, Mr Geoffrey Hobbs QC, expressed the test under this section (by reference to the CJEU cases mentioned) on the basis indicated below:

The CJEU cases

Sabel BV v Puma AG [1998] RPC 199; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117; *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77; *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723; *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-6/01; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04; *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* C-334/05 P.

The principles

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

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

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

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

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

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

- (g) a lesser degree of similarity between the goods or services may be offset by a 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 causes the public to wrongly believe that the respective goods [or services] come from the same or economically-linked undertakings, there is a likelihood of confusion.”

The average consumer and the nature of the purchasing act

13. In accordance with the above cited case law, I must determine who the average consumer is and also identify the nature of the purchasing process. The average consumer is reasonably well informed and reasonably circumspect and observant but with a level of attention likely to vary according to the category of goods. The attention paid is likely to vary depending on price and, to some extent, the nature of the goods and the frequency of the purchase.

14. The average consumer for jewellery, watches, goods in precious metals or coated therewith and horological and chronometric instruments is a member of the general public, while precious stones are likely to be purchased by jewellery makers/designers. A diamond engagement ring is a rare purchase likely to afford a higher level of attention than would be evident during the purchase of costume jewellery, which could be a fairly frequent and inexpensive occurrence. For the most part the consumer will pay a reasonable, but not exceptional, level of attention, though in the case of those buying gemstones for the creation of jewellery, I would expect the level of attention to be higher. The full range of goods is purchased visually, as their primary purpose is their appearance.

Comparison of goods

15. The goods to be compared are as follows:

| The applicant’s goods | The registered proprietor’s goods |
|--|---|
| <p>Class 14: Horological and chronometric instruments; imitation jewellery; Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; Jewellery, precious stones.</p> | <p>Class 14: Watches, jewellery, precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.</p> |


16. In comparing the goods, I bear in mind the following guidance provided by the General Court (GC) in *Gérard Meric v OHIM*, Case T-133/05:

“29. ...goods can be considered identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”

17. Watches are included within the broad term ‘horological and chronometric instruments’ and are therefore identical goods. All of the other terms in the proprietor’s specification are set out in identical terms in the specification of the earlier mark and, in accordance with *Meric*, I find the parties’ goods to be identical.

Comparison of marks

18. The marks to be compared are as follows:

| The applicant’s mark | The registered proprietor’s mark |
|----------------------|--|
| GUZZINI |  |

19. In making a comparison between the marks, I must consider the respective marks’ visual, aural and conceptual similarities with reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components², but without engaging in an artificial dissection of the marks, because the average consumer normally perceives a mark as a whole and does not analyse its details.

20. The applicant’s mark consists of the single word GUZZINI in block capitals. No part of the word is stylised or emphasised in any way. Consequently, the distinctiveness lies in the mark as a whole.

21. The proprietor’s mark consists of a red rectangular background with rounded corners. Within the rectangle are the words FEDERICO IGUZZINI in block capitals presented above ‘Shanghai 1903’ which are smaller and in title case. The colouring of the background square does not have a bearing on the issue of similarity as neither party’s mark is limited to any particular colour. The matter must be assessed on the similarity between the respective marks without regard to colour.³

22. With regard to the distinctive and dominant elements of their respective marks the applicant states:

“8...To the extent that “Shanghai 1903” is likely to be perceived by the relevant consumer as a descriptive message, especially since it is removed from the

² *Sabel v Puma AG, para.23*

³*Specsavers International Healthcare Ltd v Asda Stores Ltd (No.2) [2011] FSR 1, Mann, J.*

remainder of the mark both spatially and by a difference in font style and size, the average consumer of the goods in dispute is unlikely to attribute any trade mark character to these elements of the later mark.”

23. The proprietor states:

“2...The famous mark “Kronenbourg 1664” is registered for beer and refers to a brewery founded in 1664. The name comes from the area (Cronenbourg) where the brewery has been located since 1850. Thus there is no reason why “Shanghai 1903” should not be perceived as a distinctive part of the mark.”

24. The background shape in the proprietor’s mark will not be afforded any trade mark significance by the average consumer. Similarly, the words ‘Shanghai 1903’ provide a geographic location and a date in respect of the words FEDERICO IGUZZINI and will not be considered, of themselves, to be a distinctive element of the mark as a whole. I have considered the proprietor’s comments, but comparison with a different mark, in a different class with no evidence of use of that mark or any indication of its path to registration, do not assist me in the comparison of marks before me in this case. The distinctive and dominant element of the proprietor’s mark is the words ‘FEDERICO IGUZZINI’ which hang together.

Visual similarities

25. The applicant submits:

“11. The marks are visually similar insofar as they both contain the distinctive and eye-catching term “GUZZINI”. The absence of the “I” of “IGUZZINI” could easily go unnoticed by the average consumer on encountering “GUZZINI”.”

26. The proprietor submits:

“4...in several places the other party have claimed that the initial “I” of “IGUZZINI” could easily go unnoticed by the average consumer. We do not accept this. On the contrary, it is well established that the beginning or first part of a word mark is the most important when comparing it to another mark.”

27. The similarity between the marks rests in the fact that the last seven letters of the proprietor’s mark are the entirety of the applicant’s mark. The proprietor’s mark includes, in addition, FEDERICO and the letter “I”, before the common letters ‘GUZZINI’. Taking these factors into account I find the marks to share a moderate degree of visual similarity.

Aural similarities

28. The applicant submits:

“12. From a phonetic perspective, the elements “IGUZZINI” and “GUZZINI” are again highly similar. GUZZINI is comprised of three syllables, “GU-“, “-ZI-“, “-NI” and IGUZZINI is composed of four syllables, “I-“, “-GU-“, “-ZI-“, “-NI”. Where the initial “I” of IGUZZINI” is likely to be pronounced as a short “I”, namely as the “i”, of “it”, rather than “eye”, it could easily become obscured in the pronunciation of

the word as a whole. The remaining three syllables shared by both marks are likely to be pronounced identically. GUZZINI and IGUZZINI therefore share substantially the same aural identity. These similarities will outweigh the differences between the marks as a result of the appearance of the term FEDERICO in the later mark. It is submitted that consumers are unlikely to articulate the wholly descriptive element of the later mark, namely “Shanghai 1903”. This element should therefore be substantially discounted from assessment of the similarity of the marks from an aural perspective.”

29. I agree ‘Shanghai 1903’ is unlikely to be articulated by the average consumer. Clearly, the aural similarity rests in the last seven letters of the proprietor’s mark which are identical to the totality of the applicant’s mark. In addition the proprietor’s mark contains the syllables which will be pronounced FED-ER-EEK-O and the letter I (which will be pronounced in the way the applicant suggests in its submissions above). Consequently, I find a moderate degree of similarity between the parties’ marks.

Conceptual similarities

30. For a conceptual message to be relevant it must be capable of immediate grasp by the average consumer.⁴ The assessment must be made from the point of view of the average consumer.

31. The applicant submits:

“10. The conceptual similarity between the marks is heightened to the extent that the goods in dispute, watches and jewellery in particular, are commonly marketed by reference to an Italian designer forename, surname or both.”

32. The applicant’s mark has no meaning in English and will be seen either as a surname, not common in the UK, or as an invented word. The second part of the proprietor’s mark also has no meaning in English but does follow the word ‘Federico’ which is similar to ‘Frederick’ and as likely to be seen as a first name. Consequently, the combination is likely to be seen as a full name which is not common in the UK, the overall impression of the mark being that of a European male name. Where the average consumer sees the applicant’s mark as a surname then there will be a degree of conceptual similarity between the parties’ respective marks, to the extent that they are both names. Where the applicant’s mark will be seen as an invented word the marks will be conceptually neutral.

Distinctive character of the earlier mark

33. I must now assess the distinctive character of the applicant’s earlier trade marks. The distinctive character of a trade mark can be appraised only, first, by reference to the goods for which it is registered and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity

⁴ *This is highlighted in numerous judgments of the GC and the CJEU including Ruiz Picasso v OHIM [2006] e.c.r.-I-643; [2006] E.T.M.R. 29.*

of the trade mark to identify the goods for which it has been registered as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

34. The applicant's mark is the word 'GUZZINI'. I have already concluded that this will be seen as either a surname or an invented word. The mark does not have any meaning in respect of the goods, though in my experience, it is not unusual for these goods to be sold by reference to the name or combination of names of a designer or trader. Taking these factors into account, I find the mark to have a reasonably high degree of inherent distinctiveness.

Likelihood of confusion

35. In assessing the likelihood of confusion, I must adopt the global approach advocated by case law and take into account the fact that marks are rarely recalled perfectly, the consumer relying instead on the imperfect picture of them he has kept in his mind.⁵ I must also keep in mind the average consumer for the goods, the nature of the purchasing process and have regard to 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.

36. In its submissions, the registered proprietor has directed me to two decisions of the Registry, namely, 'HANSON OF LONDON'⁶ and 'LEO ROSSI'⁷. I do not find either of these cases to be on all fours with the matter before me, given what was being compared. But, in any event, the Hearing Officers deciding these two cases did so in respect of the facts and matters before them, which is what I must do while reaching a decision in relation to the matter before me.

37. On page 6 of its written submissions, the registered proprietor states:

"The Respondent has been selling, or offering for sale, luxury wrist watches under the name FEDERICO IGUZZINI SHANGHAI 1903 in the UK since October 2008 as shown in evidence. These watches are limited series, luxury watches of exotic design, with Swiss movements, with a starting price of \$4,100. The purchase of such a watch is likely to be given a great deal of thought by the customer. It is not an every-day, low-value item that will be bought on the spur of the moment with little thought going into the decision. Consequently, the risk of confusion with other brands and trade marks is greatly reduced.

Indeed, the Applicant has filed no evidence that actual confusion between the two marks has taken place, despite the long use of the Respondent's mark. The Respondent has also submitted in evidence that there has been no confusion by any customer or potential customer with the Applicant's trade mark. We submit that the Registrar may infer from this that there is no likelihood of confusion."

⁵ *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*, paragraph 27

⁶ O/050/13

⁷ O/045/03

38. On the issue of reliance on the absence of confusion in the marketplace, TPN⁸ 4/2009 states:

“6. Parties are also reminded that claims as to a lack of confusion in the market place will seldom have an effect on the outcome of a case under section 5(2) of the Act.

7. In *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 Laddie J held:

‘22. It is frequently said by trade mark lawyers that when the proprietor's mark and the defendant's sign have been used in the market place but no confusion has been caused, then there cannot exist a likelihood of confusion under Article 9.1(b) or the equivalent provision in the Trade Marks Act 1994 ("the 1994 Act"), that is to say s. 10(2). So, no confusion in the market place means no infringement of the registered trade mark. This is, however, no more than a rule of thumb. It must be borne in mind that the provisions in the legislation relating to infringement are not simply reflective of what is happening in the market. It is possible to register a mark which is not being used. Infringement in such a case must involve considering notional use of the registered mark. In such a case there can be no confusion in practice, yet it is possible for there to be a finding of infringement. Similarly, even when the proprietor of a registered mark uses it, he may well not use it throughout the whole width of the registration or he may use it on a scale which is very small compared with the sector of trade in which the mark is registered and the alleged infringer's use may be very limited also. In the former situation, the court must consider notional use extended to the full width of the classification of goods or services. In the latter it must consider notional use on a scale where direct competition between the proprietor and the alleged infringer could take place.’

8. (In *Rousselon Freres et Cie v Horwood Homewares Limited* [2008] EWHC 881 (Ch) Warren J commented:

‘99. There is a dispute between Mr Arnold and Mr Vanhegan whether the question of a likelihood of confusion is an abstract question rather than whether anyone has been confused in practice. Mr Vanhegan relies on what was said by Laddie J in *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 at paragraphs 22 to 26, especially paragraph 23. Mr Arnold says that that cannot any longer be regarded as a correct statement of the law in the light of *O2 Holdings Ltd v Hutchison 3G Ltd* [2007] RPC 16. For my part, I do not see any reason to doubt what Laddie J says...’)

9. In *The European Limited v The Economist Newspaper Ltd* [1998] FSR 283 Millett LJ stated:

⁸ *Tribunal Practice Notice*

"Absence of evidence of actual confusion is rarely significant, especially in a trade mark case where it may be due to differences extraneous to the plaintiff's registered trade mark."

39. The registered proprietor's evidence and submissions suggest that it has used the trade mark the subject of the contested registration since 2008. However, the evidence shows only one sale with a total value of \$4,100 in the UK for 2008. Sales for 2009 amount to five watches with six being sold in 2010. I have no indication of the amount spent on marketing and advertising in respect of the registered mark. Product photographs are not dated and all the advertising material provided is from outside the UK and it is not clear at what market it is directed (at least one of the articles is in French). I have nothing before me to show that the parties' goods are available in the same outlets. Consequently, the evidence falls a long way short of allowing me to conclude that by the date of the application for registration, the average consumer had become exposed to the competing trade marks to such an extent that they would be able to distinguish between them.

40. I have found the marks to have a moderate degree of visual and aural similarity and a conceptual similarity varying according to the impression the average consumer has of the applicant's mark, namely, whether it is a surname or an invented word. I have found an reasonably high level of inherent distinctive character in the earlier mark and have found the registered proprietor's goods to be identical to the applicant's goods. I have identified the average consumer, namely a member of the general public and have concluded that the purchase will be primarily visual. The level of attention paid to the purchase will be reasonable to the extent that the average consumer will consider the appearance of the goods in making a selection.

41. The combination of letters which makes up the applicant's mark is not common in the UK. The entirety of the mark is replicated in the final seven letters of the registered proprietor's mark. Bearing in mind the concept of imperfect recollection, the common elements of the marks are such that in the context of goods which are identical there will, in my view, be direct confusion (where the average consumer believes the respective goods originate from the same or a linked undertaking), Even if I am wrong in this, the similarity between the parties' marks is such that there will be indirect confusion (where the average consumer believes the respective goods originate from the same or a linked undertaking).

Conclusion

42. As a consequence of my decision above, the applicant's request to invalidate the registered proprietor's trade mark has succeeded under section 5(2)(b) of the Act and, under the provisions of 47(6) of the Act, the registration shall be deemed never to have been made.

43. The applicant having succeeded under section 5(2)(b) I need not go on to consider the position in respect of the grounds under section 5(4)(a) of the Act.

Costs

44. Fratelli Guzzini S.P.A. has been successful and is entitled to an award of costs. Awards of costs are governed by Annex A of Tribunal Practice Notice 4 of 2007. I have taken into account that no hearing has taken place and award costs on the following basis:

| | |
|---|--------------|
| Preparing a statement and considering the other side's statement: | £ 300 |
| Written submissions: | £ 400 |
| Official fee: | £ 200 |
| Total: | £ 900 |

45. I order Stephane Michel to pay Fratelli Guzzini S.P.A. the sum of £900. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 22nd day of January 2014

**Ms Al Skilton
For the Registrar,
The Comptroller General**