

O-192-14

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK REGISTRATION 2494753
IN THE NAME OF KARELIA TOBACCO COMPANY, INC
IN RESPECT OF THE FOLLOWING TRADE MARK IN CLASS 34:**

KAPPA

AND

APPLICATION FOR INVALIDATION (NO 84377) BY BASIC TRADEMARK SA

THE BACKGROUND AND THE PLEADINGS

1) The trade mark **KAPPA** was filed by Karelia Tobacco Company, Inc (“the proprietor”) on 8 August 2008. It completed its registration process on 12 December 2008. The mark is registered in respect of the following class 34 goods:

Processed or unprocessed tobacco, smokers' articles, tobacco products, cigarettes, cigars, cigarillos, tobacco, cigar and cigarette holders, cigars and cigarette cases, ashtrays, cigar clippers, tobacco pipes, pouches for tobacco, lighters, pocket devices for rolling cigarettes, cigarette paper, humidors for tobacco products, matches

2) On 30 March 2012, Basic Trademark SA (“the applicant”) applied for the invalidation of the above registration on grounds under sections 5(2)(a), 5(2)(b), 5(3) and 5(4(a) of the Trade Marks Act 1994 (“the Act”). In total, it relies on ten earlier trade marks registrations, the full details of which are set out in the annex to this decision. The marks covered by these registrations consist either of the word **KAPPA**, the words **ROBE DI KAPPA**, or the following two figurative marks:



3) All but one of the registrations are subject to the proof of use requirements set out in Section 47(2A) of the Act on account of them completing their respective registration processes before the five year period ending on the date of the application for invalidation. The applicant made statements of use that the marks had been genuinely used to the extent that they are relied upon, as set out in the Annex. Under section 5(4)(a) the applicant relies on the use of signs corresponding to the above marks in “all regions of the UK [since] the late 1970s” in respect of “bags, clothing including sports clothing, sporting articles”. The claim is made on the basis of the law of passing-off.

4) The proprietor filed a counterstatement denying the grounds of invalidation. It put the applicant to proof of use (for the earlier marks which are subject to the provisions) and reputation. Both sides filed evidence. The matter came to be heard before me on 21 March 2014 at which the applicant was represented by Mr Christian Rowland Buehrlen of Beck Greener and the proprietor by Mr Peter Houlihan of Cleveland.

THE EVIDENCE

5) Rather than summarise the evidence on a statement by statement basis, I will refer to the contents of the evidence when it is necessary and pertinent to do so. For the record, those who have given evidence, and what they have given evidence about, are:

For the applicant

- Mr Christian Rowland Buehrlen, the applicant's trade mark attorney. His evidence serves to admit into the proceedings the decision and supporting materials from essentially the same dispute at European level and in Singapore. In a second witness statement he provides information about the applicant's business which has been provided to him by the applicant, including various annual reports etc.
- Mr Domenico Sindico, the applicant's "proxy" and "Counsel". He firstly gives evidence about the applicant's business, the sales it has made, and the ways in which it has promoted the earlier marks (including the sponsorship of sports teams). He also gives evidence about the effects of smoking and the restrictions on tobacco advertising. In a second witness statement he comments upon the proprietor's evidence including an explanation of the steps the applicant has taken to prevent any derogatory use of its marks.

For the proprietor

- Mr Efstathios Karelias, the proprietor's general manager. He gives evidence about the proprietor's business and the reason why the word KAPPA was a "natural choice" for the proprietor to adopt as a brand. He also makes what are, essentially, submissions about the proceedings and the dispute between the parties.
- Ms Nicola Amsel, who describes herself as a professional investigator specialising in IP investigations. Her evidence is about the use of the word KAPPA on the European market (other than by the applicant). In a second witness statement she provides evidence about what she describes as the consumer perception of the applicant's KAPPA brand – the thrust is that it has been used in a derogatory manner.

SECTION 5(3) OF THE ACT

6) Section 5(3)¹ of the Act reads:

“5-(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of Community trade mark, in the European Community) 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.”

7) The earlier mark(s) must have a reputation. In *General Motors Corp v Yplon SA* (Chevy) [1999] ETMR 122 and [2000] RPC 572 the Court of Justice of the European Union (“CJEU”) stated:

“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.”

8) In addition to having a reputation, a link must be made between the subject trade mark and the earlier mark(s). In *Adidas-Salomon*, the CJEU stated:

“The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23). The existence of such a link must, just like a likelihood of confusion in the context of Article 5(1)(b) of the Directive, be appreciated globally, taking into account all factors relevant to the circumstances of the case (see, in respect of the likelihood of confusion, *SABEL*, paragraph 22, and *Marca Mode*, paragraph 40).”

9) In *Intel Corporation Inc v CPM (UK) Ltd* (C-252-07) (“Intel”) the CJEU provided further guidance on the factors to consider when assessing whether a link has been established. It stated:

“41 The existence of such a link must be assessed globally, taking into account all factors relevant to the circumstances of the case...”

¹ Section 5(3) was amended by The Trade Marks (Proof of Use, etc) Regulations 2004 (SI 2004 No. 946) giving effect to the judgments of the CJEU in *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd* (C- 292/00) and *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* (“*Addidas-Salomon*”) (C-408/01)).

42 Those factors include:

- the degree of similarity between the conflicting marks;
- the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;
- the strength of the earlier mark’s reputation;
- the degree of the earlier mark’s distinctive character, whether inherent or acquired through use;
- the existence of the likelihood of confusion on the part of the public”.

10) If the hurdles of reputation and link are cleared, it is necessary to establish that at least one of the heads of damage that underpin section 5(3) is present (or that there is a foreseeable (non hypothetical) risk of such damage). I will come back to the case-law in relation to this later. I will begin by considering the evidence in relation to certain pertinent issues. I will focus upon the KAPPA and KAPPA logo marks as it is reasonably clear from the evidence that such marks represent the applicant’s best case; this also reflects both parties’ approach at the hearing.

Use and reputation of the KAPPA marks

11) By the time of the hearing Mr Houlihan had accepted that the KAPPA and KAPPA logo marks had been genuinely used in the UK at least in relation to sportswear. He did not, though, accept that the marks possessed a reputation; his submissions were focused, essentially, on the position in the UK.

12) Some of the earlier marks are CTMs, others are UK registrations. In relation to the latter, the position in the UK is all that is relevant; genuine use (for proof of use purposes) and reputation (to establish the first limb of section 5(3)) must be in the UK. However, in relation to the CTMs, the legal test for genuine use and reputation is to be measured from the perspective of the EU². However, the operative effect of section 5(3) is to be measured from the perspective of the relevant public in the UK. To illustrate the point, if a mark has been genuinely used and has a reputation in, say, Germany and France, whilst this may qualify a CTM as having been genuinely used and having a reputation for certain goods, if the mark does not also have a reputation in the UK then the relevant public is unlikely to make a link and, furthermore, it is unlikely that any of the heads of

² See the judgments of the CJEU in Case C-301/07 *PAGO International GmbH v Tirolmilch registrierte Genossenschaft mbH* and C-49/11 *Leno Merken BV v Hagelkruis Beheer BV*, respectively.

damage will arise. Therefore, whilst bearing in mind the wider aspect of the evidence, I will concentrate, primarily, on the position in the UK.

13) The evidence shows that the KAPPA marks are, first and foremost, a sportswear brand. The evidence also shows that the marks are extensively licensed on a global basis, including some non sportswear products. According to Mr Sindico, there is a network of 45 licensees operating in 123 countries with revenue being in the hundreds of millions. Mr Houlihan criticised Mr Sindico's evidence in terms of UK use; he did not feel the evidence supported licensing beyond sportswear and he also highlighted that the turnover figures provided by Mr Sindico were for both the UK and Ireland, without a breakdown by country, and that the figures were estimated. The actual revenue figures between 2001 and 2012 in the UK and Ireland has fluctuated between £16 million at its highest (in 2011) and £5 million at its lowest (in 2007).

14) Mr Buehrlen referred to Exhibit DS11 of Mr Sindico's evidence which contains a number of UK licence agreements as follows:

- A licence agreement with GL Investments Ltd dated 22 December 2006. The agreement is of five years duration. The products the subject of the agreement include: apparel, jerseys, dresses, fleeces, pants, shirts, shorts, skirts, sport suits, t-shirts, polo shirts, apparel sets, socks, gloves, headwear, bathing suits, bathrobes, footwear, accessories (balls), underwear, dress shoes, bags (but excluding non-sport bags), "small accessories" and towels. The goods are licensed on a mixture of a exclusive/non-exclusive basis. The various earlier marks relied upon by the applicant are identified in a schedule to the agreement.
- A licence agreement with Kappa G.B. Ltd dated 11 March 1997. The agreement ran for a maximum of five years, ending in 2002, 6 years before the filing of the subject trade mark and 5 years before the start of the relevant proof of use period. Given this, I do not think it necessary to say much more.
- A further agreement with Kappa G.B. Ltd dated 27 April 2000 for an initial term of 3 years (running from 1 January 2000 to 31 December 2002) with the possibility of a three year extension if certain revenue targets were met. It is not clear if the agreement was extended or not. The products covered by the agreement are: "apparel and accessories".

15) The relevant period for the purpose of establishing genuine use is the five year period ending with the date on which the application for invalidation was made, ie: **31 March 2007 to 30 March 2012**. The relevant date for assessing whether the earlier mark(s) have a reputation is the date of filing of the subject trade mark ie: **8 August 2008**. One of the difficulties the applicant has in relying on licence agreements is that whilst the licensor has a licence to use, it does not

always follow that use has been made. Even if the licensor does make use, the extent and breadth of use may not match the extent and breadth of the agreement. The proof of the pudding must, therefore, be in the eating.

16) The turnover figures in the UK (and Ireland) must be borne in mind. They certainly establish what appears to be a reasonably significant trade. Advertising figures are also provided which are similarly significant. Mr Houlihan criticised that Mr Sindico identified them as “estimates”. I think this criticism is unfair. The figures are given with some precision and show year by year fluctuations. I consider it appropriate to take them as read, or close to as read. In relation to the UK/Ireland split, Mr Buehrlen referred to the annual reports that had been put in as evidence which demonstrated a proportion breakdown vastly in favour of the UK. The dates of the annual reports provided are not the most recent, however, it seems improbable that the position will have changed significantly and, when the overall picture painted by the evidence is considered, I consider that the revenue figures provided by Mr Sindico should be taken on the basis that a substantial proportion of the revenue and advertising figures relate to the UK.

17) In terms of Mr Houlihan’s points about the breadth of use, this criticism is more reasonable. Having carefully considered the evidence put forward, there is little to support anything beyond sportswear in the UK. The exhibit that Mr Sindico put forward in relation to the promotion of the mark in the UK (Exhibit DS12) is limited in nature and scope.

18) On the basis of this assessment, whilst the evidence may establish use and reputation more extensively outside of the UK, I find that the KAPPA and KAPPA logo marks have been used and have a reputation in the UK for sportswear only. I note that Mr Houlihan also argued that if a reputation did exist then it may only exist in relation to the word and device mark and not KAPPA per se; I reject this submission, the reputation will extend to both the word alone and to the word combined with the logo.

19) In terms of how this relates to the various earlier marks, the KAPPA logo is covered by UK trade mark 1201512 which covers all types of clothing, so this mark may be relied upon as having been genuinely used and to have a reputation for sportswear. KAPPA alone is covered by various CTMs, one of which (2214070) covers all types of clothing. Even though the issue of the link and damage is to be measured from the perspective of the UK relevant public, the earlier mark still needs to establish genuine use and reputation on an EU basis. I am content to find that the UK use alone would satisfy these requirements, however, when the use in other Member states is also added to the mix, the tests are easily met. As I have said already, the use of the CTMs may have established a wider reputation than just sportswear, however, this would not be a relevant use from the perspective of the UK relevant public so it is unnecessary to go beyond this.

The nature of the KAPPA marks' reputation

20) The nature of the reputation is, of course, an important point to consider when assessing whether any of the heads of damage will arise. Mr Houlihan relied on the evidence of Ms Amsel to this extent, his point being that any reputation was not a good one, thus, how can it be damaged?

21) Ms Amsel states in her evidence that she was instructed to conduct an investigation into:

“Internet, editorial and advertisement searches with a view to locating information relevant to, and commentary on, the KAPPA trade mark in the name of Basic Trade Mark SA, and consumer perceptions of that trade mark.”

22) Ms Amsel conducted a preliminary internet search using a combination of unspecified keywords, but these, apparently, did not reveal any relevant information. Ms Amsel does not explain why this is so. She then moved on to a news database search. The keyword KAPPA was used and forty six headlines were revealed. Nineteen were selected for further examination and the full text of three provided in Exhibit NHA1. No explanation is given as to the content of the other articles, be it of the original forty six or the nineteen that were subsequently reviewed. The articles in NHA1 consist of:

- An article dated 28 September 2011 from The Scotsman which refers to a person attending a jumble sale in Glasgow being likely to come out with a Kappa tracksuit and a summons.
- An article dated 25 August 2011 published by the Greenwire News Agency relating to banned pollutants being found in the clothing of certain labels including Kappa. Other labels mentioned include Adidas, Lacoste, Nike, Converse.
- An article dated 9 February 2011 which, following a question “what has been your biggest fashion mistake”, various readers respond, one of whom states “A Kappa track suit”.

These are all from after the relevant date.

23) Ms Amsel's next news database search was for the term KAPPA TRACK SUITS, but this revealed no headlines so she then searched for KAPPA TRACK. Six headlines were produced and three provided in Exhibit NHA2. There is no explanation as to the content of the other three. The articles in NHA2 consist of:

- An article dated 21 May 2003 from the Western Mail referring to Welsh towns that have been nominated to appear in a “Crap Map”. In relation to

Flint (a town in Wales), one contributor refers to teen mothers in Kappa tracksuits.

- A long article dated 10 March 2001 from the Herald about Melanie Chisholm, a former member of the pop group The Spice Girls. The article remarks that Ms Chisholm has “transformed from the least desirable Spice Girl wearing Kappa track suits and football tops to the only member of the band who did not resemble a caricature of herself”.
- An article dated 1 April 1998 from The Scotsman about brand image amongst children. In this long article, it is stated that “a few months ago identical hordes were sporting gaudy Kappa track suits. Soon, they, too, may be found on the “reduced” racks”.

24) Ms Amsel next moved on to the term KAPPA AND TEENAGER AND FASHION. Seventeen headlines were found, with seven selected for further examination. The details of four of them are provided in Exhibit NHA3:

- An article dated 19 October 2004 from The Scotsman which refers to a number of terms which denote a person of low class. The terms are “CHAVS, scallies, Kevs, Kappa Slappers, bazzas, yarcos and hood rats”. I also note the text “Brands like Burberry, Timberland, Fred Perry, Reebok, Nike are all desirable, but in reality, copies or Kappa are worn with just as much attitude”.
- An article dated 25 March 2000 from the Daily Mail which contains a reference to a Kappa Slapper.
- An article dated 15 May 1999 from The Scotsman which contains a reference to a Kappa Slapper.
- An article dated 13 July 1998 from The Times about teen fashion. It refers to Kappa trainers for the fashion victims, but the big no no is Hi-Tec.

25) Ms Amsel’s next search term was KAPPA AND SHELLSUIT or KAPPA AND SHELLSUITS. Eleven headlines were found, seven articles examined, and two provided in Exhibit NHA4:

- An article dated 23 August 2006 from the Guardian which refers to a person’s mum being glad that she was reading about sexual intercourse rather than being in a bus shelter “doing it with some sallow youth in a Kappa shellsuit”.
- An article dated 16 June 2004 from The Sun. It is about the prospect of slot machines with high upper limits being installed in pubs and a winning

person being followed home by someone looking to keep themselves in Kappa shellsuits for all eternity.

26) Ms Amsel's final news database search was for the terms KAPPA SLAPPER or KAPPA SLAPPA. Thirteen headlines were produced, eight were examined in full and four provided in Exhibit NHA5:

- An article dated 10 December 2008 from the Evening Standard which uses the term Kappa slapper.
- An article dated 3 February 2007 from the Sun which uses the term Kappa slapper.
- An article dated 3 September 2004 from PR Week which refers to Kappa-Slappa culture.
- An article dated 8 February 2000 from the Independent about brand image. It includes the text "One need only look at what happened to the Italian label Robe Di Kappa – it was once a highly-prized sports brand whose logo was the very essence of subtlety, but as of 1995 clothes were pasted with the insignia and the company bombarded the UK market. Soon after, the comic Viz announced the end of the brand's cachet with the invention of a new female character who is called Kappa Slapper".

27) Ms Amsel then turned her attention to the Internet, on which she found three definitions for Kappa Slapper on the website urbandictionary.com. In exhibit NA6-NA9 she exhibits further material about "Kappa Slappers". The references are not complementary. The date of publication is not easy to ascertain. One is from December 2008 (an article published in The Telegraph) and has a similar content to one of the exhibits in NHA5. Another is a reference to the Viz character called Tasha Slappa who started life as Kappa Slapper. Ms Amsel also conducted an advertisement search on which she found some advertisements for Kappa, although they do not add much to the overall picture.

28) Mr Sindico provided reply evidence. He questions the methodology of Ms Amsel which, he describes, as less than impartial. He adds that the number of hits is not high and that in some of the articles other brands such as Nike and Burberry suffer from similar coverage. He explains that the applicant took steps to prevent the use of the name Kappa Slappa in Viz Magazine because it could have been detrimental to the KAPPA brand. The character was renamed as detailed above. He states that well-known trade marks are occasionally used in a disparaging manner, sometimes for comic effect and primarily because they are well-known.

29) I have no doubt that most of the documents exhibited by Ms Amsel use Kappa in some form of derogatory manner. This is particularly so in relation to

those that use the term Kappa Slapper and those that indicate in some way that Kappa sportswear (particularly tracksuits) are worn by those of a lowly class. However, taken as a whole, I agree with Mr Sindico that the numbers are not that great and it would be difficult to come to a firm view that the relevant public generally perceive the Kappa brand in a negative manner. I also agree with Mr Sindico that the methodology of Ms Amsel leaves a lot to be desired. The documents put forward were the result of a substantial filtering process and the reasons why other documents were not examined in detail, or why those that were examined were not filed in evidence, is not explained. The sense one gets is that she is looking for the negative rather than trying to take a rounded view on the nature of Kappa's reputation and the public perception thereof. Mr Sindico has explained the steps the applicant took to prevent Viz from using the name Kappa Slapper in its comic. The temporary use by Viz of the name Kappa Slappa may have been the origin of some of the uses referred to in Ms Amsel's evidence, but the fairly limited number of references is perhaps symptomatic of the steps the applicant took, although there has been some continued use. In short, I am not persuaded by Ms Amsel's evidence that the relevant public generally perceive the Kappa brand in a negative way.

30) Mr Buehrlen referred to the use of the Kappa brand in sports sponsorship, he focused, particularly (although not exclusively), on use in the football field. For example, Kappa has been the kit supplier for a number of well-known football teams. The dates of such sponsorship is not clearly set out, but the breadth of such activity is compelling both in relation to very well known continental teams likely to be known and followed in the UK, and, also, well known English football teams and, also, the Welsh national team. I think a good many people will be aware of Kappa's activity in this regard. Mr Buehrlen referred to a report on the web-site footballranking.com 2005/2006 which identified Kappa as the 3rd most popular sportswear brand. However, it is not clear whether this reflects the perception in the UK. Furthermore, the third place ranking represented 6.41% of the poll which is significantly lower than the top two brands (Nike and Adidas) both of which had over 30%. There is little evidence, in my view, that KAPPA is seen as a luxury or sophisticated brand or that it has a particular reputation for encouraging a healthy lifestyle. Taking the evidence in the round, the view I take is that the relevant public in the UK will view the KAPPA brand as a reasonably well-known sportswear brand that has a focused attention on football related sponsorship. The reputation is no better or no worse than that.

Third party uses of KAPPA

31) In her evidence, Ms Amsel sets out various third party uses of KAPPA as a trade mark or as part of a trade mark. Mr Buehrlen accepted these as a matter of fact. However, what is clear from the evidence is that there is limited use in the UK. The only use that can be sourced to a UK company is the use of KAPPA as the name of a PC tower. The degree to which this is known in the UK is not

detailed. There are also a number of companies registered with Companies House that have the word KAPPA in their names.

The link

32) Having found in paragraph 18 that the KAPPA and KAPPA logo marks have a reputation in the UK in relation to sportswear, I must consider whether the relevant public will make a link between the marks. The marks themselves are either identical (KAPPA v KAPPA) or reasonably similar (KAPPA v KAPPA logo); the latter is reasonably similar on account of KAPPA forming at least an equally dominant element in the earlier mark, an element which is identical to the subject trade mark. The goods are not similar and are, in fact, quite distant. However, the relevant public has a large overlap i.e. the relevant public for the goods of the subject trade mark (tobacco, smokers' articles etc) will form part of the relevant public for sportswear. The mark is highly distinctive from an inherent perspective. I consider that it will be perceived either as an invented word, or as an unknown word of foreign origin; I do not accept Mr Houlihan's submission that the relevant public will know that Kappa is the Greek letter K. I also consider that the reputation of the earlier marks is reasonably strong. I also bear in mind that the only other KAPPA mark (as opposed to company names which may or may not be known) is in the field of PC towers and it is not clear if this mark is particularly well known. Having weighed these factors, I am certain that members of the relevant public (or at least a very significant proportion of them) when viewing the subject trade mark in relation to its goods, will bring the earlier KAPPA and KAPPA logo marks to mind. A link will be made.

The heads of damage

33) There are three potential heads of damage under section 5(3). They are often referred to as: i) free-riding, ii) dilution, and iii) tarnishing. The three kinds of damage were conveniently summarised by the CJEU in Case C-487/07, *L'Oréal v Bellure*, as follows:

"39. As regards detriment to the distinctive character of the mark, also referred to as 'dilution', 'whittling away' or 'blurring', such detriment is caused when that mark's ability to identify the goods or services for which it is registered is weakened, since use of an identical or similar sign by a third party leads to dispersion of the identity and hold upon the public mind of the earlier mark. That is particularly the case when the mark, which at one time aroused immediate association with the goods or services for which it is registered, is no longer capable of doing so (see, to that effect, *Intel Corporation*, paragraph 29).

40. As regards detriment to the repute of the mark, also referred to as 'tarnishment' or 'degradation', such detriment is caused when the goods or services for which the identical or similar sign is used by the third party may be perceived by the public in such a way that the trade mark's power

of attraction is reduced. The likelihood of such detriment may arise in particular from the fact that the goods or services offered by the third party possess a characteristic or a quality which is liable to have a negative impact on the image of the mark.

41. As regards the concept of ‘taking unfair advantage of the distinctive character or the repute of the trade mark’, also referred to as ‘parasitism’ or ‘free-riding’, that concept relates not to the detriment caused to the mark but to the advantage taken by the third party as a result of the use of the identical or similar sign. It 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.”

34) Mr Buehrlen relied on all three forms of damage, but I will begin with the tarnishing argument as this is where most of the argument was made.

Tarnishing

35) In *Red Bull GmbH v Sun Mark Ltd* [2012] EWHC 1929 (Ch) Arnold J stated:

“93 The present state of the law with regard to detriment to the repute of the trade mark is conveniently summarised in Kerly’s Law of Trade Marks and Trade Names (15th edn.) at §9–131 as follows:

“Detrimental effect occurs where the later mark is used for goods or services which provoke a reaction of annoyance or displeasure, whether through their intrinsic nature or because of the unpleasant mental association with the goods for which the earlier mark is reputed: *Ferrero v Kindercare Learning (KINDERCARE/kinder et al)*, Case R-1004/2000, [2005] E.T.M.R. 6 OHIM BoA at para.30. It may also occur when the trade mark applied for is used in an unpleasant, obscene or degrading context, or in a context which is not inherently unpleasant but which process to be incompatible with the earlier trade mark’s image: *Elleni Holding* [2005] E.T.M.R. 51 at para. 43. These cases give rise to the phenomenon of ‘tarnishment’, whereby the reputed mark ceases to convey desirable messages to the public: hence the detriment to its distinctive character.”

36) The nub of the applicant’s argument relates to the negative connotations and impact that it would suffer if KAPPA were to be used on tobacco (and related) products, particularly when one bears in mind the sporting sponsorship the applicant has undertaken and that it is essentially a sportswear brand. One of the best known cases regarding tarnishing stemming from the use of a mark in respect of tobacco products is that of the Boards of Appeal of OHIM in *Hollywood v Souza Cruz* [2002] ETMR 64. The earlier mark was registered in relation to chewing gum. The reputation of the earlier mark was indicated as follows:

“76 This collection of indications corroborating the existence and reputation of the image in question constitutes convincing evidence that an image of health, dynamism and youth is effectively associated with the HOLLYWOOD trade mark by an adequate number of consumers.”

Tarnishing was held to be likely on the following basis:

“95 Therefore the negative connotation conveyed by tobacco contrasts strikingly with the HOLLYWOOD trade mark's image. No worse association can be imagined for a confectionery manufacturer than one with products capable of causing death. Use of the HOLLYWOOD trade mark in correlation with tobacco products would produce a regrettable association with the health risks and other negative feelings just mentioned by the Board of Appeal.

96 This conclusion is not contradicted by the fact that, in the commercial practice of promotional sponsorship, cigarette trade marks are often associated with the world of sport, vitality and *joie de vivre* . One need only think of the Marlboro, Fortuna, Camel, Gauloises and Merit trade marks. The fact that the proprietors of these trade marks have endeavoured to give them an image of sportsmanship, vitality, etc., does not mean that they have succeeded. In particular, this does not prove that, in the country concerned, tobacco is not associated with a negative image, an image which is precisely the opposite of that conveyed by the HOLLYWOOD trade mark. Instead, it illustrates the dual need to circumvent statutory prohibitions on direct advertising of tobacco and to make tobacco products more attractive, in an attempt to overcome a negative image and to reassure consumers.”

37) In his evidence, Mr Sindico provided a number of documents published by the World Health Organisation (“WHO”) relating to the health damaging effects of tobacco products, that sponsorship/advertising increases smoking and, also, the link between sport and tobacco in that tobacco companies have, in the past, used sporting activities and events for promotional purposes with the aim of negating the negative connotations of tobacco products. Restrictions have been placed on tobacco advertising. To that extent, Mr Sindico refers to the WHO’s Framework Convention on Tobacco Control which entered into force in 2005, a convention which the UK is party to. Mr Buehrlen highlighted all this at the hearing. Mr Houlihan, though, cautioned that such documents may be more politically motivated than focusing on the actualities of health and the perception of the relevant public. Whilst I bear this caution in mind, it seems to me a quite obvious fact that tobacco products can seriously damage one’s health and, furthermore, that tobacco product manufactures would wish to negate such an image by associating themselves with activities which are healthier in nature. This is what the WHO was saying and I see no reason to doubt such wisdom. I am also aware that the Tobacco Advertising and Promotion (Brandsharing) Regulations 2004

also exist (and were in force at the relevant date) which include provisions preventing brand sharing, ie the use of brands on non-tobacco goods, where the purpose or effect of such use is to promote a tobacco product.

38) In terms of whether the earlier KAPPA marks' reputation would be tarnished, Mr Houlihan referred to the negative connotations that the earlier marks already had which, he felt, meant that the use of KAPPA in relation to tobacco would not tarnish its reputation. However, given the finding I have already made in relation to this, I do not agree with Mr Houlihan's submission. He also argued that the earlier KAPPA marks had no particular reputation for health, vitality etc and, thus, the facts were not on a par with the *Hollywood* case. Facts of cases are rarely the same. Whilst I agree that the earlier marks do not possess a specific reputation for health/vitality, it does have a reputation as the manufacturer of sportswear. In such circumstances, it seems to me a fairly obvious consequence that a sportswear brand would not wish to have the same name as a tobacco brand due to the negative connotations that stem from smoking. It is effectively a role reversal; tobacco companies may have previously wished to associate themselves with sporting events so as to negate negative connotations – the role reversal is that a link being made by the relevant public between the two brands at the relevant date, in days when there is less ongoing association due to the restrictions on advertising, means that those negative connotations could flow to the sportswear brand. Potential customers may be put off the sportswear brand because of the link made with the tobacco brand. The sportswear brand's reputation is being tarnished due to the link. Mr Buehrlen gave a practical example. He referred to Mr Sindico's evidence³ that the applicant had turned down a request to license KAPPA in relation to electronic cigarettes due to the negative consequences that could flow. The implication that Mr Buehrlen drew was that such use would have impacted upon the reputation of the KAPPA brand in a negative way which would have lessened the applicant's ability to license its mark. This, together with the impact such use would have on the relevant public in terms of making the marks' less attractive to potential customers, ably demonstrates that damage, in a tarnishing sense, flows, together with the economic consequences. I come to the view that tarnishing is made out. I note that the specification of the subject mark includes smokers' articles not just tobacco products – however, such goods are so closely related that the same consequence will flow. I should also add that even if I had been satisfied that the earlier marks' reputation was a negative one, I would still have found tarnishing as even a mark with such a reputation should be protected from further erosion of its repute which may be caused by an injurious association with tobacco products.

³ Paragraph 11 of Mr Sindico's 2nd witness statement.

Due cause

39) Mr Houlihan considered that even if I found against the proprietor, it had a due cause defence based on the adoption of the mark being in good faith and the investment it had made in applying for the mark around the world. In relation to good faith, the evidence of Mr Karelias is, essentially, that the letter K is important to the proprietor as it is the initial letter of the surname of the founder and, also, its primary brand, and that Kappa is the Greek for such a letter. Kappa was thus an obvious choice for a new brand. Mr Buehrlen was somewhat sceptical of this explanation, but, in any event, he disagreed that this should provide a due cause defence. I do not share Mr Buehrlen's scepticism, a plausible explanation has been forward. No counter evidence has been provided nor has Mr Karelia been cross-examined on his evidence. I therefore accept his evidence and come to the view that the mark was adopted in good faith.

40) However, I agree with Mr Buehrlen's submission that the good faith adoption of the mark does not provide a due cause defence. There was no real need for the adoption of that particular mark. It had not previously used that mark before. The due cause defence is, essentially, a balancing act between the interests of the respective parties. By way of example, in the recent judgment of the CJEU in Case C-65/12, *Leidseplein Beheer BV, Hendrikus de Vries v Red Bull GmbH, Red Bull Nederland BV*, it was stated:

“...but to strike a balance between the interests in question by taking account, in the specific context of Article 5(2) of Directive 89/104 and in the light of the enhanced protection enjoyed by that mark, of the interests of the third party using that sign. In so doing, the claim by a third party that there is due cause for using a sign which is similar to a mark with a reputation cannot lead to the recognition, for the benefit of that third party, of the rights connected with a registered mark, but rather obliges the proprietor of the mark with a reputation to tolerate the use of the similar sign.”

41) In circumstances where I have found that the potential use of the mark would tarnish the earlier mark's reputation, innocent adoption does not mean that such use should be tolerated. The fact that the proprietor has invested money in applying for the mark (and others) is no good reason either. The due cause defence is dismissed.

Outcome under section 5(3)

42) **Given my findings in relation to the tarnishing head of damage, the ground of invalidation under section 5(3) succeeds. In relation to the other heads of damage, I consider the applicant would also have been successful.** To briefly explain, it seems to me likely that a least some members of the relevant public for the subject mark's products would, in addition to making the link, believe that the undertakings responsible are connected in some way, or that there is some form of licensing in play. Although broad licensing of the earlier

marks has not been established in the UK, some members of the relevant public will assume that this is the sort of connection that has existed in the past. Whilst members of the relevant public will be aware of the restrictions on advertising of tobacco products, they may not be aware of the brand sharing restrictions and will assume that this is what is happening. The tobacco products will benefit from the marketing that the earlier KAPPA marks has undertaken. In terms of the unfair aspect of unfair advantage, Mr Buehrlen felt that this added nothing material to the question. Whilst I disagree with his assessment, the fact that the sort of relationship that gives rise to the advantage is the sort of relationship that the Tobacco Advertising and Promotion (Brandsharing) Regulations 2004 prohibits (albeit with certain exceptions), this suggests to me that the advantage should be deemed unfair. Further, the fact that some members of the relevant public will assume an economic connection between the marks, leads to an obvious blurring of the distinctiveness of the earlier marks.

SECTION 5(4)

43) Section 5(4)(a) constitutes a ground of invalidation in circumstances where the use of the mark in question 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..”

44) The elements of passing-off (often referred to as the classic trinity) can be summarised as: 1) goodwill, 2) misrepresentation and 3) damage. In *Reckitt & Colman Products Ltd v Borden Inc* [1990] R.P.C.341, Lord Oliver summarised the position thus:

“The law of passing off can be summarised in one short general proposition - no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff...Thirdly he must demonstrate that he suffers, or in a quia timet action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the

defendant's goods or services is the same as the source of those offered by the plaintiff.”

45) The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 at 223 as:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom.”

46) Although the legal tests are different, it seems to me a logical conclusion that if the earlier marks have been genuinely used and have a reputation in the UK in respect of sportswear, then goodwill is also present. Furthermore, my conclusions with regard to free-riding apply here. I have found that the relevant public of the subject trade mark would not only make a link but some would believe an economic connection to be in play. Under passing-off, it is the customers of the applicant that must be considered, but I consider the same outcome to apply. A substantial number of the applicant's customers would believe there to be some form of economic connection and, so, there is likely to be a misrepresentation. In terms of damage, I have already spoken of the damage to reputation – this equally applies here. **Although briefly stated, I find that the claim is also made out under section 5(4)(a) of the Act.**

SECTION 5(2) OF THE ACT

47) Section 5(2)(b) of the Act states that:

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

(a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or

(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.”

48) The CJEU has issued a number of judgments which provide guiding principles relevant to this ground. In *La Chemise Lacoste SA v Baker Street Clothing Ltd* (O/330/10), Mr Geoffrey Hobbs QC, sitting as the Appointed Person, quoted with approval the following summary of the principles which are established by these cases¹:

“(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 earlier marks

49) Three earlier marks were initially relied upon under section 5(2) of the Act, all on the basis that they were registered for goods in class 14. Two of the marks are subject to the proof of use provisions. At the hearing, Mr Buehrlen withdrew the applicant's claims on the basis of those two marks given the difficulties that arose with regard to establishing genuine use for class 14 goods. However, this still leaves one mark which is not subject to the requirement to show genuine use, namely:

Community trade mark ("CTM") registration 6461461 for the mark **ROBE DI KAPPA** which is relied on for the following class 14 goods:

Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; costume jewellery and trinkets; cuff links, tie pins; jewellery boxes of precious metal; cups, medals, badges, purses (of precious metal); key-rings (of precious metal); horological and chronometric instruments, including clocks, watches, wrist watches and parts thereof including watch bands and laces; eyeglass frames of precious metal.

50) The particular class 14 goods which the applicant claims are similar to the proprietor's class 34 goods are smokers articles made from precious metal. Such goods are not specifically listed in the specification, but it is argued that they fall within the ambit of broad terms in the specification.

The average consumer

51) The average consumer is deemed to be reasonably observant and circumspect. However, the degree of care and attention the average consumer uses when selecting goods and services can, of course, vary depending on what is involved. The average consumer of smokers' articles made from precious metal will be a member of the general public, normally one who smokes. Given that the goods are made of precious metal, I consider that the purchasing process is likely to be infrequent and reasonably well considered.

52) The same average consumer is in play in relation to the class 34 goods, but a more normal degree of care and attention is likely to be used, not a heightened one. In relation to smokers articles (such as lighters etc) the goods will normally be selected via self selection and after perusal of the goods themselves, or on websites etc. The visual aspects of the marks are more important from this perspective. However, for tobacco products, purchases are most often made over the counter, so the aural impact of the marks is more important here.

Comparison of goods

53) When making the comparison, all relevant factors relating to the goods in the specifications should be taken into account. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the CJEU stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, *inter alia*, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

54) Guidance on this issue has also come from Jacob J In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281 where the following factors were highlighted as being relevant when making the comparison:

- “(a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

55) In terms of being complementary (one of the factors referred to in *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer*), this relates to close connections or relationships that are important or indispensable for the use of the other. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T- 325/06 it was stated:

“It is true that goods are complementary if there is a close connection between them, in the *sense that one is indispensable or important for the use of the other in such a way that* customers may think that the responsibility for those goods lies with the same undertaking (see, to that

effect, Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 P *Rossi v OHIM* [2006] ECR I-7057; Case T-364/05 *Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL)* [2007] ECR II-757, paragraph 94; and Case T-443/05 *El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños)* [2007] ECR I-0000, paragraph 48).”

56) In relation to complementarity, I also bear in mind the recent guidance given by Mr Daniel Alexander QC, sitting as the Appointed Person, in case B/L O/255/13 *LOVE* where he warned against applying too rigid a test:

“20. In my judgment, the reference to “legal definition” suggests almost that the guidance in *Boston* is providing an alternative quasi-statutory approach to evaluating similarity, which I do not consider to be warranted. It is undoubtedly right to stress the importance of the fact that customers may think that responsibility for the goods lies with the same undertaking. However, it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together. I therefore think that in this respect, the Hearing Officer was taking too rigid an approach to *Boston*.”

57) In relation to understanding what terms used in specifications mean/cover, the case-law informs me that “in construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of the trade”⁴ and that I must also bear in mind that words should be given their natural meaning within the context in which they are used; they cannot be given an unnaturally narrow meaning⁵. I also note the judgment of Mr Justice Floyd in *YouView TV Limited v Total Limited* where he stated:

“..... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IPTRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. *Treat* was decided the way it was because the ordinary and natural, or core, meaning of “dessert sauce” did not include jam, or because the ordinary and natural description of jam was not “a dessert sauce”. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language

⁴ See *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281

⁵ See *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267

unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

58) I accept that the broad terms of the earlier mark include within its ambit smokers’ articles of precious metal. In comparison to the various smokers’ articles (as opposed to tobacco products) in the subject mark’s specification, the purpose is the same, the nature is similar (the difference being the material of construction) and the methods of use are the same. The goods could be purchased through the same trade channel to the same average consumers. I consider the goods to be highly similar. In relation to the comparison with tobacco products, the nature is different as is the exact purpose. The goods could be purchased through the same trade channels (tobacconists etc). There seems to me to be an obvious complementary relationship in the sense described by the case-law. I consider the goods to be reasonably similar. Mr Houlihan’s argument that the applicant clearly has no interest in tobacco products is not relevant – the earlier mark is not subject to proof of use and its specification must be assessed on its plain wording.

Comparison of the marks

59) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The visual, aural and conceptual similarities of the marks must be assessed by reference to their overall impressions, bearing in mind their distinctive and dominant components. The marks to be compared are:

KAPPA v ROBE DI KAPPA

60) In his skeleton argument Mr Houlihan argued that the marks were not similar given that the conceptual meaning of KAPPA (the Greek letter K) would be lost in ROBE DI KAPPA and that the KAPPA element in ROBE DI KAPPA is at the end with no emphasis or impact stemming from it. I have already expressed the view that the average consumer would not be aware that KAPPA is the Greek letter K; in view of this the conceptual assessment is effectively neutral because neither mark has a clear conceptual meaning from the perspective of the average consumer in the UK. From a visual and aural perspective, the fact that KAPPA is at the end of the mark rather than the beginning is just a rule of thumb, although I accept it has a degree of relevance here. I also bear in mind that the ROBE DI KAPPA mark is much longer than KAPPA per se and that KAPPA is not represented as a standalone independent element. Nevertheless, I come to the view that there is still some similarity given the common presence of the word KAPPA. I consider there to be a moderate to reasonable degree of similarity overall.

The distinctiveness of the earlier mark

61) The degree of distinctiveness of the earlier mark(s) must be assessed. This is because the more distinctive the earlier mark(s) (based either on inherent qualities or because of use made), the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24).

62) There is no use of the earlier mark in relation to the goods under discussion. Consequently, the distinctive character of the mark has not been enhanced in relation to such goods. However, from an inherent perspective, the mark will be perceived either as an invented word, or as an unknown word of foreign origin. In such circumstances I consider the degree of distinctiveness to be reasonably high.

Likelihood of confusion

63) The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.

64) I accept that there is no likelihood of the marks being directly confused. Even bearing in mind the concept of imperfect recollection, the marks are sufficiently different that the average consumer will not directly mistake one mark for the other. However, confusion can be indirect in the sense that the average consumer will put the similarities between the respective marks/goods down to the responsible undertakings being the same or being economically related. To that extent, it seems to me that the unusualness of the word KAPPA, even when used in the longer mark ROBE DI KAPPA, will indicate to the average consumer that a brand variation is in play in relation to the similar goods involved. **There is a likelihood of confusion and the opposition also succeeds under section 5(2)(b).**

COSTS

65) In relation to costs, one point should be borne in mind in relation to the proceedings and how they developed. The applicant requested summary judgment on the basis, essentially, of a claimed estoppel arising from the same dispute having already been determined in an OHIM opposition. I held a case management conference refusing summary judgment; I considered that the case-law was clear in that an estoppel did not arise and, furthermore, the perspective of the UK relevant public was particularly important in this case. The applicant requested leave to appeal this decision on an interim basis, a request I also

refused. Mr Buehrlen felt this was a factor that should in some way be reflected in costs as the applicant has been put to the trouble of dealing with a full set of proceedings in which, as I have now found, they were successful. Mr Houlihan disputed that this should be counted against them in circumstances where summary judgment had been refused.

66) I have already held that summary judgment was not applicable so I do not consider it right to penalize the proprietor for the fact that a full set of proceedings was needed. In fact, the failed request for summary judgment and that a case-management conference took place to resolve this issue, is something that should count against the applicant. In this regard, costs of £200 in favour of the proprietor is appropriate. However, that sum is to be deducted from the award I consider it appropriate to make in favour of the applicant, as detailed below. My assessment is as follows:

Official fee - £200

Preparing a statement and considering the other side's statement - £300

Considering and filing evidence⁶ - £800

Attending the hearing - £600

Deduction for summary judgment CMC – minus £200

Total - £1700

67) Karelia Tobacco Company, Inc is hereby ordered to pay Basic Trademark SA the sum of £1700. This should 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 2nd day of May 2014

**Oliver Morris,
For the Registrar,
The Comptroller-General**

⁶ Although voluminous, a large amount was evidence from other proceedings or simply copies of annual reports.

ANNEX OF EARLIER MARKS

i) Community trade mark ("CTM") registration 6461461 for the mark **ROBE DI KAPPA** which was filed on 26 November 2007 and which completed its registration process on 8 September 2008. Under section 5(2)(b) the applicant relies only on its class 14 goods, namely:

Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; costume jewellery and trinkets; cuff links, tie pins; jewellery boxes of precious metal; cups, medals, badges, purses (of precious metal); key-rings (of precious metal); horological and chronometric instruments, including clocks, watches, wrist watches and parts thereof including watch bands and laces; eyeglass frames of precious metal.

The earlier mark is not subject to the use conditions set out in section 6A of the Act given that it completed its registration process within (and not before) the five year period ending on the date on which the application for invalidity was filed.

Under section 5(3) the mark is relied upon for the following class 28 goods:

Gymnastic and sporting goods and equipment, namely balls for games, namely footballs, soccer balls, basketballs, volley balls, tennis balls, golf balls, hockey balls and pucks, baseballs and rugby balls; bladders of balls for games; sporting accessories, namely football goals, soccer goals, volleyball nets and volleyball court lines, tape for making volleyball court lines, tennis nets and tennis court lines, tape for making tennis court lines, hockey accessories, namely hockey sticks, shin pads for hockey, rugby field accessories, namely rugby goals, swimming pool accessories, namely, inflatable float mattresses for recreational use, rings and tubes, racing lanes; body boards, protective padding for playing football, soccer, hockey, baseball and rugby, namely, body guards, hand guards, elbow guards, knee guards, shin guards all for athletic use; gloves for games, namely football gloves, goalkeepers' gloves, hockey gloves, baseball gloves, rugby gloves and golf gloves; bats; golf clubs, golf putter, golf putter holder, golf club heads, golf club head covers, golf shaft, golf grips, tees, golf and tennis ball retrievers, golf ball markers, tennis rackets, tennis racket strings, tennis ball baskets; roller skates, ice skates, inline roller skates, swimming flippers, stand alone video game machines, hand held units for playing videogames; arcade games, stand alone audio output game machines, dice, bowling nine pins

The applicant states that it has a reputation for such goods

ii) CTM registration 2214070 for the mark:



which was filed on 11 May 2001 and which completed its registration process on 14 May 2002. Under section 5(2)(b) the applicant relies only on its class 14 goods, namely:

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

Given the date on which this earlier mark completed its registration process, it is subject to the proof of use provisions. The applicant made a statement of use to the effect that the mark has been used on the goods relied upon.

Under section 5(3) the applicant relies upon all of the goods for which its mark is registered, so in addition to class 14 this represents:

Class 25: Clothing, footwear, headgear.

Class 41: Education; training; entertainment; sporting and cultural activities.

The mark is claimed to have a reputation for all its goods and has been used accordingly.

iii) CTM registration 4951737 for the mark **KAPPA** which was filed on 10 March 2006 and which completed its registration process on 5 February 2007. Under section 5(2)(a) & 5(3) the applicant relies on all of the class 14 goods for which the mark is registered, namely:

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

The applicant states that it has a reputation for such goods. Given the date on which this earlier mark completed its registration process, it is subject to the proof of use provisions. The applicant made a statement of use to the effect that the mark has been used on the goods relied upon.

iv) UK registration 1201512 for the mark:



which was filed on 11 August 1983 and which completed its registration process on 30 December 1988. The mark is registered in respect of “articles of clothing” in class 25. Under section 5(3) the applicant states that it has a reputation for such goods. Given the date on which this earlier mark completed its registration process, it is subject to the proof of use provisions. The applicant made a statement of use to the effect that the mark has been used on the goods relied upon.

v) UK registration 1211757 for the mark:



which was filed on 30 January 1984 and which completed its registration process on xxxxxx. Under section 5(3) the mark is relied on only in relation to “sporting articles (other than clothing)” in class 28. The applicant states that it has a reputation for such goods. Given the date on which this earlier mark completed its registration process, it is subject to the proof of use provisions. The applicant made a statement of use to the effect that the mark has been used on the goods relied upon.

vi) UK registration 2112785 for the mark:



which was filed on 14 October 1997 and which completed its registration process on 5 December 1997. Under section 5(3) the applicant relies only on the following goods of the registration:

Class 9: Eye glasses, sun glasses, lens and frames therefor, goggles, spectacle cases.

Class 18: Bags, sporting bags, rucksacks.

Class 25: Articles of clothing and sportswear, jackets, winter jackets, wind jackets, sweaters, vests, cardigans, sweat shirts, shirts, polo shirts, t-shirts, trousers, pants, dresses, gowns, shorts and underwear, bath robes, gloves, hats and caps, head bands, wrist bands, belts, ties, training and track suits; shoes, boots, sandals, slippers, sporting shoes and footwear

The applicant states that it has a reputation for such goods. Given the date on which this earlier mark completed its registration process, it is subject to the proof of use provisions. The applicant made a statement of use to the effect that the mark has been used on the goods relied upon.

vii) UK registration 2154442B for the mark:



which was filed on 24 December 1997 and which completed its registration process on 30 July 1999. Under section 5(3) the applicant relies only on all of the class 24 goods of the registration:

Textiles and textile articles; bed and table covers; knitted labels; woven labels; labels

The applicant states that it has a reputation for such goods. Given the date on which this earlier mark completed its registration process, it is subject to the proof of use provisions. The applicant made a statement of use to the effect that the mark has been used on the goods relied upon.

viii) CTM 5874995 for the mark **KAPPA** which was filed on 4 May 2007 and which completed its registration process on 4 February 2008. Under section 5(3) the applicant relies on all of the goods and services for which the mark is registered:

Class 24: Textiles and textile goods, not included in other classes; bed and table covers.

Class 35: Advertising; business management; business administration; office functions; theme shops, for the sale of clothing, footwear and headgear, spectacles, sporting articles, bags, luggage and leather goods, perfumery and cosmetics, jewellery, costume jewellery, horological and chronometric instruments; marketing and promotion relating to the sale of clothing, footwear and headgear, spectacles, sporting articles, bags, luggage and leather goods, perfumery and cosmetics, jewellery, costume jewellery, horological and chronometric instruments; management of shops, shopping centres and

department stores; management of franchising contracts; business management and organisation consultancy for others regarding the management of shops and other premises or establishments for the sale of clothing, footwear and headgear, spectacles, sporting articles, bags, luggage and leather goods, perfumery and cosmetics, jewellery, costume jewellery, horological and chronometric instruments; consultancy and assistance for others in relation to the design, construction planning, opening and management of shops and other premises or establishments for the sale of clothing, footwear and headgear, spectacles, sporting articles, bags, luggage and leather goods, perfumery and cosmetics, jewellery, costume jewellery, horological and chronometric instruments.

Class 41: Education; providing of training; entertainment; sporting and cultural activities.

The applicant states that it has a reputation for such goods and services. The earlier mark is not subject to the use conditions set out in section 6A of the Act given that it completed its registration process within (and not before) the five year period ending on the date on which the application for invalidity was filed.

ix) CTM registration 3137395 for the mark **KAPPA** which was filed on 17 April 2003 and which completed its registration process on 2 December 2004. Given the date on which this earlier mark completed its registration process, it is subject to the proof of use provisions. Under section 5(3) the applicant relies on the following goods of the registration, goods for which it also claims use and reputation:

Class 9: Eyewear; eye glasses, sunglasses, spectacles and frames, goggles

Class 18: Leather and imitations of leather, and goods made of these materials not included in other classes, namely, bags and sports bags

Class 25: Clothing, with the exclusion of women's cloaks, women's coats, military coats, priests' gowns, priests' robes; footwear, headgear.

Class 28: Games and playthings; gymnastic and sporting articles not included in other classes; decorations for Christmas trees

x) International registration ("IR") 871998 for the mark **ROBE DI KAPPA** which designated the EU for protection on 21 June 2005 with protection being conferred on 6 December 2006. Under section 5(3) this mark is relied upon in relation to:

Class 9: Eyeglasses, sunglasses, spectacles, frames and goggles

Class 18: Travelling bags and travelling sets (leather); bags and bags for travel for sports clothing; duffel bags; handbags; knapsacks; rucksacks; schoolbags; shoulder bags; suitcases; briefcases; multifunctional sport bags, not included in

other classes; purses, including pouches (for packaging); draw string pouches and pouches made of leather; wallets; umbrellas and parasols.

Class 25: Clothing, including sports wear, swim wear, underwear and so-called "loungewear"; sports uniforms, jerseys, pants, trousers, jeans, shorts, clothing sets with shorts (so-called "short sets"), jackets, wind jackets, overalls, coats, overcoats, raincoats, hosiery, sweaters, cardigans; "tops and bottoms" of fleece and polar fleece (clothing); training and track suits (clothing); shirts, woven shirts, sweat shirts, polo shirts, t-shirts; tank tops, tops, "cut and sew" tops (clothing); dresses, skirts and gowns; socks; robes; bands, namely head bands, neck bands and wrist bands (clothing); scarves; gloves (clothing); headwear, namely hats, caps and head bands; belts (waist bands) and ties; footwear, namely shoes, boots, so-called "chaps", sandals and slippers, as well as sport and athletic shoes (not included in other classes).

Given the date on which this earlier mark completed its registration process, it is subject to the proof of use provisions. The opponent claims that this mark has a reputation for the above goods and that it has been used accordingly.

ⁱ The leading judgments are: *Sabel BV v. Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* [1999] R.P.C. 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, *Case C-3/03 Matrazen Concord GmbH v GmbGv Office for Harmonisation in the Internal Market* [2004] ECR I-3657 *Medion AG V Thomson multimedia Sales Germany & Austria GmbH* (Case C-120/04) and *Shaker di L. Laudato & Co. Sas* (C-334/05).