

O/134/21

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION
NO. 3349685 BY
CANAI TECHNOLOGY CO., LTD
TO REGISTER:

CANAI佳菜

AS A TRADE MARK IN CLASS 25

AND

OPPOSITION THERETO
UNDER NO. 415967
BY
CANALI IRELAND LIMITED

BACKGROUND AND PLEADINGS

1. CANAI TECHNOLOGY CO., LTD. (“the applicant”), applied to register the (figurative) trade mark shown on the front page of this decision in the United Kingdom on 31 October 2018. It was accepted and published in the Trade Marks Journal on 11 January 2019 in respect of the following goods:

Class 25: *Clothing; underwear; underpants; clothing for gymnastics; shoes; gloves [clothing]; neckties; belts [clothing]; bodices [lingerie]; corselets; teddies [underclothing]; combinations [clothing]; corsets [underclothing]; cyclists' clothing; sleep masks; scarves; wimples; hats; hosiery.*

2. Canali Ireland Limited (“the opponent”) opposes the application on the basis of Section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opposition concerns all of the applicant’s goods in Class 25.
3. The opponent is the proprietor of the European Union Trade Mark (EUTM)¹ registration 3414521 for the word:

CANALI

4. The mark was filed on 27 October 2003 and registered on 22 February 2005 for various goods in Classes 3, 6, 9, 14, 18, 24, 25 and 42. However, for the purpose of this opposition, the opponent only relies on some goods as covered by its Class 25 registration.
5. In its notice of opposition, the opponent made a statement of use in respect of its earlier mark, as it had been registered for five years or more on the

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

date on which the contested application was filed (Section 6A of the Act refers). It also claims that the marks in question are visually and phonetically highly similar, describing that the Chinese characters in the applied for mark are non-verbal elements, which do not constitute a word for the relevant public. The opponent asserts that the word “CANAI” of the applied for mark is “identical to the earlier right save for the letter ‘L’”. It also contends that the contested goods covered by the applicant’s specification are identical and that “the small differences in the signs are of lesser significance than if the goods were just similar and compensate for these differences.” Therefore, registration of the contested mark should be refused under Section 5(2)(b) of the Act.

6. In response, the applicant filed a defence and counterstatement, denying all the ground and putting the opponent to proof of use of its mark for all the goods relied upon. The applicant has provided detailed arguments as to why the marks are different, which I have read and shall bear in mind. First, the applicant states that its mark is unique, and the marks at issue are different based on their length, pronunciation, and meaning. Second, the applicant claims that various components of its mark, which I will not detail here, are distinctive and dominant, thereby contributing to the overall impression. Third, the applicant asserts that “the impression of the marks on the whole are noticeably different and unlikely to result in source confusion”. Fourth, the applicant claims that the respective marks “are named after company names” and “customers are likely to associate and recognize the mark with the company name when seeing one.” Therefore, the applicant asks that its application for its figurative mark is registered. The applicant also put the opponent to proof of use in relation to the mark it relies upon.
7. Both parties filed evidence in these proceedings. This will be summarised to the extent that I consider necessary.

8. Neither side filed written submissions nor requested a hearing. Thus, this decision has been taken following a careful consideration of the papers.
9. In these proceedings, the opponent is represented by CAM Trade Marks & IP Services, and the applicant is represented by Bayer & Norton Business Consultant Ltd.
10. Although the UK has left the EU, Section 6(3)(a) of the European (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case law of EU courts.

Relevant Dates

11. An “earlier trade mark” is defined in Section 6(1) of the Act:

“In this Act an ‘earlier trade mark’ means –

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.

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.”

12. As the earlier mark relied upon had been registered for more than five years on the date on which the contested application was filed, Section 6A of the Act applies, which states:

“(1) This Section applies where

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within Section 6(1)(a), (b) or (ba) in relation to which the conditions set out in Section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the relevant period.

(1A) In this Section “the relevant period” means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

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

(3) The use conditions are met if –

(a) within the relevant period the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

(a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered

(regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

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

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

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

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

13. In accordance with Section 6(1) of the Act, the opponent’s trade mark clearly qualifies as an earlier mark. The relevant period for proof of use of the opponent’s mark is 1 November 2013 to 31 October 2018. The relevant date for the assessment of likelihood of confusion as per Section 5(2)(b) is the date on which the contested application was filed, namely 31 October 2018.

EVIDENCE

Opponent's Evidence

14. The opponent filed a witness statement, dated 28 July 2020, of Mr Roman Cholij, Head of CAM Trade Marks & IP Services, since 10 April 2007. Mr Cholij describes that:

“Established in 1934, CANALI is a family-run company producing clothing, footwear and accessories, now in its third generation. It is a modern-day design and manufacturing group with its own production centres all located in Italy with more than 1,600 employees worldwide. In addition to its 180 boutiques, the brand can also be found in over 1,000 retail stores in more than 100 countries across the globe.”

15. With Exhibit RC1, Mr Cholij provides webpage screenshots, having only a webpage copyright date of 2020, from the website *canali.com* showing the “ABOUT US” and “TERMS OF USE FOR THE WEBSITE www.canali.com” sections. The former section contains information about the company itself, and the latter contains information regarding the website’s ownership and operation, publication and modification, content, Intellectual Property, registration and personal account, the products, use of the website and of the services, and content and link to third-party websites. Also, Exhibit RC1 contains a screenshot, dated 28 July 2020, from *bloomberg.com* showing the opponent’s involvement in the financial sector.

16. Further, Mr Cholij explains that:

“The Group Head office is CANALI S.P.A. UNIPERSONALE located at Via Lombardia 17/1920845 – SOVICO (MB) – ITALY. The Intellectual Property of the Group, including its trade marks, is owned *by its fully owned subsidiary* CANALI IRELAND LTD (“the Opponent”), with headquarters in Dublin, Ireland, and administrative offices and

fiscal residence in via Lombardia 17 – 20845 Sovico MB – Italy – VAT Code No. IT 07916460962.”² (emphasis added)

17. It is clear from Section 6A(3)(a) of the Act that genuine use must be made by “[...] the proprietor or with his consent [...]”. It is also clear from the evidence that the use presented has been made not by the proprietor, but by two related companies, the Group Head Office CANALI S.P.A. UNIPERSONALE (“the Head Office”) and CANALI RETAIL UK LTD (“Canali UK”)³. Whilst the witness makes no specific reference to consent, consent may be inferred, in certain circumstances, from the facts and circumstances of the case.⁴ In the present case, the opponent is a fully owned subsidiary of the Head Office. The opponent appears to be the vehicle through which the Head Office’s trade marks are owned, with Canali UK being a UK wing of that business. Therefore, it can be inferred from the facts of this case that the opponent consented to the use of the registered mark by the Head Office and CANALI RETAIL UK LTD.
18. Mr Cholij’s Exhibit RC2 consists of webpage screenshots, dated 31 January 2018, from the Italian website *canali.it* (owned and operated by the Head Office),⁵ illustrating men’s clothing, footwear and bags. However, I note that there are three screenshots, bearing only a webpage copyright date of 2018 at the bottom of the page. Also, screenshots, dated December 2014, and January and March 2018, from Google Street View showing the opponent’s storefront in the UK (London), are exhibited. An undated screenshot from Google Maps, offering details about the Canali Boutique in London, is provided. Additionally, Mr Cholij refers to the

² See Exhibit RC1 and paragraph 1 of the witness statement.

³ See Exhibit RC4.

⁴ See in this regard *Makro Zelfbedieningsgroothandel CV and others v Diesel SpA*, Case C-324/08, para 35.

⁵ The screenshots were obtained via the Internet Archive, the Wayback Machine.

opponent's stores across Europe providing screenshots, dated 08 May 2016, from the opponent's website *canali.com*.⁶

19. Nine invoices, dated between 2014 and 2018, are provided as Exhibit RC3. The invoices show sales of lined suits, overcoats, lined jackets, shirts, casual shirts, jersey woven polo shirts, knitwear, handkerchiefs, ties, belts, outerwear, trousers, and shoes. The invoices were sent from the Head Office to Brummells Limited based in Jersey; Moss Bros Distribution Centre Bond, Canali Retail UK Ltd - London, Anchor & Hope Lane – Charlton Net-A-Porter, and The Flannels Group Limited, all based in London. The “CANALI” mark is clearly demonstrated on the top left corner of the invoices. The invoices contain a list of items detailing the various codes, fabrics/compositions, models, colours, sizes, quantities and prices of the goods.

20. Mr Cholij provides extracts of the Financial statements, dated 31 December 2015, of CANALI RETAIL UK LTD with Exhibit RC4. In that, it is stated that “[t]he principal activity of the company during the year has continued to be that of men's designer fashion wear and accessories retailer”, and an increase of turnover from £7,058,777 in 2014 to £ 7,377,582 in 2015 is detailed. The Financial statement concludes that “[t]he whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.”

21. Mr Cholij then states that there has been a significant investment in relation to the promotion of the opponent's brand, predominantly in prominent newspapers and magazines. Mr Cholij evidences a set of spreadsheets between 2014 and 2018. While the provided spreadsheets are in Italian, they do show that they relate to the promotion of the brand in the UK, including the Financial Times Worldwide, the Telegraph Magazine UK, GQ

⁶ Ibid.

UK, and others. Mr Cholij also submitted the following breakdown of the Head Office summarising the annual expenditure between 2014 and 2018 for UK advertising:

Year	Amount in Euros
2014	494,969
2015	575,604
2016	680,932
2017	429,639
2018 (until September)	350,349

22. Mr Cholij encloses various copies of advertisements from the Financial Times, GQ Magazine, Esquire, and Arena Homme with Exhibits RC6, RC7, RC8, and RC9, respectively.⁷ I will not detail these, but I do note that they are dated within the relevant period. The advertisements relate to men’s products such as suits, blazers, shirts, trousers, overcoats, turtlenecks, suede and bomber jackets, padded field jackets, shorts, t-shirts, men’s shoes, in particular formal shoes, sneakers, and boots; leather handbags and scarfs – they all demonstrate the “CANALI” branding throughout.

Applicant’s Evidence

23. The applicant filed a witness statement, dated 29 September 2020, of Xiong Yinhe, who has been the Chief Executive Officer of the applicant since May 2014. Xiong Yinhe states that the company was founded in 2010 and specialises in the health sector, producing underclothing with spectrum technology.
24. A set of screenshots from the applicant’s website, dated 29 September 2020, are provided with Exhibit XY-01. These demonstrate a combination

⁷ Exhibits RC6-RC8 are also accompanied by circulation figures.

of the applicant's goods, such as a women's short sleeve or sleeveless girdle together with tummy pants and a men's girdle together with pants. Also, Xiong Yinhe states that:

"[...] the Applicant has always adhered to technological innovation and insist on contributing to the rise of the international brands with high-quality products and services. [sic] The Applicant establishes foothold in the Asia-Pacific region, its business covers more than 20 countries and regions around the world, including Malaysia, Indonesia, Singapore, South Korea, Japan, Australia, France, United States, Canada etc." [sic]

25. In paragraph 7 of the witness statement, Xiong Yinhe explains the transliteration of the Chinese characters found in the applicant's trade mark. However, I will return to this point later in the decision.
26. Xiong Yinhe sets out the applicant's efforts to expand internationally as well as use of the applied for mark in the UK for the relevant applied for goods. In this regard, screenshots from primarily the applicant's international websites, namely *canaime.com*, *canai-international.com*, and *elevation.com.sg*, are provided with Exhibit XY-02. I note that the screenshots are undated apart from those on pages 11-13, dated 28 September 2020. A number of goods are demonstrated, including women's girdles and tummy pants of different types, bras, and socks; men's girdles, t-shirts, polo long sleeve t-shirt, underwear; and accessories such as scarves, massage eyeshades, slimming oversleeves, and sedative nightcaps.
27. An invoice, dated 28 September 2016, is provided with Exhibit XY-03, concerning the sale of the applicant's products in the UK. The invoice was sent from the applicant to Norseman Trading Ltd, based in London. The invoice clearly demonstrates sales of products under the applied for mark.

28. Five sales contracts from 2016 and 2020 are provided with Exhibit XY-04. I will not detail these here, but I note that they are all between the applicant and UK-based parties, and they contain the applicant's products under the applicant's mark.
29. Xiong Yinhe states the applicant has two EU trade mark registrations, namely 017953173 and 017953174, for various goods in Class 25, providing the relevant EUIPO certificates of registration with Exhibit XY-05.
30. That concludes my summary of the evidence filed insofar as I consider it necessary.

DECISION

Proof of Use

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

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

and Designs) [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

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

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

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

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

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

Silberquelle at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

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

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

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

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

32. The onus is on the proprietor of the earlier mark to show use. This is in accordance with Section 100 of the Act, which states:

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

33. As the earlier mark is an EUTM, the opponent must show use in the EU. In *C-149/11 Leno Merken BV v Hagelkruis Beheer BV* [2012], at paragraph 36, the CJEU noted that:

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

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

Form of the Mark

35. In some circumstances, the earlier mark is used in the same format as registered, such as in captions and labels of the advertised items provided

with the opponent's evidence.⁸ Clearly, this will be use upon which the opponent may rely. Throughout its evidence, though, the opponent has used its mark in more than one way. I have reproduced below an example of how the mark is used in the evidence (Exhibit RC7):



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

“31. It is true that the ‘use’ through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas ‘genuine use’, within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, ‘use’ within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish ‘use’ within the meaning of Article 15(1) for the purpose of preserving the rights of the proprietor of the registered trade mark.”

32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestlé*, the ‘use’ of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

⁸ For example, see Exhibit RC8.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

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

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

37. *Castellblanch SA v OHIM, Champagne Louis Roederer SA* [2006] ETMR 61 (General Court) is an acceptable example of a registered mark being used in conjunction with another mark.

38. Although the earlier mark “CANALI” is registered as a word mark, the evidence shows use as a composite mark, consisting of a device, the word mark, and numerals. In my view, the mark as registered, while fully incorporated in the composite mark, retains its independent use as an

indicator of origin.⁹ The mark as registered appears in the evidence predominantly in white or black Serif font, which should be regarded as an expression of the registered word mark in normal and fair use.¹⁰ Consequently, I find that the form of use set out above may also be taken into account.

Sufficient use

39. An assessment of genuine use is a global assessment, which includes looking at the evidential picture as a whole, not whether each individual piece of evidence shows use by itself.
40. As indicated in the case law cited above, use does not need to be quantitatively significant to be genuine. The assessment must take into account a number of factors in order to ascertain whether there has been real commercial exploitation of the mark which can be regarded as “warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark”.
41. The opponent provided the UK turnover figures only for part of the relevant period, namely between 2014 and 2015, which are in excess of £7 million.¹¹ The evidence also includes a number of invoices issued within the relevant period for the sale of a variety of clothing and footwear to distributors in the UK.¹² However, I note that the registered mark “CANALI” is demonstrated at the top of each invoice with no indication of the registered mark next to the items listed. Despite this, from the totality of the evidence, it is clear that the goods it supplies are CANALI branded and not goods sold under other brand names. Evidence is also provided of

⁹ Pertaining to the *Colloseum* principles.

¹⁰ See *Dreamersclub Ltd v KTS Group Ltd*, BL O/091/19.

¹¹ See Exhibit RC4.

¹² See Exhibit RC3

retail stores in London, Liverpool, Manchester, Nottingham, Leeds, Cardiff, Birmingham and across Europe, including Belgium, Bulgaria, Denmark, Finland, France, Germany, Greece, Republic of Ireland, Italy, the Netherlands, Portugal, Romania, Spain, and Portugal, and that these were operating during the relevant period.¹³ Whilst there is no specific evidence as to whether the goods sold in the above retail stores feature the CANALI mark, from the totality of the evidence, including the comments of the witness, I am prepared to accept that they are.

42. There is also the evidence of marketing expenditure to consider, which surpasses €2,5 million in the relevant period and is in the form of spreadsheets.¹⁴ Even though the supporting documents are in Italian and the currency is in Euros, I am of the view that the content is self-evident and does not necessarily require translation or currency conversion. Some actual examples of the resulting promotional activity can be seen by way of advertisements in various popular UK press and magazines and catalogues, such as Financial Times, GQ British, Esquire, etc.¹⁵
43. Although the evidence could have been better in some respects, I am satisfied overall that the opponent's use represents genuine use of its mark in the relevant period and that it does so in the EU despite most of the evidence relating to the UK.

Fair specification

44. I must now consider what a fair specification would be for the use shown.

¹³ See Exhibit RC2.

¹⁴ See Exhibit RC5.

¹⁵ See Exhibits RC6-9.

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

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

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

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

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

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

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

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

47. The goods at issue are “*clothing, footwear, headgear*” in Class 25, and these are the goods for which the opponent made a statement of use. Neither the opponent nor the applicant has commented upon the specific goods they believe the earlier mark has, or has not, been used, nor what a fair specification should be.
48. Earlier in this decision, I identified the types of goods for which the mark has been used, including suits, blazers, shirts, trousers, overcoats, turtlenecks, suede and bomber jackets, padded field jackets, shorts, t-shirts, formal shoes, sneakers, boots, leather handbags and scarfs. The goods are all items of men’s outerwear and types of footwear. There is no evidence in relation to “*headgear*”. I consider that the average consumer

would describe the use as “*men’s outerwear and footwear*”. Whilst this is a fairly broad term, the breadth of use justifies this, and it would not be the case that the average consumer would attempt to sub-categorise the goods further. Consequently, I consider a fair specification to be:

Class 25: *men’s outerwear and footwear.*

Section 5(2)(b)

49. Section 5(2)(b) of the Act states:

“A trade mark shall not be registered if because-

[...]

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

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark”.

50. The principles, considered in this opposition, stem from the decisions of the European Courts in *SABEL BV v Puma AG* (Case C-251/95), *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* (Case C-39/97), *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* (Case C-342/97), *Marca Mode CV v Adidas AG & Adidas Benelux BV* (Case C-425/98), *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (Case C-3/03), *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* (Case C-120/04), *Shaker di L. Laudato & C. Sas v OHIM* (Case C-334/05 P) and *Bimbo SA v OHIM* (Case C-519/12 P):

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

- b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;
- c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;
- e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;
- f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
- g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;
- h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

- i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
- j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;
- k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

COMPARISON OF GOODS

51. When making the comparison, all relevant factors relating to the goods in the specifications should be taken into account. In *Canon Kabushiki Kaisha*, the Court of Justice of the European Union (CJEU) stated that:

“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 complementary.”¹⁶

52. Guidance on this issue was also given by Jacob J (as he then was) in *British Sugar Plc v James Robertson & Sons Limited (“Treat”)* [1996] RPC 281. At [296], he identified the following relevant factors:

“(a) The respective uses of the respective goods or services;

¹⁶ Paragraph 23.

- (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.”

53. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU held that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods or services. The General Court clarified the meaning of “complementary” goods or services in *Boston Scientific Ltd v OHIM*, Case T-325/06, at paragraph 82:

“...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.”

54. The General Court confirmed in *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, paragraph 29, that, even if goods or services are not worded identically, they can still be considered identical if one term falls within the scope of another, or vice versa:

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

55. In *Sky v Skykick* [2020] EWHC 990 (Ch), Lord Justice Arnold considered the validity of trade marks registered for, amongst many other things, the general term ‘computer software’. In the course of his judgment he set out the following summary of the correct approach to interpreting broad and/or vague terms:

“[...] the applicable principles of interpretation are as follows:

(1) General terms are to be interpreted as covering the goods or services clearly covered by the literal meaning of the terms, and not other goods or services.

(2) In the case of services, the terms used should not be interpreted widely, but confined to the core of the possible meanings attributable to the terms.

(3) An unclear or imprecise term should be narrowly interpreted as extending only to such goods or services as it clearly covers.

(4) A term which cannot be interpreted is to be disregarded.”

56. In *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch), paragraph 12, Floyd J (as he then was) gave the following guidance on construing the words used in specifications:

“[...] 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) (IP TRANSLATOR)* [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 unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

57. As the earlier mark has been subject to a fair specification, the competing goods to be compared are shown in the following table:

Opponent’s Goods	Applicant’s Goods
<p><u>Class 25</u> <i>Men’s outerwear and footwear.</i></p>	<p><u>Class 25</u> <i>Clothing; underwear; underpants; clothing for gymnastics; shoes; gloves [clothing]; neckties; belts [clothing]; bodices [lingerie]; corselets; teddies [underclothing]; combinations [clothing]; corsets [underclothing]; cyclists’ clothing; sleep masks; scarves; wimples; hats; hosiery.</i></p>

58. In the notice of opposition, the opponent states that the goods are identical, although this was before the application of the above fair specification. The applicant did not comment on the similarity/identity of the goods in its counterstatement.
59. Applying the principles laid down in the case law, as delineated above, and in particular taking into account the *Meric* principle, the contested goods “clothing” and “shoes” cover the opponent’s goods “men’s outerwear and footwear”. The applicant’s goods can fairly be taken to include, within their

ambit, a broad range of goods in Class 25. Therefore, they are identical or else highly similar due to overlap in trade channels, use, user, method of use and nature. Even if the applied for goods were limited to women's items, the goods would still be highly similar as there would be many equivalent products with the same nature, purpose, and similar trade channels.

60. Further, the applicant's "*gloves [clothing]; neckties; belts [clothing]; scarves; sleep masks*" goods would be included within the opponent's term "*men's outerwear*". Thus, they must be regarded as identical based on the principle outlined in the *Meric* as set out above.
61. The contested term "*underwear*", as a broad category, includes goods that are worn under outer garments. This also includes goods, such as vests and underwear type t-shirts, which share similar characteristics to items such as t-shirts covered by the earlier mark's specification. They are similar in nature and purpose, and they are often found in the same retail outlets in reasonably close proximity. Therefore, I find that there is a medium degree of similarity between the respective goods.
62. As for the contested "*underpants*", these are considered to be goods related to male undergarments. The users are the same as the opponent's goods. The nature and general purpose (to clothe) of the respective goods have some similarities, as does the method of use. This applies in particular to the extent that the earlier mark's goods cover garments for clothing for the lower part of the body, such as shorts. That said, there are clearly some differences, and I consider the degree of similarity to be between low and medium.
63. In relation to the applicant's terms "*bodices [lingerie]; corselets; teddies [underclothing]; combinations [clothing]; corsets [underclothing]; hosiery*", these can be considered to be aiming predominately at females. Whilst it could be argued that in comparison to "*men's outerwear*", the goods

coincide partially in nature, intended purpose, and method of use, such arguments are very superficial when the exact nature of the respective garments is considered. Further, even if such goods are offered for sale in the same department stores or large clothing stores, they are not likely to be offered for sale in the same section or close to one another. Consequently, there is no element of competition. I consider any similarity with the opponent's goods to be very low here, if there is any similarity at all.

64. I consider that the applicant's goods "*clothing for gymnastics*" and "*cyclists' clothing*" share the same basic nature as the opponent's goods. This is because they could be offered for men, clothing similar parts of the body with similar forms of construction and materials (e.g. both could be in the nature of shorts and t-shirts). However, I acknowledge that they have a more specialised function. Therefore, I consider they are similar to a low to medium degree.
65. The applied for "*hats*" are a type of headgear, similar in nature and purpose to the opponent's goods, particularly those designed for men. Such goods would be in close proximity to the opponent's goods in retail stores, and users would expect to find them in the same department or shop and vice versa. Although they clothe different parts of the body (head), they could be complementary to the opponent's goods. Taking all these factors into account, these goods are similar to a low to medium degree.
66. In relation to the contested term "*wimples*", this is not an everyday item, and there is no evidence or submissions to guide me. According to Cambridge Dictionary, a wimple is "a piece of cloth worn around the head and neck by women in the Middle Ages and worn today by some nuns (= members of a female religious group)". Therefore, following the analysis above, I find a low to medium similarity between the respective goods, particularly bearing in mind that the earlier mark's terms would cover items such as scarves.

AVERAGE CONSUMER AND THE PURCHASING ACT

67. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purposes of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97. In *Hearst Holdings & Anor v A.V.E.L.A. Inc & Ors*, [2014] EWHC 439 (Ch), Birss J described the average consumer in these terms:

“The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The word ‘average’ denotes that the person is typical. The term ‘average’ does not denote some form of numerical mean, mode or median.”¹⁷

68. The goods at issue will be purchased by members of the general public. Such goods are usually offered for sale in stores (e.g. retail outlets), brochures and catalogues, and online. In retail premises, the goods will be displayed on shelves, where they will be viewed and self-selected by consumers. Similarly, for online stores, consumers will select the goods relying on the images displayed on the relevant web pages. Nevertheless, the selection process may involve aural considerations, as advice may be sought from a sales assistant or representative. Therefore, visual

¹⁷ Paragraph 60.

considerations will dominate the selection of the goods in question, but aural considerations will not be ignored in the assessment.¹⁸

69. Although these goods are not particularly costly, the average consumer may examine the product to ensure that they select the correct type, materials, quality, and aesthetic appearance. In this regard, the average consumer is likely to pay a reasonable (but not high) level of attention to selecting the goods at issue.

COMPARISON OF TRADE MARKS

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


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

¹⁸ The General Court highlighted this in *New Look Ltd v OHIM Cases T-117/03 to T-119/03* and T-171/03, at paragraph 50: “Generally, in clothes shops customers can themselves either choose the clothes they wish to buy or be assisted by the sales staff. Whilst oral communication in respect of the product and the trade mark is not excluded, the choice of the item of clothing is generally made visually. Therefore, the visual perception of the marks in question will generally take place prior to purchase. Accordingly, the visual aspect plays a greater role in the global assessment of the likelihood of confusion.”

to the circumstances of the case, to assess the likelihood of confusion.”

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

72. The marks to be compared are:

Earlier mark	Contested mark
CANALI	

Overall Impression

73. The earlier mark consists of the word “CANALI” in capital letters and a standard font. Registration of a word mark protects the word itself presented in any normal font and irrespective of capitalisation.¹⁹ The overall impression of the earlier mark lies in the word itself.

74. The applicant’s mark consists of a number of elements. In my view, the word element “CANAI” has the most relative weight. Although it is unlikely for the Chinese characters to be identified by the UK average consumer, they have some (albeit lesser) relative weight. The stylisation and the device replacing the instroke of the letter “C” with the head of a dragon

¹⁹ See *Bentley Motors Limited v Bentley 1962 Limited*, BL O/158/17, paragraph 16.

have some, but even less relative weight in the overall impression of the mark given the insignificance of these features.

Visual comparison

75. All but the letter “L” of the earlier mark, “CANALI”, is incorporated into the contested mark. Whilst just a rule of thumb, I bear in mind that the first part of a mark usually has more impact.²⁰ The common presence of these letters creates a strong point of similarity. As the earlier mark is a word only mark, it may be used in any standard typeface, which may reduce differences arising from the stylisation of the applicant’s mark. There are, though, visual differences between the marks, particularly the Chinese characters, and the additional letter “L”. The letter “C” of the contested mark, featuring a device (dragon head), are not present in the opponent’s mark and represents a further, albeit less significant, difference. Overall, weighing the various points of similarity and difference, I consider that the marks are visually similar to a medium degree.

Aural comparison

76. Both, the verbal element “CANAI” of the contested mark and the word mark “CANALI”, share the same beginning and similar middle sound. The former is two syllables long and will be articulated as KA-NAEE, while the latter is three syllables long and will be articulated as KA-NA-LEE. Notably, there is a difference in the length of the mark and the absence of the sound of the third syllable and there is a difference in syllable two. In its counterstatement, the applicant provides the Chinese pronunciation of the Chinese characters in its mark. However, the UK average consumer will not be aware of such pronunciation and will not pronounce the Chinese

²⁰ *El Corte Ingles, SA v OHIM*, cases T-183/02 and T-184/02.

characters or the dragon device. Overall, there is a medium degree of aural similarity.

Conceptual comparison

77. In its counterstatement, the applicant states that “the mark was created by the applicant on his own, name after the applicant’s Chinese name” [sic]. However, this will not be known to the average consumer. No immediate perceptible meaning can be attributed to the applied for mark. In this regard, the average consumer will likely perceive it as an invented or a foreign language word/name, with accompanying Chinese characters. In respect of the earlier mark, there are no submissions by the opponent as to the meaning of the word “CANALI”. However, the applicant claims that it is an Italian word and “means “channels” in English”, but there is no evidence to support that the UK average consumer would be aware of such a concept. As a result, I find that the average consumer will see it as an invented or a foreign language word/name with no identifiable concept. Therefore, I find that the marks are conceptually neutral.

DISTINCTIVE CHARACTER OF THE EARLIER TRADE MARK

78. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97, paragraph 22 and 23, the CJEU stated that:

“In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those

goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

79. As noted above, the earlier mark is the word “CANALI”. As the earlier mark is comprised of one plain word, its distinctiveness lies in the word itself. The earlier mark has no real suggestive or allusive significance in relation to the goods for which it is registered. The mark will be perceived by consumers as an invented or a foreign language word/name, and I find that the level of inherent distinctiveness will be high.

80. The evidence of use filed by the opponent has been summarised above, and I will now consider whether the earlier mark has acquired enhanced distinctive character through use. I have considered the turnover for both 2014 and 2015, which exceeded £7 million annually. However, the opponent has neither provided any details related to the turnover for the years between 2016 and 2018 nor its market share. In any case, I consider this to be a relatively low market share given what must, undoubtedly, be a significant market of outerwear for men in the UK. Lastly, the opponent has submitted evidence with annual marketing expenditure and the

advertised goods under the mark. Overall, and whilst I have found genuine use, I find the evidence to be insufficient to have enhanced the distinctiveness of the earlier mark from its inherently high starting point.

LIKELIHOOD OF CONFUSION

81. In assessing the likelihood of confusion, I must adopt the global approach set out in the case law to which I have already referred in paragraph 50 of this decision. Such a global assessment is not a mechanical exercise. I must also have regard to the interdependency principle, that a lesser degree of similarity between the goods may be offset by a greater degree of similarity between the marks, and vice versa.²¹ It is essential to keep in mind the distinctive character of the opponent's trade mark since the more distinctive the trade mark, the greater the likelihood of confusion. I must also keep in mind that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon imperfect recollection.²²
82. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other. Indirect confusion is where the consumer notices the differences between the marks but concludes that the later mark is another brand of the owner of the earlier mark or a related undertaking. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Iain Purvis Q.C., sitting as the Appointed Person, explained that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where

²¹ See *Canon Kabushiki Kaisha*, paragraph 17.

²² See *Lloyd Schuhfabrik Meyer*, paragraph 27.

the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: "The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark."

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right ('26 RED TESCO' would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as 'LITE', 'EXPRESS', 'WORLDWIDE', 'MINI' etc.)

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

83. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, James Mellor Q.C., sitting as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient

that a mark merely calls to mind another mark. This is mere association not indirect confusion.

84. Earlier in this decision, I concluded that:

- The goods at issue are similar to various degrees, from being identical to having a very low degree of similarity;
- The average consumer for the goods and services is a member of the general public, who will select the goods by predominantly visual means, but without dismissing the aural means, and will likely pay a reasonable (but not high) degree of attention to the selection of such goods;
- The competing marks have a medium degree of visual similarity, a medium degree of aural similarity, while the marks are conceptually neutral;
- The opponent's mark is inherently distinctive to a high degree. The use is not sufficient to establish enhanced distinctiveness of the mark in relation to its goods.

85. In my view, the likelihood of confusion does not arise to the application's goods, which have a very low, if any, degree of similarity with the goods of the earlier mark. Despite the similarity between the marks and the visual perception playing the most important part in the purchasing process, the reasonable level of attention and the very low levels of similarity between the goods will counter a likelihood of confusion whether direct or indirect. **Consequently, there is no likelihood of confusion, and the opposition fails in relation to the following goods:**

Bodices [lingerie]; corselets; teddies [underclothing]; combinations [clothing]; corsets [underclothing]; hosiery.

86. In relation to the remaining goods, all of which I have assessed at ranging between identical to a low to medium level of similarity, I am satisfied that there is a likelihood of direct confusion. As the selection process of the respective goods is predominantly visual, I consider that there are insufficient differences between the visual characteristics of the respective marks for the average consumer to easily distinguish between them. Bearing in mind the imperfect recollection doctrine, the average consumer may not recall the respective marks with sufficient accuracy to differentiate between them. Against this background, the average consumer may not recall the absence/presence of the Chinese characters, while the difference between “CANALI” and “CANAI” may go unnoticed. Further, both marks will be seen as invented terms or as foreign language words/names; hence, devoid of any conceptual “hook”, neither will enable the average consumer to differentiate between them. As a result, consumers may misremember one for the other, assuming they are one and the same. This is so even though some of the goods are only similar to a low to medium degree. In my view the relationship between the goods is sufficiently pronounced for confusion to arise when the various factors are considered. **Consequently, I find there is a likelihood of direct confusion for the following goods:**

Clothing; shoes; underwear; underpants; gloves [clothing]; neckties; belts [clothing]; clothing for gymnastics; cyclists' clothing; sleep masks; scarves; wimples; hats.

87. If I am wrong on direct confusion, the average consumer, having identified that the marks are different, will nevertheless assume that the respective marks originate from the same or economically linked undertakings. Notably, the consumer whilst recalling the difference created by the Chinese characters, they may not recall the difference between CANALI and CANAI, resulting in confusion. Consequently, I find there to be a

likelihood of indirect confusion between the marks regarding the goods at issue, including those of a low to medium similarity.

OUTCOME

88. The opposition under Section 5(2)(b) is successful (and the application will be refused) in relation to:

Class 25: *clothing; shoes; underwear; underpants; gloves [clothing]; neckties; belts [clothing]; scarves; clothing for gymnastics; cyclists' clothing; sleep masks; wimples; hats.*

89. The opposition under Section 5(2)(b) fails (and the application will proceed to registration) in relation to:

Class 25: *bodices [lingerie]; corselets; teddies [underclothing]; combinations [clothing]; corsets [underclothing]; hosiery.*

COSTS

90. I am conscious that some of my findings are based on broad terms covered by the earlier and applied for mark, and that there may be goods within the applicant's broad terms that conflict only to the same degree as those for which I have indicated the application may proceed. Consequently, I am prepared to allow the applicant 28 days from the date of this decision to indicate any further distinct terms it wishes to register which: i) fall within the ambit of its current specification, and ii) have either no or very low degrees of similarity with the opponent's specification. Hopefully, the extent to which I have made my findings thus far demonstrate what may or may not be acceptable. Following receipt of a revised specification, the opponent will be given 28 days to comment on those terms, following which I will issue a supplementary decision, confirming the specification for which I will allow the application to proceed, and giving my order as to

costs. The appeal period will run from the date of that supplementary decision. It should be noted that this is not an opportunity to provide further submissions on the merits of the case and my decision.

Dated this 3rd day of March 2021

Dr Stylianos Alexandridis

For the Registrar,

The Comptroller General