

O-384-14

TRADE MARKS ACT 1994

IN THE MATTER OF THE FOLLOWING TRADE MARK REGISTRATIONS IN
THE NAME OF FISHER OUTDOOR LEISURE LTD

REGISTRATION NUMBER 2525180



REGISTRATION NUMBER 2525203



AND REGISTRATION NUMBER 2525205 IN RESPECT OF THE FOLLOWING
SERIES OF TWO TRADE MARKS

KANSI **kansi**

ALL IN CLASSES 6, 9, 11, 12, 18 & 25

AND CONSOLIDATED APPLICATIONS FOR DECLARATIONS OF
INVALIDITY THERETO UNDER NOS 500146, 500147, 500148 BY JOSEF
KANZ GMBH & CO. KG

BACKGROUND

1) Fisher Outdoor Leisure Limited is the proprietor of the above marks (“the registrations”). It applied for all three registrations on 1 September 2009 and the registration procedure was completed on 19 March 2010, 2 April 2010 and 19 March 2010 respectively. The registrations cover the same identical list of goods in Classes 6, 9, 11, 12, 18 and 25.

2) On 6 September 2013, Josef Kanz GmbH & Co. KG (hereafter “the applicant”) applied for the registrations to be declared invalid in respect of the following goods:

Class 18: *Leather and imitations of leather; ...; trunks and travelling bags; handbags, rucksacks, purses; ...; rucksacks; ...; duffle bags; holdalls; ...; bags for wear; shoulder bags; sports bags;*

Class 25: *Clothing, footwear and headgear.*

3) The first ground of the application is that the applicant is the proprietor of an International registration designating the UK (“IR(UK)” or “the designation”). The relevant details of this designation are:

Relevant details	Specification of goods
IR(UK) 483573 Kanz International registration date: 29 February 1984 Designation date 27 July 2006 Date of Protection of the International Registration in UK: 16 March 2007	Class 25: <i>Knitted, knit-type and woven clothing.</i>

4) The applicant claims that given the similarity between its designation and the registrations, and because of the identity or similarity of the goods, the registrations were contrary to section 5(2)(b) of the Trade Marks Act 1994 (“the Act”) and should be invalidated under Section 47(2) of the Act.

5) The applicant also claims that the registrations offend under Section 5(4)(a) of the Act because of the passing off rights the applicant possesses in the marks “Kanz” and “KANZ”. This claim is made in respect of the same list of goods covered by the proprietor’s registrations shown in paragraph 2, above.

6) The proprietor subsequently filed a counterstatement denying the applicant’s claims and putting it to proof of use.

7) Only the applicant filed evidence in these proceedings but both sides filed written submissions in lieu of an oral hearing. Both sides ask for an award of costs. I give my decision after a careful consideration of all the papers.

APPLICANT’S EVIDENCE

8) The applicant has provided evidence in support of its claim that it has used its mark in the UK during the relevant five year period and so can therefore rely upon the proviso of the proof of use provisions. In light of the admission by the proprietor (in paragraph 14 of its written submissions) that the applicant has used its designation in the UK and also submits that this use is in respect of only *knitted, knit-type and woven clothing for children* (at paragraphs 21 and 22 of its written submissions), I will restrict my analysis of the evidence to ascertain the extent, if any, to which it illustrates use in respect of knitted, knit-type or woven clothing other than that for children.

9) The evidence takes the form of a witness statement by Mr Federico Fiamengo, director of Ifin UK Limited, the applicant’s authorised distributor in the UK. Two sworn declarations are also provided by Mr Özgür Bender, Executive Director of the applicant.

10) I summarise the relevant evidence as follows:

- The exhibits attached to Mr Fiamengo’s witness statement take the form of example invoices, style books/guides and pages from catalogues from the relevant period. Mr Fiamengo is silent on whether the goods sold by the applicant are all for children, but there is little in the evidence to suggest anything different. The style books/guides and catalogue pages all only illustrate clothes for babies, toddlers or children. Whilst the invoices contain references to clothing items that could be for adults (e.g. T-shirts), when considered together with the other exhibits, I am unable to conclude that these references refer to anything other than children’s clothing;
- Mr Bender explains that mark was first registered in Germany in 1983 and that since then the mark has been used in connection with baby and children’s clothing.

11) In addition, Mr Bender also provides the following annual turnover in respect to KANZ branded goods sold directly to UK customers, for the relevant period:

Year	Turnover
2013	€111,305
2012	€51,411
2011	€95,706
2010	€200,816
2009	€233,164
2008	€200,805

DECISION

The legislation

12) The case has proceeded to final determination on the basis of Section 5(2) (b) and Section 5(4)(a) of the Act, with such grounds being relevant in invalidation proceedings in view of the provisions of Section 47(2) of the Act. The relevant parts of Section 47 of the Act read as follows:

“47. - (1) ...

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

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

(b) that there is an earlier right in relation to which the condition set out in Section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

13) Section 5(2)(b) reads:

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

(a) ...

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

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

14) Section 5(4)(a) reads:

“5.-(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark”.

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

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

(a) a registered trade mark, international trade mark (UK), 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.”

16) Also of relevance in these proceedings are the provisions that relate to proof of use. Section 47(2A) to Section 47(2F) details the circumstances where these provisions apply:

“(2A)* But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless -

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if -

(a) within the period of five years ending with the date of the application for the declaration 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) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes -

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

(2D) In relation to a Community trade mark or international trade mark (EC), any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Community. (2E) 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.

** Note: Sub-sections 2A to 2E are an addition to the original Act, by virtue of the Trade Marks (Proof of Use, etc.) Regulations 2004 (SI 2004/946) which came into force 5th May 2004.*

(2F) Subsection (2A) does not apply where the earlier trade mark is a trade mark within section 6(1)(c)”

17) Consideration has to be taken, also, of section 100 of the Act which states:

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

Consequent upon section 100, the onus is upon the applicant to prove that it has made use of its mark or that there are proper reasons for non-use.

DECISION

Proof of Use

18) The applicant relies upon one earlier designation that is registered and therefore qualifies as an earlier mark as defined by Section 6 of the Act. These consolidated proceedings were instigated on 6 September 2013. The relevant five year period where use must be demonstrated is the five year period ending on this date.

19) The proprietor admits that the applicant has used its designation in the UK but only in respect of *knitted, knit-type and woven clothing for children*. Consequently, it is only necessary for me to consider if the applicant's evidence illustrates use of *knitted, knit-type and woven clothing* not being for children. In this respect, there is nothing in the witness statement of Mr Fiamengo to suggest that is the case and Mr Bender, in his sworn declaration states that the mark KANZ is used in connection with baby and children's clothing.

20) In light of this, the applicant is entitled to rely upon the following limited specification of goods: *Knitted, knit-type and woven clothing for children*.

Section 5(2)(b)

21) In *Specsavers International Healthcare Limited & Others v Asda Stores Limited* [2012] EWCA Civ 24 para 51 et seq, the Court of Appeal approved the following principles gleaned from the decisions of the European Court of Justice ("the CJEU") in *Sabel BV v Puma AG*, Case C-251/95 [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97 [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98 [2000] E.T.M.R. 723, *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 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* Case C-334/05P:

“(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."

Comparison of goods

22) In assessing the similarity of goods, it is necessary to apply the approach advocated by case law and all relevant factors relating to the respective goods should be taken into account in determining this issue. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the CJEU stated at paragraph 23:

'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.'

23) Other factors may also be taken into account such as, for example, the distribution channels of the goods concerned (see, for example, *British Sugar Plc v James Robertson & Sons Limited (TREAT)* [1996] RPC 281).

24) I also bear in mind the following guidance of the General Court (the "GC") in *G rard Meric v OHIM (MERIC)*, T-133/05:

"29 In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 *Institut f r Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 *Oberhauser v OHIM – Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 *Vedial v OHIM – France Distribution (HUBERT)* [2002] ECR II-5275, paragraphs 43 and 44; and Case T- 10/03 *Koubi v OHIM – Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraphs 41 and 42)."

25) Finally, in terms of understanding what a "complementary" relationship consists of, I note the judgment of the GC in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-325/06 where 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 *Segio 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 Ingles v OHIM - Bolanos Sabri (PiraNAN diseno original Juan Bolanos)* [2007] ECR I-0000, paragraph 48)."

26) For ease of reference the respective goods to be compared are:

Applicant's goods	Proprietors goods
<p>Class 25: <i>Knitted, knit-type and woven clothing for children.</i></p>	<p>Class 18: <i>Leather and imitations of leather; ...; trunks and travelling bags; handbags, rucksacks, purses; ...; rucksacks; ...; duffle bags; holdalls; ...; bags for wear; shoulder bags; sports bags;</i></p> <p>Class 25: <i>Clothing, footwear and headgear.</i></p>

Class 18

27) In its submissions, the applicant quotes at length from the GC in *El Corte Inglés*, Case T-420/03 where the level of similarity between goods in Class 18 and Class 25 were considered. The comments of the court are summarised below, together with my comments on the applicability of its findings to the current case:

- The court observed that many Class 18 and Class 25 goods are often made from the same materials but this is insufficient reason alone to find similarity. The current case is different to a degree because the proprietor's goods are identified as being knitted, knitted-type or woven and therefore not made of leather or imitation leather and consequently, there is no similarity between *leather and imitation leather* and the proprietor's goods;
- The court found that in respect of *leather and imitations of leather, trunks and travelling bags* amongst others, the distribution channels are different. It is my view that the proprietor's *rucksacks, duffle bags, holdalls and sports bags* should also be covered by this finding;
- The court found that the distribution channels of goods that include the proprietor's *handbags and purses* were identical to and often sold with Class 25 goods. It is my view that this approach also applies to the proprietor's *bags for wear and shoulder bags*. However, in the current case, as the applicant's Class 25 goods are limited to being for children, the link with "fashion bags" is not made. The distribution channels in respect of children's clothing on the one hand, and goods such as handbags on the other, will be different. The only instance in the current proceedings where a comparable conclusion is appropriate is in respect of the proprietor's *shoulder bags*, which could be in the form of *shoulder bags* for carrying babies' items. Here, there is similarity with children's clothes;

- The court observed that there is slight similarity between Class 25 goods and goods made of leather and imitation leather;
- The court found that goods in Class 25 and certain goods in Class 18 may be complementary where clothing and clothing accessories such as handbags are involved and where they can form part of a coordinated look. A common aesthetic function may be present in such circumstances. In the current case, in light of the applicant's goods being limited to clothing for children, the common aesthetic function link between clothes and goods like hand bags does not exist as it would between, for example, a women's dress and a handbag.

28) Taking all of the above into account, I find that the applicant's *shoulder bags* share some similarity with the proprietor's children's clothing, but that the remaining goods in Class 18 do not.

Class 25

29) The applicant's goods are all children's clothes made in a particular way and it is self-evident that such clothes will be covered by the proprietor's broad term *clothing*. Consequently, when considering the guidance provided in *MERIC*, I conclude that the proprietor's *clothing* is identical to the applicant's goods. Further, the applicant's goods can include headwear that is also knitted, of a knit-type or woven and therefore, the proprietor's *headgear* is also identical. Even if I am wrong and clothing does not include headwear, there is a good deal of similarity in respect of all knitted, knit-type and woven clothing and headwear made the same way, because they share the same purpose (to protect the body from the elements), a similar nature (being made of knitted or woven material), the same method of use (worn on the body) and the same trade channels and will be complementary in that they will often be chosen to be part of a coordinated look for babies and children.

30) The applicant's clothing includes clothing in the form of socks and knitted slipper socks and, as such, applying the *MERIC* principal, the proprietor's broad term *footwear* (that also includes socks and knitted slipper socks) is identical. Insofar as the proprietor's *footwear* includes shoes, boots etc, the considerations are different. The applicant submits that the purpose of clothing and footwear is the same, namely to protect against the elements or/and are articles of fashion, that they are sold through the same trade channels and have the same users. I agree that they both protect from the elements and may be chosen for fashion reasons. However, it is not correct to assume that they share the same trade channels. Whilst it is true that both may be sold in a department store, it is wrong to consider all goods are similar because of this. By definition, department stores sell wide ranging goods, but these may be sold in different parts of the shop and may not appear near each other. Further, clothing and footwear, such as shoes and boots etc., differ in nature, with footwear often including a hard sole and heel

to provide protection from the ground and elements. Taking all of this into account, I conclude that there is similarity, but that this is only average. The fact that the applicant's goods are limited to being for children does not change this analysis.

31) In summary:

- the proprietor's broad terms *clothing*, *headgear* and *footwear* all contain identical goods to those covered by the applicant's specification;
- Even if I am wrong in respect to *headwear*, there is, nonetheless, a good deal of similarity;
- Footwear is identical insofar as it includes goods such as socks and knitted slipper socks. Insofar as the term includes shoes, boots etc, the similarity is average.

The average consumer

32) As matters must be judged through the eyes of the average consumer (*Sabel BV v. Puma AG*, paragraph 23) it is important that I assess who the average consumer is for the goods at issue.

33) In respect of clothing, I am mindful of the comments of Mr Simon Thorley Q.C., sitting as the Appointed Person, in *React trade mark* [2000] R.P.C. 285:

“There is no evidence to support Ms Clark's submission that, in the absence of any particular reputation, consumers select clothes by eye rather than by placing orders by word of mouth. Nevertheless, my own experience tells me it is true of most casual shopping. I have not overlooked the fact that catalogues and telephone orders play a significant role in this trade, but in my experience the initial selection of goods is still made by eye and subsequent order usually placed primarily by reference to a catalogue number. I am therefore prepared to accept that a majority of the public rely primarily on visual means to identify the trade origin of clothing, although I would not go so far as to say that aural means of identification are not relied upon.”

34) The GC has continued to identify the importance of visual comparison when considering the purchasing act in respect of clothing (see, for example, Joined Cases T-117/03 to T-119/03 and T-171/03 *New Look Ltd v OHIM (NLSPORT et al)* [2004] ECR II-3471 at [49]-[50] and Case T-414/05 *NHL Enterprises BV v OHIM (LA KINGS)* [2009] ECR II.). There is no evidence in the current case and therefore nothing that provides assistance in considering the nature of the purchasing act. In the absence of such evidence, it is reasonable that I apply Mr




Thorley's comments here. The purchasing act of what will, generally, be described as consumer items will involve a reasonable degree of care and attention but not the highest degree of attention. As Mr Thorley noted, the purchasing process is primarily a visual one but I do not ignore the aural considerations that may be involved.

35) The same consideration will equally apply to footwear.

36) In respect of the proprietor's Class 18 goods, the same considerations apply to all of the finished goods, namely, *trunks and travelling bags, handbags, rucksacks, purses, rucksacks, duffle bags, holdalls, bags for wear, shoulder bags and sports bags*. However, in respect of *leather and imitations of leather*, the purchasing process will be somewhat different. Such goods are the base materials for making a broad range of goods and will be purchased mainly by trade buyers who are likely to buy in bulk and on a repeat basis. Therefore, the level of attention will generally be higher and is less likely to be so predominantly visual in nature, with purchases being made following aural recommendation as well as through visual searches.

Comparison of marks

37) For ease of reference, the respective marks are:

Applicant's mark	Proprietor's marks
<p style="text-align: center; font-size: 2em; font-weight: bold;">Kanz</p>	<p>2525180</p>
	
	<p>2525203</p>
	
<p>2525205</p>	
	

38) 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, therefore, be assessed by reference to the overall

impressions created by the marks, bearing in mind their distinctive and dominant components; in relation to this the CJEU in *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* Case C-342/97 stated:

“27. In order to assess the degree of similarity between the marks concerned, the national court must determine the degree of visual, aural or conceptual similarity between them and, where appropriate, evaluate the importance to be attached to those different elements, taking account of the category of goods or services in question and the circumstances in which they are marketed.”

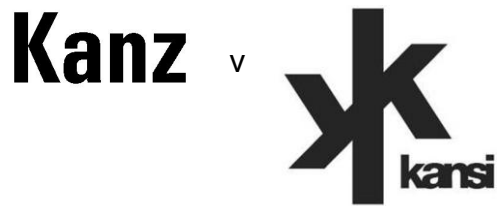
39) There cannot be an artificial dissection of the marks, although it is necessary to take into account any distinctive and dominant components. The assessment of the similarity of the marks must be made by reference to the perception of the relevant public.

40) The applicant’s mark consists of a single word and is not readily divided into separate components and its distinctiveness lying in its entirety. The first two of the proprietor’s marks, on the other hand, do readily divide into two distinct elements being what I shall describe as the “double k” device and the word element. In the second mark, this “double k” device is significantly larger than the word element and is the dominant distinctive element. The word “Kansi” is also a distinctive element of the mark. The device element is less prominent in the first mark and is coalesced with the word element so that the device replaces the letter “k”. This has the effect of making the device element subservient to the word, but nevertheless, it remains a distinctive element of the mark. The proprietor’s third marks (being a series of two) both consist of a single word with the distinctiveness lying in their entirety.

41) Having identified the dominant and distinctive elements of the respective marks, I will consider their level of similarity. From a visual perspective, I need to consider the similarity of the applicant’s mark to each of the proprietor’s mark in turn:

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Both marks consist or contain a word element that begins with the same three letters “kan”. In other respects the marks are different with the proprietor’s mark having the inverted letter “k” adjoining the first letter and also with its fourth and fifth letters being “si”, compared to the applicant’s mark’s last letter being “z”. However, the letters “s” and “z” exhibit similarities in that the former is a curved and approximately reversed version of the latter. Taking all of these points together, I assess the level of visual similarity as being moderate.



The considerations are slightly different in respect of this comparison because, in the proprietor's mark, the device element is larger and separate from the word element and this decreases the level of similarity. Nevertheless, both marks are still clearly Kanz/kansi marks and the level of similarity between these word elements remains unchanged. Taking these factors into account, I conclude that these marks share a low to moderate level of visual similarity.



Here, the proprietor's marks do not include a device and whilst the word KANSI is shown in uppercase in one mark and lower case in the other, it is my view that this does not measurably effect the level of similarity with the applicant's mark. All these marks consist of single words that share the same first three letters, but differ in that the applicant's mark consists of only four letters, the last of which is a letter "z". The proprietor's marks consist of five letters, the last two of which are the letters "si". There is some similarity between the fourth letters of each mark because the letter "s" is a curved and approximately reversed shape of a letter "z". Taking all of this into account, I conclude that the proprietor's marks share a moderately high level of visual similarity with the applicant's mark.

42) The device element present on the first two of the proprietor's marks will not be referred to when the marks are considered aurally. Therefore, when considering aural similarity, I only need to consider the word elements of the marks. This allows me to make a single analysis of all the proprietor's marks and their aural similarity to the applicant's mark. In this respect, they both begin with the almost indistinguishable syllables "kanz" and "kans" respectively. The proprietor's mark also includes the additional syllable "ee". Taking these factors together, I find that the respective marks share a good deal of aural similarity.

43) Conceptually, both marks appear to consist of invented words and, where the proprietor's marks include a device, this too has no concept other than to accentuate the first letter of the word element.

Distinctive character of the earlier trade mark

44) I must consider the distinctive character of the earlier mark because the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion (*Sabel BV v Puma AG* [1998] RPC 199). The distinctive character of the earlier trade mark must be assessed by reference to the goods for which it is registered and by reference to the way it is perceived by the relevant public (*Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91).

45) The mark consists of an invented word and, consequently, it is inherently endowed with a high level of distinctive character. There is evidence of use in the UK, but this is modest with annual turnover varying between about €50,000 to about €235,000. When this level of sales is considered in the context of a self-evidently huge market in the UK for such clothing, it cannot be seen as being at a level that will result in an enhanced level of distinctive character.

Likelihood of confusion

46) I must adopt the global approach advocated by case law and take into account that marks are rarely recalled perfectly with the consumer relying instead on the imperfect picture of them he has in kept in his mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27).

47) The proprietor refers to other proceedings between the parties before the OHIM and in particular a cancellation (No. 5710C) action against a Community Trade Mark (“CTM”) application made by the applicant in the current proceedings. At first instance, the proprietor in the current proceedings was successful, but I understand the decision is currently under appeal. At first instance, the OHIM found in favour of Fisher, i.e. that there was a likelihood of confusion, but the applicant argues that I can reach a different conclusion because the OHIM decision was based upon the perception of the German consumer and not the UK consumer. I concur that it is possible for me to reach a different decision where the relevant consumer is different, but this fact alone does not lead to a conclusion that I *must* reach a different conclusion. Rather, I must consider all the factors relevant to this case as part of the multifactorial analysis that the case law requires me to undertake.

48) The proprietor submits that when undertaking a comparison of the marks from the perspective of the UK consumer, they would not find any similarity between the words KANZ and KANSI “save for the obvious initial three letters”. It argues that KANZ is obviously a Germanic word because of the “Z” ending and that there are no English words with a “hard K” beginning and a “Z” ending. I note this, but there is no evidence before me to support the contention that KANZ will be perceived by the UK consumer as Germanic in origin and for KANSI to not be. In this respect, I remind myself that I have found both words to be invented with neither having a conceptual identity.

49) I should also comment that I must consider the marks as wholes and, in doing so, I recognise that two of the proprietor's marks also include a device element. This is not referred to by the proprietor in its arguments summarised above. That said, the existence of a device element in its marks can only strengthen its arguments.

50) The applicant argues that because the marks are visually and phonetically similar and because the respective goods are identical or similar, it is inevitable that there will be a likelihood of confusion. In making this argument it cites the principle of interdependence and that the marks are rarely recalled perfectly by the consumer. On the other hand, the proprietor contends that the marks are dissimilar and contends that the evidence of use of the applicant's mark is not relevant to my considerations. As can be seen from my comments at paragraph 45 above, I concur that the use shown of the proprietor's mark is insufficient to influence my considerations under Section 5(2)(b) of the Act. That said, I have found that:

- All of the terms in the proprietor's Class 25 specification cover goods covered by the corresponding specification of the applicant and where the proprietor's terms include goods not covered by the applicant's specification, they nonetheless, cover goods that are similar;
- The proprietor's *shoulder bags* in its Class 18 specification are similar to the applicant's Class 25 goods.
- In respect of the parties' goods where I have found them to be identical or similar, the average consumer is the general public and the purchasing act is predominantly visual in nature, but I do not ignore that aural considerations may also play a part. The purchasing act involves a reasonable degree of care and attention;
- The earlier mark is endowed with a high level of distinctive character;
- The dominant distinctive element for all but one of the respective marks resides in the word elements. The exception is the proprietor's 2525203 mark where the dominant and distinctive element is the "double k" device, but where the word KANSI is present as a distinctive element;
- The applicant's mark shares a moderate level of visual similarity and a good deal of aural similarity with the proprietor's 2525180 and 2525205 marks. None of the marks are perceived as having a concept;
- The applicant's mark shares a low to moderate level of visual similarity and a good deal of aural similarity with the proprietor's 2525203. As with the other comparisons, neither mark is perceived as having a concept.

51) I also keep in mind that the first part of words can catch the attention of consumers (see joined cases T-183/02 and T-184/02 *El Corte Inglés v OHIM – González Cabello and Iberia Líneas Aéreas de España (MUNDICOR)* [2004] ECR II-965, paragraph 81) and that the more distinctive a trade mark the greater the likelihood of confusion (*Icebreaker Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-112/09).

52) Whilst I do not find the assessment an easy one to make, taking all of the above into account, I find that the visual and aural similarities between all of the respective marks are such as to give rise to a likelihood of confusion in respect of all the goods that are identical or similar. In reaching this conclusion, I have kept in mind that the purchasing act is generally visual in nature, but that I cannot ignore the situations when aural considerations play a part, such as in word-of-mouth recommendations and in telephone ordering. Such confusion will manifest itself as direct confusion in respect of the proprietor's 2525180 and 2525203 marks, where the consumer through imperfect recollection is likely to confuse one mark with the other.

53) In respect of the proprietor's 2525205, even when taking account of imperfect recollection, because of the presence of the dominant device element, the marks are not likely to be directly mistaken for each other. However, it is my view that there is a likelihood of indirect confusion where the consumer will assume that the goods provided under the respective marks originate from the same or linked undertaking.

54) In light of these findings, the invalidation action based upon Section 5(2)(b) of the Act is successful in respect of the following list of goods:

Class 18: ...; *shoulder bags;*

Class 25: *Clothing, footwear and headgear*

55) The case based upon Section 5(2)(b) fails in respect of:

Class 18: *Leather and imitations of leather; ...; trunks and travelling bags; handbags, rucksacks, purses; ...; rucksacks; ...; duffle bags; holdalls; ...; bags for wear; ...; sports bags;*

Section 5(4)(a)

56) I will deal with this ground briefly. This is because I do not consider that the applicant is in any better position under this ground than it was under Section 5(2)(b). The marks/signs are the same; the applicant's goods are the same (I have found use of the goods as registered but only in respect of goods for children). Therefore, there is no material difference in the assessment and comparison to be made. For the reasons given already, I do not believe that the

applicant will have any further success under Section 5(4)(a) than it has already achieved in respect of its grounds based upon Section 5(2)(b).

COSTS

57) The invalidation action has been successful against approximately half of the goods the applicant chose to challenge. The outcome is therefore “honours even” and, accordingly, I find that each party should bear its own costs.

Dated this 2nd day of September 2014

**Mark Bryant
For the Registrar,
the Comptroller-General**