

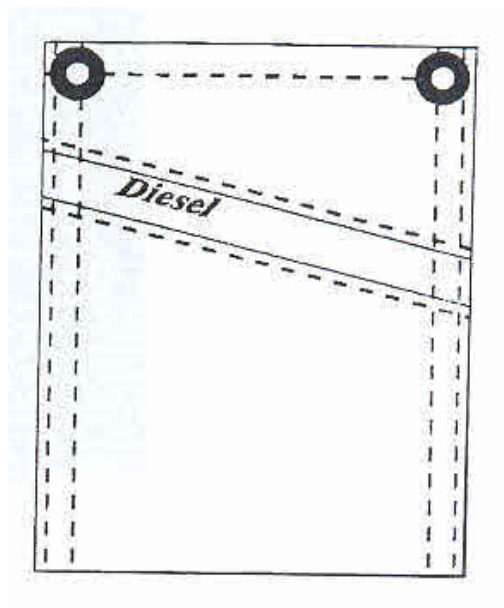
O-686-22

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NUMBER 3594359

BY DIESEL S.P.A.

TO REGISTER THE FOLLOWING TRADE MARK:



IN CLASS 25

AND

AN OPPOSITION THERETO UNDER NUMBER 425792

BY HGF LIMITED

BACKGROUND AND PLEADINGS

1. On 11 February 2021, Diesel S.p.A. (“the applicant”) filed application number 3594359 to register the trade mark shown on the cover page of this decision in the UK. The application, effectively a re-filing of pending European Union trade mark number 1167931, was filed pursuant to Article 59 of the Withdrawal Agreement between the United Kingdom and the European Union (hereafter referred to as “Article 59”). The EU filing date was 10 May 1999 and so, in accordance with Article 59, the contested application is deemed to have the same filing date as the corresponding pending EU application. The UK application was published for opposition purposes on 30 April 2021 and registration is sought for the following goods:

Class 25 *Clothing, headgear, footwear.*

2. On 26 July 2021, HGF Limited (“the opponent”) opposed the application based upon sections 3(1)(a), (b) and (c) and section 3(6) of the Trade Marks Act 1994 (“the Act”).¹

3. Under section 3(1)(a), the opponent claims that the contested mark is not capable of distinguishing the applicant’s goods from those of other undertakings and, further, that it is not graphically represented with the requisite degree of certainty and is too imprecise.

4. Under section 3(1)(b), the opponent claims that the contested mark is devoid of any distinctive character: the design is common in trade and fails to inform the consumer as to commercial origin. Further, the presence of the stylised word element “Diesel” is *de minimis*.

5. Under section 3(1)(c), the opponent claims that the elements of the contested mark are simply signs or indications that may serve in trade to designate the kind or other characteristics of the goods on offer.

¹ There are inconsistencies with the sections of the Act relied upon, which I will deal with under ‘Preliminary Issues’ in this decision.

6. Under section 3(6), the opponent claims that the application was applied for in bad faith on the basis that the applicant is attempting to register a trade mark for the purposes of disrupting the legitimate commercialisation of products and commercial operations of third parties and that this behaviour falls short of the standards of acceptable commercial behaviour.

7. The applicant filed a defence and counterstatement denying the claims made.

8. Both sides filed evidence in these proceedings. This will be summarised to the extent that it is considered necessary. Neither party requested a hearing but both parties filed written submissions in lieu: these will not be summarised but will be referred to as and where appropriate during this decision.

9. The applicant is represented by Murgitroyd & Company whereas the opponent represents itself.

PRELIMINARY ISSUES

10. The opponent, throughout these proceedings, has referred to a decision taken at the UK IPO which relates to a mark that it considers similar to the one at issue here. That case was decided on its own facts and was based upon the evidence before the decision maker in that case. I must do the same and reach a conclusion based on the pleadings, evidence and submissions which are before me in this case.

11. There have been inconsistencies throughout these proceedings in relation to the sections of the Act relied upon by the opponent. Before going any further into the merits of this opposition, I will deal with the inconsistencies as follows.

Section 3(1)(d)

12. The opponent, in its form TM7, ticked the relevant box indicating that it wished to rely upon section 3(1)(d) and, in the box provided for the opponent to give reasons for relying on this ground, it wrote: "Please refer to paragraph 3 of the attached Statement of Grounds." Section 3(1)(d) is not mentioned at paragraph 3 or at any other paragraph

of the opponent's statement of grounds, nor is it mentioned in any of the opponent's subsequent submissions. It therefore seems palpably clear to me that the opponent did not intend to rely on section 3(1)(d) for the purpose of its opposition. In any event, the ground was not adequately particularised in the form TM7, and the applicant was not given the opportunity to respond to this ground of opposition (evident from the absence of submissions relating to section 3(1)(d) in the applicant's defence and counterstatement). Consequently, I do not intend to deal with this ground.

Section 3(2)(b)

13. In its statement of grounds attached to the form TM7, the opponent refers to section 3(2)(b) of the Act and makes the following submission:

“d. the Mark Applied For is objectionable under Section 3(2)(b) of the Act as it consists of a standard shape, with elements that are necessary to obtain a technical result. The additional element of the stylised word element “Diesel”, is not only *de minimis* but is position in nature only (*sic*).”

14. The opponent did not tick the relevant section on the form TM7 to indicate that it wished to rely upon section 3(2) of the Act. However, given that the statement of grounds makes a clear reference to section 3(2)(b) and, crucially, that the applicant responded to the opponent's claims under section 3(2)(b),² I will deal with this ground of opposition during the course of my decision.

EVIDENCE

The opponent's evidence

15. The opponent filed evidence in the form of the witness statement of Claire Louise Jones dated 27 December 2021 and its corresponding four exhibits (CLJ01 – CLJ04). Ms Jones is Trade Mark Director at the opponent company. An overview of the exhibits is as follows:

² See paragraph 8 of the applicant's counterstatement.

- CLJ01 Webpages taken from various online sources including Wikipedia and History of Jeans, relating to the origins of denim and denim jeans.
- CLJ02 Webpages taken from online articles that reference the size of the global denim jeans market.
- CLJ03 A 2015 article from the website www.denimhelp.com entitled 'Complete List of Denim Jeans Brands'.
- CLJ04 A table containing examples of how different brands use different detailing on the coin pockets of their jeans.

The applicant's evidence

16. The applicant filed evidence in the form of the witness statement of Stefano Iesurum dated 01 March 2022 and its corresponding two exhibits (D1 – D2). Mr Iesurum is Head of Legal Affairs at the applicant company. The content of the exhibits is as follows:

- DL1 Webpages taken from the websites of retailers including House of Fraser, USC, Selfridges & Co and Diesel (the applicant's own website), showing images of the applicant's items of clothing which feature a strip of fabric on the pocket. The fabric is said to display the word DIESEL, though that is not visible in all of the examples shown.
- DL2 Mr Iesurum states that the practice of applying a trade mark to coin pockets is not common in the industry. This exhibit contains examples of brands which do not adopt this style, at least not on the items that have been included. The exhibit contains images of jeans from the websites of retailers True Religion, Superdry, Wrangler, Madewell, Pepe Jeans and G-STAR RAW.

17. That concludes my summary of the evidence insofar as I consider it necessary. I will refer to the parties' written submissions filed with their evidence where relevant in my decision.

DECISION

Relevance of EU law

18. Although the UK has left the EU, section 6(3)(a) of the European Union (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 Act relied upon 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.

Section 3(1)(a)

19. Section 3(1)(a) reads as follows:

“(1) The following shall not be registered –

(a) signs which do not satisfy the requirements of section 1(1).

[...]”

20. Section 1(1) reads:

“1(1) In this Act “trade mark” means any sign which is capable –

(a) of being represented in the register in a manner which enables the registrar and other competent authorities and the public to determine the clear and precise subject matter of the protection afforded to the proprietor, and

(b) of distinguishing goods or services of one undertaking from those of other undertakings.

A trade mark may, in particular, consist of words (including personal names), designs, letters, numerals, colours, sounds or the shape of goods or their packaging.”

21. Strictly speaking, there is no need for me to decide whether this ground succeeds or fails. As Mr Geoffrey Hobbs QC, as the Appointed Person in *AD2000 Trade Mark*,³ pointed out, section 3(1)(a) permits registration provided that the mark is ‘capable’ to the limited extent of “not being incapable” of distinguishing. Consequently, if I am satisfied that the mark complies with section 3(1)(b) of the Act, the ‘incapable of distinguishing’ objection under section 3(1)(a) is bound to fail. Alternatively, if the ground under section 3(1)(b) succeeds, the outcome under section 3(1)(a) becomes moot. However, for the sake of completeness, and since the opponent also claims that the contested mark is not graphically represented, I set out here why the ground fails, regardless of the ground under section 3(1)(b) of the Act.

22. The opponent, in its written submissions, submits as follows (with footnotes omitted):

“15. It is not clear from the Application what exactly is intended to be protected by the application; is it merely the position of the stylised word element “DIESEL” on the pocket, or is it the Mark Applied For in its entirety.

16. It should be made clear whether the other elements other than the stylised word element “DIESEL” are omitted and form a negligible part of the Application. For example, do the lines on the square itself denote stitching details or dotted lines, inferring that these elements are not part of the mark as a whole. These additional elements are unlikely to be perceived as performing the essential function of trade marks as they are primarily perceived by the relevant consumer as being either (and purely) decorative and/or functional.

³ [1997] RPC 168.

17. If the Mark Application is indeed a drawing of a pocket as defined in the priority EUTM application, the pocket design of stitching on the outside to affix the pocket to the product itself, and what appears to be rivets at the top to assist in the longevity of the material in areas of movement are entirely functional in nature.

18. Referring to the common parts of a pair of jeans referred to above, the coin pocket on the front of a pair of jeans slots into the left hand front pocket. As such, in normal use, this element would not be fully visible as show (sic) on the graphic filed in the Application, and only the top half would be visible [...]

[...]

30. We refer to the CJEU decision in *Libertel Groep v Benelux-Merkenbureau*, where the court stated:

“28. Furthermore, as the court as held, a graphic representation within the meaning of article 2 of the Directive must enable the sign to be represented visually, particularly by means of images, lines or characters, so that it can be precisely identified: *Sieckmann v Deutches Patent-und Markenamt* (Case C-273/00) [2003] Ch 487, 509, para 46.

29. In order to fulfil its function, the graphic representation within the meaning of article 2 of the Directive must be clear, precise, self-contained, easily accessible, intelligible, durable and objective: *Sieckmann*, paras 47-55.”

31. As discussed above, in terms of the scope and type of mark, the overall representation of the mark is not clear, precise or intelligible. The scope of the mark can consist only of what is visible in the representation. The Mark Applied For is not graphically represented with the requisite degree of certainty and is too imprecise and it is not possible to ascertain the scope claimed in respect to the mark.”

23. In accordance with the case law to which the opponent has referred, and with section 1(1), the contested mark is represented visually by means of shapes, lines and letters, all of which can be clearly identified. The fact that the shapes and lines may represent the pocket of a pair of jeans is not relevant to section 3(1)(a) since section 1(1) allows for marks to consist of “the shape of goods” which I consider to encompass the shape of parts of goods. Further, as I discuss below, to satisfy section 1(1)(a) the mark does not need to be capable of distinguishing the particular goods of the application from those of other undertakings in the same field.⁴ I find the contested mark to satisfy section 1(1)(a) of the Act in that it is visually represented in a manner which is clear and precise as to the protection afforded to the applicant.

24. I turn now to section 1(1)(b) and the contested mark’s capability of distinguishing. In *Stichting BDO v BDO Unibank, Inc* [2013] F.S.R. 35 (HC) Arnold J (as he then was) said:

“44. [...] As I discussed in *JW Spear & Sons Ltd v Zynga Inc* [2012] EWHC 3345 (Ch) at [10]-[27], the case law of the Court of Justice of the European Union establishes that, in order to comply with art.4, the subject matter of an application or registration must satisfy three conditions. First, it must be a sign. Secondly, that sign must be capable of being represented graphically. Thirdly, the sign must be capable of distinguishing the goods or services of one undertaking from those of other undertakings.

45. The CJEU explained the third condition in *Case C-363/99 Koninklijke KPN Nederland NV v Benelux-Merkenbureau* [2004] ECR I-1619 as follows:

“80. As a preliminary point, it is appropriate to observe, first, that the purpose of Article 2 of the Directive is to define the types of signs of which a trade mark may consist (*Case C-273/00 Sieckmann* [2002] ECR I-11737, paragraph 43), irrespective of the goods or services for which protection might be sought (see to that effect *Sieckmann*, paragraphs 43

⁴ See paragraph 3 of the opponent’s written submissions.

to 55, *Libertel*, paragraphs 22 to 42, and Case C-283/01 *Shield Mark* [2003] ECR I-0000, paragraphs 34 to 41). It provides that a trade mark may consist inter alia of 'words' and 'letters', provided that they are capable of distinguishing the goods or services of one undertaking from those of other undertakings.

81. In view of that provision, there is no reason to find that a word like 'Postkantoor' is not, in respect of certain goods or services, capable of fulfilling the essential function of a trade mark, which is to guarantee the identity of the origin of the marked goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin (see, in particular, Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 28, *Merz & Krell*, paragraph 22, and *Libertel*, paragraph 62). Accordingly, an interpretation of Article 2 of the Directive appears not to be useful for the purposes of deciding the present case."

46. The Court went on to say that the question whether POSTKANTOOR (Dutch for POST OFFICE) was precluded from registration in respect of particular goods and services (i.e. those provided by a post office) because it was devoid of distinctive character and/or descriptive in relation to those particular goods and services fell to be assessed under Article 3(1)(b) and (c) of the Directive (Article 7(1)(b) and (c) of the Regulation).

47. It follows that "the goods or services" referred to in Article 4 are not the particular goods or services listed in the specification, as counsel for the defendants argues. Rather, the question under Article 4 is whether the sign is capable of distinguishing any goods or services."

25. Article 4 of Regulation 207/2009 of 26 February 2009 on the Community trade mark (codified version) is the equivalent to section 1(1) of the Act, set out above. The contested mark in these proceedings is not incapable of distinguishing any goods. It follows that the ground of opposition under section 3(1)(a) fails.

Sections 3(1)(b) and 3(1)(c)

26. Sections 3(1)(b) and (c) read as follows:

“3(1) The following shall not be registered –

(a) [...]

(b) trade marks which are devoid of any distinctive character,

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,

(d) [...]

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

27. The relevant date under sections 3(1)(b) and (c) is the date of filing of the contested mark i.e. 10 May 1999.

28. I bear in mind that the above grounds are independent and have differing general interests. It is possible, for example, for a mark not to fall foul of section 3(1)(c) but still be objectionable under section 3(1)(b): *SAT.1 SatellitenFernsehen GmbH v OHIM*, Case C-329/02 P at [25].

29. The position under the above grounds must be assessed from the perspective of the average consumer, who is deemed to be reasonably observant and circumspect: *Matratzen Concord AG v Hukla Germany SA*, Case C-421/04. The average consumer varies depending on the particular goods and services concerned. In this case, the average consumer is likely to be a member of the general public who purchases

clothing, footwear and headgear. I recognise that the cost of the goods will vary, as will the frequency of the purchase. On balance, I consider that a medium degree of attention is likely to be paid during the purchasing process given that factors such as aesthetics, durability and quality are all likely to be relevant.

Section 3(1)(c)

30. Section 3(1)(c) prevents the registration of marks which are descriptive of the goods, or a characteristic of them.

31. The case law under section 3(1)(c) (corresponding to article 7(1)(c) of the EUTM Regulation, formerly article 7(1)(c) of the CTM Regulation) was set out by Arnold J. (as he then was) in *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2012] EWHC 3074 (Ch) as follows:

“91. The principles to be applied under art.7(1)(c) of the CTM Regulation were conveniently summarised by the CJEU in *Agencja Wydawnicza Technopol sp. z o.o. v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-51/10 P) [2011] E.T.M.R. 34 as follows:

“33. A sign which, in relation to the goods or services for which its registration as a mark is applied for, has descriptive character for the purposes of Article 7(1)(c) of Regulation No 40/94 is – save where Article 7(3) applies – devoid of any distinctive character as regards those goods or services (as regards Article 3 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40 , p. 1), see, by analogy, [2004] ECR I-1699 , paragraph 19; as regards Article 7 of Regulation No 40/94, see *Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) v Wm Wrigley Jr Co* (C-191/01 P) [2004] 1 W.L.R. 1728 [2003] E.C.R. I-12447; [2004] E.T.M.R. 9; [2004] R.P.C. 18 , paragraph 30, and the order in *Streamserve v OHIM* (C-150/02 P) [2004] E.C.R. I-1461 , paragraph 24).

[...]

36. [...] due account must be taken of the objective pursued by Article 7(1)(c) of Regulation No 40/94 . Each of the grounds for refusal listed in Article 7(1) must be interpreted in the light of the general interest underlying it (see, inter alia , *Henkel KGaA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-456/01 P) [2004] E.C.R. I-5089; [2005] E.T.M.R. 44 , paragraph 45, and *Lego Juris v OHIM* (C-48/09 P) , paragraph 43).

37. The general interest underlying Article 7(1)(c) of Regulation No 40/94 is that of ensuring that descriptive signs relating to one or more characteristics of the goods or services in respect of which registration as a mark is sought may be freely used by all traders offering such goods or services (see, to that effect, *OHIM v Wrigley* , paragraph 31 and the case-law cited).

38. With a view to ensuring that that objective of free use is fully met, the Court has stated that, in order for OHIM to refuse to register a sign on the basis of Article 7(1)(c) of Regulation No 40/94 , it is not necessary that the sign in question actually be in use at the time of the application for registration in a way that is descriptive. It is sufficient that the sign could be used for such purposes (*OHIM v Wrigley*, paragraph 32; *Campina Melkunie* , paragraph 38; and the order of 5 February 2010 in *Mergel and Others v OHIM* (C-80/09 P), paragraph 37).

39. By the same token, the Court has stated that the application of that ground for refusal does not depend on there being a real, current or serious need to leave a sign or indication free and that it is therefore of no relevance to know the number of competitors who have an interest, or who might have an interest, in using the sign in question (*Joined Cases C-108/97 and C-109/97 Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 35, and *Case C-363/99 Koninklijke KPN Nederland* [2004] ECR I-1619, paragraph 38). It is, furthermore, irrelevant whether

there are other, more usual, signs than that at issue for designating the same characteristics of the goods or services referred to in the application for registration (*Koninklijke KPN Nederland*, paragraph 57).

And

46. As was pointed out in paragraph 33 above, the descriptive signs referred to in Article 7(1)(c) of Regulation No 40/94 are also devoid of any distinctive character for the purposes of Article 7(1)(b) of that regulation. Conversely, a sign may be devoid of distinctive character for the purposes of Article 7(1)(b) for reasons other than the fact that it may be descriptive (see, with regard to the identical provision laid down in Article 3 of Directive 89/104, *Koninklijke KPN Nederland*, paragraph 86, and *Campina Melkunie*, paragraph 19).

47. There is therefore a measure of overlap between the scope of Article 7(1)(b) of Regulation No 40/94 and the scope of Article 7(1)(c) of that regulation (see, by analogy, *Koninklijke KPN Nederland*, paragraph 67), Article 7(1)(b) being distinguished from Article 7(1)(c) in that it covers all the circumstances in which a sign is not capable of distinguishing the goods or services of one undertaking from those of other undertakings.

48. In those circumstances, it is important for the correct application of Article 7(1) of Regulation No 40/94 to ensure that the ground for refusal set out in Article 7(1)(c) of that regulation duly continues to be applied only to the situations specifically covered by that ground for refusal.

49. The situations specifically covered by Article 7(1)(c) of Regulation No.40/94 are those in which the sign in respect of which registration as a mark is sought is capable of designating a 'characteristic' of the goods or services referred to in the application. By using, in Article 7(1)(c) of Regulation No 40/94, the terms 'the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods

or service', the legislature made it clear, first, that the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service must all be regarded as characteristics of goods or services and, secondly, that that list is not exhaustive, since any other characteristics of goods or services may also be taken into account.

50. The fact that the legislature chose to use the word 'characteristic' highlights the fact that the signs referred to in Article 7(1)(c) of Regulation No 40/94 are merely those which serve to designate a property, easily recognisable by the relevant class of persons, of the goods or the services in respect of which registration is sought. As the Court has pointed out, a sign can be refused registration on the basis of Article 7(1)(c) of Regulation No 40/94 only if it is reasonable to believe that it will actually be recognised by the relevant class of persons as a description of one of those characteristics (see, by analogy, as regards the identical provision laid down in Article 3 of Directive 89/104, *Windsurfing Chiemsee*, paragraph 31, and *Koninklijke KPN Nederland*, paragraph 56)."

92. In addition, a sign is caught by the exclusion from registration in art.7(1)(c) if at least one of its possible meanings designates a characteristic of the goods or services concerned: see *OHIM v Wrigley* [2003] E.C.R. I-12447 at [32] and *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* (C-363/99 [2004] E.C.R. I-1619; [2004] E.T.M.R. 57 at [97]."

32. The opponent, in its written submissions, submits as follows:

"c. the Mark Applied For is objectionable under Section 3(1)(c) of the Act as the elements are simply signs or indications that may serve in trade to designate the kind or other characteristics of the goods on offer."

33. Whilst an image of a pocket may be considered an indication of a characteristic of an item of clothing, footwear or headgear, namely, that the item includes a pocket, the

contested mark does not consist exclusively of the pocket image: the mark contains the word DIESEL, which is descriptive neither of the goods nor a characteristic of them. The opponent argues that the word element is *de minimis*, i.e. it is too minor to merit consideration, and submits as follows:⁵

“39. The size and proportion of any verbal elements and their contrast with respect to the overall mark, and their actual position on it must be considered, together with an appraisal of the sign as a whole. The word “Diesel” would only be noticeable on close inspection, especially in the normal use of the product where such an element is very small, and are of such a superficial nature that it would not be perceivable as an indication of origin.

40. As discussed above, the stylised word element makes only a very small contribution to the overall impression created. Accordingly, the Mark Applied For cannot, in its inherent characteristics, perform the function of a trade mark.”

34. I do not agree with the opponent. Clearly the mark includes a word element in addition to the pocket device and must be considered in its totality. Whilst the word DIESEL is small within the mark, when looking at the mark as a whole it is clearly noticeable. Given that the word DIESEL is not descriptive of the goods or a characteristic of them, the contested mark does not consist exclusively of descriptive elements and so complies with section 3(1)(c). The opposition under this ground fails.

Section 3(1)(b)

35. The principles to be applied under article 7(1)(b) of the CTM Regulation (which is now article 7(1)(b) of the EUTM Regulation, and is identical to article 3(1)(b) of the Trade Marks Directive and section 3(1)(b) of the Act) were conveniently summarised by the Court of Justice of the European Union (“CJEU”) in *OHIM v BORCO-Marken-Import Matthiesen GmbH & Co KG* (C-265/09 P) as follows:

⁵ The opponent’s written submissions filed during the evidence rounds.

“29. [...] the fact that a sign is, in general, capable of constituting a trade mark does not mean that the sign necessarily has distinctive character for the purposes of Article 7(1)(b) of the regulation in relation to a specific product or service (Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 32).

30. Under that provision, marks which are devoid of any distinctive character are not to be registered.

31. According to settled case-law, for a trade mark to possess distinctive character for the purposes of that provision, it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings (*Henkel v OHIM*, paragraph 34; Case C-304/06 P *Eurohypo v OHIM* [2008] ECR I-3297, paragraph 66; and Case C-398/08 P *Audi v OHIM* [2010] ECR I-0000, paragraph 33).

32. It is settled case-law that that distinctive character must be assessed, first, by reference to the goods or services in respect of which registration has been applied for and, second, by reference to the perception of them by the relevant public (*Storck v OHIM*, paragraph 25; *Henkel v OHIM*, paragraph 35; and *Eurohypo v OHIM*, paragraph 67). Furthermore, the Court has held, as OHIM points out in its appeal, that that method of assessment is also applicable to an analysis of the distinctive character of signs consisting solely of a colour per se, three-dimensional marks and slogans (see, to that effect, respectively, Case C-447/02 P *KWS Saat v OHIM* [2004] ECR I-10107, paragraph 78; *Storck v OHIM*, paragraph 26; and *Audi v OHIM*, paragraphs 35 and 36).

33. However, while the criteria for the assessment of distinctive character are the same for different categories of marks, it may be that, for the purposes of applying those criteria, the relevant public's perception is not necessarily the same in relation to each of those categories and it could therefore prove more difficult to establish distinctiveness in relation to marks of certain categories as compared with marks of other categories (see Joined Cases C-473/01 P and

C-474/01 P *Proctor & Gamble v OHIM* [2004] ECR I-5173, paragraph 36; Case C-64/02 P *OHIM v Erpo Möbelwerk* [2004] ECR I-10031, paragraph 34; *Henkel v OHIM*, paragraphs 36 and 38; and *Audi v OHIM*, paragraph 37).”

36. The opponent, in its statement of grounds, submits as follows:

“b. the Mark Applied for is devoid of any distinctive character under Section 3(1)(b) of the Act. The design is common in the trade and fails to inform the consumer as to commercial origin, and does not depart significantly from the norms in the sector. The presence of the stylised word element “Diesel” is clearly *de minimis*, particularly when taking into account the level of attention of the consumer when purchasing such products.”

37. The applicant, in its counterstatement, submits as follows:

“6. The Applicant does not accept that the inclusion of the DIESEL element is *de minimis*. In fact, the Applicant asserts that the inclusion of the DIESEL element is material to the mark as whole (sic). The DIESEL mark is highly distinctive and enjoys a significant reputation not only in the UK but globally. As such, when presented with the DIESEL mark, consumers would understand that the goods derive from the Applicant. Further, the Opponent notes that the attention of the average consumer is low when purchasing such products. The Applicant wholly disagrees with this point. The Applicant offers luxury goods at a high price point. Consequently, purchasing the Applicant’s goods is a considered purchase for many. Many consumers when purchasing designer goods or goods of a high value actively seek out these characteristics to affirm to both themselves and others that the item they have purchased is of high quality.”

38. In *Rosenruist – Gestão e serviços, Lda v OHIM*, Case T-388/09, the General Court (“GC”) addressed the distinctiveness of stitching on a pocket for goods in classes 18 and 25 and found that the mark, which contained no element other than “decorative stitching” was unregistrable. The contested mark in these proceedings, however, contains the word DIESEL, an element that would be visually apparent to any

consumer who encounters the mark. Even if the stitching was of low or no distinctive character, the DIESEL element, despite being presented in a small font size, is sufficient to confer at least a minimum degree of distinctive character: it has the required distinctive character for registration and does not offend section 3(1)(b). The mark as a whole is not devoid of any distinctive character.

Section 3(2)(b)

39. Section 3(2)(b) of the Act states:

“3(2) A sign shall not be registered as a trade mark if it consists exclusively of-

(a) [...]

(b) the shape, or another characteristic, of goods which is necessary to obtain a technical result, or

(c) [...]”

40. Aldous LJ stated in *Philips v Remington 1*⁶ that this exclusion covers any goods covered by the proposed trade mark registration. In this case the goods are clothing, footwear and headgear.

41. In *Lego Juris A/S v OHIM*⁷ the CJEU reviewed the law under article 7(1)(e)(ii) of the EU Trade Mark Regulation, which corresponds to article 3(1)(e)(ii) of Directive 2008/95/EC and s.3(2)(b) of the Act. The court’s review of the law took place in the context of an appeal against the EUIPO’s decision to invalidate the registration of a trade mark consisting of the shape of a building brick. The court stated:

“48. [...] by restricting the ground for refusal set out in Article 7(1)(e)(ii) of Regulation No 40/94 to signs which consist ‘exclusively’ of the shape of goods

⁶ [1999] RPC 809

⁷ Case C-48/09

which is 'necessary' to obtain a technical result, the legislature duly took into account that any shape of goods is, to a certain extent, functional and that it would therefore be inappropriate to refuse to register a shape of goods as a trade mark solely on the ground that it has functional characteristics. By the terms 'exclusively' and 'necessary', that provision ensures that solely shapes of goods which only incorporate a technical solution, and whose registration as a trade mark would therefore actually impede the use of that technical solution by other undertakings, are not to be registered.

[...]

53. As regards the condition that registration of a shape of goods as a trade mark may be refused under Article 7(1)(e)(ii) of Regulation No 40/94 only if the shape is 'necessary' to obtain the technical result intended, the General Court rightly found, at paragraph 39 of the judgment under appeal, that that condition does not mean that the shape at issue must be the only one capable of obtaining that result.

54. It is true, as the appellant points out, that, in some cases, the same technical result may be achieved by various solutions. Thus, there may be alternative shapes, with other dimensions or another design, capable of achieving the same technical result.

55. However, contrary to the appellant's submission, that fact does not in itself mean that registering the shape at issue as a trade mark would have no effect on the availability, to other economic operators, of the technical solution which it incorporates.

56. In that connection, it should be observed, as OHIM points out, that under Article 9(1) of Regulation No 40/94 registration as a trade mark of a purely functional product shape is likely to allow the proprietor of that trade mark to prevent other undertakings not only from using the same shape, but also from using similar shapes. A significant number of alternative shapes might therefore become unusable for the proprietor's competitors.

57. That would be particularly so if various purely functional shapes of goods were registered at the same time, which might completely prevent other undertakings from manufacturing and marketing certain goods having a particular technical function.

58. Those considerations are moreover reflected in paragraphs 81 and 83 of Philips, which state that the existence of other shapes which could achieve the same technical result does not in itself preclude application of the ground for refusal set out in the second indent of Article 3(1)(e) of Directive 89/104, whose wording corresponds to that of Article 7(1)(e)(ii) of Regulation No 40/94.

59. To the extent that the appellant also submits, and OHIM does not dispute, that in order to use the same technical solution, its competitors do not need to place on the market toy bricks whose shape and dimensions are in all respects identical to those of the Lego brick, it is sufficient to observe that that fact cannot prevent application of the rules laid down by the European Union's legislature, interpreted above, under which a sign consisting of the shape of a product that, without the inclusion of significant non-functional elements, merely performs a technical function cannot be registered as a trade mark. Such a registration would unduly impair the opportunity for competitors to place on the market goods whose shapes incorporate the same technical solution.

60. That applies a fortiori in a case of this kind, where it has been found by the competent authority that the solution incorporated in the shape of goods examined is the technically preferable solution for the category of goods concerned. If the three-dimensional sign consisting of such a shape were registered as a trade mark, it would be difficult for the competitors of the proprietor of that mark to place on the market shapes of goods constituting a real alternative, that is to say, shapes which are not similar, and which are nevertheless attractive to the consumer from a functional perspective.

[...]

68. The correct application of Article 7(1)(e)(ii) of Regulation No 40/94 requires that the essential characteristics of the three-dimensional sign at issue be properly identified by the authority deciding on the application for registration of the sign as a trade mark.

69. As the Advocate General observed at point 63 of his Opinion, the expression 'essential characteristics' must be understood as referring to the most important elements of the sign.

70. The identification of those essential characteristics must be carried out on a case-by-case basis. There is no hierarchy that applies systematically between the various types of elements of which a sign may consist (see, to that effect, Case C-488/06 P L & D v OHIM [2008] ECR I-5725, paragraph 55). Moreover, in determining the essential characteristics of a sign, the competent authority may either base its assessment directly on the overall impression produced by the sign, or first examine in turn each of the components of the sign concerned (see, by analogy, Joined Cases C-468/01 P to C-472/01 P Procter & Gamble v OHIM [2004] ECR I-5141, paragraph 45, and Case C-286/04 P Eurocermex v OHIM [2005] ECR I-5797, paragraph 23).

71. Consequently, the identification of the essential characteristics of a three-dimensional sign with a view to a possible application of the ground for refusal under Article 7(1)(e)(ii) of Regulation No 40/94 may, depending on the case, and in particular in view of its degree of difficulty, be carried out by means of a simple visual analysis of the sign or, on the other hand, be based on a detailed examination in which relevant criteria of assessment are taken into account, such as surveys or expert opinions, or data relating to intellectual property rights conferred previously in respect of the goods concerned.

[...]

84. In examining the functionality of a sign consisting of the shape of goods, once the essential characteristics of the sign have been identified, it is only

necessary to assess whether those characteristics perform the technical function of the product concerned.”

42. The legislation and case law are clear: a mark offends section 3(2)(b) if it consists exclusively of the shape of goods which is necessary to obtain a technical result. Further, the correct application of Article 7(1)(e)(ii) (corresponding to section 3(2)(b)) requires the identification of the ‘essential characteristics’, or the ‘most important elements’ of the mark. Such identification may require detailed examination of the mark, such as reference to surveys or expert opinions. To my mind, this task in the context of the mark at issue requires no more than a simple visual analysis. I find the essential characteristics of the contested mark to include:

- i. Lines representing stitching; and
- ii. The word DIESEL.

43. I return to the opponent’s submissions on the section 3(2)(b) ground and note the written submissions filed with the opponent’s evidence. The opponent argues that the drawing of a pocket in the contested mark is entirely functional in nature and that the word DIESEL is *de minimis* and positional in nature only.⁸ I agree that the stitching lines represent a pocket. However, section 3(2)(b) ensures that solely shapes of goods which only incorporate a technical solution and which would, if registered as a trade mark, impede the use of that technical solution, are prevented from being registered. That the contested mark is also formed of the word DIESEL means it does not impede the use of the drawing of a pocket by other undertakings. The word element is an essential feature of the mark and is non-functional. I find support for this view in the *Lego* decision in which the CJEU stated:

“[...] In addition, since that interpretation implies that the ground for refusal under Article 7(1)(e)(ii) of Regulation No 40/94 is applicable only where all the essential characteristics of the sign are functional, it ensures that such a sign cannot be refused registration as a trade mark under that provision if the shape

⁸ See paragraph 20 of the opponent’s written submissions.

of the goods at issue incorporates a major non-functional element, such as a decorative or imaginative element which plays an important role in the shape.”

44. Taking everything into account, the essential features of the contested mark are not attributable only to a technical result and the exclusion under 3(2)(b) does not apply. The mark does not consist exclusively of the shape, or another characteristic, of goods which is necessary to obtain a technical result.

Section 3(6)

45. Section 3(6) of the Act states:

“(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

46. The relevant case law covering trade mark applications made in bad faith can be found in the following cases: *Chocoladefabriken Lindt & Sprüngli*, CJEU, Case C-529/07, *Malaysia Dairy Industries*, CJEU, Case C-320/12, *Koton*, CJEU, Case C-104/18P, *Sky v Skykick*, CJEU, Case C-371/18, *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited* and others, [2009] RPC 9 (approved by the Court of Appeal in England and Wales: [2010] RPC 16), *Trump International Limited v DDTM Operations LLC*, [2019] EWHC 769 (Ch), *Copernicus-Trademarks v EUIPO*, General Court of the EU, Case T-82/14, *Daawat Trade Mark*, The Appointed Person, [2003] RPC 11, *Saxon Trade Mark*, [2003] EWHC 295 (Ch), *Mouldpro ApS v EUIPO*, General Court of the EU, Case T-796/17, *Alexander Trade Mark*, The Appointed Person, BL O/036/18, *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch) and *Sky v Skykick* [2020] EWHC, 990 (Ch).

47. The law appears to be as follows:

- (a) While in everyday language the concept of ‘bad faith’ involves a dishonest state of mind or intention, the concept of bad faith in trade mark law must be understood in the context of trade: *Sky* CJEU.

- (b) Applying to register a trade mark without an intention to use it is not bad faith *per se*. Therefore, it is not necessary for the trade mark applicant to be using, or have plans to use, the mark in relation to all the goods/services covered by the specification: *Sky CJEU*.
- (c) The bad faith of the trade mark applicant cannot, therefore, be presumed on the basis of the mere finding that, at the time of filing his or her application, that applicant had no economic activity corresponding to the goods and services referred to in that application: *Sky CJEU*.
- (d) However, where the trade mark application is filed without an intention to use it in relation to the specified goods and services, and there is no rationale for the application under trade mark law, it may constitute bad faith. Such bad faith may be established where there are objective, relevant and consistent indications showing that the applicant had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark: *Sky CJEU*.
- (e) This may be the case where the exclusive right was sought as part of a strategy of using widely cast trade mark registrations as legal weapons for use against others in opposition proceedings and/or for the purposes of blocking applications by third parties: *Sky EWHC* and *Copernicus-Trademarks v EUIPO*.
- (f) A trade mark may be applied for in good faith in relation to some of the goods/services covered by the application, and in bad faith as regards others: *Sky CJEU*.
- (g) This may be the case where the applicant has included a specific term in the specification, such as 'computer games', with no intention of using the mark in relation to any such goods, simply to obstruct third parties from using or registering the same mark, or similar marks. It may also be the case where the applicant has included a broad term, such as 'computer software', with the

intention of using the mark in relation to a particular sub-category of such goods/services, but no intention of using the mark in relation to all the other (sometimes very different) sub-categories of goods/services covered by the broad term, with the objective of obstructing third parties from using or registering the mark in relation to such goods/services: *Sky EWHC*.

- (h) In deciding whether there was a rationale for registering the trade mark in relation to any particular term, it is necessary to bear in mind that trade mark proprietors have a legitimate interest in seeking protection in respect of goods or services in relation to which they may wish to use the trade mark in future (even if there were no plans to use the mark in relation to the goods/services at issue at the time of filing the application): *Sky EWHC*. It is therefore relevant to consider whether the goods/services in the contested application are related to those for which the mark has been used, or for which the applicant had plans to use the mark.

48. The following points are apparent from earlier case law about registering trade marks in bad faith:

- (a) Although it may be a relevant factor, the mere fact that the applicant knew that another party was using the trade mark in another territory does not establish bad faith: *Malaysia Dairy Industries*.
- (b) Similarly, the mere fact that the applicant knew that another party used the trade mark in the UK does not establish bad faith: *Lindt, Koton* (paragraph 55). The applicant may have reasonably believed that it was entitled to apply to register the mark, e.g. where there had been honest concurrent use of the marks: *Hotel Cipriani*.
- (c) However, an application to register a mark is likely to have been filed in bad faith where the applicant knew that a third party used the mark in the UK, or had reason to believe that it may wish to do so in future, and intended to use the trade mark registration to extract payment/consideration from the third party, e.g. to lever a UK licence from an overseas trader: *Daawat*, or to gain an

unfair advantage by exploiting the reputation of a well-known name: *Trump International Limited*.

(d) An application may also have been filed in bad faith where the applicant acted in breach of a general duty of trust as regards the interests of another party, including his or her own (ex) company or (ex) partners, or a party with whom there is, or had recently been, a contractual or pre-contractual relationship, such as a licensor, prospective licensor or overseas principal: *Saxon, Mouldpro*; or where a legal agreement prohibits such a filing.

49. The correct approach to the assessment of bad faith claims requires the following points to be taken into account:

(a) The applicant's intention is a subjective factor which must be determined objectively by the competent authority. An overall assessment is required, which must take account of all the factual circumstances relevant to the particular case: *Lindt*.

(b) The matter must be judged at the relevant date, which is the date of the application for registration: *Lindt*.

(c) It is necessary to ascertain what the applicant knew at the relevant date: *Red Bull*. Evidence about subsequent events may be relevant if it casts light backwards on the position at the relevant date: *Hotel Cipriani*.

(d) A statement on the application form that the mark is in use, or there is a *bona fide* intention to use it may, if untrue, provide evidence supporting a bad faith case, but is not sufficient by itself to justify the refusal or cancellation of the registration: *Sky* CJEU.

(e) An allegation of bad faith is a serious allegation which must be distinctly proved, but in deciding whether it has been proved, the usual civil evidence standard applies (i.e. balance of probability). This means that it is not enough to establish facts which are as consistent with good faith as bad faith: *Red Bull*.

50. As mentioned earlier in this decision, pursuant to Article 59, the filing date of the contested application is deemed to be the same filing date as the corresponding EU application. Since it is the application date that is relevant for a case of bad faith, the relevant date is 10 May 1999. The opponent's evidence and submissions in relation to section 3(6) are either directed towards the date the application was re-filed in the UK, i.e. 11 February 2021, or not related to any specific date, i.e. the breadth of the specification applied for. Nothing filed during the course of these proceedings appears to be directed toward the correct relevant date in 1999. Regardless, I will assess the opponent's claim of bad faith to the extent I consider it necessary.

Assessment

51. The opponent's submissions are set out below (footnotes omitted):⁹

“42. There is no reasonable commercial rationale for seeking to register the Mark Applied For for such a broad range of goods in Class 25. The specification includes footwear and headgear as well as clothing items. Given that the Applicant's intended use is jeans, and potentially other similar types of trousers, there is no commercial rationale for requesting broader protection than that they current (sic) offer or have any intention to offer.

43. With such a broad scope of goods I Class 25, together with a broad scope of protection afforded to the Mark Applied For, the Applicant is attempting to monopolise a generic and widespread element. [...]

[...]

48. As can be seen from the proceedings before the District Court of the Hague, the Applicant asserts their registered trade mark protection against third parties. Broad protection for the Mark Applied For in Class 25 is without commercial rationale and that in and of itself is sufficient to show that, on the balance of the

⁹ The opponent's written submissions filed during the evidence rounds.

probabilities, that registration would be intended as an instrument of oppression against other traders.

[...]

50. The Applicant does not have a *bona fide* intention of using the Mark Applied For for all the specified goods. As shown in *Skykick*, whilst applying to register a trade mark without an intention to use is not bad faith *per se*, it can constitute bad faith where there are objective, relevant and consistent indications showing that the applicant had the intention of either undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark.

51. The aim of the Mark Applied For is to broaden the scope of protection of their positional mark and disrupt the commercial operations of third parties and competitors, and limit access to the market by these companies, by obtaining registered protection for generic parts of items of clothing, and falls short of the standards of acceptable commercial behaviour.”

52. The opponent’s main contention appears to be that the contested application was filed without an intention to use the mark for all the specified goods; rather, it was filed for the purpose of broadening the scope of protection of its mark and limiting access to the market by third parties. The opponent’s case appears to be based on:

- (i) Proceedings at the District Court of the Hague, in which the applicant had applied to register a ‘coin pocket device’ and relied upon such mark in infringement proceedings against third parties. According to the opponent, the third party was found not be infringing the applicant’s mark;
- (ii) The applicant’s intention to use the mark on jeans and other similar types of trousers, but having included footwear and headgear in their specification, for which there is no commercial rationale; and

(iii) The fact that strips of fabric and stitching are usual and commonplace in fashion goods, as found by the UK IPO in July 2019, and that including the brand name 'Diesel' in the mark is an attempt to circumnavigate previous refusals to register the mark.

53. The opponent claims that these activities fall short of the standards of acceptable commercial behaviour.

54. In relation to point (i), I am not satisfied that relying on an unrelated trade mark registration in infringement proceedings in another jurisdiction is evidence of an application made in bad faith, whether the party was successful in those proceedings or not. The opponent has filed no evidence to persuade me that these proceedings indicate the applicant engaging in unacceptable commercial behaviour.

55. In relation to point (ii), the opponent refers to *Skykick* and, whilst accepting that applying to register a trade mark without an intention to use is not bad faith *per se*, it claims that the application constitutes bad faith given that there are objective, relevant and consistent indications that the applicant had the intention of undermining the interests of third parties or of obtaining the right for purposes other than those falling within the functions of a trade mark. I bear in mind the findings of *Sky* (CJEU) and *Sky* (EWHC) and also the findings in *Equisafety Ltd v Battles, Hayward and Bower, Ltd & Anor*, [2021] EWHC 3296 (IPEC):

“39. Even if the application was made in bad faith in so far as it related to goods such as bicycle helmets and Fences (Electrified), it is clear from *Skykick* (see for example, at [108]-[109]), that that would not invalidate the application insofar as it related to goods such as the reflective products that [the claimant] was selling at the time. As [the claimant’s] infringement claim is based on that latter type of goods, the bad faith argument does not assist [the defendant].

40. I should say that, even as regards goods such as bicycle helmets and Fences (Electrified), it does not seem to me that the evidence is sufficient for me to conclude that the application was made in bad faith. As these goods were outside the scope of [the defendant’s] activities, it does not appear that [the

claimant's] motivation was to undermine [the defendant's] position. So, the allegation becomes simply one of too broad a specification of goods which is not sufficient to found a bad faith claim (see *SkyKick* at [67(13)] and [77])”.

56. It is not apparent to me from the opponent's submissions and evidence that the applicant's practice of filing its application for *footwear* and *headgear* in class 25 as well as *clothing* constitutes a practice that undermines the rights of third parties, or concerns obtaining rights for purposes other than those falling within the functions of a trade mark. As in the *Equisafety* case, the allegation at point (ii) appears to be one of too broad a specification, which is not sufficient for a claim of bad faith.

57. In relation to point (iii), I remind myself that I am not bound by any previous decision of the UK IPO; each case is decided on its own facts and evidence. The opponent seems to be suggesting that as the UK IPO refused a similar application to the one at issue here, i.e. the image of a jeans pocket featuring a strip of fabric, the applicant is attempting to overcome that objection by including the word DIESEL on a similar pocket device. Even if that is the case, that does not satisfy me that the application has been made in bad faith. Oftentimes, where an application is refused registration due to a lack of distinctive character, the applicant chooses to make changes to their application in order to overcome such objections. This may or may not be the case here, but the activity described by the opponent does not appear, to me, to fall within the realms of bad faith.

58. The burden is on the opponent to prove its allegation of bad faith. If and when a *prima facie* case has been made out, the question of the applicant's rebuttal becomes relevant. In my judgment, the opponent has not presented a *prima facie* case that the contested mark was filed in bad faith and the opposition under section 3(6) fails.

CONCLUSION

59. The opposition fails in its entirety and the application will proceed to registration.

COSTS

60. The applicant has been successful and is entitled to a contribution towards its costs, based upon the scale published in Tribunal Practice Notice 2/2016. I assess these as follows:

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

Preparing evidence and considering the other side's evidence: £600

Preparing written submissions in lieu: £300

Total: £1200

61. I therefore order HGF Limited to pay Diesel S.p.A. the sum of £1200. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the final determination of the appeal proceedings.

Dated this 17th day of August 2022

E VENABLES

For the Registrar