

**O-159-15**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 3045406  
BY  
PORTOFINO MADE IN ITALY LTD**

**TO REGISTER A SERIES OF TWO  
TRADE MARKS**



**IN CLASS 25**

**AND**

**THE OPPOSITION THERETO  
UNDER NO 402571  
BY FLYERS GROUP PLC**

**Background and pleadings**

1. On 6 March 2014, PORTOFINO MADE IN ITALY LTD (“the applicant”) applied to register the following trade mark (“the application”) as a series of two in the UK:



2. It was accepted and published in the Trade Marks Journal on 25 April 2014 in respect of the following goods:

Class 25: Clothing, footwear and headwear; clothing for men; ties, jackets, belts, suits, shirts, trousers, jerseys, pullovers, scarves, collared shirts, socks, all being items of clothing; leisure clothing; formal evening wear; underwear; all the aforesaid goods being made in Italy.

3. Flyers Group Plc (“the opponent”) opposed the application based on Section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opponent is relying upon their UK Trade Mark Registration no. 2559092 for the mark “PORTOFINO KIDS” (“the earlier mark”). The earlier mark was applied for on 20 September 2010, and the registration procedure was completed on 4 March 2011. The following goods are relied upon in this opposition:

Class 25 “Children’s clothing, footwear and headgear”

4. The opponent argues that the respective goods “are substantially the same, if not identical”, and that the marks are similar.

5. The applicant filed a counterstatement denying the claim made. The applicant states, *inter alia*, “there is neither conceptual identity nor similarity between “Portofino Made in Italy” and “Portofino Kids””.

6. Neither side filed evidence. The opponent filed written submissions.

7. A Hearing took place on 17 March 2015, with the applicant represented by Mr Alan Rhode of Taxmen Ltd. Mr Rhode advised that he is a qualified Italian lawyer. The opponent did not attend.

**Section 5(2)(b)**

8. Sections 5(2)(b) of the Act is as follows:

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

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

### **Likelihood of confusion (standard case law)**

9. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

### **The principles**

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

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

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

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

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

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

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(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

### **The average consumer and the purchasing act**

10. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*.

11. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms (paragraph 60):

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

12. The conflict relates, generally, to clothing, footwear and headgear. In my experience, the goods at issue are likely to be inspected for colour, size, style, fitness for purpose, etc and subsequently tried on. All of this increases the potential exposure to the trade mark. That being said, the purchase is unlikely to be a highly considered process since clothing is purchased relatively frequently and, although cost can vary, they are not generally a highly expensive purchase. Therefore, I consider the purchasing process to be a normal, reasonably considered one, no higher or lower than the norm.

13. Whilst the earlier mark's goods are specifically for children, the average consumer is still a member of the general public. Children do not purchase their own clothing, so the average consumer is predominantly parents who are members of the general public.

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14. As to how the average consumer selects such goods, in *New Look Ltd v Office for the Harmonization in the Internal Market (Trade Marks and Designs)* Joined cases T-117/03 to T-119/03 and T-171/03 the GC stated in paragraph 50:

“The applicant has not mentioned any particular conditions under which the goods are marketed. Generally in clothes shops customers can themselves either choose the clothes they wish to buy or be assisted by the sales staff. Whilst oral communication in respect of the product and the trade mark is not excluded, the choice of the item of clothing is generally made visually. Therefore, the visual perception of the marks in question will generally take place prior to purchase. Accordingly the visual aspect plays a greater role in the global assessment of the likelihood of confusion.”

15. The goods at issue are most likely to be purchased following a process of self selection via retail outlets on the high street, catalogues or websites. Therefore, visual considerations dominate the selection process, and in accordance with the guidance set out in *New Look*, greater weight should be given to the visual aspect. Whilst taking this view, I do not rule out aural use completely.

### **Comparison of goods**

16. In the judgment of the Court of Justice of the European Union in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

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

17. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

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

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<b>Opponent's Class 25 goods</b>	<b>Applicant's Class 25 goods</b>
Children's clothing, footwear and headgear	Clothing, footwear and headwear; clothing for men; ties, jackets, belts, suits, shirts, trousers, jerseys, pullovers, scarves, collared shirts, socks, all being items of clothing; leisure clothing; formal evening wear; underwear; all the aforesaid goods being made in Italy.

18. Goods can be considered as identical when the goods of the applied for mark fall within the ambit of broad terms in the earlier mark (see, for example, *Gerard Meric v Office for Harmonisation in the Internal Market* (Trade Marks and Designs) (OHIM) Case T-133/05 – “Meric”).

19. In this case, the opponent's goods cover “children's clothing, footwear and headgear”. Whilst limited to “children”, they are sufficiently broad to be identical to the following goods within the application:

“Clothing, footwear, headwear; ties, jackets, belts, suits, shirts, trousers, jerseys, pullovers, scarves, collared shirts, socks, all being items of clothing; leisure clothing; underwear; all the aforesaid being made in Italy”

*Children's clothing v Clothing for men (including formal evening wear)*

20. Applying the principles set out in the *Canon* and *Treat* decisions, I conclude the following when comparing children's and men's clothing.

21. By definition, the respective users of children's and men's clothing differ since one category is for children and the other for men. However, as previously stated, the purchasers of these goods will be the same since children do not generally purchase their own clothes. The physical nature of each category of goods is the same insofar that they are used to adorn and protect the body in an aesthetically pleasing manner. The respective trade channels are also highly similar given that many clothing companies produce and sell both children's and men's clothing. Therefore, I find children's clothing and clothing for men to be similar to be an above average degree. I reach the same conclusion in respect of formal evening wear.

### **Comparison of the marks**

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


“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their

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relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

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

24. The respective trade marks are shown below:

Opponent's trade mark	Applicant's trade mark
PORTOFINO KIDS	

25. The average consumer normally perceives a mark as a whole and does not analyse its details. Therefore, in making the comparison I must decide which, if any, of the components I consider to be distinctive and dominant. I do this without engaging in an artificial dissection of the marks.

26. In this instance, the earlier mark comprises of the place name PORTOFINO and the descriptive word KIDS. The application comprises of the place name PORTOFINO, a shield device and the descriptive words “Made in Italy”.

27. It is clear that the dominant and distinctive element of each mark is the word PORTOFINO. Whilst the application also contains a shield, this will be viewed as decorative and is not dominant in the overall impression created by the mark. The overall impression of each mark is PORTOFINO. This may be viewed as a mere reference to the place or an indication of where the goods originate. Nevertheless, the dominant and distinctive element of each mark is, in essence, the same.

28. From an aural perspective, the earlier mark would be verbalised as “PORTOFINO KIDS” or maybe just as “PORTOFINO”. I am of the view that the application would be verbalised as “PORTOFINO”. Whilst the application also contains the words “Made in Italy”, I do not believe that a consumer would refer to the goods as “PORTOFINO Made in Italy”. Therefore, I am of the opinion that the respective marks are aurally similar to a high degree.

29. The primary concept will be based upon the popular tourist destination Portofino. The opponent's mark comprises of two elements, the words PORTOFINO and KIDS.

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Given the goods offered under the mark are for children, I do not consider the word KIDS will be accorded much (if any) conceptual significance. With regard to the application, the inclusion of Made in Italy will merely signify where the goods are produced and the shield device will be viewed as decorative. Therefore, the respective marks will be remembered by their reference to the place PORTOFINO. Accordingly, there is a high level of conceptual similarity between the marks.

30. Visually, both marks contain the word PORTOFINO. In the application the word PORTOFINO is in a stylised font, though this does not materially alter the visual comparison. It also contains a device element and the words “Made in Italy”. The additional matter within the application does slightly dilute the visual similarity, however overall I consider the marks to be visually similar to a medium degree.

### **Distinctive character of the earlier trade mark**

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

“In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

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

32. The distinctive character of the earlier mark is another important factor to consider because the more distinctive it is (based either on inherent qualities or because of the use made of it), the greater the likelihood of confusion (see *Sabel BV v Puma AG*, paragraph 24).

33. The opponent has not filed turnover or advertising figures, or any examples of how the mark is used. Therefore, I only have the mark’s inherent nature to consider.

34. The earlier mark consists of the words PORTOFINO KIDS. The word KIDS will be viewed as a descriptor of the market for which the goods will be used, so it does not contribute to the overall distinctive character. The word PORTOFINO is not an invented word so it cannot be at the top end of the distinctiveness scale. It is the



name of an Italian village which is well known and relatively popular tourist destination. I am of the view that the average consumer will recognise Portofino as a place name, probably in Italy, but only a moderate number of consumers will know anything more about the destination. Overall, the mark has an average degree of distinctive character.

### **Global Assessment – conclusions on likelihood of confusion**

#### *Notional and fair use*

35. During the hearing Mr Rhode stated that the applied for goods are a high end product which are aimed at reflecting the luxurious image that Portofino conveys. In paragraph 66 of *O2 Holdings Limited, O2 (UK) Limited v Hutchison 3G UK Limited* (Case C-533/06) it is stated:

“Article 4(1)(b) of Directive 89/104, however, concerns the application for registration of a mark. Once a mark has been registered its proprietor has the right to use it as he sees fit so that, for the purposes of assessing whether the application for registration falls within the ground for refusal laid down in that provision, it is necessary to ascertain whether there is a likelihood of confusion with the opponent’s earlier mark in all the circumstances in which the mark applied for might be used if it were to be registered.”

36. In view of the above, whether the applicant intends on (or continues) to produce high end goods is irrelevant. Should the trade mark application mature to registration for the applied for goods<sup>1</sup> its subsequent use may not always be limited to high end goods and it may venture into goods of a more average quality and price. Therefore, the applicant’s current trading pattern or business plan has no bearing on these proceedings.

#### *State of the register evidence*

37. In the applicant’s counterstatement, they included a “TM View” search report which referred to 76 trade mark applications/registrations which include the place name “Portofino”. Predictably a number of these marks are Italian National rights. Since trade marks are territorial, a trade mark application/registration of other Member States has no impact on a UK application/Registration.

38. Notwithstanding the above, the state of a trade mark register was discussed in *Henkel KGaA v Deutsches Patent- und Markenamt*, Case C-218/01, where the Court of Justice of the European Union found in paragraph 65:

“...The fact that an identical trade mark has been registered in one Member State as a mark for identical goods or services may be taken into consideration by the competent authority of another Member State among all the circumstances which that authority must take into account in assessing

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<sup>1</sup> Clothing, footwear and headwear; clothing for men; ties, jackets, belts, suits, shirts, trousers, jerseys, pullovers, scarves, collared shirts, socks, all being items of clothing; leisure clothing; formal evening wear; underwear; all the aforesaid goods being made in Italy.

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the distinctive character of a trade mark, but it is not decisive regarding the latter's decision to grant or refuse registration of a trade mark.

On the other hand, the fact that a trade mark has been registered in one Member State for certain goods or services can have no bearing on the examination by the competent trade mark registration authority of another Member State of the distinctive character of a similar trade mark for goods or services similar to those for which the first trade mark was registered.”

39. In the event all or some of the 76 applications/registrations covered the UK or European Community I am mindful of the comments made by the General Court at paragraph 73 of *Zero Industry Srl v OHIM*, Case T-400/06:

“As regards the results of the research submitted by the applicant, according to which 93 Community trade marks are made up of or include the word ‘zero’, it should be pointed out that the Opposition Division found, in that regard, that ‘... there are no indications as to how many of such trade marks are effectively used in the market’. The applicant did not dispute that finding before the Board of Appeal but none the less reverted to the issue of that evidence in its application lodged at the Court. It must be found that the mere fact that a number of trade marks relating to the goods at issue contain the word ‘zero’ is not enough to establish that the distinctive character of that element has been weakened because of its frequent use in the field concerned (see, by analogy, Case T-135/04 *GfK v OHIM – BUS(Online Bus)* [2005] ECR II-4865, paragraph 68, and Case T-29/04 *Castellblanch v OHIM – Champagne Roederer (CRISTAL CASTELLBLANCH)* [2005] ECR II-5309, paragraph 71).”

40. There is no evidence that the marks are in use, and whether such use would affect the distinctive character of the word PORTOFINO.

### *Overall conclusion*

41. Deciding whether there is a likelihood of confusion is not scientific; it is a matter of considering all the factors, weighing them and looking at their combined effect, in accordance with the authorities set out earlier in this decision. One of those principles states that a lesser degree of similarity between the goods and services may be offset by a greater degree of similarity between the marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*). I must also keep in mind the distinctive character of the opponent’s mark as the more distinctive these marks are, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between marks and must instead rely upon the imperfect picture retained in their mind.

42. To summarise, I have found that:

- The average consumer of the respective goods is the general public (even for children’s clothing) will pay a reasonable degree of care and attention whilst purchasing the goods.

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- Given the goods in question, visual considerations will dominate the selection process, though aural use is not completely discounted.
- The goods are predominantly identical save for children's clothing which I found to be similar to an above average degree as men's clothing and formal evening wear.
- The earlier mark has an average degree of inherent distinctive character.
- The respective marks have a high degree of aural similarity. They also have a high degree of conceptual similarity though the average consumer will remember that the opponent's goods are intended to be for children rather than adults. There is a medium degree of visual similarity.

43. Whilst I conclude that the respective marks are generally similar, and some of the goods are identical, I do not conclude that there is a likelihood of direct confusion, i.e. mistaking one mark for another. However, confusion need not be direct and can, instead be indirect. The difference between the two forms of confusion was summed up by Mr Iain Purvis QC, sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10 where he stated in paragraphs 16 and 17 that:

“Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

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

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

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

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

44. I bear in mind that the three categories of indirect confusion identified by Mr Purvis are just illustrative – he stated that indirect confusion “tends” to fall in one of them. The categories should not, therefore, be considered a straightjacket. Given the existence of the word “KIDS” in the opponent’s mark, together with the opponent’s goods, I find that the average consumer will be confused into believing that it is a “sub-brand” of the applicant and that both marks belong to economically linked undertakings.

45. In view of the above, I find that there is a likelihood of confusion.

### **Outcome**

**46. The opposition succeeds. The application shall be refused in its entirety.**

### **Costs**

47. The opponent has been successful and is entitled to a contribution (rather than compensation) towards its costs. The Registrar normally awards costs from the scale published in Tribunal Practice Notice 4/2007 (which can be viewed on the website of the Intellectual Property Office). I award the opponent the sum of £700 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Preparing a statement and considering the counterstatement	£300
Official opposition fee	£100
Considering applicant’s evidence and filing submissions	£300
<b>Total:</b>	<b>£700</b>

48. I therefore order PORTOFINO MADE IN ITALY LTD to pay FLYERS GROUP PLC the sum of £700. The above sum should be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 10th day of April 2015**

**MARK KING**  
**For the Registrar,**  
**The Comptroller-General**