

O/181/18

TRADE MARKS ACT 1994

TRADE MARK APPLICATION No. 3142542

BY CAMPAGNOLO S.r.l

AND

OPPOSITION No. 406514

BY BRIDGESTONE CORPORATION

Background and pleadings

1. This is an opposition by the Bridgestone Corporation of Japan (“the opponent”) against an application by Campagnolo S.r.l. (“the applicant”) filed on 31st December 2015 (“the relevant date”) to register the trade mark shown below in relation to *“parts and components for bicycles, namely, gears, derailleurs, controls, brakes, pinions, chains, sheathes, cranks for bicycles.”*



2. The application was published for opposition purposes on 29th January 2016.

3. The opponent is the proprietor of the two earlier EU trade marks shown below.

Number	Mark	Goods	Entered in register
4165809	POTENZA	Shock absorbers for vehicles and for aeroplanes, tyres for vehicles and for aeroplanes; wheels for vehicles; inner tubes, rims and covers for vehicle wheels; inner tubes for vehicle tyres; parts and fittings for all the aforesaid goods.	21 st February 2006
11868734	POTENZA S007	Tires for passenger cars; tires for trucks; tires for buses; tires for racing cars; tires for automobiles; retreaded tires for passenger cars; retreaded tires for trucks; retreaded tires for buses; retreaded tires for racing cars; retreaded tires for automobiles; retreaded tires for aircrafts; inner tubes for passenger cars; inner tubes for trucks; inner tubes for buses; inner tubes for racing cars; inner tubes for automobiles; tread rubber for retreading tires for the above-mentioned vehicles; tires for two-wheeled motor vehicles; inner tubes for two-wheeled motor vehicles; tires for bicycles; inner tubes for bicycles; tread rubber for retreading tires for two-wheeled motor vehicles or bicycles; tires and inner tubes for aircraft; tread rubber for retreading tires for aircraft; adhesive rubber patches for repairing tubes or tires; treads for vehicles [tractor type].	15 th October 2013

4. The grounds of opposition are, in summary, that:

- The contested mark is similar to the earlier marks and covers “identical, similar or complementary” goods.
- Potenza is the Italian word for ‘power’ and may be understood by consumers as indicating that goods sold under the respective marks possess qualities such as durability, endurance, high performance and the capacity to produce more speed.
- There is a likelihood of confusion with the earlier marks and registration should therefore be refused under s.5(2)(b) of the Trade Marks Act 1994 (“the Act”).
- Earlier mark 4165809 (POTENZA) has a reputation in the UK and EU in relation to all the goods for which it is registered.
- Use of the contested mark would create a link in the minds of consumers with the earlier mark.
- The effect would be cause consumers to believe that there is an economic connection of some sort between the users of the marks.
- Use of the contested mark would, without due cause, take unfair advantage of, or be detrimental to, the reputation and distinctive character of the earlier mark.
- Registration of the contested mark should therefore be refused under s.5(3) of the Act.

5. The applicant filed a counterstatement denying the grounds of opposition. I note, in particular, that:

- The applicant required proof of use of EU 4165809 in relation to the goods for which it is registered.
- The applicant’s goods are component parts for bicycles which are not in competition with, or complementary to, or sold through the same trade channels as tyres for motor cars, such as those sold by the opponent under the earlier marks.

- Insofar as EU 11868734 is protected in relation to *tires for bicycles, inner tubes for bicycles, tread rubber for retreading tires for two-wheeled motor vehicles or bicycles* are concerned, it is well known that different component parts of vehicles are manufactured by different specialist providers, and that tyres are rarely made by vehicle manufacturers.

6. Both sides seek an award of costs.

Case management and representation

7. The opponent applied on 22nd June 2017 to add the s.5(3) ground of opposition to the original s.5(2) ground. The opponent stated that it had intended to rely only on s.5(2) of the Act, but “*evidence had recently come to light which indicated that the opponent could be considered to have a reputation*” [under POTENZA] and could therefore rely on s.5(3) too.

8. A case management conference (“CMC”) was held on 27th July 2017. The applicant was represented by Mr Rowland Buehrlen of Beck Greener. The opponent was represented by Mr John Ferdinand of Marks & Clerk LLP. Surprising though it seemed to me that the opponent had only recently become aware of the reputation of its trade marks in the EU, I nevertheless permitted the addition of the s.5(3) ground. This was because (a) the opponent indicated that it intended to rely on the evidence-in-chief it had just filed to support both grounds of opposition (so allowing the amendment would mean no delay or other prejudice to the applicant), and (b) I considered that, on balance, it was preferable to resolve all the potential legal issues between the parties in the opposition proceedings (as opposed to potential follow-on invalidation proceedings). The opponent was ordered to pay the applicant £350 to cover the cost of filing an amended defence.

9. The applicant filed its evidence in response on 28th July 2017. This was accompanied by a request that certain parts of the evidence be kept confidential from the public. By the time this matter was resolved the period for the opponent to file its evidence-in-reply had drifted out to 24th December 2017. On 22nd December

2017 the opponent sought a one month extension of the period for filing this evidence. The request was provisionally refused.

10. A second CMC took place on 17th January 2018. The parties were represented as before. The opponent had filed its evidence-in-reply on 12th January 2018. The applicant did not object so much to the late filing of the evidence as to the fact that it contained material which was not strictly in reply to the applicant's evidence. Following the CMC I issued these directions.

- “(i) The opponent is granted an extension of time to file the evidence received on 12th January 2018;
- (ii) To the extent that the evidence is not strictly in reply to the applicant's evidence, the evidence is admitted under Rule 20(4) of the Trade Mark Rules 2008;
- (iii) The applicant has until 31st January to state if it wishes to file evidence strictly in reply to the opponent's evidence of 12th January;
- (iv) If it does, it may do so by 28th February;
- (v) If it does not, a hearing will be appointed for 9.30am on 26th February 2018;
- (vi) If it does file evidence in reply, a hearing will be appointed for 9.30am on 12th March 2018.”

11. I gave my reasons as follows:

“The requested extension of time was relatively short. The arguments for granting it (difficulty in obtaining evidence, some [of it] historical, from related parties in different countries and Christmas/New year holidays) seemed quite weak given the length of time since the applicant filed its evidence in late September 2017. On balance, I decided that the shortness of the extension (just) outweighed the weakness of the arguments.

Mr Beuhrlen, who represented the applicant, primarily objected to the evidence, on the grounds that it was not in reply. I have reviewed the evidence. Most of it does appear to go to a point raised in the applicant's

evidence; namely, whether the bicycle and automotive industries are connected or not. However, it is fair to say that the reply evidence raises multiple facts of varying degrees of relevance to this point, at least as far as the perception of UK consumers is concerned. Further, it alleges that the applicant itself was once engaged in both industries. In my view, the applicant ought to have a chance to rebut these points in evidence if they are not accurate, but accepted as being potentially relevant to the perception of UK consumers as to the relationship between bicycle parts and automotive manufacturers.”

12. The applicant subsequently indicated that it did wish to file evidence in reply and did so on 27th February 2018.

13. A hearing took place on 12th March 2018 at which the applicant was again represented by Mr Rowland Buehrlen of Beck Greener. The opponent decided not to be represented at the hearing, preferring to file written submissions in lieu of attendance.

The evidence

The opponent's evidence

14. The opponent's evidence consists of two witness statements by Mr Robin Shaw, who is the Managing Director of the opponent's North Europe Division. Mr Shaw states that the opponent is recognised as the world's largest manufacturer of tyre and rubber products. According to him, 1 in 5 vehicles across the world are fitted with Bridgestone tyres. At the time of his first statement (June 2017), the opponent's product range is said to include *“tyres for passenger cars, trucks, buses, motorcycles, construction and mining vehicles and aircraft; other automotive components and accessories; industrial products; bicycles and sporting goods.”* Mr Shaw claims that the opponent is particularly known for its commitment to innovation and new technology. In support of this claim he cites the recent development of “air-free” bicycle and automobile tyres. Information about such goods is said to be included in exhibit 1 to Mr Shaw's first statement. However, the only reference to

“air-free” tyres that I can see in this exhibit is on page 10 and depicts a wheel and tyre for a car or motorcycle rather than bicycle tyres.

15. Mr Shaw’s evidence is that the POTENZA brand is applied to a specialist range of high performance tyres. Exhibit 3 to Mr Shaw’s first statement consists of 63 pages from brochures for Bridgestone tyres from 2012 - 2015. They show POTENZA in use in relation to tyres for motor cars.

16. POTENZA tyres are marketed through two main channels; tyre distributors, including vehicle repair and servicing outlets, such as Kwik Fit and Halfords, and through vehicle manufacturers that fit the tyres to new vehicles. Amongst vehicle manufacturers, the opponent’s top customers for POTENZA tyres in Europe are BMW, VW/Audi, General Motors, Daimler, Peugeot/Citroen, Renault, Ford, Fiat and Aston Martin.

17. According to Mr Shaw, over 4 million tyres are sold under the POTENZA mark in Europe each year. 12% of these sales take place in the UK. Mr Shaw provides 5 examples of press coverage of the POTENZA brand in the UK prior to the relevant date.¹ These are from car magazines and tyre trade publications. There are also a number of articles from after the relevant date, including one from the UK website of Which? It is entitled ‘Best car tyre brands’. The article includes Bridgestone and made reference to the fact that the company had branched out from tyres into vehicle components, bicycles and golf equipment. This article is dated May 2017, some 18 months after the relevant date.

18. The opponent sponsored Formula One racing events from 1997 to 2010 and provided POTENZA tyres from 2006 to 2010. Some pictures showing POTENZA applied to the tyres of racing cars (and in one case to the spoiler of the vehicle) are in evidence.² At least some of these pre-date the relevant date.

19. The opponent’s POTENZA tyres have won a number of awards. For example, the POTENZA S001 was named ‘Tyre of the year’ in Spain in 2010 in the touring car

¹ See exhibit 7 to Shaw 1

² See exhibit 9 to Shaw 1

category. None of the awards identified appear to relate specifically to the UK, although some of them were published in the UK, at least on the opponent's website.³

20. I note that, contrary to the opponent's pleading that POTENZA is the Italian word for 'power' and may be understood as such by consumers, Mr Shaw says that the word has no meaning in English and therefore will be seen as particularly distinctive to UK consumers. I take this to mean that the opponent no longer stands by the contrary claim made in the pleaded case.

21. According to Mr Shaw's second statement, the opponent and other automotive sector manufacturers have a long history of association with the bicycle sector. He says that in 1949 the opponent split part of its business into a new company called Bridgestone Bicycle Co., Ltd. The new company began mass producing bicycles in 1951 and by 1963 had become the number one brand in Japan. Subsequent international expansion led to the founding of Bridgestone Bicycle USA in 1980. According to Mr Shaw, the company is still an active manufacturer of bicycles. This claim is borne out by the contents of exhibits RS1 and 2 to Mr Shaw's second statement, which are extracts from the business's Japanese website showing that BRIDGESTONE bicycles are available for sale in Japan.

22. The opponent is said to have cooperated with the Moulton Bicycle Company in the UK, which led to the launch of the Bridgestone Moulton bicycle in 2001. A picture of the bicycle was shown on the Moulton's Bicycle Company's UK website in 2017.⁴ The accompanying text indicated that it was no longer available for sale. There is also evidence that some bicycles from the opponent's own bicycle spin-off company in Japan have been offered for sale in the UK. Lloyd Imports Ltd imported some in 2006.⁵ Bicycles made as a result of other joint ventures, such as the Mamachari Bridgestone cycle, or from the opponent's own bicycle spin-off company in Japan,

³ See exhibit 17 to Shaw 1

⁴ See RS3 to Shaw 2

⁵ See page 19 of RS3 to Shaw 2

have been offered for sale on UK websites and eBay in recent years, but it is not clear whether any of these offers for sale were made before the relevant date.⁶

23. Mr Shaw says that the opponent announced at the Tokyo Motor Show 2013 that it was developing tyres which did not need to be inflated with air. He also describes as one of the opponent's "*most exciting recent innovations in the bicycle sector*" an application of this technology to bicycle tyres. It is not clear exactly what was announced at the Tokyo Motor Show 2013. It seems an unlikely event at which announce a new type of bicycle tyre. It is clear that the opponent's plans to introduce an airless bicycle tyre attracted interest in the UK press. However, this was in 2017 and therefore well after the relevant date.

24. As further evidence of the opponent's association with bicycles, Mr Shaw provides a copy of a Japanese patent from the 1970s for a type of derailleur gear.⁷

25. According to Mr Shaw, other companies also provide tyres for motor vehicles and bicycles. In this connection, he cites Pirelli, Michelin and Continental. Extracts from websites, including UK websites, are provided in support of this claim.⁸ However, none of these are clearly from before the relevant date.

26. Mr Shaw points out that a search on eBay for 'potenza gears' (conducted in January 2018) returned in the first page of hits an advertisement for the applicant's bicycle gear shift levers and the opponent's (second hand) car tyres.⁹

27. Finally, Mr Shaw observes that the applicant was itself active for a time in the automobile sector. According to an entry in Wikipedia, in the 1950s – 1970s the applicant produced magnesium wheels for sports cars made by Alfa Romeo, Ferrari, Lamborghini and Ferrari.¹⁰ Some of these wheels are still available today from resellers on the internet and at auction houses.¹¹

⁶ See RS3 to Shaw 2

⁷ See RS4 to Shaw 2

⁸ See RS6 to Shaw 2

⁹ See RS9 to Shaw 2

¹⁰ See RS10 to Shaw 2

¹¹ See RS10 and RS11 to Shaw 2.

The applicant's evidence

28. The applicant's evidence includes two witness statements by Mr Michele Cardi. Mr Cardi is the Commercial and Marketing Director of the Campagnolo Group. It also includes a witness statement from Mr Cedric Chicken, who is Chairman of Chicken Cycle Kit Ltd, the applicant's UK distributor.

29. I have read all the applicant's evidence. It is voluminous and repetitive. Much of it goes to the applicant's history and global standing as a manufacturer of bicycle parts. However, this dispute is specifically about the use of the contested mark POTENZA 11, which only commenced in 2016. Accordingly, I will only examine the wider picture of the applicant's business to the extent that is necessary to assess the effect of the applicant's use of the contested mark.

30. Mr Cardi says that the applicant produces high-end components for racing bicycles. The applicant was one of the first manufacturers of group sets in the late 1950s. A group set is the collection of components that make you stop and go, i.e. the drivetrain, shifters and brakes. The applicant has produced a number of such products over the years such as the SUPER RECORD 11, RECORD 11, CHORUS 11 and now POTENZA 11. Examples of some of these marks are in evidence.¹² It is apparent from these that the numeral 11 designates the number of gears in the group set.

31. According to Mr Cardi, the applicant supports the Continental and Wiggle High5 cycling teams in the UK and supplies them with technical products. However, this appears to have started in 2016. It is therefore after the relevant date and consequently irrelevant. In the UK the applicant trades through specialised distributors and pro-shops. The applicant's most important UK distributor is Chicken Cycle Kit Ltd. From when it was launched in March 2016 until September 2017, the applicant sold about 48k POTENZA 11 group sets in the EU. Around 9k of these were sold in the UK.

¹² See exhibit MC4 to Cardi 1

32. Mr Cardi states that each year since the 1980s the applicant has attended the most important sector exhibitions, such as Cycleshow in Birmingham and Eurobike in Germany. These exhibitions are attended by specialist trade dealers, manufacturers, media representatives, bike enthusiasts and hobby cyclists. Mr Cardi says that *“Bridgestone did not attend with own stands specifically dedicated to bike components.”* On this basis he suggests that *“whether you are a hobby cyclist or a specialist of the bike industry, you would hardly associate Bridgestone’s name to the cycling world.”*

33. The applicant’s presence at the 2016 exhibitions at Cycleshow in Birmingham and Eurobike in Germany included dedicated booths for the new POTENZA 11 products. Mr Cardi says that whilst he was at these booths, he never experienced anyone mixed up between Bridgestone Potenza car tyres and POTENZA 11 cycle group sets.

34. In Mr Cardi’s view, the POTENZA 11 is the latest member of a ‘family’ of ‘11’ trade marks for group sets. He does not accept that use of the mark is taking unfair advantage of the reputation of the opponent’s POTENZA marks for car tyres or that it is detrimental to the distinctive character of the earlier marks. In support of this point he provides the results of a search performed on the Google search engine for POTENZA 11.¹³ He points out that the first three pages is made up of information relating to his company’s group sets. And there is no mention of the opponents’ POTENZA tyres or wheels.

35. In his second statement, Mr Cardi disputes that the opponent’s evidence shows that it is associated with the bicycle sector. He points out that the opponent’s spin-off bicycle business does not provide components to any of the major cycling race teams, and nor does it have any distributors in the European or British markets.¹⁴ A search conducted on Amazon in the ‘Sports and Outdoors’ department for ‘Bridgestone’ and ‘Bridgestone Bicycle’ did not return anything relating to bicycles, bicycle tyres or bicycle components.

¹³ See MC22 to Cardi 1

¹⁴ See MC23, which shows that the opponent’s Bridgestone Bicycles Co. Ltd’s distributors are all in the far East.

36. As to the Bridgestone Moulton cycle, Mr Cardi states that none of the components of that cycle were branded with BRIDGESTONE or POTENZA. Further, the cycle was not a commercial success and is no longer available.

37. Mr Cardi accepts that the applicant produced magnesium wheels for sports cars and also has had some association with motor cycles. However, he says that despite these diversifications, the applicant remains famous as a bicycle components company rather than as anything else.

38. He confirms that POTENZA 11 was chosen in 2016 as the mark for a mid-range 11 speed group set. He says that there has been no confusion with POTENZA car tyres. In support of this point he provides a copy of an email exchange between a Mr Guariso of the applicant and Mr Paul Butler of i-ride (a retailer of cycles and parts) in February 2018. Mr Guariso asked Mr Butler if he had come across any confusion between the opponent's car tyres and the applicant's POTENZA 11 products. Mr Butler said no. Given that retailers of cycles and their parts do not usually sell car tyres, this is hardly surprising.

39. Mr Chicken's evidence is that his company specialises in all aspects of bicycles. He confirms that it is an authorised distributor for the applicant for the UK and Ireland. The POTENZA 11 group set was fitted to a wide range of bicycles on sale in the UK in September 2017. These included Ribble, Dolan, Bianchi, Wilier, Orro, Pinarello, Ridley, Tifosi, Cinelli, Dedacciai, DE Rosa and Merckx.

40. His company's total turnover for POTENZA 11 component parts between June 2016 and September 2017 was around £173k.

41. Mr Chicken says that he has no knowledge of the opponent "*supplying component parts for bicycles or bicycle tyres under the names POTENZA or POTENZA 11.*" I note that this is not quite the same thing as saying that he does not know of the Bridgestone Bicycle Company.

42. According to Mr Chicken, the applicant's use of the numeral '11' as part of its 'family' of marks is generally recognised by the trade. He refers to pages from his

company's dealer manual which are said to show this.¹⁵ However, so far as I can see the few instances of the use of the numeral 11 shown in these pages are in relation to parts of group sets with 11 gears, i.e. the use is simply descriptive.

Proof of use

43. The relevant law is as follows:

“Raising of relative grounds in opposition proceedings in case of non-use

6A. - (1) This section applies where -

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

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

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

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

(3) The use conditions are met if -

(a) within the period of five years ending with the date of publication of the application 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

¹⁵ See exhibit CC7

(b) -

(4) –

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

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

44. The relevant period for assessing genuine of use in this case is 30th January 2011 to 29th January 2016. Earlier trade mark EU 11868734 was not entered in the EU trade mark register until 15th October 2013. Consequently, as that was less than 5 years prior to the publication of the contested mark, the proof of use provisions do not apply to this trade mark. This means that the opponent can rely on this trade mark in relation to all the goods for which it is registered, whether or not it has used the mark in relation to all, or any, of those goods.

45. Earlier trade mark EU 4165809 was registered more than 5 years prior to the date of publication of the contested mark. Consequently, the proof of use provisions do apply to this mark. Originally, the applicant put the opponent to proof of use in relation to all goods. However, by the time of the hearing the applicant no longer disputed that the mark had been put to genuine use in the EU in relation to *tyres for high performance cars*. The applicant contended that the opponent’s rights under the mark should be restricted accordingly. The opponent contended that an appropriate specification for the purposes of s.6A(6) would be *tyres for vehicles* or *tyres for automobiles*.

46. In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors*,¹⁶ Mr Justice Carr summed up the law relating to partial revocation as follows.

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

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

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

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

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not

¹⁶ [2016] EWHC 3103 (Ch)

constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them;

Mundipharma AG v OHIM (Case T-256/04) ECR II-449; EU:T:2007:46.”

47. All the use shown of the opponent’s POTENZA mark is in relation to tyres for motor cars. The evidence shows that tyres for commercial and agricultural vehicles are different sub-categories of tyres for vehicles. The same applies to tyres for bicycles (which are also vehicles). I would also expect this to be the case with tyres for motorcycles. Therefore, it is not appropriate to protect the earlier mark in relation to *tyres for vehicles* on the basis of use shown only in relation to tyres for motor cars. I am not sure whether *tyres for motor cars* is any different to *tyres for automobiles*. If it is, the former description is more appropriate. If it is not, then the former description is clearer and is preferred for that reason.

48. I reject the applicant’s submission that the specification should be limited further to *tyres for high performance cars*. This would be contrary to point (vii) in the list of factors set out by Mr Justice Carr, as shown at paragraph 46 above.

49. I therefore conclude that an appropriate specification for EU 4165809 is *tyres for motor cars*.

Revised specification for contested mark

50. At the hearing, Mr Beuhrlen proposed that the specification of the application be amended to *Group sets for racing bicycles*. I understand that this amendment is intended to help to further differentiate the applicant’s goods from those covered by the earlier marks. This proposal was not included in the applicant’s skeleton argument. And so far as I am aware, no notice of it has been given to the opponent. I must therefore treat the proposed amendment with a great deal of caution so as to ensure that there is no possible adverse impact on the opponent.

51. The existing specification is *parts and components for bicycles, namely, gears, derailleurs, controls, brakes, pinions, chains, sheathes, cranks for bicycles*. It was accepted at the hearing that *pinions* and *sheathes* are not parts of group sets. By the same token I cannot be sure that *group sets* could not include parts other than those listed in the existing specification. Plainly the applicant cannot be allowed to widen the scope of the application because that would be contrary to s.39 of the Act. However, I will consider a fall-back specification of *gears, derailleurs, controls, brakes, chains, cranks, being parts and components of group sets for racing bicycles*.

Section 5(2)(b)

52. Section 5(2)(b) of the Act is as follows:

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

Comparison of goods and services

53. I will first compare the goods covered by the contested mark with those for which EU 4165809 is entitled to protection. The comparison is:

EU 4165809	Contested mark
<i>tyres for motor cars</i>	<i>parts and components for bicycles, namely, gears, derailleurs, controls, brakes, pinions, chains, sheathes, cranks for bicycles</i> <u>or</u> <i>gears, derailleurs, controls, brakes,</i>

	<i>chains, cranks, being parts and components of group sets for racing bicycles</i>
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54. The respective goods are clearly not identical. In *Canon*¹⁷ the CJEU 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”.

55. With the possible exception of *sheaths*, the goods covered by the contested mark are manufactured predominantly out of metal. Therefore, the physical nature of these goods differs from the goods covered by the earlier mark, which are made predominantly of rubber. The specific purpose of the goods also differs. The goods covered by the contested mark may be loosely described as those which enable bicycles to go and to stop. The specific purpose of *tyres for motor cars* is to enable the motor car to grip the road. It is true that there is a high level overlap of these purposes in that gripping the road or surface is a pre-requisite for going or stopping. However, any such high level similarity is cancelled out by the fact that the applicant’s goods are for bicycles whereas the goods protected under the earlier mark are for motor cars. It follows that the goods are neither in competition nor complementary. The method of use is also different. Consequently, the goods appear dissimilar (even sheaths).

56. The opponent relies on Mr Shaw’s statement that the retailer Halfords is “*well known*” to sell both automobile and cycling products. I accept that Halfords is well known, but without any evidence I am reluctant to take judicial notice of its product range. Mr Beuhrlen suggested at the hearing that Halfords should be considered akin to a supermarket which sells disparate products in different departments.

¹⁷ Case C-39/97

However, as there is no evidence as to what Halfords sells or how it is organised, I do not consider it appropriate to make findings either way. It is sufficient to record that, even if Halfords sells automobile and cycling products, there is no evidence that this is customary in the trade channels through which these goods normally reach the market. I therefore attach no weight to the point about Halfords.

57. The opponent also points to its:

- involvement in bicycles through the Bridgestone Bicycle Co. Ltd;
- cooperation with third party manufacturers, such as the Mamachari bicycle sold through a UK website;
- development of a new generation of air-free tyres, including for bicycles;
- sponsorship of cyclists and cycling teams.

58. However, none of this shows that any significant section of the relevant UK public was aware, at the relevant date, that the opponent (either by itself or with others) produced bicycles, or that it produced tyres or other components for bicycles.

59. The opponent also relies on the fact that some other tyre manufactures make tyres for cars and bicycles. However, this is irrelevant because the contested mark does not cover bicycle tyres. It is also irrelevant that some manufacturers of motor cars, such as Peugeot, also make bicycles. In this connection, I note Mr Shaw's evidence (for the opponent) that motor car tyres are provided and branded by third parties, including the opponent. If that is right, the fact that some manufacturers of motor cars also make bicycles cannot show that the public are accustomed to motor car tyres being sold through the same channels of trade as *gears, derailleurs, controls, brakes, pinions, chains, sheathes, cranks for bicycles*.

60. I conclude that the respective goods are dissimilar. This is the case whether I take the applicant's existing specification or the fall-back one. As showing some similarity between the goods is essential under s.5(2) of the Act, it follows that the s.5(2)(b) ground based on EU 4165809 must be rejected.¹⁸

¹⁸ See *Waterford Wedgwood plc v OHIM* – Case C-398/07 P (CJEU)

61. Turning to earlier mark EU11868734, the most relevant goods for the required comparison under s.5(2)(b) are as follows.

EU 11868734	Contested mark
<i>tires for bicycles; inner tubes for bicycles</i>	<p><i>parts and components for bicycles, namely, gears, derailleurs, controls, brakes, pinions, chains, sheathes, cranks for bicycles</i></p> <p><u>or</u></p> <p><i>gears, derailleurs, controls, brakes, chains, cranks, being parts and components of group sets for racing bicycles</i></p>

62. The opponent submits that the respective goods are similar because (a) they are sold to the same end users, (b) are for similar purposes, i.e. for use in relation to bicycles, and (c) are complementary in that they work together to allow the effective functioning and performance of bicycles.

63. The applicant points out that goods should not be considered similar merely because they may be used together in the same complex product. I accept this submission. The applicant accepts that the respective goods are likely to be sold through the same retail outlets, i.e. retailers of bicycles and bike parts. It follows that the goods are targeted at the same end users. The applicant says that the goods are different in nature and purpose, and are not in competition or complementary. In support of this these points the applicant drew my attention to the decision of the opposition division at the EUIPO in decision B 2536830. This case involved third parties. The opponent's mark was registered for *tires for vehicles*. The application covered a wide range of goods in class 12. The opposition division found that the opponent's goods were similar to, essentially, tyres, wheels and closely related goods, as well as complete vehicles. However, it found that many other vehicles

parts, including *chains for bicycles, gears for cycles, cranks for cycles and brakes for cycles* were not similar to tyres (even for the same vehicle) on the grounds that:

“The rest of the contested goods are parts or accessories for apparatus for locomotion and have no connection to tyres and tyre tubes. Although some of these goods also relate to the wheeled vehicles sector, the natures of the goods and their purposes are intrinsically different from those of the opponent. Moreover, the goods have different purposes and natures and some of them are intended for use in totally different sectors. Furthermore, they are not in competition or complementary. Finally, these parts and accessories are produced by different undertakings, since the manufacture of these components requires specific and different know-how. Therefore, they are considered dissimilar.”

64. The applicant also drew my attention to two other decisions of the EUIPO and of the General Court. However, these concerned comparisons of different goods. I find them of no assistance.

65. The opponent relies on a decision of the Fourth Board of Appeal at the EUIPO in 2006 in an opposition by the opponent against an application filed by the applicant to register POTENZA as an EU trade mark in relation to *bicycles, parts and accessories, except wheels, rims, tyres, spokes, inner tubes and brakes*. The earlier mark – also POTENZA – was already registered as an EU trade mark in relation to, essentially, shock absorbers, wheels, rims, tyres and inner tubes. The Board of Appeal decided that the goods were similar as they were likely to be manufactured by the same companies, sold through the same outlets to the same customers, and are complementary goods with a similar nature, i.e. *“they form part of the mechanism of a bicycle.”*

66. At the hearing, Mr Beuhrlen for the applicant sought to distinguish the Board of Appeal’s decision from the facts of the current case on the grounds that the current application covers a more specific and narrower range of goods than those considered by the Board of Appeal. I accept that there is some force in this point.

67. The opponent relies on two other recent decisions in proceedings between the parties which favoured it. The first is a decision of the French NIPI (“French IPO”) in opposition proceedings. The French IPO appears to have found that the applicant’s goods (as currently described in the opposed UK application) were similar to the opponent’s goods. However, it is not entirely clear whether the opponent’s goods were those covered by the registration of earlier EU mark 4165809, or a wider range of vehicle parts. Even if was the former, that is a wider range of goods than I am considering based on the use shown of EU 4165809. Additionally, the reasons given for the decision are very brief. Consequently, I find this decision to be of limited assistance.

68. The other recent decision relied upon by the opponent is a judgment dated 18th January 2018 by the French Trade Court of Brussels. The opponent asked the court to, inter alia, cancel the applicant’s Benelux registration of the mark at issue in these proceedings. The mark was registered for the goods currently listed in the opposed UK application. The court decided that the opponent’s earlier mark was entitled to protection in relation to vehicle tires. It found that the respective goods were similar. A translation of the court’s reasons is set out below.

“In the case at issue, the analysis relates to, on the one side, vehicle tires (including bicycle tires) and, on the other side, part and components for bicycles;

These products have a similar nature; they are parts or accessories of vehicles; they have the same destination, i.e. accessories to be placed in or on vehicles; they have the same use given that they are detached pieces that must be assembled to a vehicle;

These products are used in the same way: they are conceived, produced and placed on vehicles by professionals or experts, they deteriorate with use and are substituted at regular time intervals, for example during maintenance;

They have a certain complementary functional nature; in fact, we can say that “*gears, derailleurs, controls, brake for bicycles*” covered by CAMPAGNOLO’s

trademark are complementary to “*vehicle tires*” covered by BRIDGESTONE’s prior trademarks given that the former ones are conceived to command the latter ones, in case of bicycle tires;

Lastly, they are susceptible of being distributed through the same distribution channels; spare parts shops or garages and reparation shops;”

69. Ultimately, I must make my own decision, but in doing so I will take the above decisions into account . In my view, *tires for bicycles; inner tubes for bicycles* are different in nature to the goods covered by the earlier mark because the former are rubber products whereas the latter are (again with the possible exception of *sheaths*) made predominantly from metal using different manufacturing processes. The specific purposes of the goods is also different. The goods covered by the contested mark may be loosely described as those which enable bicycles to go and to stop. The specific purposes of *tires* and *inner tubes for bicycles* is to enable the bicycle to grip the road and to help absorb shocks, respectively. However, I accept that there is a high level overlap of purposes between *tires for bicycles* and the applicant’s goods in that gripping the road or surface is important, if not indispensable, for going or stopping. The method of use of the goods is different and they are not in competition.

70. Are they complementary goods? In *Boston Scientific Ltd v OHIM*,¹⁹ the General Court stated that “complementary” means:

“...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”.

I have already noted that the opponent’s goods are important, if not indispensable, for the applicant’s goods to be able to perform their function on a bicycle.

¹⁹ Case T-325/06

71. In *Sanco SA v OHIM*,²⁰ the General Court reminded us that the purpose of examining whether there is a complementary relationship between different goods or services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. The applicant stresses that tyres and inner tubes are made using specialist processes that differ from those used to produce the applicant's specific metal components for bicycles. Consequently, they are normally made by different manufacturers. I accept this. However, the correctness of the applicant's submission about the generally different sources of manufacture of the goods at issue does not exclude the possibility of retailers or intermediary component providers marketing the respective goods under their own marks. It cannot therefore be ruled out that the average consumer of bicycles, or racing bicycles, would think that tyres for bicycles on the one hand, and component parts of group sets for bicycles on the other, if marketed under the same mark, were being offered for sale under the control of a single undertaking. I therefore find that there is a certain complementarity between *tires for bicycles* and *parts and components for bicycles, namely, gears, derailleurs, controls, brakes, pinions, chains, sheathes, cranks for bicycles*.

72. I conclude that the similarities and differences I have identified are sufficient to find that there is a low degree of overall similarity between the goods under consideration. The position is no different when I consider the applicant's fall-back specification.

Global assessment of likelihood of confusion with EU 11868734

73. 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*

²⁰ Case T-249/11

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;

(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.

Average consumer and the selection process

74. 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*.

75. The average consumers of the goods at issue are likely to be cyclists, bicycle manufacturers and those in bicycle repair and maintenance businesses. In the latter two cases the commercial significance of choosing the right product is likely to mean that an above average degree of attention will be given to the selection of the goods at issue. Similarly, a cyclist selecting the relatively complex products covered by the contested mark for his or her cycle is likely to have very specific performance and durability requirements in mind. Consequently, such average consumers are also likely to pay an above average degree of attention during the selection process.

76. The goods are likely to be selected primarily by visual means, such as from websites, brochures or physical inspection of the goods, but oral orders and

recommendations will also play some part in the process. Therefore the level of aural similarity between the marks is also relevant, albeit to a lesser degree than the level of visual similarity.

Distinctive character of the earlier mark

77. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* the CJEU stated that:

“22. 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).

23. 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).”

78. The earlier mark is composed of the word POTENZA and the letter and numeral combination S007. The latter appears second and has the look of a model code, which is not very distinctive in the field of tyres. POTENZA is an Italian word meaning ‘power’, but only a small fraction of UK consumers understand enough Italian to know this. The word POTENZA will therefore appear to be an unrecognised

foreign word, or a made up word, to most UK consumers of cycling products. In my view, this word, and therefore the earlier mark as a whole, has an above average degree of inherent distinctive character in the UK.

79. There is no evidence of use of the earlier mark in relation to goods which are the same or similar to those covered by the contested mark. Consequently, the use of POTENZA in relation tyres for motor cars is irrelevant to the assessment of the likelihood of confusion under s.5(2)(b).


Comparison of marks

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

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

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.

81. The respective trade marks are shown below:

POTENZA S007	
Earlier trade mark	Contested trade mark

82. I have already noted that the letter/number combination S007 in the earlier mark has the look of a model designation, which are commonly used in the tyre trade. The dominant and most distinctive element of the earlier mark is plainly the word POTENZA.

83. The same word appears in the contested mark, where it is superimposed over the numeral 11. Both elements are shown in a particular script and presented in rectangular borders. I see nothing distinctive about the use of rectangular borders. These will make almost no impact on consumers. I accept that the words and letters are shown in a particular script. I do not know if it is a standard script, but it is not so unusual or striking so as to make much impact on consumers. The numeral 11 is descriptive of group sets with 11 gears. The applicant claims to have been the first to produce such a group set, but there is no suggestion that it is the only producer. In my view, the applicant has not shown that consumers would regard the numeral 11 as anything more than a description. I therefore find that POTENZA is the distinctive element of the contested mark. Appearing as it does over the top of the numeral 11 and being much wider than it, it is also the dominant element of the contested mark. I therefore find that the marks are visually similar to a high degree.

84. The earlier trade mark is likely to be pronounced as POE-TEN-SAR followed by the letter S and 007 spoken as a number. The contested trade mark is likely to be pronounced as POE-TEN-SAR followed by 11 as a number. Again the word at the beginning of the spoken marks will make more impact than the secondary elements. I find that there is also a high degree of aural similarity between the marks.

85. Neither mark has any meaning that would be apparent to many average UK consumers. Therefore the marks are neither conceptually similar nor dissimilar.

86. Overall, I find that the marks are highly similar.

Likelihood of confusion

87. The applicant appears to have used other marks including the numeral 11 in relation to 11 speed group sets for bicycles. The numeral 11 is plainly a descriptive element of the applicant's marks. There is no evidence of use of the contested mark (or any other mark including the word POTENZA) prior to the relevant date. Consequently, I find that the applicant's longstanding use of other marks including the numeral 11 to be irrelevant to the likelihood of confusion between POTENZA S007 and the contested mark.

88. I find that the high level of similarity between the marks at issue and the above average degree of distinctiveness of the common element POTENZA, outweighs the low degree of similarity between the goods and the above average degree of attention likely to be paid by consumers of the applicant's goods during the selection process. Consequently, although there is little prospect of anyone going out for a POTENZA S007 bicycle tyre selecting a POTENZA 11 bicycle group set by mistake, average consumers of parts for bicycles are, in my view, likely to believe that the same undertaking, or economically linked undertakings, is (are) responsible for the goods marketed under these marks.

89. This constitutes a likelihood of confusion within the meaning of s.5(2) of the Act. Therefore, the opposition under s.5(2)(b) based on EU 11868734 succeeds. This is the case whether I consider the applicant's existing specification or the fall-back specification put forward at the hearing.

Section 5(3)

90. The opposition has succeeded under s.5(2)(b). For completeness, I will also deal the further ground of opposition under s.5(3).

91. Section 5(3) states:

“(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

92. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark’s reputation and distinctiveness; *Intel*, paragraph 42

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a

reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

Reputation

93. I am satisfied that EU 4165809 has a reputation in the EU in relation to tyres for motor cars.

Link

94. My assessment of whether the public will make the required mental 'link' between the marks must take account of all relevant factors. The factors identified in *Intel* are:

The degree of similarity between the conflicting marks

The marks are highly similar.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public

Tyres for motor cars are rubber goods sold as parts of new cars or as replacement parts for cars. The applicant's goods are mostly metal parts for bicycles. The goods are dissimilar, but as they are all parts for vehicles they are not very distant. The business consumers of the respective goods are likely to be different. However, cyclists are often also motorists. So there will be some overlap between the consumers for the goods and a significant overlap between the end users of the goods.

The strength of the earlier mark's reputation

Although it is a product mark, not a house mark like BRIDGESTONE, the earlier mark is well established and has a reputation of medium strength in the EU/UK.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

The earlier mark has an above average degree of inherent distinctive character. It has become highly distinctive through use in relation to car tyres.

Whether there is a likelihood of confusion

The opponent states that its sponsorship of cycling teams (albeit under the name BRIDGESTONE, not POTENZA) may lead consumers to assume that there is an economic connection between parts for cycles and the opponent. However, apart from the fact that the opponent's sponsorship is identified by its house mark BRIDGESTONE, not the product mark POTENZA, the effect of such sponsorship is to promote the sponsor and its products, in this case tyres for motor vehicles. BRIDGESTONE'S sponsorship of cycling teams creates no more of a link between the opponent's POTENZA mark and bicycles sold as goods than would be the case if the opponent's mark was registered for (say) cleaning products. I find that there is no likelihood of confusion between the contested mark and POTENZA's reputation for car tyres.

95. Nevertheless, taking all of the above into account, I find that use of the contested mark in relation to the goods set out in the existing specification, or the fall-back specification, will cause a significant section of the relevant public to make a link between the marks. That is to say that use of the contested mark will bring the earlier mark to mind.

Detriment to the earlier mark's reputation/distinctive character

96. The applicant submits that the reputation of the earlier marks will be damaged if the proprietor markets comparable goods of an inferior quality under the mark. However, in the absence of any likelihood of confusion it is not easy to understand how simply being reminded of the earlier marks would tarnish the reputation they have with the public in the UK. Indeed, in *Unite The Union v The Unite Group Plc*,²¹ Ms Anna Carboni as the Appointed Person rejected the proposition that a link between an earlier mark with a reputation and a later mark with the mere potential to create a negative association because of the potential quality of the goods/services marketed under it was sufficient to found an opposition based on detriment to reputation. I therefore reject this head of injury to the earlier mark.

97. The complaint about detriment to distinctive character is essentially one of dilution. I bear in mind the CJEU's guidance in *Environmental Manufacturing LLP v OHIM*²² that:

“The mere fact that consumers note the presence of a new sign similar to an earlier sign is not sufficient of itself to establish the existence of a detriment or a risk of detriment to the distinctive character of the earlier mark within the meaning of Article 8(5) of Regulation No 207/2009, in as much as that similarity does not cause any confusion in their minds.”

98. The CJEU made it clear in that case that there must be evidence that use of the contested mark is likely to lead to a change in the economic behaviour of consumers of the goods covered by the earlier marks. Such evidence may be based on logical deductions, but not just supposition or theoretical notions. In my view, the applicant has gone no further than the latter. The opponent points to the evidence that whilst a search on eBay for “potenza gears” returned the applicant's products, it also provided “suggested” search results with reference to the opponent's mark. However, this seems to be simply a consequence of the way that eBay's search engine works. It is probably the result of no more than the commonality of the letter

²¹ Case BL O/219/13

²² Case C-383/12P

sequence P-O-T-E-N-Z-A. If so, the search engine would return the same results irrespective of the goods or services to which the 'hits' relate. By contrast, I note that the results of the applicant's search for POTENZA 11 on the Google search engine produced three pages of hits relating to the applicant's group sets and no hits for the opponents' POTENZA tyres or wheels. Additionally, both searches were directed at the applicant's mark, not the earlier mark. This is very weak evidence that the earlier mark will be less distinctive as a result of the use of the contested mark. In my view, the evidence falls far short of establishing any likely change in the economic behaviour of consumers of the opponent's car tyres. The claim to damage to the distinctive character of the earlier marks is therefore also rejected.

Unfair advantage

99. The opponent points out that Pirelli's uses P-ZERO as a trade mark for both high performance motor car and cycling tyres. It says this shows the potential to exploit a reputation for the former in relation to the latter. However, the most it shows is that there is potential to exploit the reputation of a trade mark for motor car tyres in relation to bicycle tyres. The contested mark does not cover bicycle tyres.

100. The highpoint of the opponent's s.5(3) case is, in my view, the claim that use of the contested mark would take unfair advantage of the reputation of POTENZA for motor car tyres by free-riding on the image of POTENZA for excellent high quality products. This aspect of the reputation of the earlier mark is borne out by the evidence that the opponent at one time provided POTENZA branded tyres for Formula 1 racing cars. The applicant seems to accept that POTENZA has been used in relation to tyres for racing cars. Given that the contested mark is to be used in relation to, essentially, *parts and components of group sets for racing bicycles*, I cannot easily rule out the possibility of the image of the earlier mark for high performance car tyres transferring to the applicant's goods.

101. The applicant says that it has no intention, or need, to take advantage of the reputation of the earlier mark. In this connection, it draws attention to its own established reputation for bicycle group sets under various marks. The adoption of the word 'potenza' is said to be explained by the fact that the applicant is an Italian

company and the word 'potenza' means 'power' in Italian, i.e. that it alludes to the positive attributes of the goods.

102. I accept that the applicant does not intend to take advantage of the reputation of the earlier mark. However, In *Jack Wills Limited v House of Fraser (Stores) Limited*²³ Arnold J. considered the earlier case law and concluded that:

“80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill.”

103. Consequently, although it is a relevant factor under s.5(3), it is not essential to the opponent's case that the applicant intended to take advantage of the reputation of the earlier mark. It is sufficient that, judged objectively, use of the contested mark would take unfair advantage of the reputation of the earlier mark.

104. Apart from the applicant's lack of intention to take advantage of the earlier mark I have identified three other relevant factors. Firstly, although the earlier mark has a reputation in the UK, it is not a very strong reputation such as might be the case with (say) BRIDGESTONE. Secondly, although they are not entirely distant, the respective goods are not similar. Both these factors reduce the risk of the high

²³ [2014] EWHC 110 (Ch)

similarity between the marks leading to the contested mark taking unfair advantage of the earlier mark. Thirdly, although it had not used the contested mark at the relevant date, the applicant is an established trader in the goods for which it seeks to protect the contested mark. I note that in *Whirlpool Corporation v Kenwood*,²⁴ Lloyd L.J. (with whom the other members of the court agreed) took into account the defendant's goodwill in his assessment as to whether the defendant had taken unfair advantage of the claimant's shape-of-the-goods trade mark. He said:

“Kenwood could not have planned its entry into this sector of the market, of which KitchenAid had until then had a monopoly, without being very well aware at all times of the KitchenAid Artisan. That in itself is not sinister (as the judge said), nor does it amount to anything like what the alleged infringers did in *L'Oréal v Bellure*. Kenwood, after all, had its own established goodwill in small domestic appliances, and kitchen items especially, on which it sought to build and rely, although not in the particular niche of the market to which the KitchenAid Artisan appealed. It did not need to ride on KitchenAid's coat-tails, so as to save itself from making promotional efforts in relation to its new product. It wished and aimed to use and to develop its own established goodwill and reputation by way of the promotion of its new product. As Mr Purvis submitted, Kenwood would not have wanted to be thought to have produced a “me too” design.”

105. The goods at issue in that case were both food mixers. The point seems to have at least as much force where, as here, the earlier trade mark has no reputation for the opposed goods, but the applicant does (albeit as in the *Kenwood* case, under other marks).

106. In *Aktieselskabet af 21. november 2001 v OHIM*,²⁵ the CJEU stated that:

“22. With regard to the appellant's argument concerning the standard of proof required of the existence of unfair advantage taken of the repute of the earlier mark, it must be noted that it is not necessary to demonstrate actual and

²⁴ [2009] EWCA Civ 753

²⁵ Case C-197/07P

present injury to an earlier mark; it is sufficient that evidence be produced enabling it to be concluded prima facie that there is a risk, which is not hypothetical, of unfair advantage or detriment in the future.”

107. The CJEU has thereby made it clear that the risk of unfair advantage must be more than merely hypothetical. In the circumstances described above, I find that the risk of unfair advantage is hypothetical. I do not accept that the contested mark would gain a real and commercially significant marketing advantage from any association with the earlier mark with its medium level reputation for high performance car tyres.

108. I therefore reject also the opponent’s case based on unfair advantage.

109. The applicant did not specifically plead that it had “due cause” to use the contested mark in the UK. And given my primary findings it is unnecessary to address that issue.

Overall outcome

110. The opposition under s.5(2)(b) based on earlier trade mark EU 11868734 succeeded. Consequently, the application will be refused.

Costs

111. The opponent has been successful and is entitled to a contribution towards its costs. I calculate these as follows:

£200 for the official opposition fee;
£350 for filing the notice of opposition and considering the counterstatement;
£1000 for filing evidence and considering the applicant’s evidence;
£200 for filing written submissions in lieu of a hearing.

112. In assessing the appropriate award of costs for filing evidence, I have taken into account that the opponent filed a large volume of material in its evidence in reply

going to the alleged overlap between the trades in motor cars and bicycles that should really have been included in its evidence-in-chief. This meant that the applicant had the extra expense of filing a second round of evidence-in-reply, which would not have been necessary if the opponent's evidence-in-chief had all been filed in round one. I have reduced the costs awarded to the opponent by £500 to reflect the unnecessary work it inflicted on the applicant.

113. I therefore order Campagnolo S.r.l. to pay Bridgestone Corporation the sum of £1750. The above sum should be paid within 14 days of the expiry of the appeal period or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings (subject to any order of the appellant tribunal).

Dated this 21st day of March 2018

**Allan James
For the Registrar**