

CANCELLATION No C 50 577 (INVALIDITY)

VF International SAGL, Via Laveggio 5, 6855 Stabio, Switzerland (applicant), represented by **Van Innis & Delarue**, Wapenstraat 14, 2000 Antwerp, Belgium (professional representative)

a g a i n s t

, Waitan Group, Waiwei Village, Shou County, Anhui Province, Yinxian Town, People's Republic of China (EUTM proprietor), represented by **Metida**, Business center Vertas Gyneju str. 16, 01109 Vilnius, Lithuania (professional representative).

On 30/03/2022, the Cancellation Division takes the following

DECISION

1. The application for a declaration of invalidity is upheld.
2. European Union trade mark No 17 644 329 is declared invalid for all the contested goods, namely:

Class 18: Backpacks [rucksacks]; pocket wallets; travelling bags; briefcases; School bags; School satchels; handbags; shopping bags; bags for campers; trunks [luggage].


3. The European Union trade mark remains registered for all the uncontested services, namely:


Class 35: Bill-posting; Outdoor advertising; television advertising; advertising by mail order; on-line advertising on a computer network; presentation of goods on communication media, for retail purposes; import-export agency services; shop window dressing; commercial administration of the licensing of the goods and services of others; provision of an on-line marketplace for buyers and sellers of goods and services; outsourcing services [business assistance].

4. The EUTM proprietor bears the costs, fixed at EUR 1 080.

REASONS

On 14/07/2021, the applicant filed a request for a declaration of invalidity against European

Union trade mark No 17 644 329  (figurative mark), (the EUTM). The request is directed against some of the goods and services covered by the EUTM, namely against all the goods in Class 18. The application is based on the following earlier rights: **(1)** EUTM

registration No 1 459 155  (figurative mark), (hereinafter referred to as the 'Earlier EUTM') in relation to which the applicant invoked Article 60(1)(a) EUTMR in conjunction with

Article 8(1)(b) and Article 8(5) EUTMR and (2) international trade mark registration designating



the European Union No 1 348 754 (figurative mark), (hereinafter referred to as the 'Earlier IR') in relation to which the applicant invoked Article 60(1)(a) EUTMR in conjunction with Article 8(1)(b) EUTMR.

A. SUMMARY OF THE PARTIES' ARGUMENTS AND EVIDENCE

The applicant argues that there is a likelihood of confusion between the earlier marks and the contested EUTM, on account of the (high) similarity of the signs and of the identity (or at least high similarity) of the goods. It points out that such likelihood of confusion is further increased by the high distinctive character of the Earlier EUTM. The applicant also argues that the Earlier EUTM has a very strong reputation in respect of *bags* in the European Union, in particular in Belgium, the Netherlands and France and the use without due cause of the contested mark will likely take unfair advantage of the repute of the earlier mark. The applicant requests that the contested mark is declared invalid for all the contested goods in Class 18.

The applicant filed evidence in support of its claims, whose content can be summarised as follows:

Exhibit 1: Affidavit given on 31/07/2017 by Mr R.T.M., President and General Manager of the 'Kipling' division of VF Corporation. It is stated that the 'Kipling' brand for *bags* was launched in Belgium in 1987 and that nowadays, it is a global brand. Since the early 1990s, the earlier



figurative trade mark has been affixed to all *bags* of the applicant's 'Basic' collection. The 'Kipling' *bags* have been highly successful in the European Union, with yearly turnover figures between approximately EUR 76 million and EUR 116 million in the years 2007 - 2015. Around 80% of the turnover relates to goods bearing the respective figurative mark. Further information is provided on the yearly advertising expenditures in the EU in the years 2009 – 2013 (between approximately EUR 4,7 million and EUR 8,6 million). The affidavit was accompanied by a number of annexes as detailed below:

- **1.1:** A number of product catalogues/lookbooks for the years 1999, 2003, 2005, 2007, 2011, 2012, 2013, 2014 and 2015 showing, inter alia, *purses* and *wallets*, *travelling bags* (wheeled luggage, soft luggage), *backpacks/city packs* and various types of other *bags* (handbags, shoulder bags, leisure bags, schoolbags, swimming bags, beach bags, etc.) bearing the Earlier EUTM (among other variants of the 'Kipling' trade mark) on many occasions.
- **1.2:** Numerous screenshots taken from the Internet Archive 'Wayback Machine', dated between December 2010 and November 2015, with offers of various 'Kipling' goods (*handbags*, *shoulder bags*, *laptop bags*, *wallets*, *tote bags*, *rucksacks*, *luggage* etc.) for sale in online stores at *kipling.com*, *zalando.be*, *zalando.fr* and *zalando.co.uk*.
- **1.3:** Report by Mr Peter D'hondt of PwC (Belgium) dated 08/02/2016, titled 'Report of factual findings in connection with the turnover of Kipling for the years 2009 until 2015'. It contains an attachment showing yearly turnover figures for 'Kipling' branded *bags* in the European Union. The amounts mentioned range between approximately EUR 79 million and EUR 116 million in the years 2009-2015.
- **1.4:** Selection of press articles/press cuttings from the Belgian, Dutch, UK or international media as well as extracts from Belgian, UK or international blogs, websites and/or on-line stores¹, dated between 1997 and 2019 and mentioning 'Kipling'. Some references to the mark are as follows: '*a must-have for the younger generation*', '*the famous bag brand*', '*iconic brand*', '*the biggest Belgian fashion label*

¹ Accompanied by partial English translations, where the case.

in the world, *'a global brand*', *'probably the most successful Belgian fashion label ever*', *'known in all four corners of the planet*', *'The biggest markets? Brasil, where we are present since 10 years, the United States and Belgium. [...] Only just before France, the United Kingdom and Italy. [...] In Belgium, the brand is also leader in the sector for school bags and bags for those younger than 12*', *'Kipling has become engraved in our collective memory*', *'most famous as a brand for hand bags: its purses are a big success around the world*', *'fashionable [...]. The bags come with a strong, cast-iron image: playful, adventurous and yet not extreme*', *'the Antwerp-based firm has more than 5,000 points of sale in 44 countries, 45 Kipling Stores and a turnover of around 210 million euro*', *'Kipling strongly emphasises design, creativity and innovation*', *'a jewelry line in silver with rhodium, with the well-known logo: Kipling*', *'it is an iconic quality mark: an entire generation grew up with it*', *'Kipling stands for bags [...] of high quality [...] the brand awareness here² is already 98%*', *'a quality label*', *'It's hard to imagine a Flemish fashion landscape without Kipling in it*', *'a stable fashion brand. The brand is sold in more than 50 countries, across six continents. It is estimated that throughout the world 23 Kipling bags are sold every minute*', *'Hip, chic, comfortable and functional*', *'2009's Emerging Talent award winners Peter Pilotto and Christopher De Vos have teamed up with iconic accessories brand Kipling to produce a powerful capsule collection that is quite simply out of this world*', *'integrity, modern-day craftsmanship, international success and happy, colourful aesthetic*', *'iconic luggage brand*', *'the accessories brand, specializing in handbags, backpacks and totes, was built upon the pillars of playfulness, adventurism and dynamism*', *'there are more Kipling bags in our country than there are Belgians*', *'the worldwide success of the Flemish fashion brand Kipling [...] a strong mark*', *'world famous*', *'Every two seconds, the Antwerp brand sells a bag somewhere in the world. [...]The numbers: Kipling has 400 flagship stores in Europe, North America, South America and Asia, a turnover of 330 million euro and cooperates everywhere with other distributors, such as Inno in Belgium*' or *'Kipling has become an iconic mark*'. Part of the evidence also includes pictures of 'Kipling' branded goods (bags, luggage, backpacks, etc.) featuring the Earlier EUTM.

Exhibit 2: Dozens of undated advertisements (leaflets) showing various 'Kipling' goods (backpacks, handbags, tote bags, shoulder bags, cross body bags, luggage, wallets, etc.) bearing the Earlier EUTM.

Exhibit 3: Extracts from the book *'Monkey Business – Dream, dare, do ! The challenges and triumphs of building an international fashion brand'*, published in 2011 to mark the twenty fifth anniversary of the 'Kipling' brand. Numerous goods (backpacks, luggage, shoulder bags, cross body bags, etc.) bearing the Earlier EUTM are shown.

Exhibit 4: Previous decisions³ confirming the reputation of the applicant's Earlier EUTM:

- **4.1:** Decision of EUIPO's Opposition Division of 04/05/2018 mentioning that the Earlier EUTM *'enjoys a solid degree of recognition among the relevant public in the Benelux countries'* in connection with *travelling cases, suitcases, schoolbags, bags, handbags, travelling bags, backpacks* in Class 18.
- **4.2:** Judgment of the Brussels Commercial Court of 27/10/2008 mentioning that the plaintiff's Earlier EUTM *'has a significant reputation among the general public'*.
- **4.3:** Judgment of the Brussels Court of Appeal of 12/06/2012 in the same case as the one under 4.2, mentioning that the mark *'enjoys a highly distinctive character because of the reputation it possesses [...] in a substantial part of the territory of the Community, namely Belgium, the Netherlands and France'*.
- **4.4:** Judgement of the Paris District Court ('Tribunal de Grande Instance de Paris') of 28/11/2006 stating that *'the reputation of the earlier mark⁴ has been established [by the cancellation applicant] through various materials (turnover figures, press clippings,*

² In Belgium.

³ Accompanied by (partial) English translations, where the case.

⁴ The Earlier EUTM.

Google search results, ranking in the 'top ten' of travel bag brands on the website marchand.com, participation in sport events').

Exhibit 5: Previous decisions⁵ in cases involving the applicant's Earlier EUTM:







- **5.1:** Decision of the French trade mark Office (INPI) of 03/08/2017 confirming a likelihood of confusion between the signs  and .
- **5.2:** Judgment of the Brussels Court of Appeal of 12/06/2012 finding a visual similarity and a likelihood of confusion between the sign  and the applicant's  mark.
- **5.3:** Judgment of the Paris Court of Appeal of 21/06/2006 finding a visual similarity and a likelihood of confusion between the sign  and the figurative mark⁶ 'ABCDINISPORTS', with a very similar graphism.
- **5.4:** Decision of EUIPO's Opposition Division of 04/05/2018 finding that the use without due cause of the sign  is likely to take unfair advantage of the distinctive character or the repute of the Earlier EUTM.

Exhibit 6: Selection of materials (internal documents showing side by side the applicant's products and the proprietor's ones and Internet printouts from Amazon or other online shops (such as AliExpress or bol.com) showing the respective goods available for sale), aimed at showing various examples of use of the contested EUTM on imitations of the applicant's products. Some examples from the evidence are as follows:

The applicant's product	The EUTM proprietor's product
	
	
	

⁵ Accompanied by (partial) English translations, where the case.

⁶ The representation of which was not reproduced in the judgement as such.



The EUTM proprietor did not submit any observations in reply, despite having been explicitly invited to do so by the Office.

The application for a declaration of invalidity is based on more than one earlier mark and one ground. The Cancellation Division deems appropriate to first examine the application in relation to the Earlier EUTM and on the grounds of Article 60(1)(a) EUTMR in conjunction with Article 8(5) EUTMR.

B. REPUTATION – ARTICLE 60(1)(a) EUTMR IN CONJUNCTION WITH ARTICLE 8(5) EUTMR

In the invalidity application of 14/07/2021, the applicant claimed that the Earlier EUTM has a reputation in the European Union in relation to *leather and leather imitations, travelling cases, suitcases, schoolbags, bags, handbags, travelling bags, backpacks, umbrella's* in Class 18. In the statement of grounds⁷ of the same date, the applicant stated that the Earlier EUTM '*has a very strong reputation in respect of bags in the European Union, in particular in Belgium, the Netherlands and France*'. Having in view these statements and for reasons that will become apparent further down below, the Cancellation Division will initially focus its assessment on some of the goods on which the application is, inter alia, based, namely *bags* in Class 18.

According to Article 60(1)(a) EUTMR, a European Union trade mark will be declared invalid on application to the Office where there is an earlier mark, as referred to in Article 8(2) EUTMR, and the conditions set out in Article 8(1) or (5) EUTMR are fulfilled.

According to Article 8(5) EUTMR, upon opposition by the proprietor of an earlier registered trade mark within the meaning of Article 8(2) EUTMR, the contested trade mark will not be registered where it is identical with, or similar to, an earlier trade mark, irrespective of whether the goods or services for which registration is sought are identical with, similar to or not similar to those for which the earlier trade mark is registered, where, in the case of an earlier European Union trade mark, the trade mark has a reputation in the Union or, in the case of an earlier national trade mark, the trade mark has a reputation in the Member State concerned and

⁷ See page 10.

where use without due cause of the contested trade mark would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

Therefore, the grounds of refusal of Article 8(5) EUTMR are applicable in the context of invalidity proceedings only when the following conditions are met.

(a) The signs must be either identical or similar.

(b) The earlier trade mark must have a reputation. The reputation must be prior to the filing of the contested trade mark and must still exist at the time of filing of the invalidity request; it must exist in the territory concerned and for the goods and/or services on which the application for a declaration of invalidity is based.

(c) Encroachment upon reputation: the use of the contested trade mark would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark.

The abovementioned requirements are cumulative and, therefore, the absence of any one of them will lead to the rejection of the application for declaration of invalidity under Article 60(1)(a) EUTMR in conjunction with Article 8(5) EUTMR (16/12/2010, T-345/08 & T-357/08, *Botolist / Botocyl*, EU:T:2010:529, § 41).

a) Reputation of the Earlier EUTM

Reputation implies a knowledge threshold that is reached only when the earlier mark is known by a significant part of the relevant public for the goods or services it covers. The relevant public is, depending on the goods or services marketed, either the public at large or a more specialised public.

In invalidity proceedings, an invalidity applicant relying on reputation must prove that its earlier right has acquired reputation by the filing date of the contested EUTM, taking account, where appropriate, of any priority claimed (Article 60(1) EUTMR, second subparagraph).

In addition, the reputation of the earlier mark must still exist at the time when the decision on the invalidity request is taken, given that the conditions set out in the first subparagraph of Article 60(1) EUTMR are formulated in the present tense. Therefore, the applicant should also prove the reputation of the earlier mark at the time of filing of the invalidity request, in which case, and unless there is proof to the contrary, the Cancellation Division will assume that it continues to exist at the time when the decision on invalidity is taken.

The contested trade mark was filed on 27/12/2017. Therefore, the applicant was required to prove that the Earlier EUTM on which the application is based had acquired a reputation in the European Union prior to that date and that it continued to exist at the time of filing of the invalidity request, that is, on 14/07/2021. The evidence must also prove that the reputation was acquired for the goods for which the applicant has claimed reputation, namely: *bags* in Class 18.

The application is directed against the following goods:

Class 18: Backpacks [rucksacks]; pocket wallets; travelling bags; briefcases; School bags; School satchels; handbags; shopping bags; bags for campers; trunks [luggage].

In order to determine the mark's level of reputation, all the relevant facts of the case must be taken into consideration, including, in particular, the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

The evidence submitted by the applicant on 14/07/2021 has been listed in section A. above (see Exhibits 1 to 5).

As a preliminary remark it is noted that the applicant has submitted, inter alia, evidence relating to the United Kingdom (UK) with a view to demonstrating the reputation of the Earlier EUTM. However, it follows from Article 60(1)(a) EUTMR in conjunction with Article 8(5) EUTMR, worded in the present tense, that the conditions for applying it must also be fulfilled at the time of taking the decision. As the UK is no longer a member of the EU, the evidence relating to its territory cannot be taken into account to reputation 'in the EU'.

There is no direct indication in the Regulations as to which kind of evidence is more appropriate for proving reputation. The invalidity applicant may avail itself of all the means of evidence of Article 97(1) EUTMR, provided they are capable of showing that the mark does indeed have the required reputation.

Furthermore, it is important to note that, when evaluating the evidence submitted, the Cancellation Division has to make an overall assessment and all the circumstances of the specific case have to be taken into account. All the materials submitted must be assessed in conjunction with each other. Pieces of evidence may be insufficient by themselves, but may contribute to proving reputation in combination with other documentation and information.

In the present case, it is clear from the entire body of evidence that the applicant's mark has been subject to long-standing and intensive use and is generally known in the relevant market, where it enjoys a consolidated position among the leading brands, as has been attested by diverse independent sources. The sales figures, marketing expenditure and the brand awareness shown by the evidence and the various references in the press to its success all unequivocally show that the mark enjoys a high degree of recognition among the relevant public in connection with *bags* in Class 18. This finding is also in line with the judgement of the Brussels Court of Appeal of 12/06/2012.

Admittedly, the evidence made available in the present case mainly concerns the territory of the Benelux countries. There are however, as already mentioned, some references to France and Italy as being among '*the biggest markets*'. Moreover, the Court has already clarified that for an earlier European Union trade mark reputation throughout the territory of a single Member State may suffice (06/10/2009, C-301/07, PAGO, EU:C:2009:611). All in all, the provided evidence, taken as a whole, is for this reason, sufficient for the Cancellation Division to conclude that the Earlier EUTM enjoys a high degree of recognition among the public in the Benelux countries, which leads to the conclusion that the earlier trade mark enjoys a high degree of reputation in the European Union by the filing date of the contested EUTM (27/12/2017).

As stated above, in addition, the reputation of the earlier mark must subsist until the decision on the invalidity is taken. However, in principle it will be sufficient for the applicant to show that its mark already had a reputation on the filing date of the contested EUTM and invalidity application respectively, while any subsequent loss of reputation is for the EUTM proprietor to claim and prove.

In this regard, it is true that, except for a number of three press articles dated in May and June 2018 and respectively in April 2019, the remaining evidence covers a period up to August 2016 only, whereas the invalidity application was filed in July 2021. However, as stated above, the reputation of a trade mark is, in general, acquired progressively and cannot be simply turned on and off, even taking into account the particular market involved. In the case at hand, it transpires from the evidence that the Earlier EUTM has been in continuous and prominent use by the applicant since 1987, becoming a market leader in Belgium with a brand awareness

of 98% already back in 2013 and maintaining this position in 2016⁸. The mark's success has garnered the press attention and the sign was heavily talked about, as demonstrated by the documents in Exhibit 1.4. Furthermore, an article of May 2018⁹ confirms that Belgium is '*still Kipling's fifth most important market*'. Lastly, the time gap between April 2019 and July 2021 is not so significant and no claim of subsequent loss of reputation has been put forward by the EUTM proprietor and no evidence of a dramatic change of market conditions (that would support a conclusion to the contrary) has been filed. As such, it can reasonably be assumed that Earlier EUTM continued to enjoy a high degree of reputation in relation to *bags* in Class 18 at the moment the invalidity application was filed and that said reputation continues to subsist at the time of taking the present decision. Whether the degree of recognition is sufficient for Article 8(5) EUTMR to be applicable depends on other factors relevant under Article 8(5) EUTMR, such as the degree of similarity between the signs, the inherent characteristics of the earlier trade mark, the type of goods and services in question, the relevant consumers.

b) The signs



Earlier EUTM



Contested sign

The relevant territory is the European Union.

However, as the evidence of reputation was the most conclusive and persuasive in respect of the territory of the Benelux countries, the analysis below focuses on this part of the public.

The global appreciation of the visual, aural or conceptual similarity of the marks in question must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components (11/11/1997, C-251/95, Sabèl, EU:C:1997:528, § 23).

The marks to be compared are figurative marks, in black and white, as reproduced in the above table.

The verbal element 'KIPLING' mentioned twice in the Earlier EUTM will be understood as the surname of the author of '*The Jungle Book*', a universally known book written by Rudyard Kipling. As it has no relation to the relevant goods in Class 18, this element is distinctive to an average degree.

Apart from the verbal element mentioned above, the earlier trade mark contains a number of figurative elements which are all rather commonplace and play more or less only a decorative function, namely a large black circle, a thin dotted white circle along the edge of the black circle, a black star on a white circle in the middle of the mark and two small white stars on the

⁸ See an article published on 25/08/2016 on the website rtbf.be (Exhibit 1.4).

⁹ Published in the Belgian newspaper 'Het Laaste Nieuws' (Exhibit 1.4).

left and right, respectively. Consequently, these elements have, inherently, very little trade mark significance, if at all.

Regarding the contested sign, the element 'TEGAOTE' (reproduced twice) has no meaning for the relevant public and is, therefore, distinctive to an average degree.

Moreover, like in the case of the earlier trade mark, the contested sign contains a number of figurative elements which are all rather commonplace and play more or less only a decorative function, namely a thin dotted black circle, a white star on a black circle in the middle of the mark and two small black stars on the left and right, respectively. Consequently, these elements have a very low inherent ability to indicate commercial origin, if at all.

Neither sign has an element which can be considered clearly more dominant (visually eye-catching) than other elements.

Visually, it cannot be disputed that the marks contain different verbal elements ('KIPLING' and 'TEGAOTE'), which are distinctive to an average degree. It is also true that in the contested sign the verbal component is reproduced in a slightly stylised script in black, whereas in the earlier mark the verbal element is in white and in rather standard capital letters. Nevertheless, the marks have otherwise a number of very similar or even identical visual traits. Namely, both marks contain a thin dotted circle (white in the earlier mark and black in the contested sign). Moreover, the verbal elements of the marks are visually arranged in the same way, namely they are curved and the word at the bottom looks reversed. Furthermore, both marks have two small stars on the left and right, respectively, the only difference being that they are white in the earlier mark and black in the contested sign. Finally, a circle with a star is placed in the middle of the marks with the sole difference that in one sign is black and in the other is white. Admittedly, the marks coincide in figurative elements which have, inherently, very little trade mark significance, if at all and differ in verbal elements which are distinctive to an average degree. However, the marks visually coincide in a number of these figurative elements (as detailed above) and, in addition, the overall combination of all the verbal and figurative elements is similar in both marks. Therefore, the signs are considered visually similar to at least a below average degree.

Aurally, the signs are dissimilar, as the pronunciation of the words 'KIPLING' and 'TEGAOTE' as a whole is different (despite the presence of the consonant 'G' in both of them).

Conceptually, the fact that the signs have a descriptive or otherwise non-distinctive element in common does not suffice to deny all conceptual similarity between them. This fact does not alter the conceptual content of the signs (16/12/2015, T-491/13, TRIDENT PURE / PURE et al., EU:T:2015:979, § 93 and case-law cited; 15/10/2018, T-164/17, WILD PINK / PINK LADY et al., EU:T:2018:678, § 88-89). In the present case, there is a link to the extent where the signs are associated with the concept of stars¹⁰. Bearing in mind the weight attributed to these elements, the marks are only remotely similar conceptually.

To conclude, the signs under comparison are similar to the extent that the contested mark presents figurative features which are similar to those of the earlier trade mark.

c) The 'link' between the signs

As seen above, the earlier mark is reputed and the signs are similar to some extent. In order to establish the existence of a risk of injury, it is necessary to demonstrate that, given all the relevant factors, the relevant public will establish a link (or association) between the signs.

¹⁰ The figurative element of stars is commonly used in the course trade as a reference to the high-quality of goods or services and as such it is laudatory and non-distinctive.

The necessity of such a 'link' between the conflicting marks in consumers' minds is not explicitly mentioned in Article 8(5) EUTMR but has been confirmed by several judgments (23/10/2003, C-408/01, Adidas, EU:C:2003:582, § 29, 31; 27/11/2008, C-252/07, Intel, EU:C:2008:655, § 66). It is not an additional requirement but merely reflects the need to determine whether the association that the public might establish between the signs is such that either detriment or unfair advantage is likely to occur after all of the factors that are relevant to the particular case have been assessed.

Possible relevant factors for the examination of a 'link' include (27/11/2008, C-252/07, Intel, EU:C:2008:655, § 42):

- the degree of similarity between the signs;
- the nature of the goods and services, including the degree of similarity or dissimilarity between those goods or services, and the relevant public;
- the strength of the earlier mark's reputation;
- the degree of the earlier mark's distinctive character, whether inherent or acquired through use;
- the existence of likelihood of confusion on the part of the public.

This list is not exhaustive and other criteria may be relevant depending on the particular circumstances. Moreover, the existence of a 'link' may be established on the basis of only some of these criteria.

As regards the degree of similarity between the marks at issue, it is clear from the case-law that, the more immediately and strongly the mark is brought to mind by the sign, the greater the likelihood that the current or future use of the sign is taking, or will take, unfair advantage of the distinctive character or the repute of the mark or is, or will be, detrimental to it (27/11/2008, C-252/07, Intel, EU:C:2008:655, § 67 to 69; 18/06/2009, C-487/07, L'Oréal, EU:C:2009:378, § 41, 43). Moreover, the stronger the distinctive character of the earlier mark, the more likely it is that, when confronted with a later similar mark, the relevant public will associate it with that earlier mark.

Furthermore, it must be remembered that the degree of similarity of the signs required under Article 8(5) EUTMR differs from the one required under Article 8(1)(b) EUTMR. Thus, whereas the protection provided for under Article 8(1)(b) EUTMR is conditional upon a finding of a degree of similarity between the marks at issue such that there is a likelihood of confusion between them on the part of the relevant section of the public, the existence of such a likelihood is not necessary for the protection conferred by Article 8(5) EUTMR. Accordingly, the types of injury referred to in Article 8(5) EUTMR may result from a lesser degree of similarity between the marks in question, provided that it is sufficient for the relevant section of the public to make a connection between those marks, that is to say, to establish a link between them (23/10/2003, C-408/01, Adidas, EU:C:2003:582, § 27, 29, 31; 27/11/2008, C-252/07, Intel, EU:C:2008:655, § 57, 58, 66).

Therefore, it is in the light of the abovementioned jurisprudence that the applicant's claim must be examined.

In the present case, as seen in section b) above, the signs are visually similar to at least a below average degree and remotely conceptually similar. It is true that the contested sign includes verbal elements that are not present in the earlier mark (i.e. 'TEGAOTE TEGAOTE').

It is also true that, as already explained, there are no aural similarities between the signs. However in the opinion of the Cancellation Division, the overall image arising from the presentational features of the contested sign would reflect in the minds of the relevant consumers the earlier reputed trade mark. In this context it should be noted that relevant goods in Class 18 are, in essence, fashion accessories which are all normally bought after a thorough visual inspection of the goods. Consequently, the visual similarity between the marks in the present case has a particular significance and the aural dissimilarity has less impact.

Furthermore, the earlier mark is inherently distinctive to an average degree and has been found to enjoy a high degree of reputation in connection with *bags*.

Turning to the contested goods, they are all obviously connected to the earlier reputed goods. The proprietor's *backpacks [rucksacks]; pocket wallets; travelling bags; briefcases; school bags; school satchels; handbags; shopping bags; bags for campers and trunks [luggage]* are either identical with or (highly) similar to the applicant's *bags* and they belong to the same market sector where the applicant's goods enjoy a reputation.

Therefore, taking into account and weighing up all the relevant factors of the present case, it must be concluded that, when encountering the contested mark, the relevant consumers will be likely to associate it with the earlier sign, that is to say, establish a mental 'link' between the signs. However, although a 'link' between the signs is a necessary condition for further assessing whether detriment or unfair advantage are likely, the existence of such a link is not sufficient, in itself, for a finding that there may be one of the forms of damage referred to in Article 8(5) EUTMR (26/09/2012, T-301/09, Citigate, EU:T:2012:473, § 96).

d) Risk of injury

Use of the contested mark will fall under Article 8(5) EUTMR when any of the following situations arise:

- it takes unfair advantage of the distinctive character or the repute of the earlier mark;
- it is detrimental to the repute of the earlier mark;
- it is detrimental to the distinctive character of the earlier mark.

Although detriment or unfair advantage may be only potential in invalidity proceedings, a mere possibility is not sufficient for Article 8(5) EUTMR to be applicable. While the proprietor of the earlier mark is not required to demonstrate actual and present harm to its mark, it must 'adduce prima facie evidence of a future risk, which is not hypothetical, of unfair advantage or detriment' (06/07/2012, T-60/10, Royal Shakespeare, EU:T:2012:348, § 53).

It follows that the applicant must establish that detriment or unfair advantage is probable, in the sense that it is foreseeable in the ordinary course of events. For that purpose, the applicant should file evidence, or at least put forward a coherent line of argument demonstrating what the detriment or unfair advantage would consist of and how it would occur, that could lead to the prima facie conclusion that such an event is indeed likely in the ordinary course of events.

The applicant essentially claims that use of the contested trade mark would take unfair advantage of the distinctive character or repute of the earlier trade mark.

Unfair advantage (free-riding)

Unfair advantage in the context of Article 8(5) EUTMR covers cases where there is clear exploitation and 'free-riding on the coat-tails' of a famous mark or an attempt to trade upon its

reputation. In other words, there is a risk that the image of the mark with a reputation or the characteristics which it projects are transferred to the goods and services covered by the contested trade mark, with the result that the marketing of those goods and services is made easier by their association with the earlier mark with a reputation (06/07/2012, T-60/10, Royal Shakespeare, EU:T:2012:348, § 48; 22/03/2007, T-215/03, Vips, EU:T:2007:93, § 40).

The proprietor of the Earlier EUTM bases its claim on the following: **(i)** there is a remarkable degree of visual and conceptual similarity between the contested sign and the earlier mark; **(ii)** the Earlier EUTM has a very strong reputation in respect of *bags* in the European Union, in particular in Belgium, the Netherlands and France, as already recognised by the Office and by Belgian and French courts; **(iii)** the relevant public, when confronted with the contested mark, is very likely to make a connection with the Earlier EUTM, in view of the similarity of the signs, the identity/high similarity of the goods, the very strong reputation of the earlier mark and its strong inherent distinctive character in respect of *bags*; **(iv)** the proprietor's use of the contested mark is likely to entail a transfer of the image of the Earlier EUTM, that was carefully created by the cancellation applicant. The earlier mark is not just a reputed mark, but also conveys a message of a successful, high-quality, hip, cutting-edge and playful fashion label and this image will be transferred to the contested mark; **(v)** such a transfer of image is undoubtedly a positive stimulation for purchase, this will also enhance the success of the goods offered under the contested mark without a proportional effort on the part of the EUTM proprietor. Therefore there is a serious, not merely hypothetical risk that, through the use of the contested mark, the EUTM proprietor will exploit without paying any financial compensation and without being required to make efforts of his own in that regard, the marketing effort expended by the proprietor of that mark in order to create and maintain the image of that mark and **(vi)** moreover, the actual commercial use of the contested mark (as demonstrated by Exhibit 6) confirms the EUTM proprietor only chose this mark because it wants to take unfair advantage of the reputation of the first earlier mark.

According to the Court of Justice of the European Union

... as regards injury consisting of unfair advantage taken of the distinctive character or the repute of the earlier mark, in so far as what is prohibited is the drawing of benefit from that mark by the proprietor of the later mark, the existence of such injury must be assessed by reference to average consumers of the goods or services for which the later mark is registered, who are reasonably well informed and reasonably observant and circumspect.

(27/11/2008, C-252/07, Intel, EU:C:2008:655, § 36.)

It should also be borne in mind that Article 8(5) EUTMR protects earlier reputed marks in cases of association or confusion that does not necessarily relate to the commercial origin of goods/services. Article 8(5) EUTMR protects the heightened effort and financial investment that is involved in creating and promoting trade marks to the extent that they become reputed by protecting these marks against later similar marks taking unfair advantage of, or being detrimental to, the distinctive character or the repute of the earlier trade mark.

When assessing unfair advantage, the EUTM proprietor's intention is not a material factor. Taking unfair advantage does not necessarily require a deliberate intention to exploit the goodwill attached to someone else's trade mark. The concept of taking unfair advantage 'concerns the risk that the image of the mark with a reputation or the characteristics which it projects are transferred to the goods covered by the mark applied for, with the result that the marketing of those goods is made easier by that association with the earlier mark with a reputation' (19/06/2008, T-93/06, Mineral Spa, EU:T:2008:215, § 40; 22/03/2007, T-215/03, Vips, EU:T:2007:93, § 40; 30/01/2008, T-128/06, Camelo, EU:T:2008:22, § 46).

At this point it should also be recalled that the proprietor of the earlier mark is not required to demonstrate actual and present harm to its mark. When it is foreseeable that such injury would ensue from the use that might be made of the contested mark, the proprietor of the earlier mark is not required to wait for it actually to occur in order to be able to invalidate the mark. The proprietor of the earlier mark must prove that there is a serious risk that such an injury will occur in the future and such a finding may be established, in particular, on the basis of logical deductions made from an analysis of the probabilities and by taking account of normal practice in the relevant commercial sector as well as of all the other circumstances of the case (10/05/2007, T-47/06, Nasdaq, EU:T:2007:131, § 54, upheld on appeal 12/03/2009, C-320/07 P, Nasdaq, EU:C:2009:146; 16/04/2008, T-181/05, Citi, EU:T:2008:112, § 78; 14/11/2013, C-383/12 P, *Représentation d'une tête de loup*, EU:C:2013:741, § 42-43).

Taking into consideration the findings reached in the previous sections of this decision, it is clear that there is some degree of overall similarity between the marks, that the Earlier EUTM enjoys a high degree of reputation in connection with *bags* and that a 'link' between the trade marks at issue exists.

In addition, it is clear from the evidence that the Earlier EUTM is associated with an image of high quality, functionality/practicality, timeless appeal, creativity, innovation, playfulness and adventure.

Moreover, the applicant submitted arguments supported by photographs of goods with the aim to prove that the EUTM proprietor is actually and intentionally taking unfair advantage of the reputation of the Earlier EUTM by using the contested trade mark on imitations of the applicant's products.

The risk of taking unfair advantage encompasses cases of manifest exploitation or parasitism of a mark with reputation, namely the risk of transferring the image of the mark with reputation or the characteristics projected by it to the goods covered by the later mark, thus facilitating the marketing of those goods through association with the earlier mark with reputation.

Bearing in mind the foregoing, the Cancellation Division endorses the applicant's arguments and considers that a transfer of the positive associations projected by the image of the earlier mark is highly possible in the present case and a substantial part of consumers may decide to turn to the EUTM proprietor's goods in Class 18 in the belief that the contested sign is somehow linked to the applicant's reputed mark, thus misappropriating its attractive powers and advertising value. This may stimulate the sales of the EUTM proprietor's goods to an extent which may be disproportionately high in comparison with the size of its own promotional investment and thus lead to the unacceptable situation where the proprietor is allowed to take a 'free-ride' on the investment of the applicant in promoting and building-up good will for its mark.

Therefore, the Cancellation Division considers that there exists a high probability that the use without due cause of the contested trade mark in respect of the above contested goods in Class 18 may acquire some unearned benefit and lead to free-riding, that is to say, is likely to take unfair advantage of the distinctive character or the repute of the Earlier EUTM.

On the basis of the above, it is concluded that the contested trade mark is likely to take unfair advantage of the distinctive character or the repute of the earlier trade mark.

e) Due cause

As seen above, the requirements of identity or similarity of the signs, reputation of the earlier mark, and a risk of injury have all been met. However, fulfilment of all the abovementioned

conditions may not be sufficient. The application may still fail if the EUTM proprietor establishes due cause for the use of the contested trade mark.

The EUTM proprietor did not claim to have due cause for using the contested mark. Therefore, in the absence of any indications to the contrary, it must be assumed that no due cause exists.

f) Conclusion

It does not follow from Article 8(5) EUTMR that, for a registered mark to be invalidated under that provision, the use without due cause of the contested mark must take unfair advantage of the earlier mark's reputation in all Member States and in all linguistic areas of the European Union. Therefore, the finding of unfair advantage under Article 8(5) EUTMR for only part of the relevant public of the European Union is sufficient to declare the contested EUTM invalid.

Considering all the above, the application is well founded under Article 60(1)(a) EUTMR in conjunction with Article 8(5) EUTMR. Therefore, the contested trade mark must be declared invalid for all the contested goods.

Given that the application is entirely successful under the ground of Article 8(5) EUTMR, it is not necessary to examine the remaining ground and earlier right on which the application was based. Furthermore, it is not necessary to examine the evidence of reputation in relation to the remaining goods in Class 18 covered by the Earlier EUTM.

COSTS

According to Article 109(1) EUTMR, the losing party in cancellation proceedings must bear the fees and costs incurred by the other party.

Since the EUTM proprietor is the losing party, he must bear the cancellation fee as well as the costs incurred by the applicant in the course of these proceedings.

According to Article 109(7) EUTMR and Article 18(1)(c)(ii) EUTMIR, the costs to be paid to the applicant are the cancellation fee and the representation costs, which are to be fixed on the basis of the maximum rate set therein.



The Cancellation Division

Michaela SIMANDLOVA

Oana-Alina STURZA

Ana MUÑIZ RODRIGUEZ

According to Article 67 EUTMR, any party adversely affected by this decision has a right to appeal against this decision. According to Article 68 EUTMR, notice of appeal must be filed in writing at the Office within two months of the date of notification of this decision. It must be filed in the language of the proceedings in which the decision subject to appeal was taken. Furthermore, a written statement of the grounds of appeal must be filed within four months of the same date. The notice of appeal will be deemed to be filed only when the appeal fee of EUR 720 has been paid.