

World Trademark Review *Daily*

**Stylized V mark rejected due to prior bad-faith use of VERSACE marks
Israel - Gilat, Bareket & Co, Reinhold Cohn Group**

**Examination/opposition
National procedures**

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In *Gianni Versace SpA v Versace 83 Ltd* (March 7 2010), the deputy registrar has upheld Italian fashion house [Gianni Versace SpA](#)'s opposition to the registration of a stylized V mark by local fashion retailer Versace 83 Ltd on the grounds that there was a likelihood of confusion with Gianni Versace's stylized V mark.

In 2005, in the midst of legal proceedings between Gianni Versace and Versace 83 over use of the VERSACE marks for clothing, Versace 83 applied for the registration of a stylized mark consisting of the letter 'V' against a diagonally striped background. Gianni Versace opposed the registration based on its registered marks, including a stylized mark consisting of the letter 'V' within a Greek key. In 2008 Gianni Versace's V mark was held to be a well-known mark and was registered in five classes (Registrations 192852 to 192856) while the opposition proceedings were pending.

In other proceedings between the parties, Versace 83's VERSACE marks were struck off the register on the grounds that they had been registered in bad faith. Moreover, Versace 83 was ordered to cease using its VERSACE marks after almost 20 years of use on the grounds that it sought to free-ride on Gianni Versace's reputation and that such use caused consumer confusion (for further details please see "[VERSACE marks cancelled after 20 years](#)" and "[Versace 83 found liable for infringement of VERSACE marks](#)").

In the present case, the deputy registrar examined whether Versace 83's mark was confusingly similar to Gianni Versace's mark under Section 11(13) of the [Trademarks Ordinance](#) (5732/1972) - namely:

- whether use of the mark was liable to confuse the public or constitute unfair competition (Section 11 (6) of the ordinance); and
- whether use of the mark would constitute misappropriation of Gianni Versace's reputation.

The deputy registrar examined the similarity of the mark based on the following three-fold test:

- visual and aural similarity;
- type of customers and goods; and
- other circumstances of the case.

With regard to the first prong of the test, the deputy registrar held that, while both marks shared the same central motif (the letter 'V'), they were not confusingly similar from a visual point of view. Nevertheless, the deputy registrar held that the degree of similarity is only one of the parameters of the likelihood of confusion - in some cases a high level of visual or aural similarity may not create a likelihood of confusion, but in other cases a slight similarity may cause confusion. The deputy registrar noted that, under Israeli law, a likelihood of confusion includes a likelihood of association with the earlier mark.

The deputy registrar went on to hold that the parties' customers were similar, as:

- Gianni Versace caters not only to consumers of high-end designer clothing, but also to a broader spectrum of customers; and
- Versace 83 offers relatively expensive clothing.

Further, the deputy registrar held that the goods were of the same type.

With regard to the third prong of the test, the deputy registrar noted Versace 83's evidence that the V mark had been chosen to create an association with the name Versace 83. Moreover, it had already been ruled in the other proceedings that Versace 83's choice and use of the name Versace was in bad faith.

Bearing in mind that Versace 83's mark was chosen to create an association with the name Versace (which Versace 83 is prohibited from using), the deputy registrar held that the circumstances of the case unequivocally pointed to a likelihood of confusion and unfair competition. Unfair competition may be caused by confusion or, absent confusion, by dilution.

Relatively high costs of IS25,000 were awarded.

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