

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 2069940  
IN THE NAME OF RICHMOND DISTILLERS LTD**

**AND**

**IN THE MATTER OF OPPOSITION THERETO  
UNDER NUMBER 46340 IN THE NAME OF  
PLODIMEX AUSSENHANDELGESELLSCHAFT MBH**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF application No 2069940 in the name of  
Richmond Distillers Ltd**

5

**and**

**IN THE MATTER OF opposition thereto under No 46340  
in the name of Plodimex Aussenhandelgesellschaft MBH**

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**Background**

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On 28 April 1996, Richmond Distillers Ltd, of PO Box 343, 7/11 Brittainia Place, Bath Street, St Hellier, Jersey, Channel Islands, applied to register the trade mark CRISTALNAYA in Classes 16, 25 and 33 in respect of the following goods:

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**Class 16** Printed matter; printed publications; magazines; books; paper; cardboard; paper articles and cardboard articles, all for promotional and merchandising purposes; photographs; stationery; writing instruments; instructional and teaching materials; office requisites; greeting cards, decalcomanias, stickers, adhesive materials; posters, calendars, prints.

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**Class 25** Clothing, footwear and headgear.

**Class 33** Spirit; vodka.

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On 30 January 1997, Plodimex Aussenhandelgesellschaft MBH filed notice of opposition to this application. The grounds of opposition are in summary:-

The opponents are the subsidiary company of VAO Sojuzplodoimport, a manufacturer of vodka, and are the distributor of the parent company's goods.

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**1. Under Section 5(2)(b)** Because the mark applied for is similar to earlier trade marks owned by the opponents, the opponents parent company or other proprietors and is sought to be registered for identical or similar goods and there exists a likelihood of confusion and association. Details of the marks referred to are set out in an annex to this decision.

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**2. Under Section 5(3)** Because of the earlier trade marks owned by the opponents or their parent company insofar as the goods protected are not the same or similar.

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**3. Under Section 5(4)(a)** By virtue of the law of passing-off.

4      **Under Section 3(6)**                      Because the application was made in bad faith.

The opponents ask that the application be refused and that costs be awarded in their favour.

5      The applicants did not file a counterstatement.

Both sides filed evidence in these proceedings. The matter came to be heard on 15 November 1999, when the applicants were represented by Mr Thomas Mitcheson of Counsel, instructed by Castles, their trade mark attorneys, the opponents were represented by Mr Guy Tritton of  
10      Counsel, instructed by F. J Cleveland, their trade mark attorneys.

**Opponents' evidence Rule 13(7)**

15      This consists of a Statutory Declaration dated 21 November 1997, and executed by Imogen Wiseman, a Technical Assistant Trade Mark Agent, a position she has held since May 1995. Ms Wiseman confirms that the information comes from her personal knowledge or from the company records.

20      Ms Wiseman refers to an application to register the trade mark STOLICHNAYA CRISTALL which her company had filed on behalf of the opponents on 27 November 1991. She refers to exhibit IOW1 which is a copy of the examination report issued by the Trade Marks Registry in respect of that application, and in particular, to the marks raised as objections under Section 12(1) of the Trade Marks Act 1938, noting that five contained the element CRISTAL or its phonetic equivalent. Ms Wiseman says that the applicants had considered these citations to be a fatal  
25      barrier and had abandoned the application.

Ms Wiseman gives details of the marks raised as objections against the opponents' now abandoned application, and to marks owned by the opponents or their parent company. She refers to exhibits IOW2, IOW3 and IOW4 which contain case details taken from the Trade Marks Registry OPTICS database for mark number 922193 (KRISTELL), 1173667 (CRYSTAL) and 1368211 (CRISTAL) all of which were raised as objections against the opponents application, and numbers 1583044 (STOLICHNAYA LIMON) and 998200 (STOLICHNAYA RUSSIAN VODKA) owned by the opponents or their parent company. Ms Wiseman also mentions mark, number 2026837 (STOLICHNAYA OHRANJ) owned by VAO Sojuzplodoimport. Ms Wiseman  
35      says the essential feature of the applicants' mark is the word CRISTAL and that she is surprised that the KRISTELL/CRYSTAL/CRISTAL marks did not block the acceptance of this application. She also says that the opponents are not aware of any other company selling vodka in the United Kingdom under a trade mark with the suffix NAYA, which the opponents consider to be distinctive of their products. Ms Wiseman refers to exhibit IOW5 which consists of the results  
40      of a search of the United Kingdom, Community Trade Mark Office and International Registers. The search was for trade marks identical or similar to STOLICHNAYA CRISTAL and was conducted by Compu-Mark on 30 December 1996. Ms Wiseman contends that the results show that the opponents' marks with the NAYA suffix should have been cited against the application which is the subject of these proceedings.

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### **Applicants' evidence (Rule 13(8))**

5 This consists of a Statutory Declaration dated 21 April 1998, and executed by Stephen Richard James, a Registered Trade Mark Agent and partner in the trade mark department of R.G.C. Jenkins & Co, the trade mark attorneys who represented the applicants prior to Castles being appointed on 29 July 1999. Mr James confirms that the information contained within his Declaration comes from his personal knowledge and the company records.

10 Mr James begins by referring to the examination report issued by the Trade Marks Registry in respect of the opponents' application to register STOLICHNAYA CRISTAL, and which is shown as exhibit IOW1 to Ms Wiseman's Declaration. He comments on the marks which Ms Wiseman says should have blocked the progress of the application, indicating why he considers the marks in suit are not confusingly similar, and notes that the proprietors of mark number 1173667 did not oppose the application.

15 Mr James refers to mark number 1368211 (referred to by Ms Wiseman) and to an exchange of correspondence he had with the French agents acting for the registered proprietors of that mark, which he says resulted in an amendment of the specification of the application to "spirits; vodka". Copies of the correspondence and the Form TM21 requesting the amendment are shown as exhibit SRJ1.

20 Mr James goes on to refer to the opponents' application to register STOLICHNAYA CRISTALL, drawing the distinction that in that mark the word CRISTALL was a separate element, which is not the case in the mark CRISTALNAYA, and does not, therefore stand out. He challenges the opponents' claims that NAYA is distinctive of their products in the United Kingdom, and lists two marks which consist of or incorporate this element, and six which have the letters AYA as a suffix. Mr James says that CRISTALNAYA vodka is not as yet on sale in the United Kingdom, but since 1996 has been shipped to Latvia, and from there transported to and sold in Russia where it is sold in competition with STOLICHNAYA vodka. He refers to exhibit SRJ2 which consists of two documents relating to two shipments of CRISTALNAYA EXTRA VODKA CANS from the applicants to two companies based in Latvia made on 25 January 1996 and 26 March 1996.

30 That concludes my review of the evidence insofar as it is relevant to these proceedings.

### **Decision**

35 At the hearing Mr Tritton stated that the opponents were withdrawing the grounds founded under Section 5(3), Section 5(4) and Section 3(6). This leaves the ground based in Section 5(2)(b), which reads:

40 **5. (2)** A trade mark shall not be registered if because-

45 **(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.

An earlier right is defined in Section 6 the relevant parts of which state:

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6. (1) In this Act an “earlier trade mark” means -

- 10 (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks

15 I will deal first with mark number 1368211 in respect of the trade mark CRISTAL in Class 33. The applicants have provided details of an exchange of correspondence with the proprietors of this mark who had been alerted to the application by a watching service. The correspondence had resulted in an “amicable settlement” by which the applicants agreed to limit the specification to “spirits and vodka”, and as a result no opposition was entered by the proprietors of this mark. Mr Tritton referred me to Chapter 6, paragraph 11.16.7 of the Trade Marks Registry Work Manual which sets out the Registry practice in relation to consent, which he accepted was not a statement of the law, but was nonetheless good practice. He noted that the correspondence did not satisfy the minimum requirements set out in the Registry practice, and submitted that the fact that the proprietors had not opposed does not mean that they have given their consent which he considered should be a positive rather than a passive act.

25 I take the view that the considerations at the inter-partes stage are not the same as at the ex-parte stage of a mark, and see the issue as a matter of degree. At one end of the scale there is the unequivocal statement by the proprietor of an earlier trade mark giving consent along the lines set out in the Registry practice; at the other is the filing of an opposition. While I concur with Mr Tritton that the lack of an opposition is not sufficient to draw the conclusion that the proprietors of the earlier trade mark consent to the application, I do not consider that there must be an explicit statement for there to be consent. This is not the position with regard to Section 46(1)(a) where use of a mark by a party other than the registered proprietor, for example, under a licence may be accepted as being use with the consent of the proprietor. In the *H.P. Bulmer Ltd and Showerings Ltd v J Bollinger S.A. and Another*, Goff LJ in determining whether an earlier mark had been infringed, considered the question of acquiescence by the owner of the earlier mark, and referring to the *Electrolux* case said:

40 “It seems to me, therefore, that the true test whether equitable relief should be withheld in the case of a continuing legal wrong on the ground of delay by the plaintiff in enforcing his rights is that the facts must be such that the owner of the legal right has done something beyond mere delay to encourage the wrongdoer to believe that he does not intend to rely on his strict rights, and that the wrongdoer must have acted to his prejudice in that belief; that is to say that the case approximates to what would totally destroy his right.”

45 It is well settled that the protection afforded by Section 5(2) matches that of a validly registered trade mark by Section 10(2) for the purpose of determining infringement (See *Wild Child* trade

mark case(1998 RPC 14). While I do not approximate the position in these proceedings to an act of acquiescence on behalf of the proprietors of 1368211, I consider the test outlined above to be a useful basis in deciding whether there is consent by implication.

5 From the evidence it is clear that the registered proprietors of the CRISTAL trade mark were aware of the application for registration and had taken the view that there was a potential for confusion in respect of the published specification in Class 33, but had no difficulty with the specification as it stands following the amendment. The tone of the correspondence indicates that the registered proprietors were content to allow the application to proceed to registration, and  
10 in the normal course of events, to be used in respect of spirits and vodka, and although they have not specifically said so, I take this to be akin to giving consent. I consider it reasonable to assume that they reached this decision on an assessment of the respective parties interests, the conditions under which the trade in such goods is conducted and with regard to the damage that confusion in the market would cause their business, and I can see no good reason to interfere with their  
15 judgement. Any objection in respect of this registered trade mark under Section 5(2)(b) is negated by the provisions of Section 5(5), and the objection based on this mark fails accordingly. However, should I be found to be wrong in this regard, I will go on to consider this, and the other marks cited under Section 5(2)(b).

20 The application is made in Classes 16, 25 and 33, and in their statement of case the opponents have said that they consider their mark and the mark owned by their parent company to be in conflict with Class 33 of the application, although have not been as specific in respect of the marks owned by other proprietors. I can see no conflict between the goods covered by Classes 16 and 25 of the application and the goods covered by any of the marks raised by the opponents,  
25 and will therefore consider the objection under Section 5(2)(b) in respect of the goods covered by Class 33 of the application. If they do not succeed in respect of this class they will not, in my view be in any better position in respect of Classes 16 and 25.

I propose to consider the matter on the basis of the approach adopted by the European Court of  
30 Justice in SABEL v. PUMA 1998 RPC 199. The Court considered the meaning of Article 4(1)(b) of the Directive (EC Directive 104/89) which corresponds to Section 5(2) of the Act and stated that:

35 “..... it is clear from the tenth recital in the preamble to the Directive that the appreciation of the likelihood of confusion ‘depends on numerous elements and, in particular, on the recognition of the trade mark on the market, of the association which can be made with the used or registered sign, of the degree of similarity between the trade mark and the sign and between the goods or services identified’. The likelihood of confusion must therefore be appreciated globally, taking into account all factors relevant to the circumstances of the  
40 case.

That 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. The wording of Article 4(1)(b) of  
45 the Directive- ‘..... there exists a likelihood of confusion on the part of the public .....’ - shows that the perception of marks in the mind of the average consumer of the type of goods or services in question plays a decisive role in the global appreciation of the

likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details.”

I also have regard to the approach adopted by the European Court of Justice in *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc.* (Case C-39/97) which also dealt with the interpretation of Article 4(1)(b) of the Directive. The Court in considering the relationship between the nature of the trade mark and the similarity of the goods stated:

“A global assessment of the likelihood of confusion implies some interdependence between the relevant factors, and in particular a similarity between the trade marks and between these goods or services. Accordingly, a lesser degree of similarity between these goods or services may be offset by a greater degree of similarity between the marks, and vice versa. The interdependence of these factors is expressly mentioned in the tenth recital of the preamble to the Directive, which states that it is indispensable to give an interpretation of the concept of similarity in relation to the likelihood of confusion, the appreciation of which depends, in particular, on the recognition of the trade mark on the market and the degree of similarity between the mark and the sign and between the goods or services identified.”

Finally, the court gave the following judgement on the interpretation of Article 4(1)(b):

“On a proper construction of Article 4(1)(b) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, the distinctive character of the earlier trade mark, and in particular its reputation, must be taken into account when determining whether the similarity between the goods or services covered by the two trade marks is sufficient to give rise to the likelihood of confusion.

Turning first to the marks *STOLICHNAYA LIMON* (1583044) and *STOLICHNAYA RUSSIAN VODKA* (998200) which are owned by the opponents or their parent company. Both of these marks are registered in respect of goods which are specifically mentioned in the specification of the application and there can be no doubt that identical goods are involved.

The marks *STOLICHNAYA LIMON* and *STOLICHNAYA RUSSIAN VODKA* are visually, aurally and conceptually different to the applicants’ mark *CRISTALNAYA*. The marks share the suffix *NAYA* which the opponents’ assert is distinctive of their products in the United Kingdom. There is no evidence to support this claim, or that either of these marks (or any other mark with this element) have actually been used, let alone any evidence by which to gauge the extent of any use and likely reputation. Mr Tritton sought to rely on the unchallenged claim to use of the marks made in the evidence to establish that the opponents’ had a reputation. The claim does not stand unchallenged, and in any case, does little to establish whether, and to what extent any reputation exists. The marks may well have been sitting on the register for some time, but the fact that a mark is registered is not evidence that it is being used (see *BECK KOLLER* (1947) RPC 76). I therefore see no basis to go further than a consideration of the prima facie case.

The opponents’ case is also based on the premise that there may be confusion through imperfect recollection, and relies upon the argument that the inclusion of *CRISTAL* in the applicants’ mark will be insufficient to indicate a different trade origin to the public, but also that the suffix

“NAYA” will be picked out of the applicants' mark and through poor recollection confused with the opponents' mark. The suffix NAYA is in my view no more the essential feature of the marks than any other element, if anything it is of less significance by virtue of it being an element at the end of the word, a position generally accepted as being of least importance for the purpose of comparison (see TRIPCASTROID 42 RPC 72). I also have regard to the SABEL- PUMA case in which it was said “The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details.” which, if applied to this case would support the view that there is little real likelihood of confusion.

Taking all of the above into account, I find that I come to the view that the marks STOLICHNAYA LIMON and STOLICHNAYA RUSSIAN VODKA are not so similar as to create a likelihood of confusion, and that the opposition under Section 5(2)(b) founded on these marks fails.

Turning next to the marks CRYSTAL (1173667) and CRISTAL (1368211). There can be little argument that these marks are phonetically, visually and conceptually very close to the first, and most significant part of the applicants mark. The remaining mark KRISTELL also has some visual and conceptual similarity to the first part of the applicants' mark, although Mr James argues that as the word would be pronounced as two distinct elements, KRIS and TELL there is little aural similarity. Words are generally not spoken with regard to each syllable, and given the tendency to slur the endings of words I consider that when spoken the suffix TELL will be phonetically indistinguishable from TAL, and overall, there will be little difference in the pronunciation of KRISTELL and CRISTAL..

While I have looked at individual element of the respective marks, it is clear from the cases referred to above that it is the marks as a whole which should be considered, with due regard given to the similarity of the goods and the extent of any reputation. The respective goods are clearly not identical and the question is therefore one of similarity. Mr Tritton referred me to the Balmoral trade mark case (1999) RPC 8, in which Geoffrey Hobbs QC sitting as the appointed person found wines and whiskey to be similar saying:

“It is common to find whiskey and wines bought and sold by merchants whose customers expect them to stock and sell both kinds of products. Many such merchants like to be known for the range and quality of the products they sell. The goodwill they enjoy is affected by the judgement they exercise when deciding what to offer their customers. In some cases the exercise of judgement is backed by the use of “own brand” or “merchant specific labelling.”

and

“When the overall pattern of trade is considered in terms of the factors identified by Jacob J in the British Sugar case (uses, users and physical nature of the relevant goods and service; channels of distribution, positioning in retail outlets, competitive leanings and market segmentation) it seems clear to me that suppliers of wines should be regarded as trading in close proximity to suppliers of whiskey and bar services. In my view the degree of proximity is such that people in the market for those goods or services would readily accept a suggestion to the effect that a supplier of whiskey or bar services was also



engaged in the business of supplying wines.”

5 I do not see any difference when these considerations are applied to the “champagne wines”  
covered by mark number 1368211 and the “spirits” covered by the application. The position in  
respect of beers and soft drinks covered by the remaining two marks is less clear cut. Both are  
traditionally stocked by the same merchants that deal in wines and spirits and I would consider  
that customers would expect this to be the case. Beers and soft drinks are not, in my view, in  
10 competition with spirits and are sufficiently different for there to be little likelihood of one being  
bought by mistake for the other, particularly given the differences in cost. Traders may well  
consider there to be a certain advantage in carrying a range of quality ales and beers, and in some  
instances may well do so under “merchant specific” labelling, although I would not have thought  
this to be the position with soft drinks. I do not, however have any evidence which goes to this  
15 point. Taking all of the above into account, I am led to the conclusion that beers are similar  
goods to spirits, albeit on the very margins, but that soft drinks are not similar

I have found the marks of these three registrations to be similar to part of the mark applied for,  
and there to be some degree of similarity in respect of the goods of two of these, albeit not very  
strong. There is no evidence to show whether any of these marks have been used by which to  
20 gauge the extent of any reputation or which goes to the distinctiveness of the word CRYSTAL  
(or similar) in the market. CRISTAL is an ordinary English word which could be regarded as an  
oblique reference to a characteristic of the goods, eg, clarity or purity, and the variants show little  
in the way on invention. It is also a word which the opponents’ evidence shows has been  
registered as a trade mark (in varying forms) by a considerable number of traders, and in some  
25 instances in respect of similar goods. Taking these points together and in the absence of any  
evidence to the contrary, I am left with the view that the earlier marks are not so distinctive such  
as to justify a wide penumbra of protection.

Reputation and distinctiveness are important factors in determining whether any similarity in the  
30 marks and goods is sufficient to create a likelihood of confusion. I find that when considered  
globally and the combined effects of the differences, and the low threshold of distinctiveness and  
the lack of any established use or reputation of the earlier marks is taken into account, I come to  
the view that the three registrations relied upon are not sufficiently similar so as to create a  
likelihood of confusion, and consequently, the ground founded under Section 5(2)(b) fails.

35 The opposition having failed on all grounds I order the opponents to pay the applicants the sum  
of £635 as a contribution towards their costs.

40 **Dated this 10 day of December 1999**

45 **Mike Foley**  
**for the Registrar**  
**The Comptroller General**

	<b>Number</b>	<b>Mark</b>	<b>Class</b>	<b>Specification</b>
5	922193	KRISTELL	32	Non-alcoholic drinks and preparations for making such drinks, all included in Class 32; fruit juices
10	1173667	CRYSTAL	32	Beer, all for sale south of a straight line drawn from Port Talbot to Southwold.
15	1368211	CRISTAL	33	Champagne wines included in Class 33
20	1583044	STOLICHNAYA LIMON	33	Flavoured vodka of Russian origin with natural lemon essence; all included in Class 33
25	998200	STOLICHNAYA RUSSIAN VODKA	33	Vodka