

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2107482
IN THE NAME OF G.F.A. DES DOMAINES PRATS (FRANCE)**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 48524 IN THE NAME OF
ZHEJIANG CEREALS, OILS & FOODSTUFFS IMPORT & EXPORT CO LTD**

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**IN THE MATTER OF application No 2107482
in the name of G.F.A. Des Domaines Prats (France)**

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**IN THE MATTER OF opposition thereto under No 48524
in the name of Zhejiang Cereals, Oils & Foodstuffs Import & Export Co Ltd**

Background

On 15 March 1996, G.F.A. Des Domaines Prats (France) applied to register the trade mark LES PAGODES DE COS in Class 33 in respect of the following goods:

Alcoholic beverages (except beers).

On 11 May 1998, Zhejiang Cereals, Oils & Foodstuffs Import & Export Co Ltd, filed notice of opposition to this application, in which they say that they are the proprietors of trade mark Nos. 1361818, 1555892, 1573948 and 523292 registered in the United Kingdom, details of which can be found as an annex to this decision.

Mr Campbell informed me that mark number 523292 had been revoked although there was some uncertainty as to the effective date of the revocation. The decision in that revocation (number 9773) revoked the mark in its entirety with effect from 30 June 1997 which is later than the date of application in these proceedings. Consequently, that registration stands as valid at the relevant date.

The grounds of opposition are in summary:

- 1. Under Section 5(2)(b)** Because the application is for a mark similar to the opponents' earlier PAGODA marks and includes goods which are identical or similar to the opponents' earlier trade marks.
- 2. Under Section 5(4)** By virtue of the law of passing off.
- 3. Under Section 3(3)(b)** Because of the opponents' reputation in the above marks.
- 4. Under Section 3(6)** Because the application was made in bad faith.
- 5. Under Section 56** Because the mark PAGODA is a well known trade mark.

The applicants filed a Counterstatement in which they deny all of the grounds on which the opposition is based.

Both sides request that costs be awarded in their favour.

Both sides filed evidence in these proceedings. The matter came to be heard on 16 January 2001, when the applicants were represented by Ms Lambeth of Haseltine Lake Trademarks, their trade mark attorneys, the opponents by Mr Douglas Campbell of Counsel, instructed by Marks & Clerk, their trade mark attorneys.

Opponent's evidence

This consists of a Statutory Declaration dated 14 January 1999, which comes from Zhu Zichun, General Manager of Zhejiang Cereals, Oils & Foodstuffs Import & Export Co Ltd, a position he has held since 1997.

Mr Zichun says that his company first used the mark PAGODA, and the PAGODA label in the United Kingdom in December 1984 in relation to alcoholic and low-alcohol drinks, in particular, rice wines and liqueurs. He refers to exhibit 1 which consists of an example a label for SHAOXING COOKING WINE which bears the picture of a PAGODA placed between the words PAGODA BRAND.

Mr Zichun states that sales are made through agents and have been effected throughout the United Kingdom which is considered to be a major territory, particularly in what are colloquially known as "China Towns". He goes on to set out details of the United Kingdom and Worldwide sales for the years 1991 to 1997, which for the United Kingdom amount to US\$50,000 per annum, and worldwide ranging from US\$8,500,000 in 1991 rising year on year to US\$12,500,000 in 1994, the last full year prior to the relevant date.

Mr Zichun says that from 1991 his company has spent some US\$500,000 per annum worldwide on advertising, of which approximately US\$12,000 per annum has been spent in the United Kingdom, referring to exhibit 2 which he says consists of samples of advertising materials. The exhibits consists of extracts from publications to promote trade with China, copies of advertisements, brochures and promotional features, all showing PAGODA to be used in relation to rice wine. Some examples appear to have dates from 1984 written on them (although this is not clearly the case), but apart from this, the earliest date that can be clearly seen is from an advertisement from a publication entitled Drinks International which dates from January 1988, and a reference to "China famous Rice Wine - Zhejiang "Pagoda" Brand Shao Xing Rice Wine" having won a medal at the 12th International Food Fair held in Paris in 1986. There is nothing to indicate that any parts of the exhibit were available in the United Kingdom.

He next says that his company has spent some US\$250,000 worldwide on brochures and descriptive literature relating to the marks, examples of which are shown as exhibit 3. The exhibit consists of various brochures for PAGODA brand rice wine and liqueurs. One exhibit refers to "Shaoxing rice wine, "praised as the crown of the oriental wines" is a famous product of China, which has six international awards", the earliest at the South East Asia Business Encouragement Fair of 1910. None of the awards have been made by United Kingdom organisations or from events held within the United Kingdom, the closest being the Paris Food Fair, nor is there anything by which to date the brochures, or to say that they were available within the United Kingdom.

Mr Zichun gives details of trade fairs aimed at the food and drink industries which his company has attended, none of which are within Europe, and refers to exhibit 4 consisting of

photographs of exhibition stands with the only clear reference to PAGODA being used is in relation to rice wine. He goes on to refer to exhibit 5 which consists of a collection of labels showing, inter alia, the device of a PAGODA placed between the words PAGODA BRAND, all appearing to be for use on bottles of rice wine.

Mr Zichun next refers to exhibit 6, which consists of a sales contracts and bills of lading for the delivery of PAGODA BRAND goods to the United Kingdom. All relate to shipments to be made well after the relevant date and cannot be given much, if any weight.

Mr Zichun goes on to say that his company has a business presence and sells its goods in France, noting that this is the country of origin of the applicants, from which he concludes that they must have been aware of his company's activities. He refers to his company's trade mark registrations in the United Kingdom, details of which are set out earlier, and goes on to conduct a comparison and give reasons why he considers the mark applied for to be confusingly similar to his company's PAGODA mark. He refers to exhibit 7 which consists of an extract from Websters Third International Dictionary of English Language, which, inter alia, gives a definition of PAGODA as "a Far Eastern structure...". The dictionary also has a representation of a PAGODA which is very similar to the structure shown on the opponents' labels, etc. He closes his Declaration by reiterating the reasons why he believes confusion will occur, citing in particular "conceptual similarity".

Applicant's evidence

This consists of a Statutory Declaration dated 5 November 1999, which comes from Sarah Ann Lambeth, a trade mark attorney with Haseltine Lake Trademarks, the applicants representatives in these proceedings.

Ms Lambeth refers to the Declaration of Zhu Zichun filed on behalf of the opponents, noting that the US\$50,000 of sales in the United Kingdom are not stated to be in respect of goods sold under the PAGODA mark, and that there is no evidence of any sales. She goes to exhibit SAL1 which consists of extracts from The Dictionary of Drink, referring in particular to entries for Shau-hsing rice wine (which she says is the same as the opponents' Shau-xing rice wine), Chia Fan, Hua Tiao and Yen Hung, noting the absence of any entry for PAGODA.

Ms Lambeth refers to the statement by Mr Zichun that the opponents and the applicants both trade in France, which she says means that they co-exist in that market and there is no allegation of confusion.

Ms Lambeth next refers to exhibit SAL2 which consists of the mark applied for shown on a label. She says that the applicants' mark is used in relation to French wines for which the words LES PAGODES DE COS do not suggest a connection with PAGODA or rice wine, and are sold through wine merchants. Ms Lambeth concludes her Declaration saying that for there to be confusion, consumers would have to isolate the word PAGODES from the mark applied for, translate this word into its English equivalent, PAGODA, and draw an association with the opponent's PAGODA BRAND rice wine.

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

Decision

At the hearing Mr Campbell withdrew the grounds under Section 5(4)(a), Section 3(3)(b) and Section 56. That leaves the grounds under Section 5(2)(b) and Section 3(6).

I turn first to the ground under Section 5(2)(b) of the Act. That section reads as follows:

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

(a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or

(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.

The term earlier trade mark is itself defined in Section 6 as follows:

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

(a) a registered trade mark, international trade mark (United Kingdom) 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,

In my consideration of a likelihood of confusion or deception I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] E.T.M.R. 2, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schufabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] 45 F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723. It is clear from these cases that:-

a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*, paragraph 22;

(b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, paragraph 23, 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; *Lloyd Schufabrik Meyer & Co. GmbH v Klijsen Handel B.V.* paragraph 27;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*, paragraph 23; 15 (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*, paragraph 23;

(e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, paragraph 17;

(f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v Puma AG*, paragraph 24;

(g) mere association, in the sense that the later mark brings the earlier mark to 30 mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*, paragraph 26;

(h) further, 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; *Marca Mode CV v Adidas AG*, paragraph 41;

(i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, paragraph 29.

The opponents rely on four trade marks. Three are label marks which incorporate the word PAGODA and a device of a structure that I recognise to be a PAGODA, and one, number 523292 that is for the word PAGODA alone. The label marks are in three versions, although two, nos. 1361818 and 1573948 the words PAGODA BRAND are so small in respect of the other matter so as to almost be de minimis. The words are far more prominent in the remaining label mark, number 1555892, which is also registered for the widest, and self evidently, an identical range of goods to those of the application. I therefore propose to conduct the comparison based on this mark of the three, for if the opponents fail in this they would be in no better position in respect of the other two label marks.

The opponent's earlier trade marks consist of the word PAGODA, and the words PAGODA BRAND with the image of a structure, of a PAGODA placed between the words and serving to emphasise the word PAGODA and its meaning. The mark also has two sets of characters, presumably Chinese, one set above each of the words PAGODA and BRAND, and I would assume that they would transliterate into these words.

The mark applied for is for the words LES PAGODES DE COS, which is the French for The Pagoda of Cos. French is a well known language within the United Kingdom, and even if it were not, in my view the word PAGODES is sufficiently close to the English word PAGODA for its meaning to be readily apparent even to those not conversant with the French language.

I see no reason why the relevant consumers should not be the same, particularly in the case of the opponent's label mark which is registered in respect of identical goods, and although this is a notional assessment, the position would, in my view be the same in respect of the actual goods on which the opponent's and the applicant's have used their marks.

The opponent's marks are clearly distinctive, having no reference to the goods. They claim sales in the United Kingdom over a period of around 12 years (prior to the relevant date)

amounting to US\$50,000 per annum with some US\$12,000 per annum being spent on promotion, but only in respect of rice wine and to a lesser extent liqueurs. Mr Campbell mentioned in his submissions that “there are an awful lot of Chinese restaurants up and down the country” and I would presume also a significant number of shops selling ethnic produce of the type sold by the opponents. Against this backdrop and setting aside the fact that there is no conclusive proof of any actual sales, the scale of use does not appear to be so significant so as to warrant exceptional protection.

The selection of a beverages in establishments such as supermarkets and off licences, and from a drinks list in restaurants will primarily be a visual act which means that similarity in the appearance of the marks will be of some significance. The selection may also be made orally, such as through an enquiry made of a sales assistant or waiter and in doing so the enquirer may pick out and refer to one element, such as PAGODA. Ms Lambeth argued that in such circumstances it is likely that they will also add a descriptor of the goods, and although there is no evidence to support this contention, from my own experience I would agree with Ms Lambeth’s submission. It is also likely that the consumer will be alerted to the nature of the goods by their positioning within a store or on a drinks list.

The marks are clearly not identical in appearance and regardless of whether the mark applied for is translated into English, would not sound the same when spoken. Conceptually there is some similarity being that they contain the image of a PAGODA and/or the word PAGODA, albeit in the case of the applicant’s mark, in French. Mr Campbell submitted that the word PAGODES in the applicant’s mark created the idea of the Orient, and it may well be that to some the mark will bring to mind a structure of far eastern origin. Given that the applicant’s mark is not the word PAGODA or the image of a such a structure it cannot be certain that the consumer will make this connection with the Orient, whereas, at least in the case of the opponent’s label mark which consists of a representation of a PAGODA, the word PAGODA and Chinese characters, it seems almost certain that the link will be made.

In essence the opponent’s case relies upon the argument that there may be confusion through imperfect recollection, and that the additional words in “**LES PAGODES DE COS**” will be insufficient to indicate a different trade origin to the public. It is based on the assumption that the word “PAGODES” will be picked out of the applicant’s mark, recognised as being PAGODA (either by translation or by virtue of its closeness to that word) and confused with the opponent’s mark. In the SABEL- PUMA case it was said that “The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details”. It seems to me that a person familiar with the opponent’s mark, may, on seeing the mark applied for, bring to mind that (the opponent’s) mark, but I do not consider that they would be confused into believing that the two have the same origins. Taking all the above factors into account and reaching a global view, I find the ground under Section 5(2)(b) fails.

I turn next to consider the ground under Section 3(6) which the opponent’s base on the assertion that the applicant does not, and never has had a bona fide intention of using the mark in relation to all of the goods applied for. Section 3(6) is as follows:

- 3(6)** A trade mark shall not be registered if or to the extent that the application is made in bad faith.

The opponents say that the applicants do not intend to use the mark on all of the goods covered by the application, only in respect of wines made from grapes. Mr Campbell explained the basis of the objection as follows:

“They are using a wine, PAGODES DES COS which is the second wine of one of the great chateaux. It is most unlikely, I submit, that they would seek to prejudice the reputation of one of the finest French wines there is by selling it in relation to vodka or anything else like that.”

In her response, Miss Lambeth said that the applicants would be prepared to restrict the specification to wines, but because this is understood to be mean wines from grapes they did not wish to go so far as to limit to “wines made from grapes” for if the wine is made of something other than grapes, a qualifier, such as in rice wine, will be added.

Whilst Ms Lambeth may well be right in her contention on the use of qualifiers, I have difficulty with her views on the meaning of the term wine. In normal everyday use it may well be that Ms Lambeth is correct, but the assessment of the scope of a specification requires that the descriptions be attributed the full extent of their usual and possible meanings. Collins English Dictionary says that the term wine describes an alcoholic drink made from grapes (as the first meaning) but goes on to say that the term also describes alcoholic drinks made from other fruits or flowers, such as elderberry wine, and consequently, also rice wine.

Section 32(3) of the Act requires that an application state that the trade mark is being used by the applicant (or with his consent) in relation to the goods or services for which the application is made, or that they have a bona fide intention that it should be so used. There is no requirement that at the time of application that a trade mark be in use in relation to all, or indeed any of the goods or services for which they seek registration, only that there is a bona fide intention that it will be so used.

If through evidence it can be established that an application covers goods/services that the applicant knows the trade mark cannot or will not be used in connection with, there is every likelihood that they would be found to have acted in bad faith in making the application. There is no such evidence before me and consequently the ground founded under Section 3(6) fails.

Although the opposition has failed, I note that in her submissions Ms Lambeth mentioned that the applicants would restrict the specification to wines if such a limitation dealt with the ground under Section 3(6). I do not consider that such a restriction would have had any bearing on the outcome of this opposition; it would still have failed on all grounds. Ms Lambeth did not dispute that the applicants use the mark in respect of a wine of some note, and consequently I take this to be the case. It does seem unlikely that the applicants would risk tarnishing the reputation of the mark by using it in respect of lesser good, an assertion made by Mr Campbell, but assertions without evidence are not a basis for a finding of bad faith. Ms Lambeth did not say why the applicants were now prepared to limit the specification. It may well be that in the light of these proceedings, or a review of the commercial focus has brought about a change in the applicant’s intentions to use of this trade mark. Whatever the reason, it would seem that the applicant’s no longer intend to use of the mark in respect of all the goods covered by the application, but as the change occurred after the date of application, there cannot be a finding against them under Section 3(6).

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. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 01 day of November 2001

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

Number	Class	Specification
1361818	33	Rice wine emanating from the Shao Hsing region of China; all included in Class 33



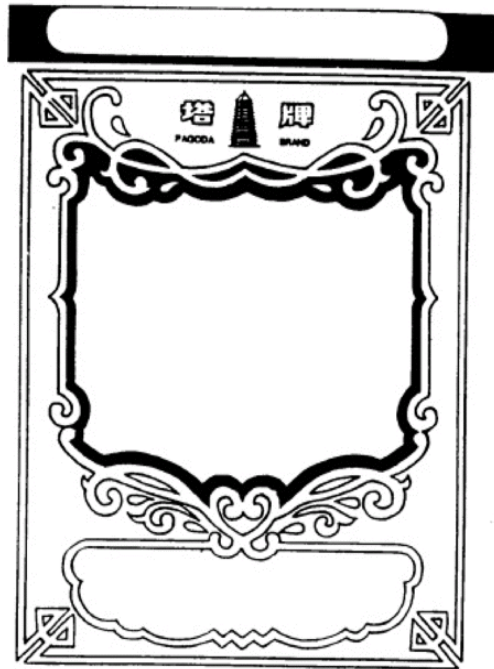
1555892	33	Alcoholic beverages; rice wine; all included in Class 33.
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1573948

33

Wines; rice wines; all included in Class



523292

PAGODA

32

Beer; ale; porter; de-alcoholized beverages.