

TRADE MARKS ACT 1994

**IN THE MATTER OF INTERNATIONAL REGISTRATION NO. 656943 BY
AKTSIONERNOE OBCHTCHESTVO ZAKRITOGO TIPA "TORGOVY" DOM
POTOMKOV POSTAVCHTCHIKA DVORA EGO IMPERATORSKAGO
VELITSCHESTVA P.A. SMIRNOVA TO REGISTER A MARK
IN CLASS 33**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER NO. 70070
BY UDV NORTH AMERICA INC**

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BACKGROUND

1. On 16 December 1997, Aktsionerное Obchtchestvo Zakritogo Tipa “Torgovy” Dom Potomkov Postavchtchika Dvora Ego Imperatorskago Velitschestva p.a. Smirnova of Piatnitskaya, Moscow, Russia on the basis of a registration held in the Russian Federation requested protection in the United Kingdom of the trade mark shown below under the provisions of the Madrid Protocol.



2. The international registration is numbered 656943 and protection was sought in Class 33 in respect of “Alcoholic beverages”.

3. The United Kingdom Trade Marks Registry considered that the request satisfied the requirements for protection in accordance with Article 3 of the Trade Marks (International Registration) Order 1996 and particulars of the international registration were published in accordance with Article 10.

4. On 25 August 1998, UDV North America Inc of Hartford, Connecticut, United States of America filed notice of opposition. The opponents say that they are the proprietors of a number of earlier trade marks (the details of which can be found in the Annex to this decision)

and that these trade marks have been continually used by them on the goods covered by the registrations and applications. In particular, the trade mark SMIRNOFF has been used by the opponents in relation to alcoholic beverages in the United Kingdom since 1952 including use through a network of licensees. All such use has, they say, accrued to the benefit of the opponents who have built up a substantial reputation and goodwill in the marks. The grounds of opposition stemming from this background (which initially also included a reference to Section 5(1) of the Act but which I have omitted below as none of the trade marks on which the opponents rely are identical to the application in suit) are as follows:

- (a) under section 3(6) of the Act, by virtue of the extensive use and reputation the opponents enjoy in the earlier marks, the application in suit has been made in bad faith
- (b) under section 5(2) of the Act, as the application in suit is similar to the earlier trade marks and covers identical and/or similar goods
- (c) under section 5(4) of the Act, by virtue of the extensive use and reputation the opponents enjoy in the earlier marks use of the application in suit is liable to be prevented by the law of passing off
- (d) under section 56 of the Act, by virtue of the extensive use and reputation the opponents enjoy in the earlier marks, the mark SMIRNOFF is entitled to protection under the Paris Convention as a well known trade mark.

5. The applicants filed a counterstatement in which all of the grounds of opposition are denied.

6. Both sides seek an award of costs in their favour. Both sides filed evidence. The matter came to be heard on 24 and 25 April 2001, when the applicants were represented by Mr Michael Edenborough and Mr Simon Malynicz both of Counsel instructed by A1 Trade Marks & Service Marks. Mr James Mellor of Counsel instructed by Bristows appeared for the opponents.

OPPONENTS' EVIDENCE

7. This consists of five statutory declarations. The first declaration dated 26 February 1999 is by Beverly Brozsely. Ms Brozsely explains that she is a senior Brands Manager with United Distillers & Vintners Limited (hereafter UDV) and has responsibility for the SMIRNOFF brand. She has held this position for two years having been with the company for approximately seven years.

8. In Ms Brozsely's view SMIRNOFF is widely recognised as the world's pre-eminent brand of vodka. It is, she says, sold in almost every country of the world, adding that it was first marketed in the United Kingdom in about 1952. Exhibit BB1 consists of an extract from The Wordsworth Dictionary of Drink (dated 1996), in which SMIRNOFF is described as follows:

“world's leading vodka brand”. Blue and Red Label styles are produced

internationally and premium SMIRNOFF BLACK LABEL is triple distilled and bottled in Moscow”.

9. There are, says Ms Brozsely, now a variety of SMIRNOFF products on the United Kingdom market. These are: SMIRNOFF RED (which is said to be the best selling vodka brand in the United Kingdom), SMIRNOFF BLUE (an export strength premium brand), SMIRNOFF BLACK (the top of the range premium brand), SMIRNOFF MULE (a pre mixed, bottled vodka cocktail) and SMIRNOFF FLAVOURS (which is a range of flavoured vodkas). The numbers of litres sold per year in each category are provided, together with an estimate of turnover under each category in 1998. Although after the material date in these proceedings, the figure for 1998 is (when viewed in the context of the preceding years) a reasonable measure of turnover under each individual brand. Total turnover in 1998 under the various brands is said to have amounted to some £230m.

10. The second declaration dated 1 March 1999 is by Christopher Palengat. Mr Palengat explains that he is a Board Account Director with Lowe Howard Spink (hereafter LHS). LHS have had the responsibility for advertising the SMIRNOFF brand in the United Kingdom since 1993, prior to which (in the period 1962 to 1992), Young & Rubicam were the advertising agency responsible for promoting the SMIRNOFF brand.

11. Mr Palengat provides a breakdown of the advertising spend in relation to the various SMIRNOFF brands. I do not propose to summarise the individual figures here, but note that (as examples), in 1997 in excess of £3m was spent promoting the SMIRNOFF RED brand, in 1995 in excess of £1m was spent promoting the SMIRNOFF BLACK brand, and that in 1997 in excess of £1m was spent promoting the SMIRNOFF MULE brand. Although the figures vary from brand to brand and from year to year, they are consistently significant sums. I also note that various forms of advertising have been employed, including advertising in the press, on television and on radio, in cinemas and on outdoor hoardings. Examples of various types of advertising material and reviews conducted to establish their effectiveness are provided as exhibits to Mr Palengat's declaration.

12. The third declaration dated 25 February 1999 is by Jason Finch. Mr Finch is an Account Executive at Young & Rubicam (hereafter Y&R) who as indicated above were the advertising agency responsible for the SMIRNOFF brand in the period 1962-1992. Although Mr Finch has only been with Y&R since September 1998, his information comes from a review of Y&R's records relating to the various SMIRNOFF advertising campaigns conducted between 1970 and 1992. Exhibits JF1 and JF2 to his declaration consist respectively of, a document entitled "An overview of UK advertising made by Young & Rubicam Limited for IDV 1970-1992" and sample advertisements relating to the various campaigns referred to.

13. The fourth declaration dated 1 March 1999 is by Edwin Atkinson. Mr Atkinson explains that he is Director General of the Gin and Vodka Association of Great Britain. He adds that this body is an independent association of producers and traders of gin and vodka in the United Kingdom. He states that he is aware of the various products available in the vodka and gin markets in the United Kingdom and elsewhere and the majority of the trade marks being used on such products. He adds that he is aware that SMIRNOFF is one of the world's leading brands of vodka and that on the basis of his knowledge and experience of the drinks

industry, believes that the SMIRNOFF name and the distinctive label with its red, gold and white colouring, four heraldic symbols and Russian Cyrillic lettering is widely known and recognised by vodka drinkers in the United Kingdom and around the world and is exclusively associated with vodka from a particular source. Exhibit EA2 to Mr Atkinson's declaration consists of a photograph of a bottle on which appears a label in the form of the application in suit. Commenting on this, Mr Atkinson says that in his opinion if vodka bearing this label was sold in the United Kingdom, consumers are likely to be confused into thinking that the product is associated in some way with the SMIRNOFF vodka from the opponents with which they are familiar. He speculates that they may believe it to be an imported bottle of SMIRNOFF vodka from the opponents which was intended for sale in Russia rather than the UK.

14. The final declaration dated 26 February 1999 is by Paul Walsh. Mr Walsh explains that he is a partner in the firm of Bristows who are the opponents' professional representatives in these proceedings. He adds that he is authorised to make this declaration on the opponents' behalf, commenting that he makes his declaration on the basis of his knowledge of the issues in the proceedings and his reading of certain of the documents filed by the applicants in an action in The United States District Court for the District of Delaware (C.A. No: 95-749-RPM) between The Joint Stock Society "Trade House of Descendants of Peter Smirnov, Official Purveyor to the Imperial Court" and The Russian American Spirits Company (Plaintiffs) and IDV North America Inc and Pierre Smirnoff Company (Defendants).

15. Mr Walsh notes the comments of the applicants in their counterstatement to the effect that: the applicant owns rights in the earlier marks relied upon by the opponents to these proceedings and that those earlier marks were applied for by the opponent in bad faith and were improperly registered; that any reputation in the earlier marks resulting from such use belongs to the applicants and not the opponents; and that the use of medals and Russian Imperial Regalia on certain of the earlier marks is deceptive and misleading.

16. Mr Walsh then sets out a brief account of how the opponents came to use the SMIRNOFF name and associated labels, medals and regalia. This account is, he says, based upon documents filed by the opponent in the action in the United States, adding that he believes that the applicants' allegations in these proceedings arise from the same historical background.

17. The history of the opponents' claim to the mark is as follows:

S "in about 1860, a businessman named P A Smirnoff founded a trade house called "P A Smirnoff in Moscow" (Smirnoff Moscow). The vodka of Smirnoff, Moscow won several awards, medals and title, including "Official Purveyor to the Russian Imperial Court"

S P A Smirnoff died in 1898. At the time of, or shortly after, the Bolshevik Revolution of 1917, the Soviet State nationalised all facilities for the production of alcoholic beverages, and Smirnoff, Moscow effectively ceased to operate by November 1918

S in 1923 Vladimir Smirnoff, one of the sons of P A Smirnoff, established the trading

company, Societe Pierre Smirnoff Fils (Smirnoff Fils, Poland) in Lvov, Poland, for the purpose of engaging in the manufacture and sale of alcoholic beverages

S on 21 August 1933 Vladimir Smirnoff on behalf of Smirnoff Fils, Poland, entered into an agreement with Rudolph Kunett a Russian emigre and American businessman (the 1933 Agreement). The 1933 Agreement granted to Kunett:

“[T]he exclusive rights and licence to manufacture and sell within the territory of the United States of America, within the territory of its possessions, territories and protectorates, and within the territory of the Dominion of Canada and of Mexico, all the alcoholic beverages and all other products of the firm, together with the exclusive right to use the firm’s name, the trade marks and labels as used and owned by the firm, and the exclusive right to reproduce and use the various models of bottles hitherto in use by the firm or its licensee in France.

[T]he exclusive right to use the subtitles “Firm of Pierre Smirnoff, formerly by appointment to the Imperial Court of Russia” and “Firm of Pierre Smirnoff, founded in Moscow in 1818”.

[T]he exclusive right to reproduce and use the various emblems, medals, coats of arms, insignia and awards such as the same appear in a printed coloured catalogue of the firm Pierre Smirnoff, Moscow, published in the year 1912...

[T]he exclusive right and power to apply to the Patent Office in Washington, DC....for the registration of the firm’s name, trade mark, labels, emblems, coats of arms or other insignia or awards....”

18. Mr Walsh continues that Kunett later conveyed his interests under the 1933 Agreement to a newly formed New York corporation, Ste. Pierre Smirnoff Fils Inc (Smirnoff Fils, New York). On 13 January 1939 Smirnoff Fils, New York transferred to G F Heublein & Bro, a predecessor of the opponents, all of Smirnoff Fils New York’s right, title and interest in and to the 1933 Agreement.

19. Mr Walsh concludes his declaration by explaining that since 1939 the opponents and their predecessors in title have used the SMIRNOFF name and the various trade marks, labels, emblems and other insignia referred to in the 1933 Agreement in the United States and throughout the world, adding that in so far as he is aware the applicants have never used the mark applied for, or indeed any mark which is similar to or associated with the opponents earlier marks in the United Kingdom.

APPLICANTS’ EVIDENCE

20. This consists of a statutory declaration dated 16 December 1999 by Philip Redman. Mr Redman explains that he is the Trade Mark Attorney responsible for the conduct of these proceedings on the applicants’ behalf. He adds that he is authorised by the applicants to make this declaration, commenting that he has access to certain documents that he has obtained from the applicants themselves and from their other legal representatives.

Mr Redman's declaration falls into two distinct categories. The first is his response to the opponents' evidence. In this regard, he makes the following observations:

- S that in his view, the opponents have not adduced any proper evidence of confusing similarity to support their objection under section 5(2) of the Act. In so far as the declaration of Mr Atkinson is concerned, in Mr Redman's view, Mr Atkinson has no basis for making his observations, adding that no survey or other evidence by ordinary customers has been provided to substantiate what he says
- S that in so far as Mr Walsh comments that he does not believe that the grounds of bad faith and deceptiveness contained in the applicants' counterstatement are relevant to this opposition, Mr Redman disagrees. He comments that if the applicants can prove that the opponents title to their earlier marks is defective, then the opposition in so far as it is based on these earlier marks will be removed. Further he says that the opponents' conduct and knowledge is material in so far as the question of passing off is concerned.

21. The second category represents the applicants' evidence in chief. Exhibit PAR1 consists of a presentation book entitled "The Biography" dated 1997 which provides background information on the applicants and their business. This book also, says, Mr Redman, sets out the applicants' position in relation to what they consider to be the opponents lack of entitlement to use the Smirnov name and mark, as well as conduct by the opponents' which the applicants' contend prevents them from succeeding in their claim to passing off.

22. In relation to the action in the United States mentioned in Mr Walsh's declaration, Mr Redman explains that that application for summary judgement has since been decided in favour of the opponents, a copy of the opinion of District Judge Sleet dated 13 May 1999 is exhibited as PAR2. Mr Redman comments that in his view the decision in that action has no bearing whatever on this opposition, since most of the underlying facts were agreed and in any event the action in the United States was decided on very different grounds from those between the parties in this opposition.

23. That said, Mr Redman states that there were a number of documents filed by both sides in the proceedings in the United States which he believes should be before the Registrar. In this regard, Mr Redman explains that he asked the applicants' lawyers in the United States to provide him with certain of the folios. It would appear that some of the evidence in the American proceedings was subject to a "protective order". However Mr Redman was able to obtain a redacted copy of the Statement of Facts filed by the Plaintiffs, from which he has ascertained the existence of certain documentation in respect of which the protective order never (or no longer) existed. Exhibits PAR3 and PAR4 consist respectively of the Statement of Facts in redacted form and a letter from the applicants' American lawyers which accompanied it. Mr Redman explains that where information obtained through this procedure was, in his view, material to this opposition, it has been included as an exhibit to this declaration.

24. Exhibit PAR5 consists of three statements made by Oleg Sergeyevich Smirnov who is a grandson of P.A. Smirnov. These statements which were originally filed in Russian are

accompanied by a certified English translation. Mr Redman comments that these statements which were originally filed as evidence in the American proceedings had also been filed in an action instituted in 1982 in Cologne, Germany between Plomidex, a Russian spirits import-export company, and Schneider Import and Heublein Inc, the latter of which is the predecessor in title to the opponents. These statements says Mr Redman set out the position on successorship to the Smirnov name and mark as at the end of the 19th and turn of the 20th centuries and in particular analyse the defective chain of title leading to the opponents.

25. Exhibit PAR6 consists of copies of two agreements relating to the use of the Smirnov name and mark which were filed in evidence in the American proceedings. Mr Redman notes in particular that in the first agreement dated 3 December 1902, it states (at point 12) that “no partner shall convey his right to the Trade House without a written consent of all others”. In the second agreement dated 28 January 1905, Mr Redman notes that Vladimir and Nikolai Smirnov (the former of which is the purported predecessor in title to the opponent), withdrew from the partnership leaving P.P. Smirnov the sole and full owner of the business. Exhibit PAR7 consists of a Declaration of Changes and Suspensions (dated 4 December 1902) for the Smirnov business (in Russian with a certified English translation) which in Mr Redman’s view appears to support this contention.

26. Exhibit PAR8 consists of a copy of an agreement dated 21 August 1933 in which the same Vladimir Smirnov having established a business in Poland under the name Societe Pierre Smirnoff Fils” purported to grant to Rudolph Kunett *inter alia* the exclusive right and licence to manufacture and sell within the United States all the alcoholic beverages and other products of Societe Pierre Smirnoff Fils together with the exclusive right to use the firm’s name, trade marks, bottles, labels, medals, coats of arms, insignia etc. Mr Redman also notes that paragraph 5 of the agreement grants Kunett the right to apply to register intellectual property rights in consequence of this agreement. Exhibit PAR9 consists of a number of other agreements that were filed in the American proceedings and which relate to the purported chain of title leading to the opponents.

27. Exhibit PAR10 constitutes the final exhibit to Mr Redman’s declaration. It consists of miscellaneous documents relating to the German proceedings in 1982 Although Mr Redman concedes that he is uncertain if these are the only documents relating to the German litigation still in existence or whether these were the only such documents filed in the American proceedings, from the documents provided by him, Mr Redman explains that his understanding of the position is as follows: Plomidex sued Schneider, a German importer of the Smirnoff brand (then owned by Heublein) under German unfair competition law on the grounds that the label was misleading to consumers as to Russian origin, successorship to the business of P.A. Smirnov, entitlement to bear various medals and awards. On 13 January 1982 the Cologne State Court issued an interim decision, finding the Heublein bottle misleading as to geographic origin. The Court did not reach a decision on the alleged misrepresentations. However, it encouraged the parties to reach an agreement under which SMIRNOFF labelling would be substantially altered *inter alia* to remove Cyrillic script and any English language references to Russia or Moscow, whilst emphasising, by way of large capital letters, that the geographic origin of the product was France and not Russia.

28. That concludes my review of the evidence in so far as I think it necessary.

DECISION

29. In my view, it is the objection based on Section 5(2) of the Act that is most likely to determine the outcome of these proceedings. Given that none of the opponents' earlier trade marks are identical to the application in suit, the matter falls to be decided under Section 5(2)(b) of the Act. This reads as follows:

“5.

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

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an "earlier right" in relation to the trade mark”.

30. An “earlier trade mark” is defined in Section 6 of the Act. The relevant extract is reproduced below:

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

(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,

(b).....

(c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention as a well known trade mark”.

31. In determining the question under section 5(2), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v. Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* [2000] 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* page 224;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v. Puma AG* page 224, 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 Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* page 84, 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* page 224;
- (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* page 224;
- (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* page 7, 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* page 8, paragraph 24;
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v. Puma AG* page 224;
- (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* page 732, 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* page 9 paragraph 29.

32. At the hearing, Mr Mellor sought to argue the issue of confusability on two fronts. To begin with it was Mr Mellor's contention that the dominant feature of the application in suit was the element shown below



this is the word SMIRNOFF in Cyrillic script. His first line of argument was that in use, the mark the subject of the application in suit consisting as it does of Cyrillic script would not be understood by the average consumer in the United Kingdom. That being the case, he posed the question how is this vodka going to be sold? Mr Mellor answered his own question in the following terms:

“The answer is obvious. It is going to be sold as SMIRNOFF vodka. That applies in off-licences and in supermarkets equally. Somebody is not going to pick a bottle of this vodka off the supermarket shelf, or they are very unlikely to do it, without being told, or knowing, that this Cyrillic lettering means SMIRNOFF. You can just imagine the shelf labelling, the point of sale material in a supermarket. Would they really put the Cyrillic script on the shelf labelling? Almost certainly not. They would call it SMIRNOFF. They would probably call it “product of Russia” underneath. If you do not know, if you are not told that these Cyrillic letters mean SMIRNOFF, it is actually very difficult to refer to this vodka. How do you do it?so it is inevitable, we say, that this could only be sold as SMIRNOFF vodka”.

33. Having answered his own question in this fashion, it followed he argued, that the application in suit was in conflict with the various SMIRNOFF marks owned by the opponents. Whilst there may be some force to Mr Mellor’s submissions, I of course am required to consider the trade mark applied for with the trade marks identified by the opponents on a mark for mark basis. There is nothing in the application in suit which would suggest to the average consumer in the United Kingdom (who I agree is unlikely to be familiar with Cyrillic script) that this is a SMIRNOFF product. As such, I reject Mr Mellor’s first line of argument.

34. Mr Mellor’s second line of argument based on the opponents’ registered rights in registration Nos: 2045198 and 2045199 offer him in my view a better prospect of success (although neither in my view qualify as well known trade marks within the meaning of Section 56 or Section 6(1)(c) of the Act). In my decision in relation to various related revocation and invalidation actions against registrations owned by the opponents in these proceedings Nos: 11286 to 11299, I concluded that both of the above registrations (attacked under No’s: 11293 and 11294) should remain on the register unamended. Consequently both trade marks qualify as earlier trade marks within the meaning of Section 6 of the Act and I note that both are registered for a specification of goods which reads: “Wines, spirits and liqueurs; all included in Class 33”. Given the specification for which the applicants have applied ie. “Alcoholic beverages”, there can be little doubt that the goods at issue are identical. The decision then turns on a comparison of the respective marks.

34. For convenience these are reproduced below:

Applicants’ mark



Opponents’ mark

СМИРНОВА

35. Clearly the opponents' can also rely on registration No: 2045199. However given the added matter in that mark, I do not think they can be in any better position than they are in respect of the mark shown above.

At the hearing Mr Edenborough commented as follows:

“.....Then it becomes an issue of similarity under Section 5(2).....As to visually, sir, I would say that it is fairly clear that not one of these marks is visually similar to any of the marks for which the Americans have registrations. Orally, one has to say that it is at least arguable that these products might be requested by customers over the telephone, or across a counter. However, I would also say, in my submission, that many of the products would be just picked up from a shelf, for example, in a supermarket.....Therefore that would decrease the importance of any oral similarity that might or might not be present between the two marks.....”.

36. Having considered Mr Edenborough's submissions, I have to say that I agree with a number of the conclusions he reaches. In my view it is the visual aspect of the respective marks that is by far the most important consideration for the purposes of comparison. Whilst the goods may be ordered orally, it is, in my opinion far more likely that the majority of the goods purchased under the respective marks would be purchased by self selection. Conceptually both marks convey a Russian “feel”.

37. Clearly the cost of alcoholic beverages can vary in price quite considerably. One may pay only a few pounds for some alcoholic beverages whilst other alcoholic beverages may cost hundreds or even thousands of pounds. When making purchases at either end of this scale the degree of attention paid to the purchases by the average consumer is likely to vary accordingly. However in these proceedings I am required to consider fair and notional use of both trade marks across the full range of goods for which they are respectively registered and proposed to be registered - see the comments in the REACT trade mark case [2000] RPC 285.

38. Having decided that it is the visual aspect of the respective marks that is the most important, that the respective goods are identical, and that the cost of the goods can vary considerably, I need to decide if there are sufficient similarities between the respective marks which combine to create a likelihood of confusion (as per Mr Geoffrey Hobbs QC in BALMORAL trade mark [1999] RPC 297). Clearly there are differences between the respective marks. The applicants' label trade mark contains additional devices and word elements. I note for example, that the applicants' trade mark also contains the word BOAKA at the base of the label. At the hearing, and on the basis that there is nothing else in the trade mark that the average consumer is likely to understand, I asked Mr Mellor why this would not be the element which the average consumer would use to refer to the applicants' trade mark. Mr Mellor conceded that it was a possibility but argued that it was not the main feature of the mark. He also explained that BOAKA was Cyrillic script for vodka. In relation to the BOAKA element appearing in the applicants' mark I think Mr Mellor is correct. While I strongly doubt that the average consumer would attribute any meaning to this word, it is as Mr Mellor pointed out not the dominant element of the applicants' mark.

39. In my opinion the dominant and distinctive feature of the applicants' trade mark is the



element. It is at the top of the label device and is the element which in my view is likely to first impact on a potential purchaser. It would in my view be perceived as a device mark (of sorts) and recalled on that basis. While this element alone is not identical to the opponents' mark (it differs in the presentation of the initial letter C and the concluding letter A), there are obvious points of similarity. From the case law reproduced above, it is clear that whilst the average consumer is deemed to be reasonably well informed, reasonably circumspect and observant, they rarely have the opportunity to make direct comparisons between marks and must instead rely upon the imperfect picture of the marks they have retained.

40. Given the characteristics of the average consumer mentioned above and bearing in mind that the respective goods are identical, that the goods are most likely to be purchased by self selection and as such visual considerations are the most relevant type for the purposes of determining confusion, and that in my view the distinctive and dominant feature of the applicants' trade mark is the element reproduced above, I come to the conclusion that there does exist a likelihood of confusion on the part of the public which includes a likelihood of association with the earlier trade mark. As such the opposition under Section 5(2)(b) of the Act succeeds.

41. In reaching this view I have not found it necessary to take account of any reputation there might be in the opponents' trade mark. Had I been required to do so, I would have declined to do so for the simple reason that I could not discern any. Despite the volumes of evidence filed, this went to the use and reputation of the word SMIRNOFF and not at all to the opponents' trade mark in Cyrillic script. Thus the evidence in this case provided no relevant facts to assist the Tribunal in coming to a decision but it is summarised for the benefit of any appellate Tribunal.

42. My decision under Section 5(2)(b) of the Act effectively determines these proceedings. However, for the sake of completeness I will comment briefly on the remaining two grounds. The first objection is under Section 5(4)(a) of the Act. This reads as follows:

“5. (4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or
- (b)

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark”.

43. The necessary elements of an action for passing off in terms of goodwill, misrepresentation and damage, were set out by Geoffrey Hobbs QC in WILD CHILD trade mark (1998) RPC 455. I do not propose to repeat the very full guidance provided but it can be found in that decision commencing at page 460 line 5 to page 461 line 22.

In brief the necessary elements are said to be as follows:

- (1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

44. Other than to point out that the trade mark in Cyrillic script appeared on the back label of the bottle, it would I think be fair to say that Mr Mellor did not pursue the objection under Section 5(4)(a) of the Act (in so far as it related to the opponents’ registrations in Cyrillic script) with any vigour. I think he was correct to adopt such an approach. There is no evidence to suggest that the Cyrillic script trade mark which forms the basis of the opponents success under Section 5(2)(b) has acquired a goodwill or reputation in the market in its own right. That being the case, the first leg of the passing off test is not satisfied and the opposition based on Section 5(4)(a) of the Act must fail accordingly.

45. The final ground of objection is based on Section 3(6) of the Act: This reads as follows:

“A trade mark shall not be registered if or to the extent that the application is made in bad faith”.

46. In asserting that the application was made in bad faith, the onus rests with the opponents to make a prima facie case. A claim that an application was made in bad faith, implies some deliberate action by the applicants which a reasonable person would consider to be unacceptable behaviour. Lindsay J commented on bad faith in the GROMAX trade mark case (1999) RPC 10 in the following terms:

“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined”.

47. In his skeleton argument Mr Edenborough commented on this objection in the following terms:

“The ground based upon 3(6) is also, it is submitted similarly hopeless. It could never be bad faith to apply to register in one jurisdiction, a mark under which you trade legitimately in another jurisdiction. In particular, in this case, it is clear than on the undisputed evidence adduced by the Russian Smirnov, that it has some genuine claim to be descended from the original P.A.Smirnov, and hence is bona fide in its application. Thus this ground ought to be dismissed as well”.

48. In his skeleton argument (and by reference to application No: M696153 (see my decision in that case), Mr Mellor commented as follows:

“Lastly, it is clear that 153 was applied for in bad faith, whatever the protestations of JSS. Reasonable and experienced men in the drinks trade in the UK would undoubtedly regard the launch of the SMIRNOV brand as falling well short of the standards of acceptable commercial behaviour. Anyone could see that it was nothing more than an attempt to misappropriate the very substantial goodwill which has been built up by the market leading vodka - SMIRNOFF”.

49. Given my various decisions in the related proceedings mentioned above, I do not think that in all the circumstances the accusation of bad faith levelled against the applicants has been made out. Bad faith is a very serious accusation and if it is to be successful, compelling evidence will need to be filed to substantiate such a claim . There is no such evidence here. For essentially the reasons indicated above by Mr Edenborough, I think that the applicants had a legitimate right to apply for this trade mark (which to the average consumer will not be SMIRNOV) in the United Kingdom and as such the opposition based on Section 3(6) of the Act is dismissed.

50. Although the opponents have failed in two of the three substantive grounds of objection which remain, they have been substantially successful in these proceedings and as such are entitled to a contribution towards their costs. I therefore order that the applicants pay to the opponents the sum of £500 as a contribution towards their costs. This sum to be paid within seven days of the expiry of the period allowed for filing an appeal or, in the event of an unsuccessful appeal within seven days of this decision becoming final.

Dated this 23 Day of November 2001

M KNIGHT
For the Registrar
The Comptroller-General

Annex A: Order a copy