

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No 2223226
BY VINTAGE HALLMARK TO REGISTER THE MARK
VINTAGE HALLMARK OF ST JAMES'S
IN CLASSES 16, 18, 20, 21, 24, 32, 33 AND 34**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER No 51497
BY MORRISON BOWMORE DISTILLERS LIMITED**

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by Vintage Hallmark to register the Mark
VINTAGE HALLMARK OF ST JAMES'S
in Classes 16, 18, 20, 21, 24, 32, 33 and 34**

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**IN THE MATTER OF Opposition thereto under No 51497
by Morrison Bowmore Distillers Limited**

DECISION

1. On 24 February 2000 Vintage Hallmark applied to register the mark VINTAGE HALLMARK OF ST JAMES'S for the following specification of goods

Class: 16

Paper, cardboard; printed matter; photographs; stationery; posters; printed publications and journals; books.

Class: 18

Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks.

Class: 20

Furniture, mirrors, picture frames; works of art; statues and bottle racks.

Class: 21

Glassware, porcelain and earthenware not included in other classes.

Class: 24

Textiles and textile goods, not included in other classes; bed and table covers.

Class: 32

Beers, mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.

Class: 33

Alcoholic beverages (except beer).

Class: 34

Tobacco; smokers' articles; matches.

2. The application is numbered 2223226.
3. On 5 October 2000 Morrison Bowmore Distillers Limited filed notice of opposition to this application. They are the proprietors of the following trade mark registrations

No.	Mark	Class	Goods
2032263	HALLMARK	33	Scotch whisky.
2160652	ISLAY HALLMARK	33	Alcoholic beverages; but in so far as whisky and whisky based liqueurs are concerned only Scotch whisky and Scotch whisky based liqueurs produced in Scotland.

4. They also claim to have sold alcoholic beverages under these marks. They say that the mark applied for closely resembles their trade marks and that the distinctive element of the applied for mark is the word HALLMARK. VINTAGE is, they say, commonly perceived by customers as an indication of age and/or quality in relation to wines and spirits and the words OF ST JAMES'S are simply a geographical indication. As the goods in Class 33 are either identical or similar to the goods of the opponents' earlier trade marks the opponents say that there exists a likelihood of confusion and the application offends against the provisions of Section 5(2)(b) in respect of the Class 33 goods.

5. The opponents also observe that the application has been filed in the name of VINTAGE HALLMARK. Their enquiries have failed to reveal the existence of any company incorporated under the name of VINTAGE HALLMARK. To the extent that the applicants appear not to have any legal status or formal identity the opponents say that the application has been filed in bad faith and is contrary to Section 3(6) of the Act.

6. The applicants filed a counterstatement denying the above grounds and making a number of submissions in relation to the respective marks. They reject the opponents' claim to any significant reputation and say that their goods have only limited availability. They say that they have explained to the opponents that Vintage Hallmark was a trading name of the applicants and the initial application was mistakenly filed under this trading name. The applicants have since filed a Form TM21 changing the details of the applicants.

7. Both sides ask for an award of costs in their favour.

8. The opponents filed the following evidence

Statutory Declaration by George Charles Bevens with Exhibit GCB1
Statutory Declaration by John Clinton Thomas with Exhibits JCT1 - JCT3
Statutory Declaration by Alistair Watson with Exhibits AW1 - AW5
Statutory Declaration by Anjum Sheikh Bashir with Exhibits ASB1 - ASB14

9. The applicants have not filed any evidence.

10. The Registry wrote to the parties on 30 January 2002 inviting them to say whether they wished to be heard. Only the opponents responded by confirming that they neither wished to be heard nor to make further written submissions. The matter therefore falls to be decided on the basis of the papers referred to above. Acting on behalf of the Registrar I give this decision.

DECISION

11. It will be apparent from the grounds of opposition summarised above that the opposition encompasses an attack against the whole application under Section 3(6) and a partial attack under Section 5(2)(b). Success in relation to the former would of necessity result in rejection, inter alia, of the particular sub-set of goods that are the subject of the Section 5(2)(b) attack. I propose to deal with the Section 3(6) position first not least because it seems to me to raise a fundamental question about the application. I do not propose to offer a formal evidence summary but will draw on relevant parts of the evidence in dealing with the various objections.

12. Section 3(6) reads

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

13. Section 32 is also relevant and reads

"**32.**-(1) An application for registration of a trade mark shall be made to the registrar.

(2) The application shall contain-

- (a) a request for registration of a trade mark,
- (b) the name and address of the applicant,
- (c) a statement of the goods or services in relation to which it is sought to register the trade mark, and
- (d) a representation of the trade mark.

(3) The application shall state that the trade mark is being used, by the applicant or with his consent, in relation to those goods or services, or that he has a *bona fide*

intention that it should be so used.

(4) The application shall be subject to the payment of the application fee and such class fees as may be appropriate."

14. Mr Bashir is the opponents' trade mark attorney in this matter. His declaration deals with the nature of the bad faith claim. It is his contention that the applicant is not a legal entity and does not appear to have any legal status. Accordingly it is suggested that false statements have been made under Section 32 of the Act in two respects. Firstly the requirement under Section 32(2)(b) that the application shall contain the name and address of the applicant has not been met and secondly the intention to use requirement of Section 32(3) could not be fulfilled.

15. The applicants' position appears to be that this application was mistakenly filed under a trading name. They have sought to correct matters by filing a Form TM21 amending the proprietors' details to Vintage Hallmark of St James's PLC, that is to say an incorporated body. In doing so they have made the declaration required by the Form TM21 to the effect that "there has been no change in the actual proprietorship of the application....."

16. Mr Bashir exhibits the following documents

- ASB2 - a copy of a Trade Mark Journal Notice headed "Form TM21 : Request to change the details of an application or registration" and setting out the circumstances in which the use of a Form TM21 is appropriate. For convenience the relevant part of the Journal Notice is reproduced in the Annex to this decision
- ASB3 - a copy of the Form TM21 filed by Briffa Solicitors on behalf of the applicant along with an accompanying witness statement by Elizabeth Harding (Solicitor) explaining that "Vintage Hallmark is a trading name of Vintage Hallmark of St James's PLC. I confirm that this was a purely clerical error and that ownership of the applicant company has not changed during the course of this application".
The witness statement is dated 3 May 2001 and was filed along with the TM21 on 9 May 2001.
- ASB4 - a print-out from the Registry's Optics database confirming that the proprietor's name was changed as a result of the above request.
- ASB5 - a copy of the Directors' report for Vintage Hallmark of St James's PLC compiled on 2 August 2001 and obtained from Companies House website showing that the company Vintage Hallmark of St James's PLC was only incorporated on 1 September 2000.

17. As the application under attack was filed on 24 February 2000 Mr Bashir concludes that Vintage Hallmark of St James's PLC did not exist at the time the application was filed and the trading name could have had no legal standing either.

18. Those are the underlying facts and circumstances. In approaching the issues that they give rise I have borne in mind the following passage from Mr Geoffrey Hobbs QC's decision in *Demon Ale Trade Mark* [2000] RPC 345

"I do not think that section 3(6) requires applicants to submit to an open-ended assessment of their commercial morality. However, the observations of Lord Nicholls on the subject of dishonesty in *Royal Brunei Airlines Sdn Bhd v. Philip Tan* [1995] 2 A.C. 378 (PC) at page 389 do seem to me to provide strong support for the view that a finding of bad faith may be fully justified even in a case where the applicant sees nothing wrong in his own behaviour.

In *Gromax Plastics Ltd v. Don & Low Nonwovens Ltd* [1999] R.P.C. 367 Lindsay J. said (page 379):

"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. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context: how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances."

These observations recognise that the expression "bad faith" has moral overtones which appear to make it possible for an application for registration to be rendered invalid under section 3(6) by behaviour which otherwise involves no breach of any duty, obligation, prohibition or requirement that is legally binding upon the applicant. Quite how far the concept of "bad faith" can or should be taken consistently with its Community origins in Article 3(2)(d) of the Directive is a matter upon which the guidance of the European Court of Justice seems likely to be required: *Road Tech Computer Systems Ltd v. Unison Software (U.K.) Ltd* [1996] F.S.R. 805 at pages 817, 818 *per* Robert Walker J.

In the present case the objection under section 3(6) related to the applicant's breach of a statutory requirement. Section 32(3) of the Act required him to be a person who could truthfully claim to have a bona fide intention that DEMON ALE should be used (by him or with his consent) as a trade mark for beer. His application for registration included a claim to that effect. However he had no such intention and could not truthfully claim that he did. That was enough, in my view, to justify rejection of his application under section 3(6)".

19. The underlying circumstances in *Demon Ale* were different in that the applicant could not claim to have a bona fide intention to use the mark in relation to the goods of the specification

applied for. If I accept the opponents' claim in the case before me the position would be that there could have been no applicant in being at the time the application was filed in which case it is difficult to see how there can have been an intention to use.

20. I will deal firstly with what seem to be the facts of the matter. The critical dates are

24 February 2000 - Vintage Hallmark applies to register the mark in suit

1 September 2000 - Vintage Hallmark of St James's PLC is incorporated

9 May 2001 - Form TM21 filed to change the applicants' name from the Trading style to the PLC

21. The applicants have not sought to challenge the Companies House documentation filed by the opponents.

22. I note that ASB5 shows the incorporation date as being 1 September 2000 and that the Directors and Company Secretary were all appointed on that date. The "Recent Filing History" statement has an entry reading

"01/09/2000 NEWINC Incorporation documents, certificate in corporation....."

All other entries on the statement bear more recent dates.

23. I, therefore, accept the opponents' claims as to when Vintage Hallmark of St James's PLC was incorporated. It must also follow that as at the application filing date there can scarcely have been a trading name of a company that did not exist.

24. Section 2(1) of the Act reads

"2.-(1) A registered trade mark is a property right obtained by the registration of the trade mark under this Act and the proprietor of a registered trade mark has the rights and remedies provided by this Act."

A property right cannot, it seems to me, exist in a vacuum. There must be a proprietor. There was no proprietor of the mark at the time the application was filed and the position cannot be cured retrospectively whilst retaining the filing date (even if it were in principle capable of correction at all) by the filing of a Form TM21 over a year later (see Nonogram Trade Mark [2001] RPC 355 at pages 362 to 363). It must follow that at the time the application was filed there was no one who could make the statement required by Section 32(3) to the effect that there was a bona fide intention to use the trade mark or that it should be so used with the applicant's consent. On that basis the opposition stands to succeed under Section 3(6) in respect of the whole of the application.

25. However it seems to me that there is a more fundamental problem for the applicants. If, as I have held to be the case, there was no applicant at the filing date then one of the minimum requirements set down in the Act for an application to come into existence was not met.

Specifically there was no applicant for the purposes of Section 32(2)(b). It is for an applicant to ensure that his application is in order when filed and complies with the requirements of Section 32 of the Act. The Registry undertakes a formalities check to satisfy itself that a filing date can be accorded. If an application appears to be deficient in one or more respects the provisions of Section 33 and Rule 11 of The Trade Marks Rules 2000 come into play and the applicant is given a period of two months to remedy any deficiencies in the application. If necessary the date of filing will be amended to reflect the date on which documents containing the information required by Section 32(2) are furnished to the Registrar. The Registry does not at this initial stage look beneath the surface of the application. In this particular case the Registry would not, and could not, have been aware that the application had been filed in the name of a company that had not yet been incorporated. The question of notifying a deficiency in the application did not, therefore, arise and the application proceeded to full examination and, subsequently, publication for opposition purposes.

26. The true position may, therefore, be that the application was deficient from the start and for practical purposes a nullity. That seems to me to raise difficult issues as to the proper course of action given the stage the application has reached and the fact that the application is no longer before the Registry for ex parte consideration. I am also conscious of the fact that the matter has not been the subject of a hearing or written submissions directed towards the proper consequences of such a finding. In the circumstances I prefer not to come to a settled view on the point.

27. For the sake of completeness I go on to consider the ground of objection under Section 5(2)(b). This reads

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

(a)

(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."

28. 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. 1, *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*, 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 Schuhfabrik 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;
- (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 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.

Distinctive character of the opponents' marks

29. The opponents have two marks registered HALLMARK and ISLAY HALLMARK. The latter has a somewhat wider specification. The opponents suggest ISLAY is generic/descriptive in the whisky trade. Evidence from their Company Secretary, Alistair Watson, (supported by Mr Bashirs' evidence) is to the effect that there are four groups of malt whiskies based on the geographical location of distilleries - they are Lowland malts, Highland malts, Speyside malts and Islay malts. Each is said to have its own characteristics. There are seven working distilleries on the island of Islay and three brands incorporate the word ISLAY in their name. Mr Watson says that none of these brands claims ISLAY as a proprietorial part of their trade mark. The applicants' counterstatement takes a contrary position, it being argued that the principal element of the opponents' ISLAY HALLMARK brand is the word ISLAY. That is

little more than a bare assertion. No evidence has been filed to cast doubt on the opponents' claims. I therefore, accept the latter's view of the matter. The effect of that is that the mark ISLAY HALLMARK relies principally on the second element for its distinctive character in so far as whisky and whisky based drinks are concerned.

30. Turning specifically to the word HALLMARK the applicants' counterstatement suggests that

"The word HALLMARK is the subject of a large number of current trade mark registrations in different ownership and as such has become a generic, laudatory term indicating the quality of a particular product. The Opponent should not be able to claim sole rights to such a generic term."

Again no evidence has been provided to support the claim as regards trade mark registrations or, more relevantly, the position in the marketplace.

31. The word HALLMARK is most commonly understood to mean an official mark stamped on items of precious metal as a guarantee of purity etc. I am prepared to accept that it carries a derivative allusion to quality and in that sense can be said to have laudatory connotations. However I see no reason why it cannot function as a distinctive mark in relation to a product area such as whisky and other alcoholic beverages. Mr Watson's evidence also provides details of use of the mark in the UK since October 1998. For the years 1998 and 1999 some 5000 bottles were sold with a retail value of over £67000. I have some difficulty in interpreting those sales figures in the context of either the whisky trade, the malt whisky trade or Islay malts in particular. It strikes me as a relatively modest sum but may, of course, have created a more significant impact within a particular part of the market. I simply cannot say from the evidence filed. There is a suggestion in the applicants' counterstatement that the opponents' branded goods are difficult to obtain and available from one location only in the South of England. That is disputed by the opponents and dealt with in Mr Bashir's evidence. He identifies outlets in a number of towns and cities in the south of the country where ISLAY HALLMARK is available through off-licences owned by Parisa Ltd. Even so I do not think I can accept that, in terms of inherent or acquired character, the opponents' marks can claim an above average degree of distinctiveness.

Similarity of goods

32. The opponents' attack under Section 5(2)(b) is limited to Class 33. Both the application in suit and the opponents' earlier trade mark No. 2160652 cover alcoholic beverages so the goods are identical. The opponents' other mark, No. 2032267 is registered for 'Scotch whisky' and so is narrower in scope than the applicants' 'alcoholic beverages'. Nevertheless the opponents' goods must be contained within the applied for specification. Furthermore whisky appears to be a goods item of specific interest to the applicants.

Similarity of marks

33. The applicants' counterstatement seeks, for obvious reasons, to downplay the distinctive character of the word HALLMARK and to suggest that "the geographical origins contained in

the respective marks are very different". Thus it is said confusion is eliminated. The opponents' case is directed to establishing that HALLMARK is the distinctive and dominant element of the respective marks. Mr Bashir's evidence also deals in some detail with researches conducted into the applicants' use and, particularly, the manner in which their mark is used. Exhibit ASB10 is a bottle of whisky bearing the applied for mark. I note that the word HALLMARK is given greater prominence than the surrounding words. I do not go so far as Mr Bashir in suggesting that HALLMARK is the only distinctive element of the trade but it is certainly a distinctive and dominant component. Further material exhibited by Mr Bashir supports the proposition that the applicants themselves appear to regard HALLMARK as a key component of their mark (Exhibits ASB9, ASB11, ASB12 and ASB13). I have no reason to suppose that the actual use of the applicants' mark as shown in the opponents' evidence is considered as anything other than normal and fair use of the mark applied for.

34. Accepting as I do that HALLMARK is one of the distinctive and dominant components of the parties' marks (and the only element of No. 2032263) I find it unnecessary to undertake a detailed comparison of visual, aural and conceptual similarities. It is unlikely that consumers will fail to note that the applicants' mark consists of more than simply the word HALLMARK but the surrounding material seems to me to be likely to be taken as matter that is descriptive in nature or indicative of geographical location. As such it is likely to be accorded considerably less weight in terms of its ability to differentiate between the respective marks from a badge of origin point of view.

Likelihood of confusion

35. The test is a global one having regard to similarities in both marks and goods and taking all relevant factors into account. I have little doubt that the average consumer who was familiar with the opponents' marks and who subsequently encountered the mark applied for would believe that goods sold under those marks come from the same or economically linked undertakings. Accordingly I find that there is a likelihood of confusion and the opposition succeeds under Section 5(2)(b) in relation to Class 33 of the application in suit.

36. As a result of my decision under Section 3(6) the opposition succeeds against the application as a whole. The opponents are entitled to a contribution towards their costs. I order the applicants to pay them the sum of £1200. This sum is 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 9TH day of April 2002

**M REYNOLDS
For the Registrar
the Comptroller-General**

Annex in paper copy only