

TRADE MARKS ACT 1994

IN THE MATTER OF:

OPPOSITION No. 52055

IN THE NAME OF BSA S.A.

TO APPLICATION No. 2243686

TO REGISTER A TRADE MARK IN CLASS 33

IN THE NAME OF DIRECT WINES LIMITED

DECISION

The Application

1. On 26th August 2000 Direct Wines Limited (“the Applicant”) applied under number 2,243,686 to register the designation **LE XV DU PRÉSIDENT** as a trade mark for use in relation to “*alcoholic beverages; wines; spirits; liqueurs*” in Class 33.

The Opposition

2. On 25th January 2001 BSA S.A. (“the Opponent”) filed notice of opposition to the application for registration. In summary, the Opponent contended that registration should be refused on the basis that the application contemplated unauthorised use of the relevant trade mark within the penumbra of protection to

which its 'earlier trade marks' were entitled under section 5(3) of the Trade Marks Act 1994.

3. Section 5(3) provides that:

A trade mark which -

- (a) is identical with or similar to an earlier trade mark, and
- (b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

Two 'earlier trade marks' were cited in support of the objection to registration:

Mark	Date	Number	Goods
PRESIDENT	3.3.76	1,059,644	Edible lard; cheese and dairy products for food
PRESIDENT	15.9.79	1,120,768	Powdered preparations included in Class 32 for use in making non-alcoholic beverages

The Evidence

4. The Opponent's evidence in support of the Opposition consisted of a Statutory Declaration of Thierry Levantal with 4 exhibits dated 18th March 2002, a Witness Statement of Mark Hickey with 2 exhibits dated 24th June 2002 and a further Witness Statement of Mark Hickey with 1 exhibit dated 30th October 2002. The Applicant filed no evidence.

5. It appears from the Opponent's evidence that its operating subsidiaries have continuously since 1980 marketed cheese and butter products in the United Kingdom in packaging conspicuously bearing the mark **PRÉSIDENT**. Sales have been made through a wide range of retail outlets. Since the early 90's, product advertising has been placed in 'lifestyle' magazines on a regular basis. Editorials and write-ups have appeared from time to time in trade and general publications. Total advertising and promotional spend in the UK for 1999 and 2000 was put at £249,340 and £350,000. Figures for sales between 1990 and 2000 were given as follows:

	French Francs	£ (approx) at 10FF = £1
1990	14186365	1,418,637
1991	11429915	1,142,992
1992	10495043	1,049,504
1993	11068364	1,106,836
1994	11623258	1,162,326

	French Francs	£ (approx) at 10FF = £1
1995	15546572	1,554,657
1996	21967863	2,196,786
1997	33638448	3,363,844
1998	38972145	3,897,214
1999	40136706	4,013,670
2000	49002677	4,900,267

6. The totality of the evidence relating to the predicted impact of the Applicant's intended use of the mark **LE XV DU PRÉSIDENT** was as follows:

The trade mark **PRESIDENT** has been extensively used by my Company in the United Kingdom to identify a range of high quality nutritionally rich dairy foodstuffs. By virtue of usage since 1980 significant repute attaches to the **PRESIDENT** mark which is consummate to the reasonable expectations of consumers in this market for a quality food product of the highest possible standards.

The **PRESIDENT** brand is in particular synonymous with qualities associated with a healthy lifestyle. I note that editorials and advertisements alike both emphasise the health benefits to be derived from the consumption of my Company's products.

The use of the mark applied for on alcoholic beverages can only be detrimental to the distinctive character or repute of my Company's **PRESIDENT** trade mark in the United Kingdom. In contrast to the goods of interest to my Company alcoholic beverages attract unhealthy lifestyle connotations and quite clearly my Company's brand and its reputation can only be tarnished by registration and use of the opposed mark.

The Hearing Officer's Decision

7. The opposition proceeded to a hearing before Mr. D.W. Landau, acting on behalf of the Registrar of Trade Marks, on 27th November 2002. In a written decision issued on 6th December 2002 he dismissed the objection to registration and ordered the Opponent to pay the Applicant £1,500 as a contribution to its costs of the Registry proceedings.

8. The Hearing Officer's findings, as summarised by me, were as follows:

- (1) The goods in issue were not similar, but were none the less likely to come within the purview of essentially the same class or category of average consumer.
- (2) Although the Applicant's mark would be perceived and remembered as French and the Opponent's mark as registered would be perceived and remembered as English, they were distinctively similar marks by reason of their visual, aural and conceptual convergence upon the word **PRESIDENT**.
- (3) The Opponent's evidence: (a) showed no use of its mark in relation to goods of the kind specified in registration 1,120,768; and (b) was insufficient to establish that the mark had acquired a full enough reputation through use in relation to goods of the kind specified in registration 1,059,644 to support an objection under section 5(3).
- (4) Further or alternatively, use of the Applicant's mark in relation to goods of the kind specified in its application for registration would not cause the average consumer of the goods concerned to connect it mentally with use of the

Opponent's mark in relation to goods of the kind specified in registration 1,059,644.

- (5) Further or in the further alternative, there was no real reason to suppose that any connection made in the mind of the average consumer would take unfair advantage of, or be detrimental to, the distinctive character or repute of the Opponent's earlier trade mark 1,059,644.

9. It had been argued that use of the Applicant's mark for goods of the kind specified in the contested application for registration would: (a) burden the Opponent's mark with negative connotations and so 'tarnish' the reputation and character it enjoyed in the market place; and (b) forestall exploitation of the Opponent's mark within the scope of its power to attract customers and so 'fetter' the Opponent's ability to trade upon the commercial value of its mark cf. the decision of Mr. Simon Thorley Q.C. sitting as the Appointed Person in Loaded Trade Mark (SRIS 0/455/00, 22nd September 2000).

10. The Hearing Officer concluded his decision with the following observations:

I consider that [the Opponent] was somewhat optimistic in its opposition. To succeed it would have to show not only tarnishing or fettering, which the evidence does not support, but also that the public would make the connection between its trade mark and goods and those of [the Applicant]. Taking into account [the Opponent's] use, the difference in the trade marks and the difference in the goods this was always going to be a doubtful challenge.

The Appeal

11. The Opponent appealed to an Appointed Person under section 76 of the 1994 Act. In substance it contended that the Hearing Officer had erred by not recognising that the reputation of its earlier trade mark 1,059,644 was sufficient to support an objection under section 5(3) and also by not accepting that it would be detrimental to the reputation of its earlier trade mark if the opposed mark was used in relation to goods of the kind specified in the application for registration. It maintained that the Hearing Officer should have proceeded on the basis that “*there is a clear bridge between the enterprises of alcoholic beverages, in particular wine, on the one hand and dairy products, in particular cheese, on the other*” and should accordingly have refused the application for registration. The argument to the effect that use of the opposed mark for the goods of interest to the Applicant would ‘fetter’ the Opponent’s ability to trade upon the commercial value of its mark was not pursued on appeal.

12. The Applicant maintained that the Hearing Officer’s decision involved no error of principle or appraisal and that his rejection of the opposition should be upheld on the basis that it was clearly right or, at the very least, not clearly wrong.

Analysis

13. The umbra of the protection conferred by registration of a trade mark is defined by sections 5(1) and 10(1) of the Act and the corresponding provisions of the Trade Marks Directive and the Community Trade Mark Regulation. Protection

within the umbra is confined to cases of ‘double identity’: the marks in issue are identical; the goods or services in issue are identical; therefore “*a likelihood of confusion shall be presumed*” in accordance with Article 16(1) of the TRIPs Agreement.

14. Protection within the penumbra contemplated by the Act and the corresponding provisions of the Directive and the Regulation radiates outwardly from and by reference to the protected mark and the goods or services for which it is registered. There are 2 bases on which such protection can be claimed: (i) under sections 5(2) and 10(2); and (ii) under sections 5(3) and 10(3).

15. If the marks in issue and/or the goods or services in issue are not identical, protection can be claimed under sections 5(2) and 10(2) on the basis that the similarities between the marks and the goods or services are none the less sufficient to give rise to the existence of a ‘*likelihood of confusion on the part of the public*’ as discussed in Case C-39/97 Canon K.K. v. Metro Goldwyn Mayer Inc [1998] ECR I-5507, paragraphs 26 et seq and Case C-425/98 Marca Mode CV v. Adidas AG [2000] ECR I-4861, paragraphs 34 et seq. It is not necessary to establish that the mark put forward for protection has acquired a reputation through use.

16. In order to claim protection on the basis envisaged by sections 5(3) and 10(3) it is necessary to establish that:

- the mark for which protection is claimed has acquired a reputation through use in relation to

goods or services of the kind for which it is registered - the required level of awareness is reached when the mark is known by a significant part of the public concerned by the products or services covered by such use: Case C-375/97 General Motors Corp. v. Yplon SA [1999] ECR I-5421, paragraphs 24 to 27;

- the mark under attack is an identical or similar mark the use of which has (or would have) either the positive effect of taking unfair advantage of the distinctive character or repute of the mark for which protection is claimed or the negative effect of being detrimental to the distinctive character or repute of the mark for which protection is claimed;
- such consequences have been (or will be) brought about '*without due cause*'.

It is not necessary to establish or (as matters currently stand in the light of the Judgment in Case C-292/00 Davidoff & Cie CA v. Gofkid Ltd 9th January 2003) disprove:

- that the goods or services in issue are identical or similar;
- the existence of a '*likelihood of confusion on the part of the public*': Case C-251/95 Sabel BV v. Puma AG [1997] ECR I-6191, paragraph 20; Case C-425/98 Marca Mode CV v. Adidas AG [2000] ECR I-4861, paragraph 36.

17. Both approaches to protection involve the enforcement of a duty to distinguish. The decision taker is required to consider the implications of concurrent use in relation to goods or services of the kind for which the claimant's mark is (or will be) properly registered and the respondent's mark has been (or will be) used.

Compliance with the duty to distinguish under sections 5(2) and 10(2) is tested essentially by reference to the question whether there are similarities (in terms of marks and goods or services) that would combine to give rise to a likelihood of confusion. Under sections 5(3) and 10(3) it is tested essentially by reference to the question whether, having regard to the distinctiveness and reputation of the mark entitled to protection, there are differences (in terms of marks and goods or services) that would be sufficient in combination to avoid detriment or advantage of the kind proscribed.

18. Protection cannot be obtained simply upon the basis that the marks in issue are liable to call each other to mind, either under sections 5(2) and 10(2) (Case C-425/98 Marca Mode CV v. Adidas AG [2000] ECR I-4861, paragraphs 32 to 42) or under sections 5(3) and 10(3) (DaimlerChrysler AG v. Alavi [2001] RPC 42, p.813 at paragraphs 86 to 88 Pumfrey J).

Assessment

19. The word **PRESIDENT** possesses a respectable degree of distinctive power in relation to goods of the kind specified in the Opponent's earlier trade mark registrations. Although there is no evidence of any use of it for goods within the specification of registration 1,120,768, it appears to have been used on a significant scale in relation to cheese and butter products marketed in the United Kingdom with particular emphasis on the natural qualities of the products concerned. I accept that

the Opponent was entitled to say that the mark had a significant reputation acquired by means of such use prior to the date of the opposed application for registration.

20. There is nothing to suggest that the Applicant's mark **LE XV DU PRÉSIDENT** was adopted for use in relation to "*alcoholic beverages; wines; spirits; liqueurs*" with any past or prospective use of the Opponent's mark **PRESIDENT** in mind. It is not alleged (nor could it be alleged on the evidence that was before the Registrar and is now before me) that concurrent use of the marks in issue in relation to goods of the kind for which they are respectively registered under number 1,059,644 and proposed to be registered under number 2,243,686 would give rise to a likelihood of confusion.

21. I accept that in terms of consumer needs and requirements fulfilled, there is a degree of affinity between "*cheese*" on the one hand and "*wines*" on the other. I also agree with the Hearing Officer in thinking that the goods of interest to the Applicant and those of interest to the Opponent come within the purview of essentially the same class or category of average consumer. It nevertheless appears to me that the differences between the marks and the goods in issue would combine to make it unlikely, in the circumstances I am now considering, that use of the Opponent's mark **PRESIDENT** would bring to mind the Applicant's mark **LE XV DU PRÉSIDENT** or vice versa. I do not accept that the distinctive power of the mark **PRESIDENT** in relation to the goods of interest to the Opponent is sufficient to support any other conclusion.

22. In common with the Hearing Officer, I can see no real basis for a finding that use of the mark **LE XV DU PRÉSIDENT** in relation to goods of the kind specified in application number 2,243,686 would produce positive or negative effects of the kind proscribed by section 5(3) in relation to the distinctive character or repute of the mark **PRESIDENT**. The necessary element of cross-pollination between the two strains of use is not demonstrated or apparent.

Conclusion

23. The appeal stands dismissed. I confirm the order for costs made at the conclusion of the hearing before me. That required the Opponent to pay the Applicant £1,100 by way of contribution to its cost of the unsuccessful appeal. The sum specified was payable within 14 days in addition to the sum of £1,500 awarded by the Hearing Officer in respect of the Registry proceedings.

Geoffrey Hobbs Q.C.
13 October 2003

Mr. Mark Hickey of Messrs Castles appeared on behalf of the Opponent.

Mrs. Barbara Cookson of Messrs Nabarro Nathanson appeared on behalf of the Applicant.

The Registrar was not represented at the hearing.