

O-207-15

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 3042546
BY HALEWOOD INTERNATIONAL BRANDS LIMITED
TO REGISTER THE SERIES OF TWO TRADE MARKS
FIREBIRD & FIRE BIRD
IN CLASS 33
AND**

**IN THE MATTER OF OPPOSITION
THERE TO UNDER No. 402354 BY
SAZERAC COMPANY INC.**

BACKGROUND

1) On 14 February 2014, Halewood International Brands Limited (hereinafter the applicant) applied to register the series of two trade marks FIREBIRD / FIRE BIRD in respect of the following goods in class 33: Spirits; liqueurs; alcopops; alcoholic cocktails; alcoholic spirits or liqueurs-based beverages, cocktails and aperitifs.

2) The application was examined and accepted, and subsequently published for opposition purposes on 21 March 2014 in Trade Marks Journal No.2014/012.

3) On 23 June 2014 Sazerac Company Inc. (hereinafter the opponent) filed a notice of opposition. The grounds of opposition are in summary:

a) The opponent is the proprietor of the following trade mark:

| Mark | Number | Date of application / registration | Class | Specification |
|----------|----------------|--|-------|---------------|
| FIREBALL | CTM 7380637 | 10.11.08 20.05.09 Priority date: 11.05.08 Priority country: USA | 33 | Whisky. |

b) The opponent contends that the mark in suit is confusingly similar to its registered trade mark as both have the word "FIRE" and another word. They also point out that the second words of both marks start with the letter "B" so that the marks share their first five letters. They contend that the dominant and distinctive element in each mark is FIRE / FIREB. They also contend that the goods are similar or identical. There is therefore a likelihood of confusion and that the mark in suit therefore offends against section 5(2)(b) and 5(3) of the Act.

4) On 2 July 2014, the applicant filed a counterstatement. It accepts that the goods of the two parties are identical in that "whisky" is included in the term "alcoholic beverages". The applicant also admits that the marks of both parties begin with the word "fire" however it contends that the marks have to be compared as wholes. They point out that the term FIREBIRD has been used as the name of a ballet, an American car and also a mythical creature. It contends that there are a great number of marks registered for goods in class 33 which begin with the word "Fire" but happily co-exist without confusion.

5) Both sides filed evidence. Both parties seek an award of costs in their favour. The matter came to be heard on 13 April 2015 when the opponent was represented by Mr Gray of Messrs Tomkins & Co.; the applicant was not represented although written submissions had been filed which I shall refer to as and when required.

OPPONENT'S EVIDENCE

6) The opponent filed a witness statement, dated 8 October 2014, by Simon Gray, its Trade Mark Attorney. He states that the mark "FIREBALL" is inherently distinctive for the goods for which it is registered. He provides a definition from an on-line dictionary for his client's mark which states that it is a "ball of fire; a brilliant meteor; a highly luminous cloud of vapour and dust created by a nuclear

explosion; a highly energetic person". It has been sold in the UK since 2010 and is apparently highly popular in the USA and has won many awards in America. He provides sales figures and other exhibits in relation to use in the USA. He also states that the product is sold world-wide and he states that in the years 2010 -2013 a total of approximately 775,000 bottles have been sold in the UK. He states that the product is sold in pubs, off licences, supermarkets and on-line. He also supplies his opinion on whether his client's mark is well known in the UK and also on the similarity of the marks and goods in the instant case.

APPLICANT'S EVIDENCE

7) The applicant filed a witness statement, dated 4 December 2014, by Natalie Brindle the applicant's Trade Mark Attorney. She states that she undertook a search of the UK Trade Mark Register and that there are 38 marks registered in respect of goods in class 33 that have the word "FIRE" as the first word or as a prefix. Of these only four would appear to be in use in respect of alcohol in the UK. In particular she highlights a mark FIREFLY which is advertised alongside the opponent's brand. She states that the product that the mark in suit will be used upon is a ready to drink vodka mix product. She also provides an on-line dictionary definition for "FIREBIRD" which indicates it is a flycatcher found in parts of the USA.

OPPONENT'S EVIDENCE IN REPLY

8) The opponent filed a witness statement, dated 6 February 2015, by Mr Grey who has supplied evidence previously in this case. He points out that only three of the other marks on the UK Register referred to by the applicant have the prefix "fire" and a suffix beginning with the letter "B". He points out that there is no proof of use of these marks. He also provides evidence that shows that the mark FIREFLY is produced by a company co-owned by the opponent.

9) The opponent also filed a witness statement, dated 5 February 2015, by Todd Bontemps the US Attorney for the opponent. He merely repeats much of what has already been stated in evidence. He states that various social media sites for the opponent's product are accessed by consumers from the UK.

APPLICANT'S EVIDENCE IN REPLY

10) The applicant filed a witness statement, dated 2 April 2015, by Aideen Patricia McCaffrey an in-house Solicitor for the applicant. She refers me to Regulation (EC) No 110/2008 of the European Parliament and of the Council of 15 January 2008, on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks. She specifically refers me to Annex II section 2 (b) of the Regulation which states "The minimum alcoholic strength by volume of whisky or whiskey shall be 40 %"; and also to Annex II section 2 (d) which states: "Whisky or whiskey shall not be sweetened or flavoured, nor contain any additives other than plain caramel used for colouring".

11) She states that the opponent's product sold in the UK has an alcoholic strength of only 33% and that it is described on its label as "whisky with natural cinnamon flavouring". She therefore states that the opponent's product cannot be labelled as "Whisky" in the UK and is more likely to be defined as a liqueur.

12) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

13) I turn first to the ground of opposition based on section 5(2)(b) which 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.”

14) An “earlier trade mark” is defined in section 6, the relevant part of which states:

“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.”

15) The opponent is relying upon its trade mark listed in paragraph 3 above which is clearly an earlier trade mark. Given the interplay between the date that the opponent’s mark was registered and the date that the applicant’s mark was published, section 6A of the Trade Marks Act does not come into play.

16) When considering the issue under section 5(2)(b) I take into account the following principles which are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, 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, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are

negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) 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;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

The average consumer and the nature of the purchasing decision

17) As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods; I must then determine the manner in which these goods are likely to be selected by the average consumer in the course of trade. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

18) I take into account the comments of the Court of First Instance (now the General Court) in *Simonds Farsons Cisk plc v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* where it said:

“In that respect, as OHIM quite rightly observes, it must be noted that, even if bars and restaurants are not negligible distribution channels for the applicant's goods, the bottles are generally displayed on shelves behind the counter in such a way that consumers are also able to inspect them visually. That is why, even if it is possible that the goods in question may also be sold by ordering them orally, that method cannot be regarded as their usual marketing channel. In addition, even though consumers can order a beverage without having examined those

shelves in advance they are, in any event, in a position to make a visual inspection of the bottle which is served to them.”

19) The applicant’s specification is for “Spirits; liqueurs; alcopops; alcoholic cocktails; alcoholic spirits or liqueurs-based beverages, cocktails and aperitifs.”, whilst the opponent’s specification, irrespective of what it has actually used the mark upon, is “whisky”. Clearly both specifications are for alcohol which can only be purchased by those over eighteen. Both specifications can vary somewhat in their prices but neither would be considered to be complex or expensive. Bottles of alcohol tend, for the most part, to be purchased in shops, on-line and pubs. In shops and on-line they will be self selected and the visual aspect will be the most important element. In pubs drinks are mostly displayed via labels on pumps /optics at the bar or in cabinets where the labels can be viewed. When ordering in a pub aural considerations must be considered, but the initial choice will still be made visually. Retailers, hoteliers and others in business will also be customers but I believe that they will make their choices in a similar way, be it from the internet, a brochure or the shelves in a cash and carry. They may also order via the telephone or in person. Effectively they have the same issues as the general public and I regard them to be the same. Whilst I accept that the average consumer is reasonably circumspect and observant I believe that the goods of both parties will be purchased or selected with only a modicum of care.

Comparison of goods

20) The competing goods are “Spirits; liqueurs; alcopops; alcoholic cocktails; alcoholic spirits or liqueurs-based beverages, cocktails and aperitifs.” and “whisky”. In its counterstatement the applicant accepted that the goods of the two parties are identical in that “whisky” is included in the term “alcoholic beverages”. Although in its evidence the applicant has suggested that the mark in suit would be used upon a type of vodka based drink I must consider the specification applied for by the applicant. Similarly, although there is a question of whether the goods sold by the opponent qualify as “whisky” for which its mark is registered, it is nonetheless a registered mark for the specification of “whisky” and as such the registered specification must be taken to be valid. Clearly, the applicant is correct in stating that the goods of the two parties must be considered to be identical.

Comparison of trade marks

21) The trade marks to be compared are:

| Opponent’s trade mark | Applicant’s trade mark |
|-----------------------|------------------------|
| FIREBALL | FIREBIRD / FIRE BIRD |

22) Although the mark applied for is a series of two marks the only difference is the separation of the mark into its two constituent parts. The average consumer would view the mark as these two common words and so I do not believe that the separation makes any difference to the outcome. In *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, Mr Iain Purvis Q.C. as the Appointed Person pointed out that the level of ‘distinctive character’ is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar. He said:

“38. The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that ‘the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion’. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it.'

40. In other words, simply considering the level of distinctive character possessed by the earlier mark is not enough. It is important to ask 'in what does the distinctive character of the earlier mark lie?' Only after that has been done can a proper assessment of the likelihood of confusion be carried out".

23) However the independent and distinctive element does not need to be identical. In *Bimbo SA v OHIM*, Case T-569/10, the General Court held that:

"96. According to the case-law, where goods or services are identical there may be a likelihood of confusion on the part of the public where the contested sign is composed by juxtaposing the company name of another party and a registered mark which has normal distinctiveness and which, without alone determining the overall impression conveyed by the composite sign, still has an independent distinctive role therein (Case C-120/04 *Medion* [2005] ECR I-8551, paragraph 37). There may also be a likelihood of confusion in a case in which the earlier mark is not reproduced identically in the later mark (see, to that effect, Joined Cases T-5/08 to T-7/08 *Nestlé v OHIM – Master Beverage Industries (Golden Eagle and Golden Eagle Deluxe)* [2010] ECR II-1177, paragraph 60)."

24) In *Aveda Corp v Dabur India Ltd* [2013] EWHC 589 (Ch), Arnold J. stated that:

"47. In my view the principle which I have attempted to articulate in [45] above is capable of applying where the consumer perceives one of the constituent parts to have significance independently of the whole, but is mistaken as to that significance. Thus in *Bulova Accutron* the earlier trade mark was ACCURIST and the composite sign was BULOVA ACCUTRON. Stamp J. held that consumers familiar with the trade mark would be likely to be confused by the composite sign because they would perceive ACCUTRON to have significance independently of the whole and would confuse it with ACCURIST.

48. On that basis, I consider that the hearing officer failed correctly to apply *Medion v Thomson*. He failed to ask himself whether the average consumer would perceive UVEDA to have significance independently of DABUR UVEDA as a whole and whether that would lead to a likelihood of confusion."

25) Further in *Anncos, Inc. v OHIM*, Case T-385/09, the General Court considered an appeal against OHIM's decision that there was no likelihood of confusion between ANN TAYLOR LOFT and LOFT (both for clothing and leather goods) and found that:

"48. In the present case, in the light of the global impression created by the signs at issue, their similarity was considered to be weak. Notwithstanding the identity of the goods at issue, the Court finds that, having regard to the existence of a weak similarity between the signs at issue, the target public, accustomed to the same clothing company using sub-brands that derive from the principal mark, will not be able to establish a connection between the signs ANN TAYLOR LOFT and LOFT, since the earlier mark does not include the 'ann taylor' element, which is, as noted in paragraph 37 above (see also paragraph 43 above), the most distinctive element in the mark applied for.

49 Moreover, even if it were accepted that the ‘loft’ element retained an independent, distinctive role in the mark applied for, the existence of a likelihood of confusion between the signs at issue could not for that reason be automatically deduced from that independent, distinctive role in that mark.

50 Indeed, the likelihood of confusion cannot be determined in the abstract, but must be assessed in the context of an overall analysis that takes into consideration, in particular, all of the relevant factors of the particular case (*SABEL*, paragraph 18 above, paragraph 22; see, also, Case C-120/04 *Medion* [2005] ECR I-8551, paragraph 37), such as the nature of the goods and services at issue, marketing methods, whether the public’s level of attention is higher or lower and the habits of that public in the sector concerned. The examination of the factors relevant to this case, set out in paragraphs 45 to 48 above, do not reveal, *prima facie*, the existence of a likelihood of confusion between the signs at issue.”

26) Both parties’ marks are effectively two words which have been conjoined. I do not regard either of the words as being more distinctive or dominant than the other. In terms of both marks the two words “hang together” to form a conceptual image. A “fireball” is well known as a term for literally a ball of fire such as that created by a nuclear explosion, a meteor or a person who is full of energy. The term “firebird” has been used as the name of a ballet, an American car and also a mythical creature i.e. the phoenix. It is possible that the term “fire” could, when used on an alcoholic beverage be seen to indicate that the drink will create a burning sensation in the throat and stomach (firewater), although neither side has commented upon this. To my mind, whilst the marks share the same prefix, the visual and aural differences outweigh the similarities, whilst conceptually they are totally different.

Distinctive character of the earlier trade mark

27) In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

28) Despite my comments in paragraph 26 above, I am content that the opponent’s earlier trade mark is possessed of at least a moderate degree of inherent distinctive character. The opponent has filed scant evidence of the use it has made of its earlier trade mark in the UK. The mark in suit has been

used since 2010 and sales have been significant. However, the opponent did not provide evidence of market share or the size of the total market for whisky, and I regard the evidence of use made of its mark by the opponent to be insufficient to enable it to benefit from enhanced distinctiveness through use in respect of its mark. In reaching this opinion I have not taken into account the issue of whether what has been sold could be deemed to be whisky.

Likelihood of confusion

29) I take into account the comments of the Court of Justice of the European Union in *The Picasso Estate v OHIM*, Case C-361/04 P, where it found that:

“20. By stating in paragraph 56 of the judgment under appeal that, where the meaning of at least one of the two signs at issue is clear and specific so that it can be grasped immediately by the relevant public, the conceptual differences observed between those signs may counteract the visual and phonetic similarities between them, and by subsequently holding that that applies in the present case, the Court of First Instance did not in any way err in law.”

30) In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of the opponent's trade mark as the more distinctive this trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind. Earlier in this decision, I concluded that:

- the average consumer is a member of the general public, over eighteen years of age, who will select the goods by predominantly visual means and who will pay a moderate level of attention when doing so;
- the competing goods are identical;
- the competing trade marks are visually and aurally similar to a low degree, although this is outweighed by the visual and aural differences. Conceptually they are utterly dissimilar;
- the opponent's earlier trade mark is possessed of a moderate degree of inherent distinctive character, but cannot benefit from an enhanced distinctiveness by the use made of it in the United Kingdom.

31) In view of the above and allowing for the concept of imperfect recollection, there is no likelihood of consumers being confused into believing that the goods provided by the applicant are those of the opponent or provided by some undertaking linked to them. **The opposition under Section 5(2) (b) therefore fails in total.**

32) I next turn to the ground of opposition under section 5(3) which reads:

“5(3) A trade mark which-

- (a) is identical with or similar to an earlier trade mark, 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 or international trade mark (EC), 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.”

33) The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Addidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark’s reputation and distinctiveness; *Intel*, paragraph 42

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark’s ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious likelihood that this will happen in future; *Intel*, paragraphs 76 and 77.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel*, paragraph 74.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L’Oreal v Bellure NV*, paragraph 40.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the

proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

34) The onus is upon the opponent to prove that its earlier trade mark enjoys a reputation or public recognition and it needs to furnish the evidence to support this claim. The opponent's evidence is summarised at paragraph 6 above. It shows that the opponent has, in the years 2010-2013 inclusive, sold approximately 775,000 bottles of cinnamon flavoured whisky in the UK. However, the applicant has provided information in its evidence of reply which shows that the opponent's product could not be labelled or described as "whisky" in the EU as it is of insufficient alcoholic strength and because it is flavoured with cinnamon. The opponent contended that it is how the average consumer views the product that is important rather than the regulations. However, as section 5(3) relates to registered trade marks the specification for which the mark is registered must be a factor. The opponent's mark is registered for "Whisky" and it is clear from the regulations that what the opponent has been selling does not, under EU law, meet this description. To my mind, the opponent has provided no evidence of use on whisky and so its opposition under section 5(3) falls at the first hurdle.

35) However, in case I am wrong on this point I will continue to consider the opposition as if the opponent had shown that it had the required recognition of the average consumer. Once the matter of reputation is settled an opponent must then show that the relevant customers would make a link between the two trade marks and how its trade mark would be affected by the registration of the later trade mark. In Case C-408/01, *Addidas-Salomon*, the CJEU held that:

"28. The condition of similarity between the mark and the sign, referred to in Article 5(2) of the Directive, requires the existence, in particular, of elements of visual, aural or conceptual similarity (see, in respect of Article 5(1)(b) of the Directive, Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23 in fine, and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraphs 25 and 27 in fine).

29. The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23)."

36) There is some debate as to whether the judgment of the CJEU in *L'Oreal v Bellure* means that an advantage gained by the user of a junior mark is only unfair if there is an intention to take advantage of the senior mark, or some other factor is present which makes the advantage unfair. The English Court of Appeal has considered this matter three times. Firstly, in *L'Oreal v Bellure* [2010] RPC 23 when that case returned to the national court for determination. Secondly, in *Whirlpool v Kenwood* [2010] RPC 2: see paragraph 136. Thirdly, in *Specsavers v Asda Stores Limited*¹ [2012] EWCA Civ 24: see paragraph 127. On each occasion the court appears to have interpreted *L'Oreal v Bellure* as meaning that unfair advantage requires something more than an advantage gained without due cause. However, the absence of due cause appears to be closely linked to the existence of unfair advantage. See paragraph 36 of the opinion of Advocate General Kokott in Case C-65/12 *Leidseplein Beheer and Vries v Red Bull*.

37) In *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) Arnold J. considered the earlier case law and concluded that:

“80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill.”

38) In *Aktieselskabet af 21. November 2001 v OHIM*, Case C-197/07P, the CJEU stated that:

“22. With regard to the appellant's argument concerning the standard of proof required of the existence of unfair advantage taken of the repute of the earlier mark, it must be noted that it is not necessary to demonstrate actual and present injury to an earlier mark; it is sufficient that evidence be produced enabling it to be concluded prima facie that there is a risk, which is not hypothetical, of unfair advantage or detriment in the future (see, by analogy, concerning the provisions of Article 4(4)(a) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), Case C-252/07 Intel Corporation [2008] ECR I-0000, paragraph 38).

23. In the present case, it is clear that the Court of First Instance, in paragraph 67 of the judgment under appeal, properly established the existence of an unfair advantage within the meaning of Article 8(5) of Regulation No 40/94 in correctly considering that it had available to it evidence enabling it to conclude prima facie that there was a risk, which was not hypothetical, of unfair advantage in the future.”

39) Earlier in this decision I found that the goods were identical but that the differences in the marks was such that the average consumer would not consider that the applicant's products emanated from the opponent or from an undertaking linked to it. The opponent did not particularise its claims in its statement of grounds and even in its skeleton arguments this ground of opposition is not set out. All that is stated are the standard tests for cases under this ground of opposition. To my mind, the average consumer will not form the requisite link between the marks. Adopting the composite approach advocated, naturally lead me to the view that there is no advantage for the applicant to derive. As far as detriment is concerned, the opponent has not provided any contentions regarding this issue such as suggesting that this would subsist in a reduction in the distinctiveness of their mark. Even if the opponent had made such a claim I consider that registration of the mark in suit would not have such an impact, either to the distinctiveness of the earlier mark or whatever reputation it may enjoy. The ground of opposition under section 5(3) therefore fails at the second hurdle.

CONCLUSION

40) The opponent has failed in its opposition under Sections 5(2)(b) and 5(3).

COSTS

41) As the applicant has been successful it is entitled to a contribution towards its costs.

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| Preparing a statement and considering the other side's statement | £200 |
| Preparing evidence | £500 |
| Preparing for and attending a hearing | £800 |
| TOTAL | £1,500 |

42) I order Sazerac Company Inc. to pay Halewood International Brands Limited the sum of £1,500. 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 6th day of May 2015

**George W Salthouse
For the Registrar,
the Comptroller-General**