

O-552-15

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

IN THE MATTER OF TRADE MARK APPLICATIONS 3062736 & 3062738
BY WILLIAM GRANT & SONS LIMITED
TO REGISTER THE FOLLOWING TRADE MARKS IN CLASS 33:



&



AND

AN OPPOSITION THERETO (NOs 403402 & 403403) BY SARA DUNN

Background and pleadings

1. Both marks the subject of this dispute were filed by William Grant & Sons Limited (the applicant) on 3 July 2014. The first of the above marks (3062736) is sought to be registered for gin in class 33, the second (3062738) is sought to be registered for vodka. Both were published for opposition purposes on 12 September 2014.

2. Registration of the mark is opposed by Ms Sara Dunn. Her grounds for doing so are based on sections 5(2)(b) and 3(6) of the Trade Marks Act 1994 (the Act). Under section 5(2)(b), Ms Dunn relies on her registration of the following trade mark:

Registration 3019498

EMPIRE STATE SPIRITS

Filing date: 23 August 2013

Date of entry on the register: 6 December 2013

Goods relied on:

Class 33 - Alcoholic beverages containing fruit; Alcoholic beverages (except beers); Alcoholic energy drinks; Beverages (Distilled-); Blended whisky; Bourbon whiskey; Brandy; Calvados; Cocktails; Cream liqueurs; Digesters [liqueurs and spirits]; Distilled beverages; Distilled spirits; Fruit (Alcoholic beverages containing -); Gin; Liqueurs; Malt whisky; Scotch whisky based liqueurs; Spirits [beverages]; Vodka; Whisky.

3. Under section 3(6) of the Act, the opponent claims that the application was filed in bad faith because the applicant knew of the opponent's earlier rights but nevertheless filed the applications in disregard of them.

4. The applicant filed counterstatements. The cases were consolidated. Both sides filed evidence. Neither side requested a hearing. The applicant filed written submission in lieu of a hearing, the opponent did not. As the evidence of both sides focuses on the allegation of bad faith, I will detail the evidence when that ground is being considered. I will, though, begin my assessment with section 5(2)(b) of the Act.

The section 5(2)(b) ground of opposition

5. Section 5(2)(b) of the Act states that:

“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.”

6. The following principles are gleaned from the judgments 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 goods

7. The applicant seeks registration for gin (3062736) and vodka (3062738). The opponent's specification lists both gin and vodka. The goods are identical.

Average consumer and the purchasing act

8. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*. 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.”

9. The average consumer is a member of the adult general public. Alcoholic drinks may be bought in supermarkets, off-licences etc. The online equivalents of such businesses are also relevant. This suggests a primarily visual selection process. Whilst the goods may also be purchased in bars and similar establishments, where they may be requested orally, they will still, ordinarily, be on display so that they can be seen (see *Simonds Farsons Cisk plc v OHIM Case T-3/04*). Therefore, overall, I consider the purchase to be a primarily visual one, but I will not completely ignore the aural impact of the marks in the assessment. Whilst bottles of spirits may be slightly more expensive, and purchased less frequently, than certain other alcoholic beverages (such as beer), this does not in my view equate to a heightened level of care and consideration being deployed in the selection process. However, neither will such goods be purchased in a completely casual manner. I consider that a medium level of care will be used.

Comparison of marks

10. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant

components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

11. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. The marks to be compared are:



and



v **EMPIRE STATE SPIRITS**

12. The overall impression of both applied for marks will be strongly dominated by the word EMPIRE. The other wording is not only significantly smaller in size, but is also largely descriptive, with the consequence that those words play only a very small role in the overall impression. Both applied for marks also have figurative/stylistic elements, but, given their size and the way in which they impact visually, such elements play only a fairly minor role. In terms of the earlier mark, of the three words of which it is composed, one (SPIRITS) is wholly descriptive, whereas the other two (EMPIRE STATE) hang together as a unit. The words EMPIRE STATE strongly dominate the overall impression of the earlier mark.

13. Visually, all the marks contain the word EMPIRE which creates a point of similarity. However, there are a number of differences. The most significant is the additional word STATE in the earlier mark. Further differences reside in the addition of the figurative/stylistic elements of the applied for marks, however, I have assessed these elements as playing only a fairly minor role in their overall impression which consequently impacts on the degree of visual difference such elements create; the difference does, though, have some impact. I do not regard the differences created by the additional non-distinctive wording to have any material impact either way. Balancing the points of similarity and difference, together with my assessment of the overall impressions of the respective marks, my view is that there is a moderate (between low and medium) level of visual similarity between the earlier mark and the applied for marks.

14. Aurally, a similar assessment runs through the analysis, although the difference created by the figurative/stylistic aspects of the applied for marks are not relevant here. I consider that this equates to a medium level of aural similarity.

15. Conceptually, I am personally aware that EMPIRE STATE is the nickname given to the state of New York. It is also the name of the famous building in that state, the Empire State Building located in New York City. The opponent highlights both these meanings in its submissions. However, I must make the assessment from the perspective of the average consumer and one must be careful not to assume too much knowledge on their part¹. Bearing this in mind, I come to the view that it would be wrong to assume that the average consumer would know that the nickname for New York State is the Empire State, but I consider that the Empire State Building is so well known and famous that the average consumer, when they see the words EMPIRE STATE SPIRITS, and despite the word building being absent, will nevertheless see this as a reference to the building.

16. In terms of the applied for marks, the concept will be based upon the word EMPIRE which will evoke images of a group of countries or states controlled by a single country or person (as in the historical British Empire) or the empire of a person or group in a particular field.

17. The impact of my assessment as to the conceptual significances of the marks in question is that there exists a conceptual difference.

Distinctiveness character of the earlier marks

18. The degree of distinctiveness of the earlier mark must be assessed. This is because the more distinctive the earlier mark, based either on inherent qualities or because of use made, the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). 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).”

¹ See, for example, the decision of Ms Anna Carboni (sitting as the Appointed Person) in *Chorkee* BL O-048-08

19. There is nothing in the evidence to suggest that the earlier mark will be known by the average consumer in the UK. Therefore, in terms of its distinctiveness, only its inherent characteristics are relevant. From that perspective, although EMPIRE STATE (the distinctive component of the mark) is a well-known combination of words (which will be associated with the Empire State building), it has no real suggestive or allusive relationship with the goods. I consider that the mark has a medium or average level of inherent distinctive character.

Likelihood of confusion

20. The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.

21. The goods are identical and the earlier mark has a medium level of inherent distinctive character. However, there is only a moderate level of visual similarity and a medium level of aural similarity. In terms of concept, there is a conceptual difference as identified earlier. One significance of the earlier mark's conceptual meaning is that this will aid the average consumer in terms of recollection; therefore, EMPIRE STATE SPIRITS, because the concept of Empire State will be reasonably well fixed in the memory, is unlikely to be misremembered or misrecalled as EMPIRE. The same applies in reverse. Thus, the conceptual difference mitigates, to some extent, against the marks being confused as a result of imperfect recollection. I accept that a conceptual difference does not always overcome the other aspects of similarity², but in this case, after weighing the various factors, I am of the view that it does. There is no likelihood of the marks being directly confused.

22. It is also important to consider whether there will be indirect confusion. This was explained by Mr Iain Purvis QC, sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10 where he noted that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

² See, for example, *Nokia Oyj v OHIM* (Case T-460/07)

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

23. Of course, I bear in mind that the three categories of indirect confusion identified by Mr Purvis QC are just illustrative – he stated that indirect confusion “tends” to fall in one of them. I come to the view that there is no reason why the average consumer would believe that the goods come from the same or related undertaking. The conceptual difference points away from indirect confusion rather than towards it. Even if the common presence of the word EMPIRE were noticed, this would be put down to co-incidence not economic connection. **The ground under section 5(2)(b) fails.**

The section 3(6) ground of opposition

24. Section 3(6) of the Act states that:

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

25. In *Red Bull GmbH v Sun Mark Ltd & Anr* [2012] EWHC 1929 and [2012] EWHC 2046 (Ch) (“*Sun Mark*”) Arnold J summarised the general principles underpinning section 3(6) as follows:

“Bad faith: general principles

130 A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/ Article 3(2)(d) of the Directive/ Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, “Bad faith in European trade mark law” [2011] IPQ 229.)

131 First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see Case C-529/07 *Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132 Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2009] EHWc 3032 (Ch), [2009] RPC 9 at [167] and cf. Case C-259/02 *La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and Case C-192/03 *Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133 Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207-2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134 Fourthly, bad faith includes not only dishonesty, but 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”: see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

135 Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].

136 Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

137 Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

138 Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth*:

“41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48).”

26. Whether the trade mark was applied for in bad faith must be assessed at a particular point in time. As stated in the *Sun Mark* case, the relevant date is the application date of the application to register the trade mark. The relevant date is 3 July 2014.

27. There is a degree of common ground in the evidence, particularly between the evidence of Ms Sara Dunn (the opponent) and Ms Deirdre Clarke-Glennon, an employee of the applicant who works as the Marketing Manager of its Innovations Team.

28. It is clear that these two individuals met to discuss a new brand concept that had been devised by Ms Dunn. Ms Dunn explains that she was first introduced to the applicant via one of its ex employees (Ms Heather Graham). Ms Dunn had discussed her concept with Ms Graham which she explains as:

“..the idea of bringing popular spirits under the key-name EMPIRE STATE SPIRITS and that the premium brand name would become synonymous with a number of popular [spirit] categories”.

29. Ms Dunn's Exhibit SD1 contains various emails between herself and Ms Graham between 24 March 2013 and 24 July 2013. I see no need to detail the contents of the emails. They are a series of exchanges about the EMPIRE STATE SPIRITS concept

and the assistance Ms Graham was giving Ms Dunn to help set up a meeting with the applicant's Innovation Team. The emails culminate with Ms Dunn informing Ms Graham that she was going to have a meeting with the applicant in August 2013. Reference is made in one of the emails to obtaining a NDA (a non disclosure agreement).

30. Ms Dunn initially contacted Ms Julie Page (who, apparently, works in a senior branding/innovation position with the applicant). Ms Page then asked Ms Clarke-Glennon to contact Ms Dunn to discuss her concept. There then followed what Ms Dunn describes as loose exchanges of email/telephone conversations, albeit without her mentioning the EMPIRE STATE SPIRITS name. Before going further, Ms Dunn asked for a NDA to be signed. Exhibit SD2 contains a copy of the NDA signed by Ms Clarke-Glennon on behalf of the applicant. It is dated 27 June 2013 and it begins by stating that:

“We are exploring Original Minds/Empire State Spirits products with you”

31. The NDA goes on, as is no doubt standard in such agreements, to make clear that the information given over as part of the discussions will not be disclosed to third parties. It also includes the text:

“The confidential information you give us remains your property, and the confidential information we give you remains our property”.

32. Exhibit SD3 contains an email dated 16 July 2013 from Ms Clarke-Glennon to Ms Dunn confirming receipt of the NDA and arranging when to discuss matters further. Ms Dunn states that at this point she informed Ms Clarke-Glennon that she would be registering the trade mark to protect herself. She subsequently did so by applying for her EMPIRE STATE SPIRITS trade mark (the earlier mark under section 5(2)(b)) on 2 August 2013.

33. Discussions then took place initially by telephone on 26 July 2013 and then in-person on 12 August 2013 at the Corus Hotel in Burnham Beeches. The brand concept was discussed, including sampling and tasting the spirits. I note that Ms Dunn states that they spent two hours discussing the idea and the potential for “Empire’s range of Rye Whisky sub-branded as EMPIRE STATE SPIRITS...”. She states that Ms Clarke-Glennon “became increasingly excited of the concept of an umbrella brand EMPIRE having a strong bar call and liked very much the names...”.

34. Ms Dunn states that she was asked for a PowerPoint presentation so that the idea could be pitched at the applicant's New York office. An email from Ms Clarke-Glennon is provided in Exhibit SD4 highlighting her planned travel to the US on 1 October 2013 and that “it would be good to have something to present”. Ms Dunn states that she created the presentation and sent it to Ms Dunn who, apparently, delivered it to Jeremiah Courtney, the applicant's Vice President of National Accounts. Exhibit SD5 contains an email dated 20 October 2013 from Ms Dunn to Ms Clarke-Glennon asking for some feedback from the pitch; she also stated that she would leave it until mid November before opening the door to others. Ms Dunn responded the next day stating that she would ask for feedback. Ms Dunn states that she then got some feedback from Mr Courtney “expressing an interest in furthering

other products in their range at this time”. It is not clear what this “interest” is, but it certainly does not look like the applicant was to proceed with Ms Dunn’s brand concept.

35. Ms Dunn contacted Ms Clarke-Glennon some nine months later about another project and, whilst doing so, also asked if the applicant was still interested in her original concept. She apparently received no response. Less than six weeks later, Ms Dunn discovered that the applicant had filed the subject trade marks. She then contacted Ms Clarke-Glennon (who later requested a three way dialogue with the applicant’s lawyer); Ms Clarke-Glennon, apparently, intimated that there had been some misunderstanding and that the trade marks that the applicant had filed related to a product that had already been sold, perhaps in South Africa, by a subsidiary company called Quality Spirits International (QSI). Ms Dunn refused the further dialogue. She states that she was surprised that no one had mentioned the other marks before, particularly given that she was speaking to high ranking people in the applicant company. Furthermore, she could find no visibility for this other product online. Ms Dunn states that she spoke to Ms Graham about this, who likewise felt that the other brand would have been naturally flagged after the disclosure of the brand to the applicant.

36. Ms Clarke-Glennon’s account is much less detailed. She admits to the discussions and the meeting that subsequently took place at the Corus Hotel. She states that at this meeting she was:

“Introduced to the EMPIRE STATE SPIRITS concept in detail. In particular, the concept was focused on a new bourbon whisky product, on jazz musicians in New York City.”

37. Ms Clarke-Glennon goes on to state that after the concept had been presented to her, she explained to Ms Dunn that the applicant would unlikely be interested as it was focused more on the scotch whisky market and, furthermore, the US side of the business would not likely be interested as it had its own bourbon brand called HUDSON. She nevertheless agreed to present the concept to the US team. It was later confirmed to Ms Dunn that the US team were not interested. She states that when she met Ms Dunn she was not aware of the use of EMPIRE by QSI as it was an entirely separate business operated independently of the applicant. She states that the meeting with Ms Dunn did not prompt the applications for the subject trade marks.

38. The role of QSI in all this can be seen in a witness statement filed by Mr John Harvey, its managing director. He explains that QSI is a subsidiary of the applicant, but the business divisions are completely separate. Mr Harris states that in June 2009 QSI commissioned an outside agency to produce a concept for the EMPIRE brand including visuals for labels etc. Exhibit JH1 contain some bottle labels which all feature the word EMPIRE (including two which mirror the subject marks). One of the proofs carries a date of June 2010.

39. Mr Harvey states that QSI have been using the EMPIRE marks since 2010. The goods are bottled in the UK but shipped abroad (some invoices are provided in Exhibit JH2 to support this, dated between 2010-2013). The goods have not been

sold in the UK. He goes on to state that in July 2014 QSI instructed its trade mark attorneys to file the subject trade marks. All applications for QSI marks are filed in the name of the applicant. He concludes by stating that the applications were filed to protect its existing brand and, furthermore, he was not aware of the contact between Ms Dunn (the opponent) and Ms Deirdre Clarke-Glennon.

40. Ms Dunn filed reply evidence. The main points are that:

- i) The use of the applied for marks is not relevant because she has registered her mark in the UK and the applicant would have done likewise earlier on if they were interested in the UK market.
- ii) It is not clear why the applicant waited so long to register its mark from the point of concept.
- iii) Ms Deirdre Clarke-Glennon was aware of her trade mark and Ms Dunn's intention to use the EMPIRE brand concept; legal protection is contained in the NDA.
- iv) Ms Deirdre Clarke-Glennon would have had access to the catalogue of marks used by the applicant and its subsidiaries and would have been expected to carry out appropriate checks.
- v) Ms Dunn was never told about the EMPIRE brand during her discussions and she continued to divulge confidential information.
- vi) There is no evidence as to how the subject trade marks have been used. Ms Dunn does not accept that the evidence demonstrates an intention to have a market presence in the UK.
- vii) She takes Ms Clarke-Glennon's reference to the discussions not prompting the trade mark application as meaning that they were filed without prior knowledge. This is disputed as the trade marks were filed a year after her contact and it is highly unlikely that new brand ideas were not discussed more widely with other people in the applicant company or its wider organisation.
- viii) Ms Dunn finds Ms Clarke-Glennon to be contradictory in her statement that the product was of no interest given the enthusiasm she showed for it and that she took the product to New York to pitch it.
- ix) The filing of the marks was "...an afterthought and strangely delayed and inspired strategic move to enter the UK market". She believes this to be sharp practice done in bad faith.
- x) She believes that there would be confusion in the marketplace, including through what is described as the use of an umbrella brand to identify the product.

41. I have considered the evidence carefully. Having done so, there is nothing, in my view, which undermines any of Mr Harvey's evidence, the person who has given evidence as to why the applications were filed. He has explained when the EMPIRE marks were coined and provided evidence of label design and sales that took place well before the discussions between Ms Dunn and Ms Clarke-Glennon. He confirms that he was not aware of those discussions when the instructions were given for the trade marks to be filed.

42. Despite Ms Dunn's comments regarding the plausibility of these statements, I do not find it surprising that the discussions which took place between Ms Dunn and Ms Clarke-Glennon (and anyone else involved) were not shared with others in the applicant's company, let alone people in subsidiary companies of the applicant. They were about a brand concept that was being pitched to it, but ultimately not taken up. Neither do I find it surprising that Ms Clarke-Glennon did not know of the use of EMPIRE by QSI given that the use was not made in the UK, and that, on the face of it, the use was on a fairly small scale by a subsidiary company. Whether or not Ms Clarke-Glennon would have been expected to have undertaken appropriate searches is not pertinent, her evidence is direct and to the point, and there is nothing to call its credibility into doubt.

43. Neither does it matter that the EMPIRE marks have not yet been used in the UK and neither does the gap between filing the trade marks and the point of concept matter. Neither of these points creates any form of smoking gun. The net effect of what I have said in the preceding paragraph is that I find that despite someone in the applicant company (Ms Clarke-Glennon and likely others in her circle of colleagues) knowing that Ms Dunn's was to (and probably had) filed a trade mark for EMPIRE STATE SPIRITS, the applicant's trade marks were not filed as a result of such knowledge nor was there any form of improper motive behind their filing. They were filed in a normal commercial manner to gain trade mark protection for a mark it had already coined and had used elsewhere. **This, in itself, is sufficient reason to reject the claim under section 3(6) of the Act.**

44. I should add that, in any event, the marks that were filed by the applicant did not even correspond to the primary mark that was the subject of the discussions and the NDA. The notice of opposition under section 3(6) refers to the applications being made in disregard of the opponent's earlier right. The right in question is the trade mark application EMPIRE STATE SPIRITS. I have found EMPIRE alone not to lead to a likelihood of confusion, so even if I was less satisfied with the explanation put forward by the applicant (which I am not), filing marks that would not have led to confusion can hardly be an act of bad faith. I note that Ms Dunn comments once or twice about EMPIRE being some form of umbrella brand for her concept. However, it is difficult to see what, exactly, was being pitched in this regard. Most of what was being discussed was EMPIRE STATE SPIRITS. This is what is mentioned in the NDA, this is what Ms Dunn initially described the project as, and this is what Ms Clarke-Glennon states they discussed. Finally, I observe that the alleged contradictory manner of Ms Clarke-Glennon is not a pertinent factor. Even if she was warmer to the idea than she states in evidence, there is nothing in the evidence which supports the proposition that she engineered some form of strategic move to "steal" Ms Dunn's idea.

Conclusion

45. Both grounds of opposition have failed. The opposition case is rejected.

Costs

46. The applicant has succeeded and is entitled to a contribution towards its costs. The similar nature of the proceedings, together with the fact that the cases were consolidated, will have helped keep costs down. My assessment is set out below:

Preparing statements and considering the other side's statements - £500

Filing and considering evidence - £800

Written submissions - £400

Total - £1700

47. I therefore order Ms Sara Dunn to pay William Grant & Sons the sum of £1700. This should be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 24th day of November 2015

**Oliver Morris
For the Registrar,
The Comptroller-General**