

O-586-18

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION 3262749
BY ROSS SPENCER AND PAUL WILLIAMS
TO REGISTER THE FOLLOWING TRADE MARK IN CLASS 33:**




AND

**OPPOSITION THERETO (NO. 600000784)
BY SPECIALITY DRINKS LTD**

Background and pleadings

1. The above trade mark was filed by Ross Spencer and Paul Williams (“the applicants”) on 11 October 2017. It was accepted and published in the Trade Marks Journal on 3 November 2017. Registration of the mark is opposed by Speciality Drinks Ltd (“the opponent”). The opponent opposes the application under the fast track opposition procedure. The opposition is based upon section 5 (2)(b) of the Trade Marks Act 1994 (“the Act”) and is directed against all of the goods in the application. The opponent relies on European Union trade mark registration 015655269, which was filed on 13 July 2016 and registered on 31 October 2016, in respect of the specification of goods in Class 33 set out in the table below.
2. Given the above, this case concerns an alleged conflict between the following marks and goods:

Applied for mark	Earlier mark
	ALCHEMIST
Class 33: Alcoholic beverages [except beers]	Class 33: Scotch whisky based liqueurs; Whisky; Whiskey [whisky]; Blended whisky; Malt whisky; Scotch whisky.

3. Given its date of filing, the opponent’s mark qualifies as an earlier mark in accordance with Section 6(1) of the Act. As the earlier mark had not been registered for five years or more at the publication date of the opposed application, it is not subject to the proof of use provisions contained in section 6A of the Act. The opponent can, as a consequence, rely upon all of the goods it has identified.
4. The relevant pleadings are the amended notice of fast track opposition and statement of grounds filed by the opponent on 8 May 2018 and the notice of defence and counterstatement filed by the applicants on 6 June 2018. The

opponent argues that that the respective marks are highly similar (“with both marks containing the word “ALCHEMIST” very clearly”) and that the goods in respect of which the mark is applied for are identical or similar to the goods for which the earlier mark is registered. The opponent submits that, assessed globally, there exists a likelihood of confusion on the part of the public, including a likelihood of association with the earlier mark. The applicants argue their mark is “sufficiently different” to that of the opponent’s mark.

5. Both sides filed written submissions which will not be summarised here but will be referred to, where appropriate, during this decision. This is a fast track case and neither party applied for leave to file evidence or to be heard orally. This decision is taken following a careful reading of the papers.
6. The applicants are represented by McEntegart Legal Limited albeit their written submissions were filed directly by Mr Ross Spencer. The opponent is represented by Gowling WLG (UK) LLP.

Section 5(2)(b)

7. The opposition is based upon Section 5(2)(b) of the Act, which states:

“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”.

8. 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; 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;
- (f) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;

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

Comparison of goods

9. In *Gérard Meric v Office for Harmonisation in the Internal Market (Trade Marks and Designs) OHIM*) case T-133/05, the General Court (“GC”) stated:

“29 In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II- 4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 *Oberhauser v OHIM – Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 32 and 33; Case T110/01 *Vedial V OHIM France Distribution (HUBERT)* [2002] ECR II- 5275, paragraphs 43 and 44; and Case T- 10/03 *Koubi v OHIM – Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraphs 41 and 42).”

10. The applicants, in their written submissions, argue that the earlier mark was only registered for whisky and whisky based products. By implication they

argue their application for “alcoholic beverages [except beers]” is for a wider specification of goods, including those which are not whisky or whisky based. However, applying the principle in *Gérard Meric*, it is clear that the term “alcoholic beverages [except beers]” in the applicants’ specification must be considered identical to the class 33 specification of the opponent’s mark of “Scotch whisky based liqueurs; Whisky; Whiskey [whisky]; Blended whisky; Malt whisky; Scotch whisky”. Whilst the applied for specification may include other goods, the applicants have not provided any form of fall back specification upon which any other form of comparison may be made. The goods designated in the opponent’s earlier mark are included in the more general specification designated in the applicants’ trade mark application. Applying *Gérard Meric* it follows that the goods must be regarded as identical.

11. The applicants also submit that the opponent has not marketed, offered for sale or sold any products under their earlier mark. However, as set out at paragraph 3 above, there is no requirement in this case for proof of use on the part of the opponent.

The average consumer and the purchasing act

12. As the case law above indicates, it is necessary for me to determine who the average consumer is for the specified 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. 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 Schufabrik 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), Bliss 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.”

13. The opponent submits that the average consumer will be a member of the adult general public. The opponent states:

“Alcoholic drinks may be bought in supermarkets, off-licences, etc, where the selection process may be primarily visual. However, alcoholic drinks may also be purchased in bars and similar establishments, where they are likely to be requested orally. Further, while the bottles may be on display in bars and similar establishments, they will not be clearly seen: they are likely to be set back at some distance from the bar, the venue is likely to be dark and consumers of alcohol may well request their spirit of choice without even checking whether it is available. In the premises, it is submitted that both visual and aural considerations are important.

It is further submitted that the average consumer’s level of attention will be no higher than low to moderate. While bottles of spirits may be slightly more expensive and purchased less frequently, it is not expensive to purchase a spirit and mixer in a bar – an activity that is done on a regular basis and in a casual manner.”

14. The applicants submit that their products are sold only to bars, restaurants and hotels and that the average consumer includes managers of bars, restaurants and hotels who are professional, experienced in purchasing and will carefully examine products and suppliers. They also argue that consumers in the wider general public will also examine and consider

carefully the high-end alcohol products they buy in bars, restaurants and hotels prior to purchase.

15. The goods at issue are all types of alcoholic beverage. It is not limited to alcoholic drinks sold only to bars, restaurants, and hotels. When considering the competing marks, their respective specifications and the average consumer, I must assess them based on the notional use of the marks. That notional assessment means that, irrespective of how the parties may have used, or intend to use the marks, I must compare the full specifications and only take account of any differences which are apparent from the registered and applied for specifications.¹ I therefore have to consider the average consumer for the whole range of goods covered in the applied for specification.
16. The average consumer for such goods will therefore be the public at large (including trade purchasers), over the age of 18. All of the goods at issue may be sold through a range of channels, including retail premises such as supermarkets and off-licences or wine merchants and in public houses, bars and restaurants. In retail premises the goods are normally displayed on shelves and are obtained by self-selection. The visual considerations will therefore be key.
17. When the goods are sold in, for example, public houses the ordering process is likely to be an oral one. However, that does not mean that the goods are sold in a manner that precludes visual inspection. In public houses, bars and restaurants the goods are usually displayed on shelves behind the bar, trade marks will often be displayed on dispensers at the bar, and the goods are often listed on a menu available on the bar and/or at tables. In *Simonds Farsons Cisk plc v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-304 the Court of First Instance (now the General Court) said:

¹ See *Compass Publishing BV v Compass Logistics Ltd* ([2004] RPC 41) at [22]; *Roger Maier v ASOS* ([2015] EWCA Civ 220 at [78] and [84]).

“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.”

18. Considered overall, the selection process is therefore likely to be predominantly a visual one, and I do not agree that aural considerations are as high as the opponent submits. However, I do accept that aural considerations will play some lesser part and I will take them into account in my overall assessment.

19. Turning now to the level of attention the average consumer will display when selecting the goods, I do not agree with the applicants’ submission that the average consumer will pay a high level of attention. I agree that trade purchasers may pay a marginally higher level of attention than a member of the public. Given that for the most part the cost of the goods is likely to be relatively low, but bearing in mind that the average consumer will wish to ensure they are selecting the correct type, flavour, strength etc. of beverage, they are, in my view, likely to pay at least an average level of attention to the selection of the goods at issue. In *Stock Polska v EUIPO*, Case T-701/15 the General Court reached a similar conclusion commenting:

“...the consumer of alcohol is a member of the general public, who is deemed to be reasonably well informed and reasonably observant and circumspect, and who will demonstrate an average level of attention when purchasing such goods (see, to that effect, judgments of 14 May 2013, *Masottina v OHIM — Bodegas Cooperativas de Alicante (CA)*’

MARINA), T-393/11, not published, EU:T:2013:241, paragraph 24, and of 30 June 2015, *La Rioja Alta v OHIM — Aldi Einkauf (VIÑA ALBERDI)*, T-489/13, not published, [EU:T:2015:446](#), paragraph 23; see also judgment of 4 May 2016, *Bodegas Williams & Humbert v EUIPO — Central Hisumer (BOTANIC WILLIAMS & HUMBERT LONDON DRY GIN)*, T-193/15, not published, [EU:T:2016:266](#), paragraphs 24 and 25 and the case-law cited).”

Comparison of trade marks

20. 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 them, 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.”

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



v ALCHEMIST

23. The applicants argue that the applied for mark has a distinctive design and is sufficiently different visually and conceptually to the earlier mark. The opponent submits the marks are highly similar. As expanded on in their written submissions, the opponent submits that the dominant and distinctive element of the applied for mark is the word “ALCHEMIST” and that the other elements are non distinctive. They argue the marks are aurally and conceptually identical and visually highly similar. They submit that globally there is a high degree of similarity as the whole of their earlier word mark is subsumed into the applied for mark and that is the most distinctive and dominant element.
24. The applied for mark incorporates the words “AL CHEMIST” in an unremarkable bold font and is capitalised except for the letter “l” in “Al” which is lower case. The first two letters “Al” are enclosed within a square and separated from “CHEMIST” by the right hand vertical line of the square. The square also includes the letters and numbers “Est. 2017” in smaller, feinter type face sited above the “Al.”
25. In my view, I agree with the opponent that the mark will clearly be perceived as the word ALCHEMIST. The overall impression is dominated by the verbal element “AL CHEMIST” and it has the greatest relative weight. The separation of the “Al” within the square is far from negligible as it gives the mark a particular visual impact and so this aspect still plays a role in the overall impression. The letters and numbers “Est 2017” are likely to be viewed as having little or no distinctiveness in relation to the goods at issue. They will, as a consequence, have the least relative weight in the overall impression of the mark.
26. The opponent’s mark is the single word “ALCHEMIST”.

27. There is some visual similarity between the marks, due to the presence in both of the word/words ALCHEMIST/AL CHEMIST as a dominant component. There are, however, differences because the applicants' mark has the device element of the square separating the "Al" and "CHEMIST" and the letter and numbers "Est 2017." Having regard to all the similarities and differences, together with my assessment of the overall impression of the respective marks, I consider there to be a medium degree of visual similarity.
28. Aurally the average consumer is not likely to verbalise the square shape device element of the applied for mark. The average consumer is also unlikely to vocalise "Est. 2017" given it is weakly distinctive and in a less prominent position. In my view, despite the separation of the "Al" within the square shape, the average consumer is also unlikely to separate "Al CHEMIST" out into two separate words of "Al" and "CHEMIST." In my view the average consumer is likely to verbalise the applied for mark as the whole word "ALCHEMIST." In this scenario the marks would be aurally identical. However, even if some average consumers articulated the mark as two separate words "AL" and "CHEMIST", in my view the marks would still be aurally similar to a very high degree.
29. So far as the conceptual position is concerned, the dictionary definition of an alchemist is "a person who practises alchemy" or "a person who transforms or creates something through a seemingly magical process." Alchemy is defined as: "the medieval forerunner of chemistry, concerned with the transmutation of matter, in particular with attempts to convert base metals into gold or find a universal elixir" or "a seemingly magical process of transformation, creation, or combination."² In my assessment, the average consumer may not be aware of the precise meaning by reference to turning substances into gold or the elixir of life. The average consumer is likely to perceive the marks as referring to transforming or creating substances through a magical process, or possibly through chemistry. Whichever meaning is given to the name in one mark is likely to be given to the name in the other mark. The square device

and the words “Est. 2017” in the applied for mark do introduce other concepts however these elements have little or no distinctive character. As a consequence the marks are conceptually identical, or at least highly similar

Distinctive character of the earlier trade mark

30. 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 general 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).”

31. Absent evidence, I therefore have to only consider the inherent distinctiveness of the earlier mark. The opponent submits that their earlier mark has a high level of inherent distinctiveness from the mark as a whole, as the word is not descriptive of whisky or whisky based liquors. It is a rough rule of thumb that invented words usually have the highest level of distinctiveness; words which are allusive of the goods usually have the lowest. The opponent's mark consists of the word "ALCHEMIST". The average consumer is unlikely to perceive it as allusive. It is a standard, albeit marginally less common, word in the English language. Bearing these factors in mind, I am of the view that the earlier word mark of "ALCHEMIST" is possessed of an average degree of inherent distinctive character.

Likelihood of confusion

32. The factors considered above have a degree of interdependency (*Canon* at [17]), so that a higher degree of similarity between the goods may be offset by a lower degree of similarity between the marks, and vice versa. I must make a global assessment of the competing factors (*Sabel* at [22]), considering them from the perspective of the average consumer and deciding whether the average consumer is likely to be confused. In making my assessment, I must keep in mind 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 (*Lloyd Schuhfabrik* at [26]).
33. Confusion can be direct or indirect. In *L.A. Sugar Limited v By Back Beat Inc*; Case BL O/375/10 Mr. Iain Purvis Q.C., sitting as the Appointed Person, explained these types of confusion as follows:

“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 she 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."

34. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr. James Mellor Q.C., as the Appointed Person, stressed that a finding of indirect confusion should not be made simply because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.
35. The applicants submit that the marks are sufficiently different visually and conceptually that it is unlikely they would be confused by the public. The opponent argues there is a likelihood of both direct and indirect confusion. They submit that consumers are highly likely to be directly mistaken as to the origin of their purchases, particularly when, for example, ordering a drink aurally over the counter in a noisy bar. They argue the risk is particularly stark for whisky but would apply to other alcoholic spirits. Their secondary argument is that the average consumer would be indirectly confused into believing there is a commercial connection when presented with a spirit bearing the applied for mark and whisky bearing the earlier mark given the differences between marks are so slight.
36. I have found that there is identity between the goods. This is an important point because a lesser degree of similarity between the marks may be offset by a greater degree of similarity (or identity) between the goods. Here I remind myself that whilst the marks are aurally and conceptually identical (or at least highly similar) they only have a medium degree of visual similarity.

That is important because I have found that for the average consumer, the purchase of the goods will be primarily visual. Therefore the visual similarity carries particular weight in the overall assessment.

37. Notwithstanding there is only a medium degree of visual similarity, I consider that the visual similarities between the marks, both of which are dominated by the word(s) AL CHEMIST/ALCHEMIST, when combined with the average level of attention which will be paid to the purchase, outweigh the other visual differences between the marks. Bearing in mind the imperfect recollection of the average consumer, I conclude that there is a likelihood that the differences between the marks will be misremembered. In reaching this conclusion I have borne in mind that the earlier mark has only an average level of distinctiveness, however, that has to be balanced against the fact the distinctiveness lies in the word ALCHEMIST itself which features, and is the dominant element in both marks (albeit present as AI CHEMIST in one of the marks). I therefore conclude, on balance, that there is a likelihood that one mark will be directly confused for the other by the average consumer in their usual course of purchase of the relevant goods.
38. Even if I am wrong in that regard and the average consumer does recall the visual differences in the applied for mark, I am of the view that the common use of AI CHEMIST/ALCHEMIST as the dominant element of both marks will signify to the average consumer that the applicant's goods are a variant brand originating from the opponent or an economically linked undertaking, leading to indirect confusion.
39. The above findings are based upon the average consumer being a member of the general public because they are likely to be the predominant consumer; confusion amongst them means that the opposition should succeed. However, even considered from the perspective of trade consumers, who may pay a marginally greater level of attention, I would a still have found a likelihood of confusion on the same basis as outlined above.
40. The opposition under section 5(2)(b) therefore succeeds.

Conclusion

41. The opposition has been successful and, subject to appeal, the application will be refused.

Costs

42. The opponent has been successful and is entitled to a contribution towards its costs. Awards of costs in fast-track proceedings commenced after 1 July 2016 are governed by Annex A of Tribunal Practice Note (“TPN”) 2 of 2016. This being a fast-track opposition, TPN 2/2015 also applies. I award costs to the opponent on the following basis:

Official fees	£100
Preparing the notice of opposition and considering the counterstatement	£200
Written submissions	£200
Total	£500

I order Ross Spencer and Paul Williams, being jointly and severally liable, to pay Speciality Drinks Ltd the sum of **£500**. This sum is to be paid within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 24th day of September 2018

**Rachel Harfield
For the Registrar
The Comptroller-General**