

O-216-20

TRADE MARKS ACT 1994

**IN THE MATTER OF INTERNATIONAL REGISTRATION No. 1457390
AND THE REQUEST BY SHANGHAI LYFEN CO. LIMITED
TO PROTECT THE TRADE MARK**

Youngme

IN CLASSES 5, 29, 30, 31 & 32

**AND IN THE MATTER OF OPPOSITION
THERE TO UNDER NO 416891
BY YOUNG & CO.'S BREWERY PLC**

BACKGROUND

1) Shanghai Lyfen Co. Ltd (hereinafter the applicant), on the basis of its international registration, dated 4 September 2018, based upon its registration held in China, requested protection in the United Kingdom of the trade mark shown above. Protection was sought for the following goods:

- In Class 5: Mothproofing preparations; medicines for human purposes; medicines for veterinary purposes; diabetic bread adapted for medical use; tissues impregnated with antibacterial preparations; candy, medicated; dietetic foods adapted for medical purposes; powdered milk for babies; babies' diapers; food for babies.
- In Class 29: Tinned meat; eggs; cooked meat products; crystallized fruits; fruit jellies; foods prepared from fish; edible seaweed, processed; prepared nuts; preserved vegetables; milk products.
- In Class 30: Sugar; honey; freeze-dried dishes with the main ingredient being rice; cookies; cereal preparations; coffee; ice cream; rice-based snack food; pastries; chocolate; milk tea, non-milk based.
- In Class 31: Grains [cereals]; live animals; nuts, fruits; malt for brewing and distilling; algae, unprocessed, for human or animal consumption; vegetables, fresh; fruit, fresh; seeds for planting; flowers, natural.
- In Class 32: Fruit nectars, non-alcoholic; soya-based beverages, other than milk substitutes; mineral water [beverages]; beer; fruit flavoured lactic acid beverages, non-milk; waters [beverages]; non-alcoholic fruit juice beverages; preparations for making beverages; vegetable juices [beverages].

2) The United Kingdom Trade Marks Registry published the mark in the usual way in accordance with the Trade Marks (International Registration) Order 2008 (SI 2008/2206 as amended) ("the 2008 Order").

3) On 5 July 2019 Young & Co's Brewery PLC filed notice of opposition to the conferring of protection on this international registration. The opponent is the proprietor of the following trade marks:

Mark	Number	Dates of filing and registration	Class	Specification relied upon
YOUNG'S	UK 2194612	15.04.99 26.05.00	32	Beers and ales.
YOUNG'S	UK2460844	09.07.07 14.12.07	43	Public house and catering services; services for providing food and drink; temporary accommodation.
	EU 44925	01.04.96 01.04.98	32	Beers; mineral and aerated waters and other non-alcoholic drinks.
			42	Provision of food and drink; temporary accommodation.
 Colours Claimed / Indication: Gold; Black.	EU 12720744	24.03.14 12.08.14	32	Beers; ale; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.
			33	Alcoholic beverages (except beers); wines and spirits.
			43	Public house and catering services; services for providing food and drink; temporary accommodation.

4) The grounds of opposition are, in summary:

a) the mark in suit is similar to the opponent's earlier marks. The goods and services applied for are similar to those for which the opponent's earlier marks are registered. There is therefore a likelihood of confusion which offends against section 5(2)(b) of the Act.

b) The opponent has a reputation in the mark YOUNG'S such that use of the mark in suit will take unfair advantage of the distinctive character and repute of the opponent; consumers will assume an economic link between the parties which will affect the economic decisions of consumers causing damage to the opponent. As such the mark in suit offends against section 5(3) of the Act.

c) The opponent has used its YOUNG'S mark in the UK since 1831 and has a considerable reputation and goodwill in its mark such that use of the mark in suit will cause a misrepresentation which will cause the opponent damage. As such the mark in suit offends against section 5(4)(a).

5) The applicant filed a counterstatement on 9 September 2019. The applicant basically denies all the grounds. It put the opponent to proof of use of its marks UK 2194812, UK 2460644 and EU 44925 in relation to their full specifications of goods and services.

6) Only the opponent filed evidence in these proceedings but both parties ask for an award of costs. Neither party wished to be heard, although both filed written submissions which will be referred to as and when necessary.

OPPONENT’S EVIDENCE

7) The opponent filed two witness statements. The first, dated 15 November 2019, is by Patrick Anthony Dardis the Chief Executive of the opponent, a position he has held since 2016 having been a Board member since 2003. He states that the opponent is the leading owner and manager of premium pubs in the UK operating 253 such pubs. In addition to its pubs the opponent’s beers are available in supermarkets, off licences and various other pubs and clubs throughout the UK. The company also operates hotels and restaurants. The company also has a phone app which allows customers to check opening hours, set up a tab, pay from their table, change the music etc. in Young’s pubs. Each of the opponent’s pubs is unique in design and the company invests approximately 66% of profits back into each pub to maintain the highest standards, with pubs often at the very heart of communities with a very loyal customer base. He provides the following turnover figures for the pubs it owns (all in £million):

RY ending	Beer	Other drinks	Food	Hotel room sales	TOTAL
2015	75.2	64.3	63.0	9.2	214.1
2016	80.4	71.1	68.6	10.3	232.8
2017	87.1	78.9	76.7	10.8	254.7
2018	90.6	84.5	78.9	11.1	266.3
2019	98.2	93.6	83.7	13.3	290.3

8) Mr Dardis also provides the following sales figures for YOUNG’S beers in the UK and overseas. He defines a “unit” as cases or casks or kegs:

Year ending	In UK Units	Exported Units
Sept 16	242,562	156,290
Sept 17	216,268	146,020
Sept 18	179,030	138,257

Sept 19	139,784	117,812
TOTAL	777,644	558,379

9) Mr Dardis states that its pubs have won a number of awards for the quality of the food on offer. He also states that since 2014 the company has celebrated its heritage in September each year and receives considerable media coverage in addition to the advertising it takes out with newspapers such as the Evening Standard. He states that the company has spent an average of approximately £1.7 million per annum since 2015 advertising its goods and services. He provides a number of exhibits which corroborate his claims.

10) The second witness statement, dated 18 November 2019, is by Torquil Sligo-Young a Director of the opponent. He provides a number of exhibits showing use of a variety of “Young’s” trade marks in use in pubs (on pump clips, glasses and bottles) and supermarkets in relation to beers and ales; all of which feature one of the marks relied upon. He provides the following exhibits:

- TSY1: An image of Youngs Special London Ale which won awards between 1982 and 2008. The distinctive and dominant feature is the word YOUNG’S in standard font.
- TSY2: This shows images of neck labels, glasses, pump clips used in 2016 and all of which feature the opponent’s mark EU 12720744.
- TSY3: Images of various pubs owned by the opponent which show prominent use of trade mark EU 44925 on the outside of each building.
- TSY4: Print outs dated 2014 and 2016 showing YOUNG’S Special London Ale offered for sale on Tesco ‘s website. As stated at exhibit TSY1 above this features the word YOUNG’S prominently and in a standard font.

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

DECISION

12) I shall first consider the ground of opposition under 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.”

13) 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.”

14) The opponent is relying upon its trade marks listed in paragraph 3 above which are clearly earlier trade marks. The applicant has requested that the opponent provide proof of use for three of the marks for the goods for which they are registered. Section 6A reads:

“(1) This section applies where

- (a) an application for registration of a trade mark has been published,
- (b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
- (c) the registration procedure for the earlier trade mark was completed before the start of the relevant period .

(1A) In this section “the relevant period” means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the relevant period the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

(a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(5A) In relation to an international trade mark (EC) the reference in subsection (1)(c) to the completion of the registration procedure is to be construed as a reference to the publication by the European Union Intellectual Property Office of the matters referred to in Article 190(2) of the European Union Trade Mark Regulation.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

15) Section 100 of the Act states that:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

16) When considering whether the opponent has shown evidence of proof of use I take into account the comments of Mr Daniel Alexander Q.C. as the Appointed Person in *Awareness Limited v Plymouth City Council*, Case BL O/236/13, where he stated that:

“22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

and further at paragraph 28:

“28. I can understand the rationale for the evidence being as it was but suggest that, for the future, if a broad class, such as “tuition services”, is sought to be defended on the basis of narrow use within the category (such as for classes of a particular kind) the evidence should not state that the mark has been used in relation to “tuition services” even by compendious reference to the trade mark specification. The evidence should make it clear, with precision, what specific use there has been and explain why, if the use has only been narrow, why a broader category is nonetheless appropriate for the specification. Broad statements purporting to verify use over a wide range by reference to the wording of a trade mark specification when supportable only in respect of a much narrower range should be critically considered in any draft evidence proposed to be submitted.”

17) In *Dosenbach-Ochsner Ag Schuhe Und Sport v Continental Shelf 128 Ltd*, Case BL O/404/13, Mr Geoffrey Hobbs Q.C. as the Appointed Person stated that:

“21. The assessment of a witness statement for probative value necessarily focuses upon its sufficiency for the purpose of satisfying the decision taker with regard to whatever it is

that falls to be determined, on the balance of probabilities, in the particular context of the case at hand. As Mann J. observed in *Matsushita Electric Industrial Co. v. Comptroller-General of Patents* [2008] EWHC 2071 (Pat); [2008] R.P.C. 35:

[24] As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in any particular case where satisfaction is required depends on the nature of the inquiry and the nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and what is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence has to be provided in order to satisfy a decision-making body about that of which that body has to be satisfied.

22. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not ‘show’ (per Section 100 of the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use.”

18) I note that the only comment on proof of use made by the applicant in its submissions was that “no proof of use could be found in respect of “mineral and aerated waters and other non-alcoholic drinks”. As a matter of fact, according to both the witness statements, the only beverages that the opponent provides are beers and ales”. For its part the opponent points out that this is an acceptance that it has used its marks on all other goods and services for which they are registered. They also contend that they have shown use of their marks upon pubs and restaurants which serve water and other soft drinks. They contend that consumers “will know that they are in a pub owned by Young & Co. As such, when customers purchase non-alcoholic drinks from within one of the opponent’s pubs or restaurants, they know that the commercial origin of these drinks is from the opponent”. I find the opponent’s contention unconvincing. To my mind, the average consumer knowing that they are in a pub or restaurant owned by the opponent will assume that they will sell beers and ales produced by the opponent. Equally the average consumer will be

aware that such “tied” pubs also sell guest beers by other manufacturers and also that they sell a range of non-alcoholic beverages usually bearing the name of the manufacturer and which can and will be ordered by reference to the manufacturer such as, inter alia, Schweppes, Evian, J2O or Coca-Cola. They will NOT assume that these drinks originate from the opponent. In the absence of any evidence of bottles, cans or even pumps showing such products with one of the opponent’s trade marks upon them I conclude that although the pubs and restaurants owned by the opponent will undoubtedly sell water and non-alcoholic drinks this does not equate to use of one of the opponent’s marks upon such goods, merely that the opponent has used its marks upon restaurant and pub services in the round. To my mind, the applicant was correct in not challenging any of the other goods or services as there is clear proof of use of all three marks upon the goods and services for which they are registered with the exception of non-alcoholic drinks. The opponent can therefore rely upon its marks for the following goods and services in the comparison test.

- UK 2194612: Class 32: Beers and ales.
- UK 2460844: Class 43: Public house; temporary accommodation.
- EU 44925: Class 32: Beers; And: Class 42: temporary accommodation.

19) In addition as trade mark EU 12720744 was not subject to proof of use given its registration date was within five years of the application date of the applicant’s mark its registration can be relied upon in full in the comparison tests. For ease of reference the registration consists of:

- Class 32: Beers; ale; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.
- Class 33: Alcoholic beverages (except beers); wines and spirits.
- Class 43: Public house and catering services; services for providing food and drink; temporary accommodation.

20) 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

21) As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods and services. I must then determine the manner in which these goods and services 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.”

22) The goods at issue in these proceedings relate to, broadly speaking, medicines, foods and beverages both alcoholic and non-alcoholic. The average consumer for such goods will be the public at large (including businesses), albeit insofar as those goods which have an alcoholic content in excess of 0.5% are concerned, the average consumer will be over the age of 18.

23) All of the beverages at issue may be sold through a range of channels, including retail premises such as supermarkets, and off-licences (where the goods are normally displayed on shelves and are obtained by self-selection) and in public houses (where the goods are displayed on, for example, shelves behind the bar and where the trade marks will appear on dispensers at the bar etc.). When the goods are sold in, for example, public houses the ordering process is likely to be an oral one. However, there is nothing to suggest that the goods are sold in such a manner as to preclude a visual inspection. In *Simonds Farsons Cisk plc v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-3/04, the Court of First Instance (now the General Court) 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.”

24) Consequently, while the goods may be ordered orally in public houses, it is likely to be in the context of, for example, a visual inspection of the bottles containing the goods prior to the order being placed. Considered overall, the selection process is likely to be predominantly a visual one, although I accept that aural considerations will also play their part. Turning now to the level of attention the average consumer will display when selecting the goods, 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 a slightly above average level of attention to the selection of the beverages in class 32 at issue.**

25) Very similar comments apply to the food and flower items in classes 29, 30, 31 and 32, which with the exception of “live animals” in class 31 will be sold through a range of channels, including retail premises such as supermarkets and corner shops, through brochures and the internet. The selection process is likely to be predominantly a visual one, although I accept that aural considerations will also play their part as consumers may discuss issues with shop staff and I must also take into account word of mouth recommendations. Turning now to the level of attention the average consumer will display when selecting such goods, 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 of food stuff, bearing in mind individual preferences and flavours, as well as the increasing level of allergies, they are, in my view, **likely to pay a slightly above average level of attention to the selection of foods and flowers in classes 23, 30, 31 & 32 at issue.**

26) Turning to the issue of live animals, in the UK people (other than farmers) do not tend to buy these other than when seeking a pet or unless they intend to keep fowl for eggs or racing pigeons. If purchasing a pet such as a cat, dog or horse the seller will normally want to inspect your home or at the very least ask a number of questions as to how you intend keeping the animal. Smaller pets such as goldfish or canaries may be sold without an inquisition but even then, basic questions will be asked if only to seek out opportunities to sell the purchaser of said animal additional items. Such pets will be carefully chosen against a wide range of criteria which will differ slightly in each

case, but a pet is unlikely to be chosen without considerable thought. Similarly, those who are interested in racing pigeons or keeping fowl for eggs etc will also be very particular in choosing animals. Frankly the issue of live animals being trade marked is almost impossible to envisage. The choice will be made according to breed, looks, temperament, health and factors such as cuteness. Farmers will tend to purchase at markets where they will purchase according to breed and condition. Quite how they would be trademarked I am unsure of and whether it would play a role in the choice is highly doubtful. Medicines are also purchased by medical professionals who by their nature tend to pay significant attention to drugs they administer or prescribe to patients.

Overall the choice will be mainly visual and with a high level of consideration.

27) Lastly, I turn to the goods in class 5 which include medicines, medicinal foods, baby food and nappies and mothproofing preparations. Clearly, the last of these is an outlier, and will be chosen with some care as it will be applied to fabrics in order to prevent them being eaten by moth larvae. Such treatment is usually reserved for old or highly expensive items such as fur coats, tapestries etc. Such goods are likely to be sold in shops or through the internet and so the initial choice will be predominantly visual although aural considerations must also be taken into account as a discussion may be held with a shop assistant or word of mouth recommendation. The other items are, by their very nature, likely to be chosen with a great deal of care as medicines and anything to do with babies tend to be thoughtful purchases. Such items are likely to be sold in retail outlets such as supermarkets, chemists and in brochures and on the internet. The initial choice is likely to be a visual one, although aural considerations must be taken into account as one might discuss the purchase with an assistant / pharmacist or be recommended. **Overall the choice will be mainly visual and with above average consideration.**

Comparison of goods

28) In the judgment of the Court of Justice of the European Union (CJEU) in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

29) In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the GC stated that:

“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 trade mark application (Case T-388/00 Institut fur Lernsysteme v OHIM- Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

30) In *YouView TV Ltd v Total Ltd* ,[2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

"... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

31) In *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another*, [2000] F.S.R. 267 (HC), Neuberger J. (as he then was) stated that:

“I should add that I see no reason to give the word “cosmetics” and “toilet preparations”... anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context.”

32) In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the GC stated that “complementary” means:

“...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking”.

33) As Mr Daniel Alexander Q.C. noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL-0-255-13:

“It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes.”

Whilst on the other hand:

“.....it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together.”

34) In making this comparison I note that if the similarity between the goods/services is not self-evident, it may be necessary to adduce evidence of similarity even if the marks are identical. In *Commercy AG, v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-316/07, the GC pointed out that:

“43. Consequently, for the purposes of applying Article 8(1)(b) of Regulation No 40/94, it is still necessary, even where the two marks are identical, to adduce evidence of similarity between the goods or services covered by them (see, to that effect, order of 9 March 2007 in Case C-196/06 P *Alecansan v OHIM*, not published in the ECR, paragraph 24; and Case T-150/04 *Mülhens v OHIM – Minoronzoni(TOSCA BLU)* [2007] ECR II-2353, paragraph 27).”

35) Thus, where the similarity between the respective goods or services is not self-evident, the opponent must show how, and in which respects, they are similar.

36) I first turn to consider the applicant's goods in class 5. The opponent contends that its pubs and restaurants could reasonably be expected to produce foods for special dietary needs such as diabetic bread. Whilst I accept that such establishments may offer such items it is not usual for them to make them themselves rather they purchase such items in. Therefore, I do not accept the contention that consumers expect to be able to buy such items with the YOUNG'S trade mark upon it in any retail outlet or on the internet. The opponent has not provided any evidence that it is commonplace for restaurants and pubs to manufacture any type of food products offered for sale in retail outlets or on the internet. In my opinion, the applicant's good in class 5 are not similar to any of the opponent's goods or services.

37) Turning to the applicant's goods in classes 29, 30 & 31. For ease of reference these are:

- In Class 29: Tinned meat; eggs; cooked meat products; crystallized fruits; fruit jellies; foods prepared from fish; edible seaweed, processed; prepared nuts; preserved vegetables; milk products.
- In Class 30: Sugar; honey; freeze-dried dishes with the main ingredient being rice; cookies; cereal preparations; coffee; ice cream; rice-based snack food; pastries; chocolate; milk tea, non-milk based.
- In Class 31: Grains [cereals]; live animals; nuts, fruits; malt for brewing and distilling; algae, unprocessed, for human or animal consumption; vegetables, fresh; fruit, fresh; seeds for planting; flowers, natural.

38) The opponent contends:

“24. Most of the goods in classes 29, 30 and 31 in the opposed UK designation are types of food and drink. They are therefore similar to the opponent's class 32 and class 33 drinks, and to 'Public house and catering services; services for providing food and drink' protected in classes 42 and 43 of the opponent's prior registrations. Many of the contested goods are sold in restaurants and bars and are common items to be provided during catered events. This includes, in particular:

'eggs'; 'cooked meat products'; 'fruit jellies'; 'foods prepared from fish'; 'prepared nuts'; 'preserved vegetables'; 'milk products'; 'Sugar'; 'honey'; 'freeze-dried dishes with the main ingredient being rice'; 'cookies'; 'coffee'; 'ice cream'; 'rice-based snack food'; 'pastries'; 'chocolate'; 'milk tea, non-milk based'; 'Fruit nectars', 'non-alcoholic; mineral water {beverages}'; 'beer'; 'fruit flavoured lactic acid beverages, non-milk'; 'waters {beverages}'; 'non-alcoholic fruit juice beverages'; 'vegetable juices [beverages]'.

25. The international registration holder has tried to distinguish between the goods of each party, on the basis that most of their own goods are not liquid (see page 8 of their submissions). This is not only factually incorrect, an obvious example being honey, which is sometimes liquid and sometimes solid, but is an artificial distinction between different types of food. Honey is in fact a very pertinent example of a similar product to the opponent's beers, as they produced a YOUNG'S beer flavoured with honey, under the sub-brand WAGGLEDANCE, which is a reference to the way bees can appear to "dance".

26. Foods can go together, like honey and porridge or honey and bread, not because of their chemical state as a solid, liquid or gas, but because they are sold, bought, eaten and prepared together. The fact remains that the opponent's drinks, and their food and drink services are highly similar to the opposed food products of the Young me mark.

27. They are also complementary. Goods or services are complementary if one is indispensable or important for the use of the other in such a way that consumers may think that responsibility for the production of those goods or the provision of those services lies with the same undertaking. Consumers are more likely to think that responsibility lies with the same undertaking if the market reality is that the provision of food and drinks and the manufacture of such goods are commonly offered by the same undertaking under the same trade mark. The applicant suggests that 'average consumers are well aware that the aforementioned Applicant's goods being served are manufactured by a different company'. However, they provide no evidence to support this. Consumers will not automatically assume that the goods served in the opponent's pubs are manufactured by a different company. Much of the food served by the opponent could not be described as manufactured anyway, as it is freshly produced.

28. Consequently, given that the goods covered under the UK designation are, at least, important for use in the services protected by the opponent, the respective goods and services are complementary. The similarities increase further when taking into account that the same end users will be faced by these goods. As such, when the same consumer is exposed to branded foods and other ingredients for human consumption, and is then faced with highly similar branded beers, ales, restaurants, and pubs, it is natural and unavoidable that the consumer will consider there to be a connection between them. We note that the international registration holder, very sensibly accepts that there is some similarity with their products in classes 29, 30 and 31.

29. In addition, it is likely that consumers will consider that the Opponent's services and the Applicant's goods coincide in the producer and provider, such that they originate from the same or economically linked undertakings. There is indisputably a degree of similarity between the goods and services.

30. The opposed UK designation covers 'malt for brewing and distilling' which clearly conflicts with the opponent's long-established business in beers, ales and other drinks, and operation of pubs, which are protected in the earlier YOUNG'S registrations.

31. The international registration holder's argument that malt is 'an ingredient not readily consumable by the average consumer' does not, mean that this is dissimilar to what is protected in the YOUNG'S marks.

32. It is well settled that goods (or services) are complementary if there is a close connection between them, in the sense that one is *indispensable* or *important* for the use of the other in such a way that consumers may think that responsibility for the production of those goods or provision of those services lies with the same undertaking. Malt is an essential ingredient in the brewing and distilling of 'beers and ales', both of which are protected in the opponent's earlier registrations. Beers and ales cannot exist without malt for brewing and distilling and, as such, there is a functional complementarity between them. Further, there is such a close link between these two goods that it is inconceivable that consumers will not think that malt for brewing and distilling sold under a confusingly similar mark does not come from the same commercial origin as the opponent.

33. As such, 'malt for brewing and distilling' must be found to be highly similar to the goods and services covered by the opponent's earlier registrations."

39) In paragraph 36 above I set out why restaurant and pub services are not similar to the foodstuffs of the applicant. Whilst restaurants take basic ingredients and form them into meals, such meals are imbued with the brand of the pub so one might talk about the particular way a restaurant prepares a particular dish but again, this does not equate to use of a trade mark upon basic foodstuffs. Such eateries might advertise that they use organic or local produce but they do not advertise the brand of foodstuffs they use. The registration consists mostly of basic foodstuffs.

40) Whilst I accept that some of the foodstuffs such as honey may be a liquid and may be used in producing beer this does not make them similar or complementary. The basic tests show that the uses of the two products are different, as would be some of the users (children and teetotalers), their intended purpose (beer quenches the thirst and is used in socialising, honey is used to sweeten) and they are certainly not in competition or near each other in a supermarket. Contrary to what the opponent contends food and drink are not complementary as they are not indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking. A consumer can go into a pub and eat a full English breakfast with a cup of tea. Do they believe that the pub is the source of origin for the tea, the bacon, the eggs etc? The answer is a resounding no, they do not believe such a thing. The opponent states that "Consumers are more likely to think that responsibility lies with the same undertaking if the market reality is that the provision of food and drinks and the manufacture of such goods are commonly offered by the same undertaking under the same trade mark". It then criticises the applicant for not providing evidence to corroborate its claim that consumers will know that restaurants and pubs are not responsible for the basic foodstuffs they prepare and serve. Yet the opponent itself has failed to show that restaurants sell such produce under the same mark as

their restaurant or pub. With regard to “malt for brewing” I do accept that malt is required to produce beer and that there is a degree of complementarity and therefore similarity to a low degree. To my mind, the basic foodstuffs are neither similar nor complementary to the services of the opponent in class 43.

41) Lastly, I turn to consider the applicant’s goods in class 32, which for ease of reference are: “Fruit nectars, non-alcoholic; soya-based beverages, other than milk substitutes; mineral water [beverages]; beer; fruit flavoured lactic acid beverages, non-milk; waters [beverages]; non-alcoholic fruit juice beverages; preparations for making beverages; vegetable juices [beverages]”. I will firstly compare them to the opponent’s class 32 goods of “beers and ales” (UK 2194612) and “beers” (EU 44925). The terms “beers” and “ales” are not restricted and so include non-alcoholic as well as alcoholic beers and ales. As such the users of the two parties’ goods are identical (the general public) and so are the uses (quenching a thirst, socialising etc). The physical nature of the goods, liquids, is similar and although no evidence has been provided it is reasonable to assume that alcoholic beers and drinks of both parties will have the same trade channels. Whilst non-alcoholic drinks may have different trade channels to alcoholic drinks, as both parties have nonalcoholic drinks within their specifications it is reasonable to assume that they will also have the same trade channels. Whilst alcoholic drinks may not be in competition with non-alcoholic drinks or found on the same shelves, as both parties have both in their specification they must be regarded as being in competition and found on the same shelves i.e. alcoholic with alcoholic drinks; non-alcoholic drinks with non-alcoholic drinks. Preparations for making beverages must include those for making beer. I find the class 32 goods of the applicant identical to the opponent’s class 32 goods under marks EU 44925 and UK 2194612. As the specification in class 32 of trade mark EU 12720744 also has the term “Beers” within it, it follows that it too must be identical to the applicant’s class 32 specification.




Comparison of trade marks

42) 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.”

43) 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. The trade marks to be compared are:

Opponent's trade marks		Applicant's trade mark
UK 2194612	YOUNG'S	
UK2460844	YOUNG'S	
EU 44925		
EU 12720744		

44) I first turn to consider whether all four marks can be considered to be use of the same mark YOUNG'S. In *Nirvana Trade Mark*, BL O/262/06, Mr Richard Arnold Q.C. (as he then was) as the Appointed Person summarised the test under s.46(2) of the Act as follows:

"33. The first question [in a case of this kind] is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period...

34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all."

45) Although this case was decided before the judgment of the Court of Justice of the European Union ("CJEU") in *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, it remains sound law so far as the question is whether the use of a mark in a different form constitutes genuine use of the mark as registered. The later judgment of the CJEU must also be taken into account where the mark is used as registered, but as part of a composite mark.

46) To my mind, the device element in EU 44925 is such that it does not alter the distinctive character of the mark. The consumer will clearly identify it as a YOUNG'S trade mark, simply in reverse colouring and with a minor device suggesting a neck label for a bottle. EU 12720744 is slightly different in that it has, in my opinion, two distinct and independent marks. The most dominant because it can be pronounced is the YOUNG'S element. The image of the ram may be on top of the name, but it has no obvious connection to the goods or services or the name YOUNG'S. The average consumer will clearly, take notice of the ram device, but it does not deflect the main message that it is a YOUNG'S trade mark. In carrying out the comparison test I will firstly compare the first three marks to that of the applicant and then compare it to the last or RAM mark.

47) In making the comparison I will take into account the views expressed in *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02, where the General Court noted that the beginnings of word tend to have more visual and aural impact than the ends. The court stated:

“81. It is clear that visually the similarities between the word marks MUNDICOLOR and the mark applied for, MUNDICOR, are very pronounced. As was pointed out by the Board of Appeal, the only visual difference between the signs is in the additional letters ‘lo’ which characterise the earlier marks and which are, however, preceded in those marks by six letters placed in the same position as in the mark MUNDICOR and followed by the letter ‘r’, which is also the final letter of the mark applied for. Given that, as the Opposition Division and the Board of Appeal rightly held, the consumer normally attaches more importance to the first part of words, the presence of the same root ‘mundico’ in the opposing signs gives rise to a strong visual similarity, which is, moreover, reinforced by the presence of the letter ‘r’ at the end of the two signs. Given those similarities, the applicant’s argument based on the difference in length of the opposing signs is insufficient to dispel the existence of a strong visual similarity.

82. As regards aural characteristics, it should be noted first that all eight letters of the mark MUNDICOR are included in the MUNDICOLOR marks.

83. Second, the first two syllables of the opposing signs forming the prefix ‘mundi’ are the same. In that respect, it should again be emphasised that the attention of the consumer is usually directed to the beginning of the word. Those features make the sound very similar.

48) Although I also note that in *Bristol Global Co Ltd v EUIPO*, T-194/14, the General Court held that there was a likelihood of confusion between AEROSTONE (slightly stylised) and STONE if

both marks were used by different undertakings in relation to identical goods (land vehicles and automobile tyres). This was despite the fact that the beginnings of the marks were different. The common element – STONE – was sufficient to create the necessary degree of similarity between the marks as wholes for the opposition before the EUIPO to succeed.

49) I also take account of *The Picasso Estate v OHIM*, Case C-361/04 P, where the Court of Justice of the European Union 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.”

50) Conversely in *Nokia Oyj v OHIM*, Case T-460/07, the General Court stated that:

“Furthermore, it must be recalled that, in this case, although there is a real conceptual difference between the signs, it cannot be regarded as making it possible to neutralise the visual and aural similarities previously established (see, to that effect, Case C-16/06 P *Éditions Albert René* [2008] ECR I-0000, paragraph 98).”

51) I also note that in *Usinor SA v OHIM*, Case T-189/05, the General Court found that:

“62. In the third place, as regards the conceptual comparison, it must be noted that while the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Lloyd Schuhfabrik Meyer*, paragraph 25), he will nevertheless, perceiving a verbal sign, break it down into verbal elements which, for him, suggest a concrete meaning or which resemble words known to him (Case T-356/02 *Vitakraft-Werke Wührmann v OHIM – Krafft (VITAKRAFT)* [2004] ECR II-3445, paragraph 51, and Case T-256/04 *Mundipharma v OHIM – Altana Pharma (RESPICUR)* [2007] ECR II-0000, paragraph 57).

63. In the present case, the Board of Appeal correctly found that the signs at issue have a common prefix, ‘galva’, which evokes the technique of galvanisation, that is, the act of fixing an electrolytic layer to a metal to protect it from oxidation.

64. By contrast, the Board of Appeal incorrectly took the view that a conceptual comparison of the second part of the signs was not possible, because the suffixes ‘llia’ and ‘lloy’ were meaningless.

65. That conclusion is based on an artificial division of the signs at issue, which fails to have regard to the overall perception of those signs. As stated in paragraph 59 above, the relevant public, which is French-speaking but has knowledge of the English language, will recognise in the mark applied for the presence of the English word 'alloy', corresponding to 'alliage' in French, even if the first letter of that word ('a') has merged with the last letter of the prefix 'galva', according to the usual process of haplology. That mark will therefore be perceived as referring to the concepts of galvanisation and alloy.

66. As far as the earlier mark is concerned, the suffix 'allia' is combined with the prefix 'galva' in the same way. The evocative force of the suffix 'allia' will enable the relevant public – on account of its knowledge and experience – to understand that that is a reference to the word 'alliage'. That process of identification is facilitated still further by the association of the idea of 'alliage' (alloy) with that of galvanisation, the suffix 'allia' being attached to the prefix 'galva'.

67. By breaking down the signs at issue, the relevant public will therefore interpret both signs as referring to the concepts of galvanisation and alloy.

68. Consequently, the conclusion to be drawn is, as the applicant correctly maintains, that the signs at issue are conceptually very similar, inasmuch as they both evoke the idea of galvanisation and of an alloy of metals, although that idea is conveyed more directly by the mark applied for than by the earlier mark”.

52) The applicant contended:

“3. The Applicant's Mark **Youngme** comprises the words "Young" and "me" conjoined, without any punctuation. The Opponent's mark "YOUNG'S", on the other hand, has an apostrophe towards the end. We admit that both **Youngme** and "YOUNG'S" share the same beginning "Young". However, we submit that it is impossible to neglect the "me" in the Applicant's Mark; the "me" in the Applicant's Mark is also nowhere to be found in the Opponent's mark "YOUNG'S". The visual similarity between **Youngme** and "YOUNG'S" is therefore limited.

4. The Applicant's Mark "**Youngme**" is obviously formed by conjoining two very common and easily understood English words "Young" and "me", and thus will be pronounced by the average consumer as YOUNG-ME. The Applicant's Mark therefore has two syllables. In contrast, the Opponent's mark "YOUNG'S" has only one syllable. Although both marks begin

with the same Sound, the doubling of the syllabic length in the Applicant's Mark gives rise to a significant aural difference. Consequently, aural similarity is limited.

5. As stated in paragraph 3 of the Witness Statement of PATRICK ANTHONY DARDIS filed by the Opponent, the Opponent's business has been intimately linked to the Young's family since the founding of the Opponent. It is evident from both the Opponent's history and the formation of the Opponent's mark "YOUNG'S" that "YOUNG" in the Opponent's mark refers

to the surname "YOUNG". In contrast, the Applicant's Mark "**Youngme**" as a whole is perceived as meaning "young me", with "young" (opposite of "old") serving as an adjective describing "me". The two marks are therefore highly different in terms of conceptual meaning. The conceptual differences between the two marks are sufficient to offset the limited visual and phonetic similarities between the two marks."

53) Visually the marks of the two parties share the first five letters. The only difference is that the opponent's mark has an apostrophe "S" which creates a possessive tense so that you are aware that the subject of the mark, e.g. a bottle of beer, comes from a company or person called YOUNG, and the word "me" at the end of the applicant's mark. I agree with the applicant that its mark will be seen as two common English word jammed together YOUNG and ME. There is no suggestion that the two words form a unit to alter the meaning of the mark such as CARDINAL and CARDINAL PLACE. An English speaker would say "I'm young" if they were trying to indicate their youth, I can think of no occasion when anyone would use the phrase "young me". We have lots of phrases such as "when I was a lad", "in my youth" and "when I was younger" to name but three. There is therefore aural and visual similarity albeit with minor differences. Conceptually, most consumers will, in my view, see them as both suggesting that they are YOUNG marks. **To my mind, overall the opponent's marks UK 2194612, UK 2460844 and EU 44925 are similar to at least a medium to high degree to the mark in suit.**

54) Turning to consider the opponent's mark EU 12720744 to the mark in suit, all of the comments stated in the previous paragraph apply. The only addition is the device element of the ram. I do not consider that this forms a unit with the word YOUNG'S in such a way as to alter its meaning. As I said earlier in this decision, it is an independent element of a kind fairly common in the alcohol industry, I know from my own experience that Guinness has a harp device and Courage has a cockerel, whilst others employ dragons, bears, lions etc. It does reduce the overall similarity of the marks of the two parties but it does not affect it to a large degree. **To my mind, overall the opponent's mark EU 12720744 is similar to at least a medium degree to the mark in suit.**

Distinctive character of the earlier trade mark

55) 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).”

56) The opponent’s marks have no meaning for the goods and services in question (broadly speaking, beverages and pub and restaurant services). The opponent’s marks will all be seen as YOUNG’S marks and probably referring to someone or company called YOUNG. All the marks must be regarded as **inherently distinctive to at least a medium degree**. The opponent has shown use of its marks in the UK in relation to beer, and pub and restaurant services but it has not put this use into context as market share and given the size of the pub, restaurant and alcohol market for which its marks are registered **the opponent cannot benefit from enhanced distinctiveness**.

Likelihood of confusion

57) 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 services 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 the trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods and services, 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 for the goods and services is a member of the general public including businesses who will select the goods and services by predominantly visual means, although I do not discount aural considerations and that they are likely to pay at least an above average degree of attention to the selection of said goods and services.
- the opponent's marks **UK 2194612, UK 2460844 and EU 44925** have at least a medium to high degree of similarity to the mark in suit, whilst the opponent's mark EU 12720744 is similar to at least a medium degree to the mark in suit.
- the opponent's marks all have a medium level of inherent distinctiveness but none can benefit from an enhanced distinctiveness through use.
- the goods applied for in classes 5, 29 and 30 are not similar to the opponent's goods and services.
- the following goods applied for in class 31 are not similar to the opponent's goods and services "Grains [cereals]; live animals; nuts, fruits; algae, unprocessed, for human or animal consumption; vegetables, fresh; fruit, fresh; seeds for planting; flowers, natural".
- the following goods applied for in class 31 are similar to the opponent's goods and services to a low degree "malt for brewing and distilling".
- the goods applied for in class 32 are identical to the opponent's goods in class 32.

58) It is necessary to consider the likelihood of both direct and indirect confusion. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10, Mr Iain Purvis Q.C. as the Appointed Person, explained 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.

59) I also note that 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 merely 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.

60) In *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA, Lady Justice Arden stated that:

“49..... I do not find any threshold condition in the jurisprudence of the Court of Justice cited to us. Moreover, I consider that no useful purpose is served by holding that there is some minimum threshold level of similarity that has to be shown. If there is no similarity at all, there is no likelihood of confusion to be considered. If there is some similarity, then the likelihood of confusion has to be considered but it is unnecessary to interpose a need to find a minimum level of similarity.”

61) In view of all of the above, and allowing for the concept of imperfect recollection, there is a likelihood of consumers being directly confused into believing that the Class 32 goods provided by the applicant are those of the opponent or provided by an undertaking linked to it under any of the opponent’s marks. **The opposition under Section 5(2) (b) therefore succeeds in respect of:**

- In Class 32: Fruit nectars, non-alcoholic; soya-based beverages, other than milk substitutes; mineral water [beverages]; beer; fruit flavoured lactic acid beverages, non-milk; waters [beverages]; non-alcoholic fruit juice beverages; preparations for making beverages; vegetable juices [beverages].

62) In view of all of the above, and allowing for the concept of imperfect recollection, there is a likelihood of consumers being at least indirectly confused into believing that the Class 31 goods “malt for brewing and distilling;” provided by the applicant are those of the opponent or provided by an undertaking linked to it under any of the opponent’s mark. **The opposition under Section 5(2) (b) therefore succeeds in respect of “malt for brewing and distilling” in Class 31.**

63) In view of all of the above, and allowing for the concept of imperfect recollection, there is no likelihood of consumers being either indirectly or directly confused into believing that the goods provided by the applicant in classes 5, 29, 30 and 31 are those of the opponent or provided by an undertaking linked to it under any of the opponent’s mark. **The opposition under Section 5(2) (b) therefore fails in respect of the following:**

- In class 5: Mothproofing preparations; medicines for human purposes; medicines for veterinary purposes; diabetic bread adapted for medical use; tissues impregnated with antibacterial preparations; candy, medicated; dietetic foods adapted for medical purposes; powdered milk for babies; babies' diapers; food for babies.
- In Class 29: Tinned meat; eggs; cooked meat products; crystallized fruits; fruit jellies; foods prepared from fish; edible seaweed, processed; prepared nuts; preserved vegetables; milk products.
- In Class 30: Sugar; honey; freeze-dried dishes with the main ingredient being rice; cookies; cereal preparations; coffee; ice cream; rice-based snack food; pastries; chocolate; milk tea, non-milk based.
- In Class 31: Grains [cereals]; live animals; nuts, fruits; algae, unprocessed, for human or animal consumption; vegetables, fresh; fruit, fresh; seeds for planting; flowers, natural.

64) 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 European Union trade mark or international trade mark (EC), in the European Union) 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.”

65) 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, *Adidas-Salomon*, [2004] ETMR 10 and 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; *Adidas 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 risk 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*).

66) The first hurdle is the issue of reputation as set out at points (a) and (b) above. The onus is upon the opponent to prove that its trade marks enjoy a reputation or public recognition. Although I judged the evidence insufficient to allow the opponent to benefit from an enhanced distinctiveness the test for reputation is quite different as it is considering an entirely different matter. To my mind, given the evidence filed by the opponent, it is indisputable that the opponent's marks are known by a significant part of the general public in the UK in relation to beers, public houses and restaurants.

67) I next have to consider whether the public will make a link. In Case C-408/01, *Adidas-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)."

68) The level of similarity required for the public to make a link between the marks for the purposes of 5(3) may be less than the level of similarity required to create a likelihood of confusion. In *Intra-Press SAS v OHIM*, Joined cases C-581/13P & C-582/13P, the CJEU stated (at paragraph 72 of its judgment) that:

"The Court has consistently held that the degree of similarity required under Article 8(1)(b) of Regulation No 40/94, on the one hand, and Article 8(5) of that regulation, on the other, is different. Whereas the implementation of the protection provided for under Article 8(1)(b) of Regulation No 40/94 is conditional upon a finding of a degree of similarity between the marks at issue so that there exists a likelihood of confusion between them on the part of the relevant section of the public, the existence of such a likelihood is not necessary for the protection conferred by Article 8(5) of that regulation. Accordingly, the types of injury referred to in Article 8(5) of Regulation No 40/94 may be the consequence of a lesser degree of similarity between the earlier and the later marks, provided that it is sufficient for the relevant section of the public to make a connection between those marks, that is to say, to establish a link between them (see judgment in *Ferrero v OHMI*, C-552/09 P, EU:C:2011:177, paragraph 53 and the case-law cited)."

69) In C-252/07 *Intel Corp* [2008] ECR I-8823 at paragraph 42 the court set out the factors used to assess a link. Those factors include:

the degree of similarity between the conflicting marks;

the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;

the strength of the earlier mark's reputation;

the degree of the earlier mark's distinctive character, whether inherent or acquired through use;

the existence of the likelihood of confusion on the part of the public.

70) Earlier in this decision I found that the opponent's marks UK 2194612, UK 2460844 and EU 44925 have at least a medium to high degree of similarity to the mark in suit, whilst the opponent's mark EU 12720744 is similar to at least a medium degree to the mark in suit. I also found that both parties' goods in class 32 were identical but all the other goods applied for (with the exception of malt for brewing and distilling in Class 31) were not similar. Whilst dissimilarity of goods or services is not fatal under this ground of opposition it is a factor to be taken into account. I accept that in relation to all the goods applied for in class 32 and "malt for brewing and distilling" in Class 31 if a member of the public saw the applicant's mark they would immediately make the link to the opponent. This would clearly reduce the distinctiveness of the opponent's mark and mean that the applicant would take unfair advantage of the opponent's reputation in respect of beers and ales.

The ground of opposition under section 5(3) succeeds in relation to these goods.

71) However, despite the opponent's efforts to link basic foodstuffs to restaurant and pub services, there is no evidence that such businesses use the same branding upon packets or tins of food which are offered for sale. To my mind, despite the fact that the users are the same and the opponent's reputation, if a member of the public saw the applicant's mark they would not immediately make the link to the opponent. **The ground of opposition under section 5(3) fails in respect of all the goods applied for in classes 5, 29, 30 & 31 (with the exception noted in the previous paragraph).**

72) The last ground of opposition is under section 5(4)(a) which reads:

"5.(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b) [.....]

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark.”

73) In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “a substantial number” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

74) Whilst Halsbury’s Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

75) The opponent is relying upon its sign YOUNG’S which has been used in relation to beer and pub services since 1831 in the UK. Earlier in this decision I found that use of the mark in suit, actual or on a fair and notional basis, would result in confusion with the opponent’s YOUNG’S marks when used on certain goods. Accordingly, it seems to me that the necessary misrepresentation required by the tort of passing off will occur in relation to the goods applied for in class 32 and also “malt for brewing and distilling” in Class 31. **The opposition under Section 5(4)(a) of the Act must succeed in relation to these goods.**

76) Also, earlier in this decision I found that use of the mark in suit, actual or on a fair and notional basis, would not result in confusion with the opponent’s YOUNG’S marks when used on certain goods. Accordingly, it seems to me that the necessary misrepresentation required by the tort of passing off will not occur in relation to the goods applied for in classes 5, 29, 30 and 31 (with the exception noted in the previous paragraph). **The opposition under Section 5(4)(a) of the Act must fail in relation to these goods.**

CONCLUSION

77) The opposition under Sections 5(2) (b), 5(3) and 5(4)(a) therefore succeeds in respect of:

- In Class 31: malt for brewing and distilling.
- In Class 32: Fruit nectars, non-alcoholic; soya-based beverages, other than milk substitutes; mineral water [beverages]; beer; fruit flavoured lactic acid beverages, non-milk; waters [beverages]; non-alcoholic fruit juice beverages; preparations for making beverages; vegetable juices [beverages].

78) The opposition under Sections 5(2) (b), 5(3) and 5(4)(a) therefore fails in respect of:

- In class 5: Mothproofing preparations; medicines for human purposes; medicines for veterinary purposes; diabetic bread adapted for medical use; tissues impregnated with antibacterial preparations; candy, medicated; dietetic foods adapted for medical purposes; powdered milk for babies; babies' diapers; food for babies.
- In Class 29: Tinned meat; eggs; cooked meat products; crystallized fruits; fruit jellies; foods prepared from fish; edible seaweed, processed; prepared nuts; preserved vegetables; milk products.
- In Class 30: Sugar; honey; freeze-dried dishes with the main ingredient being rice; cookies; cereal preparations; coffee; ice cream; rice-based snack food; pastries; chocolate; milk tea, non-milk based.
- In Class 31: Grains [cereals]; live animals; nuts, fruits; algae, unprocessed, for human or animal consumption; vegetables, fresh; fruit, fresh; seeds for planting; flowers, natural.

COSTS

79) As the opponent was partly successful it is entitled to a contribution towards its costs.

Preparing a statement and considering the other side's statement	£300
Providing evidence	£550
Providing submissions	£500
TOTAL	£1,350

80) I order Shanghai Lyfen Co. Ltd to pay Young & Co.'s Brewery P.L.C. the sum of £1,350. This sum to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 7th day of April 2020

George W Salthouse

For the Registrar,

the Comptroller-General