

**O-889-21**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK APPLICATION NO. 3439856**

**BY ATOM SUPPLIES LIMITED**

**FOR THE TRADE MARK:**

**Green Isle**

**AND**

**IN THE MATTER OF OPPOSITION THERETO**

**UNDER NO. 419371**

**BY BLACK ISLE BREWING CO. LTD**

## **Background and pleadings**

1. On 28 October 2019 (“the relevant date”), Atom Supplies Limited (“the applicant”) applied to register “Green Isle” as a trade mark, under number 3439856. Registration is sought for “alcoholic beverages, except beer” in class 33.

2. The application is opposed by Black Isle Brewing Co. Ltd (“the opponent”). The opposition is based upon ss. 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). Under each of these grounds, the opposition is directed against all of the goods in the application.

3. Under ss. 5(2)(b) and 5(3), the opponent relies upon UK trade mark registration number 3120465 “BLACK ISLE”, which was filed on 31 July 2015 and entered into the register on 6 November 2015. Given its filing and registration dates, the opponent’s mark qualifies as an earlier mark under s. 6 but it is not subject to the use provisions at s. 6A. This means that the opponent does not need to show that it has used its mark on or in relation to any of the goods in the mark’s specification which it chooses to rely upon. The opponent relies upon all of the goods in the registration, detailed below:

Class 32: Beers; lager, ale and porter; 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); spirits and liqueurs, but in so far as whisky and whisky based liqueurs are concerned, only Scotch whisky and Scotch whisky based liqueurs produced in Scotland.

4. Under s. 5(2)(b), the opponent claims that the marks are visually and aurally similar, and conceptually highly similar, such that there is a likelihood of confusion, including the likelihood of association.

5. Under s. 5(3), the opponent claims that the similarity between the marks is such that the relevant public will believe that there is an economic connection between the users of the marks where no such connection exists. Further, it claims that the applicant would

gain an unfair advantage by benefiting from the time and money spent by the opponent in developing its brand and that the applicant would benefit from a transfer of the earlier mark's reputation for organic and sustainable products, particularly given the presence of "Green" in the contested mark. The opponent also claims that there would be damage to the reputation of the earlier mark as a green, organic producer if the applicant's goods were not of similar standards and if consumers associated or confused a non-organic product with the earlier mark. The opponent says that there could be diversion of sales or a turning away from the brand. In addition, the opponent alleges that the distinctive character of the earlier mark may be damaged not only by diversion of sales but that the "green credentials" of the opponent could be damaged through bad publicity or consumers abandoning its brand if the applicant's goods were not organic. The opponent would, it says, be liable for the costs of promoting itself as unconnected with the applicant.

6. Under s. 5(4)(a), the opponent relies upon its use since 1998, initially in Scotland but within a few years throughout the UK, of the sign "BLACK ISLE". It says that the sign has been used in respect of the following goods and services:

Beer, ale, lager, glasses, badges, t-shirts, sweatshirts, bags, key rings, stickers.

Provision of accommodation, provision of food and drink, bar services, tour services of alcoholic production premises.

7. The opponent says that its use of the sign has given rise to a protectable goodwill and that use of the contested mark, which it characterises as highly similar to the sign, would give rise to a misrepresentation. It is said that there would be damage through loss of sales and to its reputation as an organic producer.

8. The applicant filed a counterstatement in which it denies the grounds of opposition and puts the opponent to proof.

9. Both parties filed evidence. The opponent also filed written submissions during the evidence rounds, which I will keep in mind. A hearing was requested and held before me, by videoconference, on 20 October 2021. The opponent was represented at the hearing

by Christian Finn of Murgitroyd & Company. The applicant was represented by Edward Cronan of Counsel, instructed by Mischon de Reya LLP.

### **Case management**

10. Mr Cronan suggested that, as there are non-use revocation proceedings pending against the earlier trade mark, it may be appropriate to stay this decision until the revocation action is determined. However, as the earliest date on which the earlier mark may be revoked for non-use is 7 November 2020, irrespective of the outcome of the revocation proceedings the earlier mark will remain a valid earlier mark for all of the goods in the specification at the relevant date in these proceedings (28 October 2019). There is therefore no reason to delay this decision.

### **Witnesses**

11. The opponent's evidence is provided by David John Gladwin, the founder and managing director of the opponent. His evidence goes to the use, including proposed future use, of the earlier mark and sign.

12. The bulk of the applicant's evidence is provided by James Olaf Ellefsen, one of the founders of and a Director of the applicant. Mr Ellefsen gives details about the applicant and its use of the contested mark, the commonplace use of "isle" and of colour in trade marks for alcoholic beverages, as well as some information about the Black Isle as a geographical location and the applicant's consumers.

13. The applicant also filed evidence from Sally Louise Britton, a solicitor acting on behalf of the applicant in these proceedings. Her evidence consists of trade mark register searches for marks containing "BLACK" and "ISLE".

14. None of the witnesses was cross-examined. I have read all of the evidence and will return to it to the extent I consider necessary later in this decision.

### **Section 5(2)(b)**

15. Section 5(2)(b) of the Act reads as follows:

“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”.

16. The following principles are gleaned from the decisions of the EU courts in case C-251/95 *Sabel BV v Puma AG* (ECLI:EU:C:1997:528), case C-39/97 *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* (ECLI:EU:C:1998:442), case C-342/97 *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* (ECLI:EU:C:1999:323), case C-425/98 *Marca Mode CV v Adidas AG & Adidas Benelux BV* (ECLI:EU:C:2000:339), case C-3/03 *Matratzen Concord GmbH v OHIM* (ECLI:EU:C:2004:233). case C-120/04, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* (ECLI:EU:C:2005:594), case C-334/05P *Shaker di L. Laudato & C. Sas v OHIM* (ECLI:EU:C:2007:333), and case C-591/12P *Bimbo SA v OHIM* (ECLI:EU:C:2016:591):

(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.

17. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from an EU Directive. That is why this decision continues to refer to EU trade mark law.

## The average consumer and the nature of the purchasing act

18. The average consumer is a legal construct deemed to be reasonably well informed and reasonably circumspect: *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) at [60]. For the purposes 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 and services in question: *Lloyd Schuhfabrik*.

19. The opponent submits that the average consumer is “individuals over the legal age to consume alcohol, retailers of alcoholic beverages and hospitality venues and the like”. It previously agreed with Mr Ellefsen that wholesalers are also a relevant group.<sup>1</sup> Mr Cronan did not take issue with any of this at the hearing. In any event, I agree with the opponent that the goods at issue will be bought by the adult general public, wholesalers and retailers.

20. For both the general public and the business purchaser, the selection process is likely to be primarily visual, as the goods are likely to be selected from the shelves of retail or wholesale premises, from websites or product catalogues. In bars and restaurants, the goods will usually be presented on menus or in bottles behind the bar. I do not discount that there may be an aural element but, even in a bar setting where the goods are ordered orally, the consumer is likely to see the trade mark before purchase.

21. All of the groups of average consumer will pay heed to factors such as the type of drink, flavour and strength when selecting the goods. The goods are not, however, particularly expensive or infrequent purchases. The member of the public will pay a medium degree of attention. The level of attention paid by the business purchaser will be a little higher, given that they are likely to be ordering greater quantities.

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<sup>1</sup> Opponent's submissions dated 9 August 2021, §8.1

## Comparison of goods

22. Registration is sought for “alcoholic beverages, except beer”. The same term is included in the specification of the earlier mark. These goods are, self-evidently, identical.

23. For reasons which will become apparent, I should also conduct a comparison of the contested goods with “beers”. In *Canon*, the Court of Justice of the European Union (“CJEU”) stated at paragraph 23 of its judgment:

“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”.

24. Guidance on this issue has also come from Jacob J. (as he then was) *British Sugar Plc v James Robertson & Sons Ltd* (the *Treat* case), [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance



whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

25. I must also consider whether there is a complementary relationship between the respective goods.<sup>2</sup> In case T-325/06 *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* (ECLI:EU:T:2009:428), the General Court (“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”.

26. There is a good deal of case law concerning the similarity or, perhaps more accurately, dissimilarity, between different types of alcoholic beverage. Beer has, for example, been found to be dissimilar to both tequila and wine, and similar to whisky only to a low degree.<sup>3</sup> However, the goods under consideration are not individual beverages but “alcoholic beverages, except beer”. The GC has found these goods to be “very similar”.<sup>4</sup> Nevertheless, I remind myself that it would be inappropriate slavishly to follow the European courts as the EU market may be rather different from the UK market for the respective goods.<sup>5</sup>

27. “Alcoholic beverages, except beer” includes goods such as cider and alcopops. These goods have some similarity in nature with beer, as they are generally reasonably low in alcohol. Like beer, these goods are generally consumed in longer measures, being bought in bottles or cans and, when dispensed from a tap, in pints and half pints. The goods are not produced from the same ingredients but both cider and beer are produced by fermentation. The intoxicating effects of alcoholic beverages and their pleasurable

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<sup>2</sup> Complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods: case C-50/15 P *Kurt Hesse v OHIM* (ECLI:EU:C:2016:34).

<sup>3</sup> See, for example, T-584/10 *Yilmaz v OHIM* (ECLI:EU:T:2012:518), *Coca Cola v OHIM* T-175/06 EU:T:2008:212 (MEZZOPANE), *C&C IP Sarl v Russell Sharp* BL O/382/16.

<sup>4</sup> Case T-366/05, *Anheuser-Busch, Inc. v OHIM* (ECLI:EU:T:2006:347).

<sup>5</sup> *Alpes Marques v James Duncan Abbott*, BL O/693/19.

drinking experience are shared across the goods. Users and method of use are the same. There is a competitive relationship between the respective goods, as the substitution of beer for cider is a reasonable prospect. The goods are not complementary, not being important or essential for one another's use, but there may be proximity in their channels of trade, since beers and ciders are likely to be fairly close together in supermarkets and other retail premises, and both will be available in restaurants and bars. There is a high degree of similarity between "alcoholic beverages, except beer" and "beer".

#### Distinctive character of the earlier trade mark

28. In *Lloyd Schuhfabrik*, 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)".

29. It is not disputed that the Black Isle is a place but the opponent does not clearly accept that the average consumer would see the mark in this way. It says that the earlier mark is highly distinctive because it does not allude to the nature of the goods. It also says that the structure of the mark (colour + “ISLE”) is unique to the opponent. The applicant has provided a list of names for different alcoholic beverages which include the word “isle”.<sup>6</sup> It has also provided a list of alcoholic beverages which include a colour in their product name.<sup>7</sup>

30. In my view, the average consumer is unlikely to know that the Black Isle is a place. The applicant has provided evidence that the Black Isle is a peninsula in the Scottish Highlands.<sup>8</sup> It claims that it is a popular tourist destination but, whilst tourist information pages are provided, there is nothing to indicate visitor numbers.<sup>9</sup> I accept that some consumers will know that the Black Isle is a location but there is no evidence that it is known as a beer-producing area and its location in the north of Scotland makes it unlikely that the majority of average consumers in the UK will know of it unless they are educated otherwise. The evidence does not establish that there has been such education.

31. It is accepted that “isle” is “extremely common both individually and collectively for alcoholic beverages”,<sup>10</sup> though the applicant’s evidence suggests that it is rather more common for whiskies than beer. That accords with my own impression of the market, which is that whisky producers tend to be the most enthusiastic promoters of their Scottish provenance. It seems to me that the earlier mark consists of two ordinary English words, neither of which is descriptive of the goods although one is commonly used in trade marks for alcoholic beverages, which will be perceived by the average consumer as a distinctive unit. The earlier mark is inherently distinctive to a medium degree.

32. The opponent has filed evidence of its use of the mark and acquired distinctiveness falls to be considered. The opponent was founded in 1998 and it is the oldest fully organic

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<sup>6</sup> BE15; Britton, §1.3.

<sup>7</sup> BE16; Britton, §1.4.

<sup>8</sup> Ellefsen, §5.1, BE9.

<sup>9</sup> Ellefsen, §5.2, BE10, BE11.

<sup>10</sup> Opponent’s submissions dated 9 August 2021, §4.

UK brewery, with the largest range of organic beers of any organic brewery in Europe.<sup>11</sup> “BLACK ISLE” is said to have been used in relation to organic beer since April 1998.<sup>12</sup> In 2008 and 2010 the opponent won the Soil Association Food and Drink Award; it is said to have won other national awards but apart from an award in 2010 from the Society of Independent Brewers, referenced in an article, no dates are given.<sup>13</sup>

33. The evidence is that “BLACK ISLE” appears on all of the products and services supplied by the opponent.<sup>14</sup> Undated images of bottles and cans show “BLACK ISLE” in a roundel device, with the word “ORGANIC” or what appears to be “BREWING CO.”, and a stylised thistle element.<sup>15</sup> There is also an undated image of the opponent’s brewery shop display, which is said to show “Black Isle” beers.<sup>16</sup> I cannot make out the labels.

34. The opponent’s “customer base” is said to include major supermarkets such as Tesco and Sainsbury’s, while “existing contracts” (Mr Gladwin’s witness statement is dated April 2021) are said to include national pub chains (e.g. Greene King) and other retailers, including some with national distribution.<sup>17</sup> The opponent also sells directly to customers nationwide and overseas. Extracts from the opponent’s accounts are provided, which show beer sales in the hundreds of thousands between 2008 and 2011, over £1 million annually until 2014 and thereafter more than £1.5 million each year.<sup>18</sup> Sales figures for a number of different beers are specified. Figures to April 2020 are also given; a portion of these will be applicable to the period before the relevant date, though it is impossible to be certain how much.<sup>19</sup>

35. There are in evidence ten articles dated between 2002 and 2019 from UK publications varying from special interest and local publications to national newspapers.<sup>20</sup> “BLACK ISLE” is visible on cans and bottles in some of the articles, all of which refer to beers (of

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<sup>11</sup> Gladwin, §1.

<sup>12</sup> Gladwin, §2, exhibit DG01.

<sup>13</sup> Gladwin, §§27-28, DG19. DG18, p. 155.

<sup>14</sup> Gladwin, §33.

<sup>15</sup> DG14, pp. 126-127.

<sup>16</sup> DG14, p. 123.

<sup>17</sup> Gladwin, §§29-30, DG20.

<sup>18</sup> DG21.

<sup>19</sup> See also DG22.

<sup>20</sup> DG18. See also Gladwin, §26.

various types) produced by the opponent. A copy of an advertisement which appeared in *Ferment Magazine* in June 2019 is in evidence.<sup>21</sup> It shows the “BLACK ISLE BREWING CO.” device on a can; the description underneath refers to beer. Mr Gladwin says that *Ferment Magazine* is the UK’s most-read craft beer magazine. Advertising figures have varied between £4,949 in 2015 and £21,021 in 2019.<sup>22</sup>

36. The opponent has operated an annual music festival called “Jocktoberfest” since 2011, which caters for 1,000 people.<sup>23</sup> Advertisements for the event from 2012 and 2014-2018 are in evidence.<sup>24</sup> Most show “BLACK ISLE BREWING CO PRESENTS” at the top of the advertisements, which promote the event as featuring beers and bands; Mr Gladwin says that the opponent’s beers are available for purchase. Details are given of sponsorship of mountain biking events and a music festival.<sup>25</sup> The “BLACK ISLE BREWING CO” roundel is shown on a discount voucher which appears to have been provided to certain riders in 2018 or 2019 (it is not clear which). One of the events, which the opponent has sponsored since 2017, is said to attract 40,000 visitors from the UK and Europe. The music festival, which the opponent has sponsored since 2004, is said to have sold 18,000 tickets for the 2019 event.

37. A number of invoices dated 2018 and 2019 and addressed to the opponent are in evidence.<sup>26</sup> They relate to a range of goods, such as clothing (including some images), bar paraphernalia, and cans/can wraps. Their utility in showing how the goods reached the trade or end consumer is, however, limited.

38. The applicant has, albeit in relation to its position under s. 5(3), cast doubt on whether the use which has been made of the mark is qualifying use because it is not of “BLACK ISLE” in isolation. The use is mainly in roundel devices where “BLACK ISLE” is accompanied by the words “ORGANIC” or “BREWING CO.”. Both of these additions are non-distinctive and my view is that the variant uses of the mark are insignificant alterations

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<sup>21</sup> Gladwin, §21, DG15.

<sup>22</sup> DG21.

<sup>23</sup> Gladwin, §§3, 22; DG15.

<sup>24</sup> DG16

<sup>25</sup> Gladwin, §§23-25; DG17.

<sup>26</sup> DG23. See also Gladwin, §32.

to the distinctive character of the mark.<sup>27</sup> It is also irrelevant that the mark is used with secondary branding: the mark will still be perceived as an indicator of origin, even if the particular goods also have branding specific to their flavour/type of beer.

39. The only goods in the earlier mark's specification for which any use is shown are beers. There is no evidence of the share held by the opponent in the beer market. The level of sales in relation to beers bearing the "BLACK ISLE" mark do not on their face appear trivial but they are unlikely to represent more than a very small share in what is undoubtedly a huge market. The sales may include some overseas exports but the evidence suggests a mainly UK-focused business. The opponent does appear to have had nationwide distribution: although it is not clear when or for how long the customers on the list provided (or the supermarkets referenced) were the opponent's customers, given their numbers and locations, the age of the opponent's business and the sales figures, it is more likely than not that the opponent had customers UK-wide at the relevant date. However, whilst there is some evidence of advertising spend, it is small and there is little in the way of evidence showing how that investment was realised. The evidence of press interest is sporadic and tends towards local/special interest publications rather than mainstream national ones. While it is said that the opponent has won awards and attended trade shows, the only specific details are from 2008 and 2010. The sponsorship of events will have assisted in promoting the mark but there is no way to know how widely the events were known beyond those who attended and the numbers of attendees are not particularly large. Overall, the opponent appears to be a small company which does not operate with more than a modest degree of promotional activity. A small company may still have a reputation but, on balance, my view is that, even taking into account over twenty years' use, the evidence is insufficient to show that the opponent has established that a significant portion of the relevant UK public is aware of the earlier mark. The distinctiveness of the earlier mark has not been enhanced for any goods for which it is registered. If I am not right about that, the distinctiveness of the mark has only been enhanced to a modest degree in a niche area of the market (i.e. craft or speciality beer).

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<sup>27</sup> See case T-307/17 *adidas AG v EUIPO* (ECLI:EU:T:2019:427).

## Comparison of trade marks

40. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details: *Sabel* (particularly paragraph 23). *Sabel* also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in *Bimbo*, 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”.

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

<b>Earlier mark</b>	<b>Contested mark</b>
BLACK ISLE	Green Isle

42. The opponent says that the marks are highly similar visually, aurally and conceptually. It argues that “ISLE” is the dominant and distinctive element in both marks. The applicant says that “Green” and “BLACK” describe the second word and that the marks will be seen as a single phrase.

43. As I intimated above, my view is that the overall impression of the earlier mark is contained in the words “BLACK ISLE”, which the average consumer will perceive as a

single phrase: “BLACK” will be seen as qualifying “ISLE”. Neither word dominates the other in the unit. The same applies to the contested mark. The average consumer will perceive “Green Isle” as a unit, where “Green” is descriptive of the nature of the “Isle” and neither word is dominant.

44. The marks differ visually and aurally because their first word is different. “BLACK” and “Green” do not bear any visual or aural resemblance to one another, though they are both five letters, or one syllable, long. The second word in the marks is identical. There is a medium degree of both visual and aural similarity.

45. Conceptually, both marks evoke the image of an isle, or island. The average consumer with knowledge of the actual location will attribute to “BLACK ISLE” the meaning of a known place. For the average consumer who does not know that the Black Isle is a Scottish peninsula, probably the majority, “BLACK ISLE” is likely to elicit the image of an island which is very gloomy or dark, or generally inhospitable, even threatening. “Green Isle” will be perceived as an island which is verdant and lush with foliage. While there is a degree of conceptual similarity which arises from the shared notion of an island, there are also significant differences in the overall concepts of the marks.

#### Likelihood of confusion

46. In determining whether there is a likelihood of confusion, all of the above factors need to be borne in mind. They must be considered globally (*Sabel*), from the perspective of the average consumer. 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*). The factors considered above have a degree of interdependency (*Canon*): for example, a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa.



47. Confusion can be direct or indirect. The difference between these two types of confusion was explained in *LA Sugar Limited v Back Beat Inc.*, BL O/375/10, where Iain Purvis Q.C., sitting 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.

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

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

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

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

48. This is not an exhaustive list. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, James Mellor Q.C. (as he then was), sitting 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 another mark to mind. That is mere association, not indirect confusion. The Court of Appeal has recently stressed that where there is no direct confusion, there must be a “proper basis” for a finding of indirect confusion.<sup>28</sup>

49. The opponent’s primary case appears to be that there will be *Medion*-type confusion. In *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), Arnold J. (as he then was) considered the impact of the CJEU’s judgment in *Bimbo*, Case C-591/12P, on the court’s earlier judgment in *Medion v Thomson*. The judge said:

“18 The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

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<sup>28</sup> *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207.

20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors”.

50. I have found, at paragraph 43, above, that the words “BLACK ISLE” and “Green Isle” will be perceived as units and that the unit has a meaning which is more than the sum of its parts. I do not, therefore, consider that this is a case which falls under the umbrella of the *Medion* case law, which concerns a situation in which an element in a trade mark plays an independent distinctive role. That I disagree with the opponent that this is not a case of *Medion* confusion does not mean that there cannot be any confusion, including ‘ordinary’ indirect confusion.

51. I remind myself that I have found the goods to be identical or highly similar, the marks visually and aurally similar to a medium degree and that, whilst the marks have some conceptual similarity, there are also significant differences in their overall concepts. The earlier mark is inherently distinctive to a medium degree. The goods will be selected mainly visually, with at least a medium degree of attention.

52. The opponent does not appear to rely upon direct confusion. I do not think that the consumer will simply mistake one mark for the other, even in circumstances where the goods are identical or the earlier mark enjoys some enhanced distinctive character: the differences introduced by the words “Green” and “BLACK” are sufficient to exclude that

as probable. I acknowledge the opponent's argument that "Green Isle" may be seen as an environmentally-friendly version of the earlier mark but I cannot see a basis for a finding that there would accordingly be direct confusion, particularly as it is clear that the earlier mark is a distinctive combination of words rather than two independent elements.

53. Turning to indirect confusion, the opponent says that the contested mark will be seen as a sub-brand or variant mark used by the opponent. It submits that "[the] use of the word GREEN followed by the ISLE element is a logical brand extension for the Opponent, especially given its affinity with environmentally friendly methods of producing its goods". I do not agree. I accept that "green" is, in many contexts, shorthand for environmentally friendly and that it could extend to organic production. However, it does not seem to me that a trader using "BLACK ISLE" and wishing to indicate its environmentally friendly practices would drop the "BLACK" part of the mark altogether and replace it with "Green". It would be much more likely to add "Green" to its existing brand (e.g. BLACK ISLE: GREEN), thus falling within Mr Purvis's category (b) of a non-distinctive addition. Nor do I think "ISLE" is so strikingly distinctive that consumers would expect only the opponent to be using it; on the contrary, as the opponent appears to accept, "ISLE" will frequently be encountered by the average consumer in trade marks for alcoholic beverages produced by different undertakings. Nor do I consider that the adoption of another colour entirely, in the specific context of these trade marks, would indicate to the consumer that it was a brand extension of the type outlined by Mr Purvis at category (c). That does not strike me as a logical brand extension, particularly in the alcoholic beverage market where "ISLE" is itself ubiquitous and the average consumer is unlikely to associate the marks simply because of their common use of that word. I can see no other proper basis for indirect confusion. I should add that I would reach the same conclusions were the comparison based upon the opponent's "beers" and the earlier mark having a slightly elevated level of factual distinctiveness. Indirect confusion will also not arise for those consumers who know that the Black Isle is a real place: there is no reason why a brand would change a mark which identifies a real geographical location to an imagined one evoking a verdant island. There is no likelihood of confusion. The opposition based upon s. 5(2)(b) is dismissed.

## Section 5(3)

54. Section 5(3) states:

“(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”.

55. The relevant case law can be found in the following judgments of the CJEU: case C-375/97 *General Motors* [1999] ETMR 950(ECLI:EU:C:1999:408); case 252/07, *Intel Corporation Inc. v CPM United Kingdom Ltd* (ECLI:EU:C:2008:655); case C-408/01, *Adidas-Salomon & Or v Fitnessworld Trading Ltd* (ECLI:EU:C:2003:582); and case C-487/07 *L’Oreal v Bellure* (ECLI:EU:C:2009:378); and case C-323/09 *Marks and Spencer v Interflora* (ECLI:EU:C:2011:604). 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*).

### Reputation

56. In *General Motors*, the CJEU held that:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined. 26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark. 27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it. 28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation ‘in the Member State’. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation ‘throughout’ the territory of the Member State. It is sufficient for it to exist in a substantial part of it”.

57. For the reasons given at paragraph 39, above, I do not consider that the opponent has established that the earlier mark had a qualifying reputation at the relevant date. In case I am wrong, I will consider this ground on the assumption that the opponent's reputation for beers is sufficient to get the objection off the ground. Any reputation which the opponent does have is in relation to beers only and is a small reputation in a niche area of the beer market, i.e. craft or speciality beers.

## Link

58. Whether the public will make the required mental 'link' between the marks must take account of all relevant factors. The factors for assessing the link are contained in *Intel* and are set out at paragraph 57(d), above. I have already considered most of these factors and adopt those findings here: the goods are highly similar, the marks visually and aurally similar to a medium degree; there is some conceptual similarity between the marks but there are also significant differences in their overall concepts; the users are the general public, retailers and wholesalers, who will select the goods mainly visually, with at least a medium degree of attention. I will proceed on the basis that the earlier mark enjoys an above average (but not high) degree of factual distinctiveness and a weak reputation. There is no likelihood of confusion.

59. Bearing in mind all of the above, my view is that the earlier mark will not be brought to mind. The opponent's reputation does not extend to rights in the word "ISLE" alone and I do not think that the construction of the marks is likely to give rise to a connection, as it is in no way unusual. Combined with only a weak reputation, I think it unlikely that the link would be made.

## Unfair advantage/detriment to reputation/distinctive character

60. If I am right that there is no link, then the conditions set out in s.5(3) cannot arise. However, even if I am wrong about the link, meaning that the contested mark would bring the earlier mark to mind, I do not consider that such a link would give the contested mark an unfair advantage or be detrimental to the reputation or distinctive character of the earlier mark. At most, the contested mark may remind some consumers of the earlier mark. However, the nature and strength of any such link would be insufficient to give rise to any of the consequences covered by s. 5(3).

## **Section 5(4)(a)**

61. Section 5(4)(a) states:



“(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”.

62. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, HHJ Clarke, sitting as a deputy Judge of the High Court, 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”.

63. As there is no evidence that the contested mark has been used, the relevant date for the assessment is the filing date, i.e. 28 October 2019.<sup>29</sup>

### Goodwill

64. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), goodwill was described as follows:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of

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<sup>29</sup> *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O/410/11.

a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start”.

65. Goodwill which is protectable under the law of passing off must be more than trivial: *Hart v Relentless Records* [2002] EWHC 1984 (Ch).

66. The level of sales in relation to beer, taken with the length of the business’s operation and the nationwide customer base are sufficient for me to conclude that at the relevant date the opponent had a protectable goodwill in relation to its business as a beer manufacturer, of which the sign “BLACK ISLE” was distinctive.

67. In relation to the other goods and services for which goodwill is asserted, the evidence is that the opponent opened its first “BLACK ISLE” bar in Inverness in 2016, which also has 14 rooms.<sup>30</sup> An advertisement for “Black Isle Bar and Rooms” is in evidence, though it is not dated.<sup>31</sup> The “Black Isle Bar” is described as “well established” in an article from July 2018, whilst the opponent’s hostel is said to have opened in August 2018: a photograph shows the building with a “Black Isle Hostel” sign.<sup>32</sup> The hostel has 54 beds.<sup>33</sup> A second bar was opened at an unspecified date in 2019: it is unclear if this was before the relevant date. Bar and hostel sales rose from £888,000 in 2017 to £1.7 million in 2019.<sup>34</sup> These are not broken down between bar services and accommodation services, or between sales of food and drink: Mr Gladwin says that the bars offer food from ingredients grown or reared on the opponent’s farm.<sup>35</sup> I do not know how much the opponent charges for its hostel rooms or what the going rate is in Inverness. In my experience, hostels are generally inexpensive and with only 14 rooms available, even if occupied every night of the year, the majority of revenue for 2017 and 2018 is likely to be attributable to bar services. I simply cannot tell how much of the 2018 and 2019 revenue would have been created by the hostel accommodation as distinct from bar services: the

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<sup>30</sup> Gladwin, §12.

<sup>31</sup> DG14.

<sup>32</sup> DG18, Gladwin, §12. See also Gladwin, §26.

<sup>33</sup> Gladwin, §3.

<sup>34</sup> DG21.

<sup>35</sup> Gladwin, §18.

difference between the 2018 and 2019 sales figures is less than the growth from 2017 to 2018 (before the second hostel opened with more beds) and the 2019/2020 growth is less still. It is likely that there was local goodwill for bar services. I am not prepared to hold that the goodwill extended to the provision of food and drink at large, since this would include services such as restaurant and catering services and cannot be supported on the evidence before me. Given that the rooms first opened three years before the relevant date, and the hostel a year earlier, the opponent's business clearly included temporary accommodation services at the relevant date. However, in the absence of clear evidence as to the scale of the business, I do not consider that it has shown it has a substantial goodwill in relation to hostel services.

68. The opponent also claims goodwill in a range of clothing items and goods such as glasses. It is said that the sign has been used on goods such as glassware from 2000 and items of clothing since 2010.<sup>36</sup> There are also undated images of t-shirts and a hoody bearing the "BLACK ISLE BREWING CO." roundel device, and an image of a woollen blanket carrying the "BLACK ISLE ORGANIC" roundel device. A spreadsheet noting some advertising, packaging and merchandise is in evidence but, although there are invoice dates in 2018 and 2019, no details such as quantities sold are visible.<sup>37</sup> A number of invoices dated 2018 and 2019 and addressed to the opponent are in evidence.<sup>38</sup> They relate to a range of goods, such as clothing (including some images), bar paraphernalia, and cans/can wraps.

69. I do not consider the evidence sufficient to establish a protectable goodwill in these goods. Although it appears that the opponent purchased some goods, the evidence does not show how the sign was used on the goods (apart from t-shirts and a blanket), whether they were distributed as promotional items or sold, nor are there sales figures for any of these goods.

70. Finally, it is said that the opponent's goodwill extends to "tour services of alcoholic production premises". There is nothing in the evidence concerning these services, other

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<sup>36</sup> Gladwin, §19, DG14.

<sup>37</sup> DG13.

<sup>38</sup> DG23. See also Gladwin, §32.

than a comment that four services could not operate at the date of Mr Gladwin's statement because of the pandemic. There is no evidence to support the claim to a protectable goodwill in these services.

### Misrepresentation

71. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101”.

And later in the same judgment:

“[...] for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion”.

72. In *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41, Kitchin LJ considered the role of the average consumer in the assessment of a likelihood of confusion. Kitchen L.J. concluded:

“[...] if, having regard to the perceptions and expectations of the average consumer, the court concludes that a significant proportion of the relevant public is likely to be confused such as to warrant the intervention of the court then it may properly find infringement”.

73. Although this was an infringement case, the principles apply equally under 5(2): see *Soulcycle Inc v Matalan Ltd*, [2017] EWHC 496 (Ch). In *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, Lewison L.J. had previously cast doubt on whether the test for misrepresentation for passing off purposes came to the same thing as the test for a likelihood of confusion under trade mark law. He pointed out that it is sufficient for passing off purposes that “a substantial number” of the relevant public are deceived, which might not mean that the average consumer is confused. However, in the light of the Court of Appeal’s later judgment in *Comic Enterprises*, it seems doubtful whether the difference between the legal tests will (all other factors being equal) produce different outcomes. This is because they are both normative tests intended to exclude the particularly careless or careful, rather than quantitative assessments.

74. I have already found that there would be no confusion based upon the opponent’s “beers”. I see no reason why the same reasons would not apply to misrepresentation under s. 5(4)(a). I also see no reason why there would be a misrepresentation based upon the opponent’s goodwill in bar services (or, for that matter, accommodation services). The goods and services are further removed, the goodwill is not strong and the same point remains as for confusion, that it is not likely that a trader would develop their brand by moving from “BLACK ISLE” to “Green Isle”. I doubt that anyone would be deceived but if some are they are in insufficient numbers to represent a substantial number of the relevant public. There is no misrepresentation. The opposition based upon s. 5(4)(a) fails.

## **Conclusion**

75. The opposition has failed. The application will proceed to registration for all of the goods in its specification.

## **Costs**

76. The applicant has been successful and is entitled to an award of costs. The opponent seeks costs on the usual scale, which is contained in Tribunal Practice Notice 2/2016. I award costs to the applicant as follows:

Considering the notice of opposition and filing the counterstatement:	£400
Preparing evidence and considering the other party's evidence:	£600
Preparing for and attending the hearing:	£600
Total:	£1,600

**Dated this 8th day of December 2021**

**Heather Harrison**

**For the Registrar**

**The Comptroller-General**