

BL O/1068/22

TRADE MARKS ACT 1994

**IN THE MATTER OF
TRADE MARK APPLICATION NO. 3474486**

BY ROBERT PAYNE

TO REGISTER THE TRADE MARK:

DISCO

IN CLASS 33

AND

IN THE MATTER OF OPPOSITION THERETO

UNDER NO. 600001492

BY THE ALCOHOLIC WATER COMPANY LTD

Background and pleadings

1. On 12 March 2020, Robert Payne (“the applicant”) filed trade mark application number UK00003474486 (“the contested mark”) for the mark shown on the cover page of this decision. The application was accepted and published in the Trade Marks Journal for opposition purposes on 14 August 2020, in respect of *cider* in Class 33.

2. On 15 October 2020, The Alcoholic Water Company Ltd (“the opponent”) filed a fast track opposition, opposing the application in full under section 5(2)(a) of the Trade Marks Act 1994 (“the Act”). The opponent relies upon its United Kingdom trade mark number 3465403, ‘Disco’ and ‘disco’ (series of two marks). The mark was filed on 10 February 2020, and became registered on 08 August 2020, in respect of *flavoured fermented water* in Class 32 and *alcoholic RTD beverage (alcoholic flavoured water)* in Class 33.

3. In its notice of opposition, the opponent essentially argues that the marks at issue are the same and that the respective goods are similar, resulting in a likelihood of confusion. The applicant filed a counterstatement in which it denies that the respective goods are sufficiently similar.

4. Given the respective filing dates, the opponent’s mark is an earlier mark, in accordance with section 6 of the Act. However, as it had not been registered for five years or more at the filing date of the application, it is not subject to the proof of use requirements specified within section 6A of the Act. As a consequence, the opponent may rely upon all of the goods for which the earlier mark is registered without having to establish genuine use.

5. Rules 20(1)-(3) of the Trade Marks Rules (the provisions which provide for the filing of evidence) do not apply in fast track oppositions but Rule 20(4) does. It reads:

“The registrar may, at any time, give leave to either party to file evidence upon such terms as the registrar thinks fit.”

6. The effect of the above is to require parties to seek leave in order to file evidence in fast track oppositions. No leave was sought in respect of these proceedings.

7. Rule 62(5) (as amended) states that arguments in fast track proceedings shall be heard orally only if (i) the Office requests it or (ii) either party to the proceedings requests it and

the Registrar considers that oral proceedings are necessary to deal with the case justly and at proportionate cost. Otherwise, written arguments will be taken. A hearing was neither requested nor considered necessary.

8. The applicant is represented by IPOA LIMITED, whereas the opponent, originally represented by Lawrie IP, now represents itself. Both parties chose to file written submissions in lieu of a hearing. This decision is taken following a careful review of the papers before me, keeping all submissions in mind.

9. 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 case law.

PRELIMINARY ISSUES

10. There has been some inconsistency in the advice given by the Tribunal to the opponent in respect of the grounds of opposition to rely on. The opponent initially filed a form TM7F relying upon section 5(2)(a) and the advice given at the time was that the marks were not identical and to file an amended form relying on a different ground. This conflicts with advice given later on in the proceedings, after the opponent filed an amended form TM7F relying upon section 5(2)(b), to the effect that the marks were identical and that the appropriate grounds were 5(1) and/or 5(2)(a). The opponent has now filed the form TM7F three times, relying on each of the aforementioned grounds. I do not consider it was necessary to request the third form TM7F. It is my view that the opponent's case is clear to both the Tribunal and to the applicant: it argues similarity or identity between the marks and similarity between the goods. The applicant has filed a clear and adequate defence in that it denies any similarity between the goods. As will become evident, the outcome of this opposition would be the same whether the opponent relied upon 5(2)(a) or 5(2)(b) and so I will proceed on the basis of section 5(2)(a), given that it was the opponent's first intended ground of opposition.

DECISION

Section 5(2)(a): Legislation and case law

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

“2) A trade mark shall not be registered if because –

(a) it is identical with an earlier trade mark and is to be registered for goods or services 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.”

12. I am guided by the following principles which are gleaned from the decisions of the Court of Justice of the European Union (“CJEU”) 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 might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods

13. Section 60A of the Act provides:

“(1) For the purpose of this Act goods and services-

(a) are not to be regarded as being similar to each other on the ground that they appear in the same class under the Nice Classification.

(b) are not to be regarded as being dissimilar from each other on the ground that they appear in different classes under the Nice Classification.

(2) In subsection (1), the "Nice Classification" means the system of classification under the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, which was last amended on 28 September 1975."

14. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* where the 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."

15. The competing goods are as follows:

Opponent's goods	Applicant's goods
Class 32 Flavoured fermented water. Class 33 Alcoholic RTD beverage (alcoholic flavoured water).	Class 33 Cider.

16. The contested *cider* is an alcoholic beverage made from apples. The opponent's *alcoholic RTD beverage (alcoholic flavoured water)* is an alcoholic drink, sold in a pre-prepared ready to drink (RTD) form. As such, whilst the physical nature of the goods overlaps in that both goods are alcoholic drinks, their ingredients are likely to differ and potentially the way in which they are produced. They share the same purpose in that they are all consumed to experience the flavour and pleasurable effect of alcohol. In respect of method of use, both parties' goods are consumed orally. Additionally, in respect of trade channels, to the extent that the goods at issue are alcoholic beverages in one form or another, there is likely to be an overlap of trade channels, for example, in supermarkets and

retail stores they will be in the same section of the shop, if not on the same shelves. Furthermore, consumers could choose between buying *alcoholic flavoured water* or *cider*, meaning that the goods may be in competition and may target the same users. Accordingly, I find that the goods at issue are similar to at least a medium degree.

The average consumer and the nature of the purchasing act

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

18. 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.”

19. The relevant consumers of the goods at issue will include adult members of the general public as well as members of the business community. On average, the general public are likely to purchase the goods fairly frequently for the purposes of enjoyment or socialising. The price of the goods is likely to vary, however, overall, they are relatively inexpensive purchases. I find that the purchasing process is likely to be more casual than careful and will not require an overly considered thought process. The general public will, however, consider factors such as quality, price, taste or flavour and alcoholic content when selecting the products. Taking the above factors into account, I find that the general public will demonstrate a medium level of attention in respect of these goods.

20. The goods at issue will typically be sold through a range of retail outlets, such as supermarkets and off-licences, and their online equivalents, where the goods will be displayed on shelves or in chilled cabinets, from which they will be self-selected by consumers. A similar process will apply to websites, where consumers will select the goods after viewing images and information displayed on a webpage. Accordingly, visual considerations would dominate. Goods such as these are also sold in hospitality settings such as in restaurants, bars, nightclubs and public houses. In these environments, there may be an aural component to the selection process, such as requests to bar and waiting staff. However, even where the goods are ordered in this way, the selection process would still be in the context of a visual inspection of the goods on a drinks menu, for example, prior to the order being placed. Therefore, in general, the purchasing process would be primarily visual in nature, though I do not discount that aural considerations will play their part.¹

21. As previously indicated, the goods may also be purchased by the owners of businesses such as, for example, bars, public houses, restaurants and nightclubs. For these consumers, the goods are likely to be frequent purchases for the ongoing operation of the business. In addition to the factors considered by the general public during the selection process, these consumers will be acutely aware that the goods they are selecting will be consumed by their customers, as well as the negative impact of choosing the wrong goods for their business. Due to this increased responsibility and liability, it is my view that consumers from the business community will demonstrate at least a medium level of attention when purchasing these goods. Businesses are likely to purchase the goods from distributors and wholesalers, as well as through online channels. In these circumstances, the goods are likely to be purchased after a visual inspection of the product, or after viewing information in brochures or on the Internet. As such, the purchasing process will be largely visual in nature. However, businesses may also engage in discussions with salespersons about the products. Therefore, I do not discount aural considerations entirely.

The comparison of the marks

¹ *Rani Refreshments FZCO v OHIM*, Case T-523/12
Devinlec v OHIM — TIME ART (QUANTUM) [2006] ECR II 11, Case T 147/03
Anton Riemerschmid Weinbrennerei und Likörfabrik GmbH & Co. KG v EUIPO, T-187/17

22. It is clear from *Sabel BV v. Puma AG* that the average consumer normally perceives a trade 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 trade marks must be assessed by reference to the overall impressions created by them, bearing in mind their distinctive and dominant components. The CJEU stated in *Bimbo SA v OHIM*, that:

“34. [...] 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.”

23. 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 the trade marks.

24. The trade marks to be compared are as follows:

Opponent's mark	Applicant's mark
Disco disco	DISCO

25. In *S.A. Société LTJ Diffusion v. Sadas Vertbaudet SA*, Case C-291/00, the Court of Justice of the European Union (“CJEU”) held that:

“54... a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.”

26. Additionally, Mr Iain Purvis QC, sitting as the Appointed Person in *Groupement Des Cartes Bancaires v China Construction Bank Corporation*, case BL O/281/14 found that:

“It is well established that a ‘word mark’ protects the word itself, not simply the word presented in the particular font or capitalization which appears in the Register of Trade Marks.....A word may therefore be presented in a different way (for example a different font, capitals as opposed to small letters, or hand-writing as opposed to print) from that which appears in the Register whilst remaining ‘identical’ to the registered mark.”

27. Accordingly, bearing in mind the above case law, I find that the respective marks are identical.

Distinctive character of the earlier trade mark

28. The distinctive character of a trade mark can be measured only, first, by reference to the goods or services in respect of which registration is sought and, second, by reference to the way it is perceived by the relevant public. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, 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. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The degree of distinctiveness is an important factor as it directly relates to whether there is a likelihood of confusion; the more distinctive the earlier mark, the greater the likelihood of confusion.

30. Neither party has made any specific comments on the distinctiveness of the earlier mark. Although the distinctiveness of a mark can be enhanced by virtue of the use that has been made of it, the opponent has not filed any evidence of use. Consequently, I have only the inherent position to consider.

31. The earlier mark (series of two) comprises the words 'Disco' and 'disco'. Whilst this word will be understood as reference to a place or event at which people dance to music,² it has no obvious connection with the goods for which the opponent's mark is registered. On this basis, the series of two marks are inherently distinctive to a medium degree.

Likelihood of confusion

32. There are two types of confusion that I must consider. Firstly, direct confusion i.e. one mark is mistaken for the other. The second is indirect confusion which is where the consumer appreciates that the marks are different, but the similarities between the marks lead the consumer to believe that the respective goods or services originate from the same or a related source.

33. 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

² www.collinsdictionary.com/dictionary/english/disco

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."

34. I have found the marks to be identical and the goods at issue to be similar to at least a medium degree. I have found that average consumers of the goods at issue will include members of the general public as well as members of the business community. I have found that the average consumers will pay at least a medium degree of attention when selecting the goods. I have found that the purchasing process will be largely visual, however, I have not discounted aural considerations. Furthermore, I have found the earlier mark to be inherently distinctive to a medium degree.

35. Accordingly, taking all of the relevant factors into account, I am of the view that the use of identical marks on alcoholic drinks which I have found similar to a medium degree is likely to cause direct confusion amongst consumers.

36. Indirect confusion involves a recognition by the average consumer of the differences between marks.³ Given that I have found the marks to be identical, they have no differences. Accordingly, it is not necessary to consider indirect confusion in the present case.

Conclusion

37. The opposition has succeeded under section 5(2)(a). As discussed earlier in this decision, if I were to decide the case under section 5(2)(b), given that the marks are identical and 5(2)(b) only requires similarity between the marks, this ground would have also succeeded. Subject to any successful appeal, the application will be refused.

Costs

³ L.A. Sugar Limited v By Back Beat Inc, Case BL O/375/10,

38. The opponent has been successful and is entitled to a contribution towards its costs in line with the scale set out in Tribunal Practice Notice (TPN) 2/2016. For Fast Track opposition proceedings, costs are capped at £500, excluding the official fee. I award costs to the opponent on the following basis:

Official fee:	£100
Preparing a statement and considering the other side's statement:	£200
Preparing written submissions in lieu:	£100
Total	£400

39. I therefore order Robert Payne to pay The Alcoholic Water Company Ltd, the sum of £400. This should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the appeal proceedings.

Dated this 6th day of December 2022

Sam Congreve
For the Registrar