

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No 2201916
BY JOHN CHARLES MORTON
TO REGISTER THE TRADE MARK:
LAMBRINI
IN CLASS 25**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER No 50435
BY HALEWOOD INTERNATIONAL LIMITED
BASED UPON THE EARLIER RIGHT:
LAMBRINI**

**TRADE MARKS ACT 1994
IN THE MATTER OF Application No 2201916
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**IN THE MATTER OF Opposition thereto under No 50435
by Halewood International Limited**

Background

1) On 2 July 1999 John Charles Morton of Johnstone, Scotland applied to register the trade mark **LAMBRINI**. The application was published on 25 August 1999 with the following specification:

articles of leisurewear; jackets, jeans, shirts, denim wear, sweat-shirts, T-shirts, polo tops, shorts, jogging trousers, knitwear, headwear, footwear, trousers, underwear – class 25

2) On 25 November 1999 Halewood International Limited of Liversedge, West Yorkshire filed notice of opposition to this application.

3a) The opponent states that registration of the application in suit would be contrary to section 3(b) (sic) of the Act. He states that the trade mark is of such a nature as to deceive the public into believing the goods traded under it are associated or in some way linked with the opponent.

3b) He states that registration of the application in suit would be contrary to section 3(6) of the Act. The opponent states that the application was made in bad faith. The opponent states that the trade mark of the application in suit was selected so as to benefit from an association or other link with his commercial activities.

3c) The opponent states that registration of the application in suit would be contrary to section 5(3) of the Act. He states that the application in suit is identical with or similar to a number of earlier trade marks and that its specification encompasses goods which are not similar to those encompassed by the earlier trade marks. The opponent states that the earlier trade marks have a reputation in the United Kingdom and that the use of the trade mark of the application in suit without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade marks. He states that he has established a considerable reputation in the trade mark **LAMBRINI** in the field of alcoholic beverages.

3d) The opponent lists the following trade marks as being earlier marks:

- United Kingdom registration no 2104703 of the trade mark **LAMBRINI** which is registered in respect of the following goods:

“wines, spirits, liqueurs and cocktails; fortified wines; cider, perry; low alcohol drinks containing more than 1.2% alcohol by volume; mixtures of all the aforesaid goods; preparations for making all the aforesaid goods” – class 33

- United Kingdom registration no 2132652 of the trade mark **LAMBRUCINI** which is registered in respect of the following goods:

“wines, spirits, liqueurs and cocktails; fortified wines; cider, perry; low and non-alcoholic drinks; mixtures of all the aforesaid goods; preparations for making all the aforesaid goods” – class 33

- United Kingdom registration no 2147275 of the trade mark:



which is registered in respect of “*perry*” in class 33.

The opponent also referred to application no 2147650. However, by the time the case came to be heard this application had been refused.

3e) The opponent states that registration of the application in suit would be contrary to section 5(4)(a) of the Act. He states that use of the application in suit is liable to be prevented by virtue of the law of passing-off.

3f) The opponent states that registration of the application in suit would be contrary to section 56 (2) of the Act. He states that he is the proprietor of a trade mark which is entitled to protection under the Paris Convention as a well known trade mark.

4) The applicant filed a counterstatement denying the above grounds.

5) Both parties seek an award of costs.

6) Both parties filed evidence in the proceedings.

7) The matter came to be heard on 29 January 2002. The applicant was represented by Dr Lawrence of Counsel, instructed by Murgitroyd & Co. The opponent was represented by Mr Moody-Stuart of Counsel, instructed by Urquhart, Dykes & Lord.

Opponent’s evidence

8) The opponent’s evidence consists of a statutory declaration dated 21 August 2000 by Harry Melling, who is the managing director of the opponent.

9) Mr Melling states that the opponent has been engaged in the sale of sparkling perry since 1978 and that more recently involved in the sale of clothing and headgear.

10) Mr Melling states that the opponent has sold sparkling perry under the trade mark LAMBRINI since 1994 and has been involved with the sale of clothing and headgear from the same year. He states that a statutory declaration dated 22 March 2000 was filed in connection with opposition no 50389 and that this gives details of the use of the trade mark in connection with sparkling perries. *This statutory declaration has not been adduced into the instant proceedings.*

11) Mr Melling states that the trade mark LAMBRINI has been used in the United Kingdom continuously since 1994 and goods sold under it throughout the United Kingdom. He goes on to give a list of locations across the United Kingdom as examples of where sales have taken place.

12) Mr Melling states that the approximate annual turnover figures for goods sold under the trade mark LAMBRINI in the United Kingdom are as follows:

1994 80,000 cases
 1995 360,000 cases
 1996 1,089,000 cases
 1997 1,809,000 cases
 1998 2,233,000 cases
 1999 2,724,000 cases

Mr Melling states that the trade mark has achieved 45% of perry sales in the take-home sector and has been instrumental in the growth of this sector of the market.

13) Mr Melling states that the following amounts have been spent in promoting goods sold under the trade mark LAMBRINI:

1997 £350
 1998 £1,100
 1999 £900

He states that this promotion has been by way of printed publicity material, press and television advertising. He states that in addition the LAMBRINI brand has been promoted using additional goods, including in particular clothing and headgear. There is a table relating to sale of various goods. Part of this deals with the year 2000, as the relevant date is 2 July 1999 these figures can have no bearing upon the instant case and I do not reproduce them. The other details are as follows:

Description	1997	1998	1999
LAMBRINI T SHIRTS LG	30	30	9
LAMBRINI T SHIRTS XL	32	32	65
LAMBRINI TRUCKS	0	0	2
LAMBRINI WINE COOLERS	0	0	20
LAMBRINI B T SHIRTS	0	0	16
LAMBRINI B T SHIRTS	0	0	35
LAMBRINI B T SHIRTS	0	0	1
LAMBRINI HATS	0	0	4
LAMBRINI KEY RINGS	0	0	64
LAMBRINI BADGES	0	0	44

LAMBRINI DUMP BINS	0	0	28
LAMBRINI T SHIRT	0	0	549
LAMBRINI A4 CARD70	0	0	1048
LAMBRINI A4 POSTER	0	0	1352
LAMBRINI WATCH	0	0	164
LAMBRINI WALLET	0	0	288
LAMBRINI EDGELITE SIGN	0	0	9
LAMBRINI TATTOO	0	0	2340
LAMBRINI BIANCO PENS	0	0	322
LAMBRINI A4 FLYER	0	0	0

Mr Melling states that no separate advertising figures are shown as they are subsumed in the overall total figures for promotion given above.

14) Mr Melling exhibits at HM 1 material demonstrating the use of LAMBRINI. The material consists of the following:

- Various trade price lists of the opponent. These lists include a variety of products and brands. In the lists for May 1995, February 1996 and August 1996 LAMBRINI bianco is listed. In the list for January 1997 LAMBRINI bianco and blush are listed. In the lists for February 1998 and February 1999 LAMBRINI bianco, medium dry, blush and spumante are listed.
- A photocopy of an article relating to drink brands. It bears the date of July 2000 and so emanates from after the relevant date.
- There is a selection of material bearing advertisements. Dates have been written upon them by hand. Many emanate from after the relevant date according to the hand annotations and therefore I will not refer to them here. The material emanating from before the relevant date – according to the hand annotations – begins from 8 May 1998. The material is annotated with various indicators, which I presume relate to where the advertisements appeared. These are: OLN, Decanter, Harpers, Knowsley: Last Night of Proms, Knowsley Insight Magazine, Off Licence News, Aintree race card, Banucar? race card, Harpers Directory, OLN, Retail News, Knowsley Leisure & Arts Service, Checkout Magazine, Dram Buyers Guide '99.
- Three leaflets relating to a television campaign. One states that the first TV campaign began in November 1999. Consequently the television campaign would appear to be after the relevant date.
- Two A4 leaflets for LAMBRINI bianco. The leaflets are identical and do not bear a date. From the details on the reverse they would seem to be designed for “the trade”.
- An undated leaflet showing various goods of the opponent including LAMBRINI bianco.
- An undated booklet giving details of the history of the opponent and of his various goods. On page 7 LAMBRINI is referred to.
- A further undated booklet giving details of the history of the opponent and of his various

products. The cover is decorated with pictures of LAMBRINI bottles. On page 2 a magnified copy of the LAMBRINI label appears. On page 7 LAMBRINI is referred to.

- A leaflet entitled “brand building by hollywood”. This includes information about LAMBRINI. In the leaflet the success of the television campaign is mentioned. Consequently this must emanate from after November 1999 (see above) and so after the relevant date.
- Five pictures of what appear to be t-shirts upon which LAMBRINI appears. On two of the articles LAMBRINI appears as a tag inside the garment. On two of the pictures “LAMBRINI girls just want to have fun” appears on the front. In one LAMBRINI appears on the front of the garment.

Applicant’s evidence

15) The applicant’s evidence consists of an undated witness statement by John Charles Morton, who is the applicant.

16) Mr Morton states that he has been involved in the manufacture and retail of clothing since 1965. He states that he considers that he is knowledgeable about the clothing trade and that he has a wide circle of contacts within the trade. He states that if the opponent had been involved in the sale of clothing and headgear since 1994 he would have expected to have come across examples of the clothing.

17) Mr Morton states that prior to the filing of his application he was unaware of the existence of LAMBRINI sparkling perry. He states that this is hardly surprising as according to the figures in Mr Melling’s declaration the opponent had spent less than £2000 in total on advertising in relation to their products.

18) Mr Morton states that the clothing trade and wine trade are widely accepted to be unrelated. He states that consumers certainly do not associate his products with an alcoholic drink nor vice versa. He states that, since the fields of activity differ so widely, extremely persuasive evidence is required to establish misrepresentation and the real likelihood of damage to the opponent. Mr Morton states that to establish passing-off in respect of goods in which the opponent does not trade would call for special evidence to establish that consumers would believe that his business is an extension of, or somehow connected with the opponent or that the opponent somehow approves or authorises his goods.

19) Mr Morton states that the majority of the exhibits of the opponent emanate from after the date of the filing of the application. He notes that the television publicity campaign for LAMBRINI perry began in November 1999, after the date of the filing of the application in suit.

20) Mr Morton states that with the exception of a handful of t-shirts the sales of clothing described by Mr Melling appear to have taken place in 1999, probably coinciding with the opponent’s television advertising.

21) Mr Morton states that prior to the filing of the application in suit he took the utmost care to ensure that the trade mark LAMBRINI was available for his use and registration in relation to clothing. He exhibits at JCM 1 a report from the Trade Marks Registry in relation to a

search that he commissioned. He states that this was conducted prior to the filing of his application and it clearly states that “no confusingly similar Marks were found”.

22) Mr Morton states that he filed the application in good faith having, to the best of his ability, made sure that the trade mark LAMBRINI was available in relation to clothing.

23) Mr Morton states that he is aware of a number of trade marks for clothing that are also the names of alcoholic drinks produced by another party. He states that a relevant example is the trade mark RED SQUARE, which is featured in the exhibit to Mr Melling’s declaration, which is in use in relation to an alcoholic drink by the opponent and for which a third party owns a trade mark registration. He exhibits at JCM 2 details of the trade mark registration in relation to clothing – no 2177685.

Opponent’s evidence in reply

24) The opponent’s evidence in reply consists of a two statutory declarations. The first declaration, dated 23 October 2001, is by Simon J Oldroyd. Mr Oldroyd is the commercial director of the opponent and has held the position since July 2000.

25) Mr Oldroyd states that Mr Melling is no longer employed by the opponent and is not available to provide evidence in support of the opposition.

26) Mr Oldroyd states that there was an error in the declaration of Mr Melling in relation to the amounts spent promoting goods sold under the LAMBRINI trade mark in the period 1997 to 1999. He states that the figures for promotion should all be increased by a factor of one thousand.

27) Mr Oldroyd states that the substantial expenditure on promotion of the LAMBRINI sparkling perry product had, by the date of filing of the application in suit, made it the market leading product in its sector. He states that this is substantiated by market research data which has been compiled by A C Neilson research company and which is referred to in the second declaration of the evidence in reply. He states that the market research data reveals that LAMBRINI had by 1999 obtained a market share which significantly exceeded that of all competitive brands, including BABYCHAM. He states that as a result of the promotion of the LAMBRINI sparkling perry product and of the significant volumes of product which were sold over the six year period up to the filing of the application in suit the LAMBRINI brand had unquestionably acquired a reputation in the United Kingdom.

28) Mr Oldroyd states that it is a widespread practice to promote consumer brands by application of the respective trade marks to t-shirts and other items of clothing. He exhibits at A to C photographs of items of clothing which are used to promote various beverage manufacturers. Exhibit A is a picture of a rugby type shirt bearing the name GUINNESS, exhibit B is a an upper body garment – probably a t-shirt – bearing the name JACK DANIEL’S, exhibit C is a an upper body garment – probably a t-shirt – bearing the name COCA COLA NEW YORK. Mr Oldroyd states that there is a widespread sale of replica sports clothing on which the trade marks of sponsors appear prominently. He exhibits at D a photograph of a replica shirt of Leeds United Football Club. This shirt bears the name STRONGBOW. Mr Oldroyd states that whether the trade mark is seen as a promotion of a brand which had been established with respect to the goods, or as the brand under which the clothing is being sold, depends upon the nature and the degree of the existing reputation that is

associated with the brand.

29) Mr Oldroyd states, with the benefit of his experience acquired over many years in the alcoholic beverage trade and his knowledge of brands that are used on alcoholic beverages, use of a trade mark associated with an alcoholic beverage such as BABYCHAM on a t-shirt would inevitably lead him to associate the trade mark with the beverage product which is sold under that trade mark. He states that similar factors underlie the sponsorship agreements which lead to the appearance of sponsors' trade marks (such as STRONGBOW which is registered for cider) on replica clothing.

30) Mr Oldroyd states that the opponent has promoted its products by application of its trade marks to clothing and other promotional items. He states that this includes the use of LAMBRINI on clothing. He states that these promotional activities are intended to make a connection in the mind of the consumer between the trade marks and the opponent company's alcoholic beverage products.

31) The second declaration, dated 23 October 2001, is by Robert V Rishworth who is the marketing director of the opponent. He states that he was responsible for the launch and development of the opponent's sparkling perry product which is sold under the trade mark LAMBRINI.

32) Mr Rishworth states that the opponent subscribes to monitoring services which are provided by market research companies. He states that amongst the market research data that the opponent obtains is data for the volume (in litres) of branded perry products which are sold in Great Britain through various trade channels. Mr Rishworth exhibits at A, B, C and D summaries of the proportions of total sales by the brands BABYCHAM, COUNTRY MANOR, SOMMERBLUNCHEN, HARVEST TRADITION, HOCHBERG, CHATEAU BELNOR and LAMBRINI for the twelve month periods up to the end of October 1998 and the end of October 1999. These details are summarised in exhibit E. The summary indicates that in 1997-1998 LAMBRINI enjoyed 36.87% of the market for perry, the closest listed brand was Country Manor with 7.6%. In 1998-1999 LAMBRINI enjoyed 41.19% of the market; Country Manor was again second, this time with 11.36%.

33) Mr Rishworth states that the opponent's competitors have launched sparkling perry brands which appear from the trade marks which they have selected to compete directly with the LAMBRINI product. He states that these products have been launched after the launch of LAMBRINI and that it is his view that, at least in part, the launches have been prompted by the significant success of LAMBRINI. He states that he has become aware of competitor brands which are used or intended for use on perry products, including trade marks such as LAMFRESCO, LAMBRETTO, LAMBRELLA, LAMBRUSIO and LAMBRUSSI. He states that the opponent has taken action to prevent dilution in his rights in LAMBRINI. Mr Rishworth states that prior to the launch of LAMBRINI he was not aware of any perry product which was sold under a trade mark that was at all similar to LAMBRINI.

Decision

34) At the hearing Mr Moody-Stuart only pursued the ground of opposition under section 5(3) and 5(4)(a). I think this was wise as I can find no evidence which would support, or even goes to, the other grounds of opposition pleaded. He also stated that he would rely upon registration no 2104703, which is for the trade mark LAMBRINI simpliciter.

35) The relevant provisions read as follows:

5-

- (3) (a) is identical with or similar to an earlier trade mark, and
(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

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 Community trade mark, in the European Community) 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.

(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

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.”

The term ‘earlier trade mark’ is defined in section 6 of the Act as follows:

“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.”

Section 5(3) objection

36) There is no dispute that identical signs are involved and that the respective goods are not similar. Consequently the first two criteria of section 5(3) are satisfied.

37) The European Court of Justice have clearly set out the parameters in relation to reputation in *General Motors Corporation v Yplon SA Case C-375/97* [2000] RPC 572:

“Article 5(2) of the First Council Directive (89/104/EEC) of 21 December 1988 to approximate the laws of the Member States relating to trade marks is to be interpreted as meaning that, in order to enjoy protection extending to non-similar products or services, a registered trade mark must be known by a significant part of the public concerned by the products or services which it covers. In the Benelux territory, it is sufficient for the registered trade mark to be known by a significant part of the public concerned in a substantial part of that territory, which part may consist of a part of one of the countries composing that territory.”

The court also stated the following:

“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. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant factors 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.”

“The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector.”

38) In order to succeed under section 5(3) the opponent must show that at the date of the filing of the application in suit, the relevant date, he enjoyed a reputation that fell within the parameters set out by the European Court of Justice. The first thing I must consider is who the public that must be considered are. All the evidence of the opponent shows use of his trade mark in relation to perry. Mr Moody-Stuart first identified the opponent’s public as being the perry drinking public. He later conceded that the relevant public might be the drinking public at large, those who are eighteen years of age and above. I can see nothing in the evidence that indicates that there is a specific perry drinking public. I note from the price list for February 1999 that the goods would appear to be of low cost. The wholesale price for 12 x 75 bottles of Lambrini Bianco is from £10.75 to £11.95 depending on the quantity purchased. Even taking into account a retail “mark-up” this indicates that the goods are of low cost. Consequently the goods could readily be for those who have a taste for perry, those who wish to purchase alcoholic beverages at a low price and those who just want to purchase a beverage primarily because it is alcoholic. I am, therefore, drawn to the conclusion, absent evidence to the contrary, that the relevant public is the drinking public at large. I also note that in the declaration of Mr Melling at paragraph 6 he simply refers to “a wide section of the public”. He does not make a claim to a specific, limited public. Owing to the licensing laws of this country I consider it reasonable to accept, as Mr Moody-Stuart submitted, that the public will be over the age of eighteen. I note that underage drinking does take place, however, I cannot put a figure upon this nor do I know how many underage drinkers are interested in perry. I do not consider that anything will turn upon my limiting the relevant population to those aged over eighteen. Clearly this is a sizeable population. On the basis of *Chevy* I consider that the opponent needs to demonstrate that at the relevant date a significant part of persons over eighteen years of age in a substantial part of the United Kingdom knew of the trade mark of the opponent. Absent public opinion survey evidence I must take into account “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” (*Chevy*). Taking into account that the relevant public is the drinking public – those over eighteen years of age who drink – and not a specific part of this public – absent evidence that there is a specific perry drinking population – the opponent has to show his market share in relation to alcoholic beverages at large. I have details from exhibit E to the declaration of Mr Rishworth of the percentage of the market enjoyed by the opponent in relation to perry but not to alcoholic beverages at large or, even, low cost alcoholic beverages at large. I could readily envisage that the goods of the opponent might be purchased on the basis of price, more alcohol for your pound. Consequently I do not find that the market share figures in relation to perry tell me a great deal

in relation to reputation. The opponent has adduced into evidence a page from “Checkout” for July 2000 which shows that Lambrini was the fiftieth biggest brand. However, this does not greatly assist me. This is not only one year after the relevant date it is also after the national television advertising campaign which began in November 1999. Consequently the figure for sales could have increased dramatically because of the campaign. The opponent has not given sales figures for the year 2000 so I am unable to make a comparison with the sales figures of the earlier years – such a comparison at least could have given me some bench mark against which to compare their position in July 1999. The opponent has declared that sales are throughout the United Kingdom and there is nothing to suggest that this is not the case.

39) I come now to the promotion of the goods under the trade mark. The expenditure for promotion was declared as follows:

1997	£350,000
1998	£1,100,000
1999	£900,000

The evidence of the opponent states that a major television advertising campaign began in November 1999. This is after the relevant date. Owing to the cost of television advertising it is quite possible that the vast majority of the promotional budget for 1999 was consumed by this. Consequently I consider that I can only take into account the expenditure on promotion for the years 1997 and 1998. The figure for 1998 appears quite large. However, I need to consider to whom the promotion was aimed. Was it aimed at the relevant public or a some other group? In paragraph 14 I have given details of the exhibits which indicate use before the relevant date. In relation to the publications the opponent has not furnished either circulation figures or the details of the demographic makeup of the readership. These are details that it should have been possible to adduce into the proceedings. They are details that publications normally have at their disposal for potential advertisers, and of course the opponent was an advertiser. In relation to the exhibits showing advertisements all of them, with the exception of the ones I mention later, talk about such things as “brand building” and “brand leader”. They would appear to be designed for the trade rather than the public at large. The advertisement for the “Dram Buyers Guide ‘99” might be for the public but this is not clear and the opponent has not indicated exactly what this publication is and to whom it is aimed. The only advertisements that would seem possibly aimed at a wider audience than the trade are those for the two race cards and the advertisements in relation to Knowsley. I do not consider that these exhibits, which are still ambiguous, could even in the best possible light be considered to be reaching a significant part of the relevant public. In relation to promotional goods I consider that I can only take into account the figures for 1997 and 1998. I do not know how many of the goods were sold by 2 July 1999 and taking into account the television campaign in November 1999 the figure for 1999 could be significantly skewed in relation to the period after the relevant date. The promotional goods for the years 1997 and 1998 amount to 62 t-shirts for each year. This does not strike me as a significant amount.

40) *Chevy* sets a high hurdle that has to be cleared in order to claim reputation. This is not surprising if a party wishes to extend his rights into non-similar goods. I can only consider the evidence up the relevant date. In the instant case it would be particularly dangerous to take into account anything after 2 July 1999, even as being indicative, owing to the television campaign that was launched in November 1999 which is likely to significantly skew all data for 1999 and onward.

41) In consequence of the above I cannot find, from the evidence adduced into the proceedings, that the opponent has established a reputation in respect of the section 5(3) objection at the relevant date. **Absent reputation the opponent cannot succeed under section 5(3) and I, therefore, dismiss the opposition in relation to section 5(3).**

42) However, in the event that I am wrong in the above finding I go on to consider whether, if reputation was established, whether the opponent could succeed on the basis that 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. Mr Moody-Stuart ran the argument that there would be detriment to the opponent on the basis of inhibition or fettering as per *LOADED* – decision BL 0/455/00 of Mr Thorley QC, sitting as the appointed person.

43) After the hearing I received correspondence from Dr Lawrence in relation to the fettering issue. She stated that this line of argument only occurred during the oral submissions of Mr Moody-Stuart and so wished to make further comment. Mr Moody-Stuart also wrote to me in relation to Dr Lawrence’s claim. He pointed out in his letter that the issue had been aired in his skeleton argument. This is indeed the case. It was referred to in paragraph 18 of his skeleton argument. I do not, therefore, consider that Mr Moody-Stuart can be considered to have “ambushed” Dr Lawrence. There was also much discussion of the fettering/inhibition issue at the hearing. I can see no reason to take on additional post-hearing submissions from Dr Lawrence. If she felt she had been “ambushed” she could have raised the issue at the hearing. I certainly do not feel that she was “ambushed” and take no account of Dr Lawrence’s post-hearing submissions.

44) The substance of Mr Moody-Stuart’s argument in relation to fettering is that the opponent, if the application in suit is registered, would be liable to infringement action for using his trade mark in relation to clothing for promotional purposes. As far as I am aware the fettering detriment has only been dealt with previously in the *LOADED* case, I was not referred to any other decisions.

45) Dr Lawrence submitted that the opponent would not be fettered because he could look to the saving provisions. At the hearing I expressed grave doubts as to whether the savings provisions could save the opponent if an infringement action was taken by the applicant against the opponent’s use of LAMBRINI on clothing. He could only rely upon section 10(3) if he had an earlier right in a particular locality. He uses his trade mark in respect of perry throughout the United Kingdom and would be likely to wish to use it for promotional purposes also throughout the United Kingdom. Section 11(2)(b) reflects the absolute grounds for refusal, it is matter that relates to non-trade mark matter – matter that is e.g. descriptive of the goods. I cannot see how an invented word such as LAMBRINI would be caught by this. I also take into account that the current position in English jurisprudence is that infringement can occur from non-trade mark use. This is what Laddie J stated in *Arsenal Football Club Plc v Reed* [2001] RPC 922 at 940-941. Laddie J referred the issue to the European Court of Justice for their decision as to this issue. However, even if the European Court of Justice decides that the use has to be trade mark use the issue would still be very problematic for the opponent as he would have to show that use of the invented word LAMBRINI was non-trade mark usage. From my own knowledge I know that it is common for clothing companies to emblazon their trade marks upon the fronts of their goods as well as to attach them inside to labels. So where a sign appears on the outside of clothes is not a clear indicator of whether it is being used as a trade mark or for promotional purposes. There is the possibility that the opponent might be saved by section 11(1) but again this would be very problematic.

46) I consider that there is a clear difference between the instant case and *LOADED*. In *LOADED* the issue went to the core business of the opponent:

“Equally the possibility that the widespread use of the trade mark on clothing could materially affect the ability of *LOADED* magazine to obtain advertisements from others for their clothing in the magazine is real not fanciful for the reasons not given by Mr. Paul.”

Advertising is a key part of any magazine publisher’s business. The claimed fettering in the instant case does not effect the core business of perry sale and production. What it does do is limit the means of promotion. However, it is difficult to see that this would greatly effect the opponent. He has used many other forms of promotion, from the evidence promotion through clothing has been used to a very limited extent. These other means of promotion would still all be open to him without concern about an infringement action. It would also be open to the opponent to use his trade mark for promotional purposes in such a way that an infringement action would be unlikely to succeed e.g. in the stylised format – which he already uses – with the name of the goods.

47) Mr Moody-Stuart’s argument represents a very dangerous step. It would be open to anyone with a *Chevy* reputation in relation to a huge range of goods that could be used for promotional purposes e.g. ashtrays, pens, glassware. On the basis of the opponent’s own evidence the goods could include wine coolers, trucks (model ones I presume), key rings, badges, bins, posters, cards, watches, signs, tattoos and pens. Pumfrey J in *Daimler Chrysler AG v Javid Alavi trading as MERC* [2001] RPC 42 comments “...but Jacobs AG emphasises that the provision is not to be used to give marks ‘an unduly extensive protection’. The application of Mr Moody-Stuart’s argument that fettering could relate to promotional activities would give, I believe, unduly extensive protection. If inhibition or fettering is to succeed it must be in very limited circumstances. Circumstances such as those in *LOADED* where the current core business of the opponent was liable to be effected. In the instant case Mr Moody-Stuart wishes a potential inhibition of a limited form of promotional activity to be a bar to the registration of the application in suit. I take into account that the opponent has had some limited use in relation to clothing but I do not consider that this effects the issue. It is the inevitable result of a trade mark registration that it will inhibit potentially certain other activities of others, that is one of its key purposes after all. I consider that the claim to inhibition has to be dealt with extreme caution. The inhibition claimed would have to go to the core of the business of the opponent, not something peripheral – not an inhibition of an activity that will have little effect upon the opponent.

48) I find that the opponent does not succeed in relation to the claim to fettering/inhibition.

49) Mr Moody-Stuart also touched upon the issue of unfair advantage. He did not go into this in great depth but submitted that there was unfair advantage in that the applicant would be riding on the coat tails of the reputation of the opponent. He submitted that there would be a clear association between the goods of the opponent and those of the applicant. I do not find this argument very forceful. The logical sequitur of Mr Moody-Stuart’s argument is that if an opponent has established a *Chevy* reputation he will succeed in his claim under section 5(3) as the applicant could always be described as riding on the coat tails of the reputation of the opponent. The case law tells us that this is not the case. Something more is needed.

50) In *C.A. Sheimer (M) Sdn Bhd's trade mark application* [2000] RPC 484 at 505 Mr Hobbs QC, sitting as the appointed person, stated:

“As pointed out by Mr. Allan James in his decisions on behalf of the Registrar in *Ever Ready TM (Oasis Stores Ltd's Application)* [1998] RPC 631 at 649 and *Audi-Med TM* [1998] RPC 863 at 872 the provisions of Section 5(3) are clearly not intended to have the sweeping effect of preventing the registration of any mark which is the same as or similar to a trade mark with a reputation, nor are they intended to make it automatically objectionable for the use of one trade mark to remind people of another, so the importance of this question should not be under-estimated. I think it is clear that Sheimer would gain attention for its products by feeding on the fame of the earlier trade mark. Whether it would gain anything more by way of a marketing advantage than that is a matter for conjecture on the basis of the evidence before me. Since I regard it as quite likely that the distinctive character or reputation of Visa International's earlier trade mark would need to increase the marketability of Sheimer's products more substantially than that in order to provide Sheimer with an unfair advantage of the kind contemplated by Section 5(3) I am not prepared to say that requirement (iv) is satisfied.”

Similar considerations apply in relation to the instant case and I adopt the same approach and consider that the result is the same.

51) Mr Moody-Stuart referred to the clear association that would be between the goods of the respective parties. In *Premier Brands UK Ltd v Typhoon Europe Ltd* [2000] FSR 767 at 801 Neuberger J:

“As I have mentioned, the mere fact that the way in which the sign is used by TEL may give rise to an association between the sign and the mark in the minds of some members of the public is, in my judgement, simply not enough on its own to enable the proprietor of the mark, however well known and valuable it may be, to invoke section 10(3).”

Clearly association is not enough. In *MERC Pumfry J* stated:

“there must be actual unfair advantage or detriment. But, for this to happen, there must be some sort of connection formed (I avoid the word association) between the sign used by the defendant and the mark and its associated reputation.”

52) Owing to the distance between the respective goods I do not consider that this connection would be formed. Yes, the opponent does make “t-shirt use” of his trade mark (in the terms of *MERC*). The same could be said for virtually any company, whether it be manufacturers of diesel engines or producers of alcohol. I do not consider that promotional use and trade mark use form the connection that the opponent argues.

53) Consequently I find that the opponent has not established that use of the trade mark in suit would take unfair advantage of distinctive character or the repute of the earlier trade mark.

Section 5(4)(a) objection

54) I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC in the *Wild Child case* [1998] 14 RPC 455. In that decision Mr Hobbs stated that:

"The question raised by the Grounds of Opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the Applicant from those of other undertakings (see Section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Art. 4(4)(b) of the Directive and Section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the applicant in accordance with the law of passing off".

"A helpful summary of the elements of an action for passing off can be found in Halsbury's Laws of England 4th Edition Vol 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 and *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] ACT 731 is (with footnotes omitted) as follows:

"The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation."

....."Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 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.”

55) The date at which the matter must be judged is not entirely clear from Section 5(4)(a) of the Act. This provision is clearly intended to implement Article 4(4)(b) of Directive 89/104/EEC. It is now well settled that it is appropriate to look to the wording of the Directive in order to settle matters of doubt arising from the wording of equivalent provisions of the Act. It is clear from Article 4(4)(b) that the earlier right had to have been "acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed". The relevant date is therefore the date of the filing of the application in suit.

56) I have no doubt from the evidence that the opponent enjoys goodwill in relation to the trade mark LAMBRINI within the United Kingdom in respect of perry. Mr Moody-Stuart did not claim a goodwill in respect of clothing. The respective signs are identical. However, the respective goods are very different.

57) In *Harrods v Harrodian School* [1996] RPC 697 Millett LJ stated:

“It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant’s goods or services”

In the same case Millet LJ held:

“The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration.”

In *Stringfellow v McCain Foods (G.B.) Ltd.* [1984] RPC 501 Slade L.J. said:

“even if it considers that there is a limited risk of confusion of this nature, the court should not, in my opinion, readily infer the likelihood of resulting damage to the plaintiffs as against an innocent defendant in a completely different line of business. In such a case the onus falling on plaintiffs to show that damage to their business reputation is in truth likely to ensue and to cause them more than minimal loss is in my opinion a heavy one.”

58) In the instant case I do not consider that the opponent has discharged the onus of showing that damage to his business reputation is likely to ensue and that there is likely to be more than minimal loss. The opponent has also failed to convince me that the public would suppose that that the opponent had made himself responsible for the quality of the goods of the applicant, if and when the applicant produces goods under the trade mark.

59) At the hearing I also pointed out to Mr Moody-Stuart the comments of Lord Fraser in *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1980] RPC 31 where he said that the claimant must prove:

“That he has suffered, or is really likely to suffer, substantial damage to his property in the goodwill by reason of the defendants selling goods which are falsely described by the trade name to which the goodwill attaches.”

Nothing before me in this case convinces me that the opponent is likely to suffer substantial damage to the property in his goodwill by the applicant selling clothing under the trade mark LAMBRINI.

60) Mr Moody-Stuart referred to passing-off in relation to what he described as sponsorship, merchandising and licensing.

61) He did not go into this in any great detail. If the opponent wishes to rely upon this area of passing-off I consider that he would need to show that he had actually had, or was in the process of obtaining, licensing agreement(s). Anyone can claim that they might at some time enter into a licensing agreement in relation to very different goods. Something more is needed than a vague, hypothetical claim. In the terms of Walker LJ in *Elvis Presley Trade Marks* [1999] RPC 567 Walker LJ I consider that this is an extravagant claim.

62) Consequent upon the above I do not consider that the opponent has established that there would be either deception or damage. He, therefore, fails in respect of two parts of the classic trinity.

63) I dismiss the grounds of opposition under section 5(4)(a)

64) I have borne in mind in this case that the respective trade marks are identical. Also the trade mark is an invented word. It may seem odd that the applicant chose this trade mark. However, the issues in relation to section 5(3) and 5(4)(a) do not hinge upon this. Other criteria must be satisfied to succeed under these heads. The opponent initially also pleaded that the application had been made in bad faith. This could have gone to the issue of the choice of the trade mark. However, this ground was dropped at the hearing. I believe quite correctly owing to the absence of evidence to substantiate it. I can only make a decision on the evidence before me and based on my interpretation of the law. **As the opponent has failed in relation to the two grounds which were maintained at the hearing the opposition is dismissed.**

65) The applicant is entitled to a contribution towards his costs and I therefore order the opponent to pay him the sum of £835. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 20TH day of February 2002

**D.W.Landau
For the Registrar
the Comptroller-General**