

TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No 2234623
BY GARY EDWARD CARTWRIGHT
TO REGISTER A SERIES OF FOUR TRADE MARKS
IN CLASSES 32 & 33

AND IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 52839
BY YOUNG & CO.'S BREWERY PLC

BACKGROUND

1) On 2 June 2000, Gary Edward Cartwright of The St. George, 81 Caledonian, Glascote Heath, Tamworth, Staffs, B77 6HP applied under the Trade Marks Act 1994 for registration of the following series of four marks:

ST GEORGE
SAINT GEORGE
Saint George
St George

2) The application was in respect of the following goods:

In Class 32: "Beers; non-alcoholic drinks; syrups and other preparations for making beverages".

In Class 33: "Alcoholic beverages (except beers)".

3) On the 11 July 2001 Young & Co.'s Brewery Plc of The Ram Brewery, Wandsworth, London, SW18 4JD filed notice of opposition to the application. The grounds of opposition are in summary:

a) The mark applied for is similar to UK Trade Mark Registration No. 2109981 St. George's Ale (label) filed on 12 September 1996. This is registered for "Beer" in Class 32. The mark applied for therefore offends against Section 5(2)(b) of the Trade Marks Act 1994.

b) The opponent has sold a bottled beer under the trade mark ST GEORGE'S nationwide since April 2000. As a result of nationwide sales, in particular through the supermarket chain Sainsbury's, the opponent has built up substantial goodwill in the trade mark ST GEORGE'S. Use of the mark in suit would amount to misrepresentation and damage the opponent, for example by causing confusion and/or resulting in a loss of sales. Use of the mark applied for would amount to passing off and should be refused by virtue of the provisions of Section 5(4)(a) of the Trade Mark Act 1994.

4) The applicant subsequently filed a counterstatement denying the opponent's claims, in

particular, challenging the assertion that the opponent built up a substantial reputation between beginning sales in April 2000 and the applicant submitting its application on 2 June 2000. The applicant also pointed out that the opponent's mark disclaimed the words "St. George" and referred to PAC 3/00.

5) Only the opponent filed evidence in these proceedings. Both sides ask for an award of costs and the matter came to be heard on 9 January 2003 when the opponent was represented by Ms Arenal of Messrs Mewburn Ellis. The applicant was represented by Mr Shaw of Messrs Forrester Ketley & Co.

OPPONENT'S EVIDENCE

6) The opponent filed three statements. The first, dated 10 June 2002, is by Michael Jackson a full time professional writer on alcoholic drinks, specialising in those based on barley-malt ie beer and whisky. He has specialised in these fields since the mid 1970's. He states that he has written many books and magazine articles on beer, has made six films on beer, has carried out consultancy projects for national organisations representing the brewing industries of Germany, Belgium, United Kingdom and USA and has given a series of lectures every year for more than a decade at the University of Pennsylvania. He has also been a judge at many festivals and has won many awards.

7) Mr Jackson states that he is aware that the opponent has sold since "spring 2000" a bottled beer under the name "ST GEORGE'S" sold in Sainsbury supermarkets. He states that the label incorporates the cross of St George, and has an illustration of St. George and the Dragon. He states that he does not know of any other company selling beer in the UK under the trade mark ST GEORGE or ST GEORGE'S. He associates beer sold under the ST GEORGE'S brand with Young & Co.'s Brewery Plc.

8) The second statement, dated 17 May 2002, is by Christopher Andrew Sandland a Director and Company Secretary of Young's & Co.'s Brewery Plc, positions he has held for eleven years, having served the company for 28 years. He states that "My company has used the trade mark ST GEORGE'S in relation to a bottled beer on a nationwide scale since March 2000 (not April as indicated in the Notice of Opposition)."

9) At exhibit CAS1 he provides a copy of a press release dated 10 April 2000 which refers to the launch. It states that the product "will be available in 350 Sainsbury's stores throughout the country" it also states "Young's St George's Ale is the supermarket's 'Beer of the Month' for April and is expected to create significant interest among consumers in the run up to England's patron saint's day". The launch was reported by the magazine "SuperMarketing" on 21 April 2000 shown at exhibit CAS2.

10) Mr Sandland states that in addition to being sold in Sainsbury's the bottled beer was available in his company's extensive network of pubs throughout southern England. At exhibit CAS3 are copies of "The Grocer" dated 22 April 2000, 24 March 2001 and 13 April 2002. Mr Sandland states that the product has been very successful and provides the following sales figures:

Period	Turnover by cash £	Turnover by units (bottles)
March 2000 - May 2000	91,252	55,304
June 2000 - March 2001	103,670	62,830
April 2001 - March 2002	430,878	261,138

11) Mr Sandland states that these sales are very high as it usually takes longer for a new beer to achieve such popularity. He provides an instance of another beer (ACCLAIM) launched by his company in May 2000 and sold exclusively in Tesco's which achieved sales of 36,000 bottles in the first three months.

12) At exhibit CAS5 Mr Sandland provides samples of use of the opponent's mark on bottles, cartons, boxes and point of sale material. These show a bottle label with the red cross of St. George with at the top left a knight on a horse pointing a lance down to the bottom right where an image of a fire breathing dragon resides. This is used on the point of sale material, whilst the carton merely has the legend "YOUNG'S St GEORGE'S" printed on it.

13) Mr Sandland states that his company has "spent over £15,000 promoting our national ST GEORGE'S brand. As part of our marketing strategy, we have heavily promoted the ST GEORGE'S brand in April every year in order to boost sales around the time of St. George's day on 23 April". He claims that as a result of the extensive use made of the brand by his company it has established substantial goodwill in the brand.

14) The third statement, dated 20 May 2002, is by Ms Arenal, the opponent's Trade Mark Attorney. Ms Arenal wrote to Mr Fraser Dunlop of the beer buying department of Sainsbury's Supermarkets Limited. The letter is at exhibit SA1, whilst a copy of Mr Dunlop's e-mail response, dated 17 May 2002, is at exhibit SA2. Mr Dunlop states "Young's began development on St. Georges Ale with Sainsbury's back in September 1999. The beer was first launched in April 2000 nationally, 430 stores, as a "beer of the month". Due to the success of the promotion, we decided to offer the product to our customers on a permanent basis. The beer now has national awareness, frequent purchasers, regularly appears in our national multibuy programme for bottled beers, and has become an integral part of Sainsbury's exclusive national bottled ale range". Ms Arenal states that a formal statement was not obtained as 17 May 2002 was Mr Dunlop's last working day for Sainsbury's.

15) Ms Arenal also states:

"I would like to clarify two discrepancies between the witness statement made by Christopher Andrew Sandland on 17 May 2002 which is being submitted to the Registry together with this witness statement, and the content of Mr Dunlop's email. Firstly, Mr Sandland's witness statement and the attached exhibits refer to initial sales of the ST GEORGE'S ale brand being through 350 Sainsbury's stores nationwide, but Mr Dunlop refers to 430. I understand that ST GEORGE'S ale is now available not only in the original 350 stores, but in a total of 430 nationwide. Secondly, Young's &

Co.'s Brewery Plc first began using the trade mark ST GEORGE'S in relation to bottled beer in March 2000, as confirmed by Christopher Sandland. During that month, the product was sold to Sainsbury's, although it was not available to the public until April 2000. This information was confirmed to me by Christopher Taylor, assistant company secretary of Young's & Co.'s Brewery Plc on 17 May 2002. Mr Taylor is now on holiday and therefore not able to sign a witness statement."

16) That concludes my review of the evidence.

DECISION

17) At the hearing the ground of opposition based upon Section 5(2)(b) of the Act was withdrawn.

18) I now turn to the other ground of opposition under Section 5(4) which states:

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

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

(b).....

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

19) In deciding whether the series of "ST GEORGE" marks offend against this section, 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 *Even Warnik BV - v - J. Townend & Sons (Hull) Ltd* [1979] AC 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 the 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.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of "passing off", and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.

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.”

20) To succeed under this ground the opponent must show that at the relevant date, 2 June 2000, (i) it had acquired goodwill under its mark, (ii) that use of the applicant’s mark would amount to misrepresentation likely to lead to confusion as to the origin of opponent’s goods; and (iii) that such confusion is likely to cause real damage to the opponent’s goodwill.

21) With these considerations in mind I turn to assess the evidence filed in the present proceedings as set out earlier in this decision, and the arguments put forward at the hearing.

22) The opponent claims that bottled beer under the mark ST GEORGE’S was sold from April 2000 in 350 Sainsbury stores throughout the UK. The opponent has stated that during the period April 2000- May 2000 55,304 units were sold with a turnover of £91,252. They have provided copies of a press release dated 10 April 2000 and copies of two magazines, “SuperMarketing” and “The Grocer” which also refer to the launch during April 2000. It is clear from these articles that Sainsbury’s had declared the opponent’s product as their “beer of the month” and had promoted the product as such.

23) Although the opponent has provided evidence from an independent writer, Mr Jackson, he is not specific as to the launch date referring only to “Spring 2000”. The evidence of the opponent’s Trade Mark Attorney refers to a telephone conversation with a Sainsbury employee, and includes a copy of an e-mail from a former employee. However, as neither of the Sainsbury employees provided written statements I am reluctant to attach significant weight to this evidence.

24) The applicant has not sought to deny that the opponent had used its mark prior to the relevant date. At the hearing Mr Shaw, for the applicant, stated:

“There is a little dispute, but I think we are agreed that it is between April 2000 and the end of May 2000 that just over 55,000 units or bottles of this beer were sold. That equates to just over £90,000 worth of sales.”

25) Mr Shaw set out the applicant's main contention thus:

“It is simply untenable that in that short period of time and with that very low volume of sales, they could have come anywhere near to the national threshold of passing off that was required.”

26) Mr Shaw referred me to a number of recent decisions by the Registry which he claimed demonstrated the principle that “a substantial reputation is required prior to the application date”. I do not intend to refer to these cases as each appears to have other factors which resulted in a finding that the claimant did not enjoy goodwill at the relevant date. I also note that it is accepted that each case under Section 5(4) turns on its facts.

27) It is clear from the evidence, and it is not disputed, that the opponent's beer was on sale throughout the UK at 350 Sainsbury supermarkets. It is also clear that Sainbury's promoted the product as its “beer of the month”. The sales of the beer prior to the relevant date amounted to £91,252. Although this was not put into context I accept that it is a relatively small sum as I would imagine that sales of bottled beers would amount to many millions of pounds per annum. However, it should be noted that, as is stated in *The Laws of Passing Off* by Wadlow (*Wadlows*; paragraph 2.25; 2nd Edition) “Goodwill is created by trading, and very slight activities have been held to suffice”. A number of cases spring to mind (e.g. *BBC v Talbot* [1981] FSR 228, *Globelegance BV v Sarkissian* [1974] RPC 603 and *Stannard v Reay* [1967] FSR 140). In my opinion the opponent has established that it enjoyed goodwill in relation to beer at the relevant date.

28) The applicant has sought a series of four marks, “ST GEORGE”, “SAINT GEORGE”, “Saint George” and “St George”. The opponent has used its mark “ST GEORGE'S” together with the device of a knight on horseback slaying a dragon, the word “YOUNG'S” all set on a background of a flag of St George. Mr Shaw contended that the applicant's mark being a mere word mark was not identical to the opponent's mark because of the other features used by the opponent. He also claimed that the applicant could use a “totally different logo and therefore any passing off could be defeated in that way”.

29) To my mind the device and background used by the opponent merely serve to reinforce the name St George. The average consumer would view the opponent's mark as a St George mark. The word “Young's” would be seen for what it is, the name of the brewer, and as a house mark. Whether the applicant used its marks solus or with a “totally different logo” the maxim that “words speak louder than devices” would ensure that its mark would be seen and referred to as a “St George” mark. Although the opponent's product had at the relevant date only been sold in supermarkets it has subsequently been sold in pubs where verbal use of the marks concerned would be as relevant as the visual similarities. Aurally the marks are identical.

30) It is well established that in the law of passing off there is no limitation in respect of the parties fields of activity. Nevertheless, the proximity of an applicant's field of activity to that of the opponent is highly relevant as to whether the acts complained of amount to misrepresentation. Clearly “beers” in Class 32 of the applicant's specification is identical to the opponent's goods.

31) In essence the question I have to address is whether the relevant public seeing the applicant's marks used on "Non-alcoholic drinks; syrups and other preparations for making beverages" in Class 32 and "Alcoholic beverages (except beers)" in Class 33 would be likely to believe that the goods were being offered by the opponent. In *Harrods v Harrodian School* [1996] RPC 697, Millet L J 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."

32) I have no evidence before me on whether the public associate "beer" with "non-alcoholic drinks; syrups and other preparations for making beverages" and "Alcoholic beverages (except beers)". Furthermore the opponent has provided no evidence as to whether brewers commonly produce these products.

33) The opponent has shown goodwill in beer, and whether the product is sold in self-serve supermarkets or public houses the average consumer is likely to be deceived into thinking that the applicant's goods relating to beer emanate from the opponent or that the businesses are connected. Damage to the opponent is therefore inevitable.

34) The opposition under Section 5(4) therefore succeeds in relation to "Beers; non-alcoholic beers; syrups and preparations for making beers" in Class 32.

35) The opponent's use on beer is not sufficient to justify refusal of other non-alcoholic drinks, syrups and preparations for making beverages in Class 32 which do not appertain to beer and the whole of the applicant's specification in Class 33. In my view the average consumer would not believe that non-beer related drinks produced by the applicant under the mark in suit emanated from the opponent or that the businesses were connected.

36) The opposition to the applicant's mark in relation to part of the Class 32 specification has been successful, whilst the opposition to the goods in Class 33 has failed. As grounds for refusal exist only in respect of certain of the Class 32 products the application will be allowed to proceed to registration if, within one month of the end of the appeal period for this decision, the applicants file a TM21 restricting the specification as set out below:

Class 32: "Non-alcoholic beverages; syrups and preparations for making beverages; but not including beers, or any syrups or preparations for making beers".

Class 33: "Alcoholic beverages (except beers)".

37) If the applicants do not file a TM21 restricting the specification as set out above the application will be refused in its entirety.

38) The opposition having partly succeeded the opponent is entitled to a contribution towards costs. I order the applicant to pay the opponent the sum of £1450. This sum 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 18th day of March 2003

George W Salthouse
For the Registrar
The Comptroller General