

O-132-04

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 2273455
IN THE NAME OF
INCORPORATED BEVERAGES (JERSEY) LTD
TO REGISTER THE TRADE MARK
LAMBRELLA IN CLASS 33**

AND

**IN THE MATTER OF OPPOSITION NO. 80474 THERETO BY
HALEWOOD INTERNATIONAL LTD
BASED UPON THE EARLIER RIGHT:
LAMBRINI**

TRADE MARKS ACT 1994
IN THE MATTER OF Application No. 2273455
by Incorporated Beverages (Jersey) Ltd
to register the trade mark LAMBRELLA
in class 33

and

IN THE MATTER OF Opposition No. 80474
By Halewood International Ltd

BACKGROUND

1. On 23 June 2001 Incorporated Beverages (Jersey) Ltd applied to register the trade mark LAMBRELLA. The application was published in class 33 for the following specification:

Alcoholic beverages; perry; beverages containing perry; mixtures of all the aforesaid.

2. On 19 December 2001 Halewood International Ltd filed notice of opposition to this application. The opponent states that it is the proprietor of the following trade marks:

2104703 LAMBRINI

registered in class 33 in respect of: 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

2132652 LAMBRUCINI

registered in class 33 in respect of: 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.

3. Based on the above marks the opponent objects to the application under Section 5(2)(b). It says the application should not be registered because it is similar to the opponent's mark and is to be registered in respect of identical, or alternatively similar goods and there exists a likelihood of confusion (including association) on the part of the public.

4. The opponent also objects under Section 5(4)(a). It says that by reason of extensive use and promotion of the mark LAMBRINI particularly in relation to perry, it has built up and owns a very substantial goodwill in the mark. Accordingly, it says the application should not be registered because its use in respect of all the goods is liable to be prevented under the law of passing off.

5. The applicant filed a counterstatement which essentially denies each of the grounds of opposition.

6. Both parties seek an award of costs. Both parties filed evidence in these proceedings.

7. The matter came to be heard on 29 January 2004. The applicant was represented by Mr Fernando of counsel instructed by Pinsents. The opponent was represented by Mr Speck of counsel instructed by Urquhart-Dykes & Lord.

Opponent's evidence

8. This takes the form of a witness statement of Simon John Oldroyd and is dated 12 September 2002.

9. Mr Oldroyd states he is the Commercial Director of Halewood International Ltd. He is also Company Secretary and was previously Financial Director. He has been employed by the company since 1986.

10. Mr Oldroyd states that the opponent has been engaged in the sale of wines, sparkling wines and perries since at least 1978 and in the sale of sparkling wines and sparkling perries under the LAMBRINI trade mark since 1994.

11. Mr Oldroyd sets out details of 5 trade mark registrations he says are owned by the opponent. Only the first two of the five are referred to in the opponent's statement of grounds and are as set out earlier in this decision. No application has been made to amend the statement of grounds to include the other three marks and I therefore take no cognisance of them in reaching my decision.

12. Mr Oldroyd goes on to explain the development of the opponent's business under LAMBRINI. He says the trade mark LAMBRINI has been used in the UK continuously since 1994 and goods have been sold under the mark throughout the UK.

13. The LAMBRINI product has, says Mr Oldroyd, been sold through major supermarkets such as Tesco, Sainsbury, Safeway, Morrisons, Asda, Iceland, Booker, Sommerfield (sic), Kwik Save, Batleys and Bookers.

14. Details of sales of products sold under the LAMBRINI trade mark are set out by Mr Oldroyd as follows:

| Year | Cases (of 9 litres) | Turnover (£ retail including duty but not VAT) |
|------|---------------------|--|
| 1994 | 80,000 | 760,000 |
| 1995 | 360,000 | 3,420,000 |
| 1996 | 1,089,000 | 10,240,000 |
| 1997 | 1,809,000 | 17,200,000 |
| 1998 | 2,233,000 | 21,200,000 |
| 1999 | 2,724,000 | 24,571,000 |
| 2000 | 2,923,000 | 27,008,000 |

15. Figures are also given for the year 2001 however the evidence does not explain what part of these figures relate to the period before the relevant date. I therefore do not reproduce them here.

16. Mr Oldroyd states that advertising campaigns were developed from mid 1996 with the first campaign being launched pre-Christmas 1996. Since that date advertising has

taken place through posters, trade press and television campaigns. Mr Oldroyd exhibits material to support these claims. These exhibits consist of:

- An undated A4 leaflet showing a LAMBRINI Bianco bottle
- An undated A4 leaflet (photocopy) relating to a “forthcoming” television campaign
- A cover wrap for the 1 October 1999 edition of Off Licence News. The wrap shows a LAMBRINI Bianco bottle and relates to a “forthcoming” television campaign
- A photocopy of a page from Off Licence News dated 3 December 1999 containing an advertisement for LAMBRINI Bianco.
- Three leaflets relating to a television campaign and which appear from the details to have been prepared for “the trade”. The first is undated but refers to the new “’99 campaign”. The second is undated but contains the words “new for autumn ‘99” and “ new look will be revealed on the shelves in October ‘99”. The third is also undated but refers to a successful television campaign having taken place in November ’99. All three leaflets carry the word LAMBRINI and show a LAMBRINI Bianco bottle.

17. Details of the advertising spend are given as follows:

| Year | £ |
|------|-----------|
| 1997 | 350,000 |
| 1998 | 1,100,000 |
| 1999 | 900,000 |
| 2000 | 1,968,000 |

18. A figure is again given for 2001 and Mr Oldroyd provides a breakdown of the figure against various media however, again there is no evidence of how much of these figures related to before the relevant date so I do not reproduce them here.

19. Mr Oldroyd goes on to explain that the opponent subscribes to monitoring services to assess its products’ positions within their respective markets. He exhibits details of sales through various outlets as well as summaries for all retail sales for the 12 month periods ending October 1998 and October 1999. The summaries, he says, show that LAMBRINI had a 37.5% by volume market share to October 1998 and 42.1% by volume to October 1999.

20. Mr Oldroyd also exhibits details of what he says are percentage share of the market for perry products sold through various types of retail establishments. I will return to these later in my decision.

21. Mr Oldroyd states that where competitors have used trade marks on perry products which appear to be intended to be in direct competition with the opponent’s LAMBRINI product, the opponent has taken action to prevent sales being made and to prevent dilution of its trade mark. He says these have included Lambretto, Lambrusio, Lambrussi and Lambrella.

22. Mr Oldroyd exhibits a copy of what he says is an extract from the July 2000 issue of the trade journal CheckOut. It is said to comprise a table showing the top 100

drinks brands and shows the opponent's LAMBRINI product to be in 50th place. The exhibit is of very poor reprographic quality and therefore not easy to read. There is no explanation to which period nor which market (e.g. the UK, Europe, worldwide) the table relates.

23. The remainder of Mr Oldroyd's witness statement is given to commentary regarding the comparison of the applicant's and opponent's marks. I do not therefore intend to summarise his comments here but have taken them into account and will refer to them as necessary in this decision.

Applicant's evidence

24. This takes the form of two witness statements, one from Lee Martin Curtis dated 6 March 2003, the other from Paul Burton and dated 13 March 2003.

25. Mr Curtis states he is a trade mark attorney employed by the applicant's representatives. He states he conducted a search of the UK trade marks register for trade marks incorporating the prefix LAM and covering alcoholic beverages. He exhibits copies of extracts he downloaded as a result.

26. Mr Curtis says he conducted searches of various legal websites for decisions in actions taken against competitors by the opponent. He exhibits a printout from Lawtel which provides a summary of a case involving the opponent. It is a case which relates to an application for an injunction against legal representatives, not a case directly involving use of a trade mark.

27. Mr Curtis comments on an earlier opposition before the registrar involving the opponent and exhibits copies of the pleadings filed in that case.

28. Finally, Mr Curtis states that the opponent initiated a trade mark and passing off action against the applicant in the High Court. He says the opponent did not proceed with the action after the submission of a reply and defence and that the proceedings were eventually stayed under the provisions of the Civil Procedure Rules. He exhibits a copy of the relevant section of the Civil Procedure Rules.

29. Mr Burton's witness statement shows that he is the Managing Director of Intercontinental Brands Ltd (ICB) a position he has held since 1990. He explains that the applicant is part of the same group of companies as ICB and are under the same control. ICB is licensed by the applicant to use the LAMBRELLA trade mark. Mr Burton states he is authorised by both ICB and the applicant to make the declaration.

30. Mr Burton explains that the trade mark LAMBRELLA was first used on 22 May 1998 by ICB in the UK in relation to a perry alcoholic beverage. The product was and is marketed exclusively through Booker Cash and Carry Ltd (Booker) outlets and thus the product is mainly marketed through independent retailers across the UK. He goes on to say that he understands the LAMBRINI product is also sold by Booker and that consequently both LAMBRELLA and LAMBRINI will be sold through the same trade channels, the same shops and most likely, side by side.

31. Mr Burton exhibits a copy of what he says is the first invoice to Booker relating to LAMBRELLA products. The invoice is dated 22 May 1998. He also exhibits examples of labels used at the time of the product's launch.

32. Mr Burton says that total turnover of sales of the LAMBRELLA product since launch to the end of October 2002 is approximately £10million. Some of this period is after the relevant date, however he goes on to explain that turnover was fairly evenly spread over each full year within this period. Each year had a turnover of between £2.3million and £2.6million. These figures are, he says, based on sales to Booker.

33. Mr Burton confirms that the LAMBRELLA trade mark has been used throughout England, Scotland and Wales. Because LAMBRELLA is marketed exclusively through Booker, Mr Burton says his company has not actively advertised the LAMBRELLA trade mark to consumers of the product. His company has, however, aggressively and consistently advertised and promoted it to trade buyers who purchase their stocks from Booker. Mr Burton argues the trade mark is well known to the purchasing public and the market.

34. Mr Burton says he is not aware of any instances of confusion in the market place between the opponent's and applicant's marks.

35. Mr Burton says that both LAMBRELLA and LAMBRINI are perry products. He says that perry is a pear wine often marketed to imitate types of wine including Lambrusco, Hock and Liebfraumilch. Perry products have, he says, been closely imitating wines for at least 20 years.

36. LAMBRELLA is, he says, a slightly sparkling perry wine product. In 1998 when LAMBRELLA was launched a number of perry products were sold which included the lam/lamb prefix. Mr Burton exhibits a print of photographs of LAMBRELLA and LAMBRINI products, as marketed in 1998, along with various other perry products.

37. Mr Burton makes various comments on the use of the prefix lam/lamb/lambr in relation to perry products and says that the prefix is effectively a term of art in the perry and wine sector. He says numerous other traders use the lam/lamb/lambr prefix and did so in 1998. He suggests that the lam/lamb/lambr prefix is essential to successful launching into the Lambrusco style perry market and this is why his company used LAM within the LAMBRELLA mark and presumably why the opponent used it within LAMBRINI.

38. Mr Burton challenges Mr Oldroyd's evidence that the opponent took action to prevent the sale of competitors' goods and prevent dilution of its own trade mark. He says it appears that the only case which ever came before a court regarding the lam/lamb prefix, the opponent lost. I have not been provided with any copies of any such decision so I need not refer to it further.

39. Mr Burton also refers to the High Court action initiated by the opponent in 1998 against the applicant and confirms the proceedings were stayed through lack of process.

40. Mr Burton says his company has used the mark LAMBRELLA for five years and is unaware of any instances of confusion with the LAMBRINI mark. He notes the opponent has not provided any evidence of confusion.

41. The remainder of Mr Burton's evidence is commentary on Mr Oldroyd's evidence regarding a previous opposition before the registrar of trade marks. He exhibits a copy of the decision issued in that action.

42. That completes my summary of the evidence.

DECISION

PRELIMINARY ISSUE

43. By way of a letter dated 20 January 2004 to the opponent's representatives, the applicant advised the opponent of its wish to amend the counterstatement. The letter was copied to the registry. By agreement of both parties the formal request for amendment was dealt with as a preliminary issue at the substantive hearing.

44. The applicant requested amendment of the counterstatement to include claims of acquiescence and estoppel based on earlier proceedings between the parties in the High Court. Mr Fernando claimed that he was seeking to plead what was evident from the start and putting on a formal basis what had already been raised within the evidence. He went on to say that these were not issues that could be said to take the opponent by surprise as it was already aware that these were being relied on by the applicant in this way in these proceedings. Further, he said, no new evidence would need to be filed as the earlier proceedings and outcome were incontrovertible facts which could not be countered by the submission of any further evidence by the opponent. The evidence relied on was clearly set out and the amendment sought was foreshadowed in that evidence. Amendment of the counterstatement would not therefore delay the proceedings and would not prejudice the opponent.

45. Mr Speck objected strongly to the amendment saying that it was completely improper and inappropriate to deal with this argument on the evidence filed. He denied that the opponent was aware that acquiescence or estoppel would be relied upon by the applicant on the basis of the evidence which had been filed. He went on to say that the opponent would be prejudiced by allowing the amendment at such a late stage and would be further prejudiced if it were not afforded the opportunity to file evidence to challenge the claims made by any late amendment.

46. Mr Fernando, in reply, urged me to consider the question of whether the material facts "were around". He said his review of the papers had highlighted the need to make the issue clear. The evidence already filed, he said, raised the question of estoppel implicitly in relation to the section 5(2) ground and explicitly in relation to the section 5(4) and the amendment to pleadings ought therefore to be allowed.

47. I drew the parties' attention to a Registry Tribunal Practice Notice (TPN 4/2000) which, at paragraph 22, sets out the registrar's practice on amendments to pleadings. It reads as follows:

“Amendment to statements of case and counter-statements

As parties will be expected to file focused statements of case and counter-statements, the Trade Marks Registry will consider requests to amend these documents later in the proceedings. Amendments may include adding or removing grounds of opposition/revocation or invalidity or correcting information contained therein. If an amendment becomes necessary, parties should seek leave to make the amendment at the earliest opportunity. When seeking leave to amend full details of the amendment together with the reasons for the amendment should be submitted. Whilst each request to amend will be considered on its merits, the Registry will aim to give favourable consideration to such requests on the basis that it is likely to avoid a multiplicity of proceedings and thus help resolve the dispute between the parties quickly and at less cost. If the amendment requires the other party to file an amended counter-statement or additional evidence, an award of costs to cover this may be made.”

48. TPN 4/2000 makes it clear that requested amendment to the pleaded grounds will be looked on positively if possible, but it is not the intention of this approach to encourage piecemeal pleadings as and when they occur to a party. The approach is also conditional in that the application to amend should be made at the earliest opportunity with details of the requested amendment and reasons for that amendment.

49. In this case, the first intimation that the applicant was seeking to amend the counterstatement was by way of the applicant’s letter dated 20 January 2004 sent to the opponent in the week before the hearing and which was copied to the registry. The formal request to the registrar for amendment was not made until the hearing.

50. Mr Fernando indicated that the grounds the applicant now sought to include in the pleadings had been raised previously in the evidence and the amendment was “in the nature of a tidying-up” exercise. Both the applicant’s and the opponent’s evidence had referred to a previous action between the parties. It is, at this point, worth setting out what exactly was said in that evidence.

51. In paragraph 21 of Mr Oldroyd’s evidence, filed on behalf of the opponent, he states:

“ For example, we have become aware of other parties’ trade marks which are used or intended to be used on perry products, including trade marks such as Lambretto, Lambrusio and Lambrussi, as well as Lambrella. We have taken action to prevent sale of product and to prevent dilution of our rights in the Lambrini trade mark to prevent competitors from taking advantage of the significant reputation that we have built up as a result of our success with the Lambrini product and from diluting our rights in the Lambrini trade mark”.

52. In his evidence for the applicant Mr Curtis refers to this part of Mr Oldroyd’s evidence and says:

“I have conducted extensive searches on various legal information web sites such as Lawtel in an attempt to obtain copies of decisions relating to the said cases but have found no reported cases relating to these trade marks. Thus, I can only presume that none of these actions reached trial and thus no formal decision was ever reached regarding the confusion between Lambrini and Lambretto, Lambrussio and Lambrussi trade marks. Therefore I believe that Mr Aldroyd’s (sic) comments relating to these marks should be ignored in these proceedings given that no formal decisions relating to the said trade marks were every (sic) reached by a tribunal or court.”

53. Later in the same evidence Mr Curtis states:

“It should also be taken into consideration in this case that the Opponents did in fact initiate a trade mark and infringement passing off action against the applicants under Case Reference CH 1998 H No. 00318. The Opponents did not proceed with the aforementioned case after the submission of the Reply and Defence to Counterclaim and given that these proceedings were conducted prior to the Woolf Reforms, the proceedings were automatically stayed under the provisions of Section 19 of the Civil Procedure Rules 1998.”

54. In his evidence for the applicant Mr Burton, at Paragraph 9, states:

“Another important fact to be borne into consideration in this case, is the fact that the Opponents did in fact initiate a trade mark infringement and passing off action against my company in 1998 under Case Reference CH 1998 H No. 00318.

The opponents did not proceed with the aforementioned case after the submission of the Reply and Defence to Counterclaim and given that these proceedings were conducted prior to the Woolf Reforms, the proceedings were stayed. My understanding is that it is now highly unlikely that the opponents could proceed with the aforementioned trade mark and passing off claim, given the time which has elapsed since the stay and thus this fact should be bore (Sic) into consideration when the hearing officer considers the question of whether my companies (sic) use of Lambrella is liable to be prevented by the law of passing off. Also, the fact that the Opponents did not proceed with the Action implies that they felt that their chances of success were small in succeeding in the Action in my opinion.”

55. Mr Fernando argued that the applicant’s evidence put forward arguments regarding acquiescence and estoppel explicitly in relation to the ground of opposition under section 5(4). I disagree. Whilst it certainly refers to a previous action between the parties at no time was acquiescence or estoppel explicitly argued. Neither was I persuaded by Mr Fernando’s claim that the opponent would not have been surprised by the request to amend the counterstatement in the way sought based on this evidence. I do not think it would have been reasonable for anyone to expect from the evidence that I have set out above, that acquiescence or estoppel were being specifically relied upon.

56. In any event the references in the opponent's evidence to earlier actions being taken by it against competitors are not specific. Although in its evidence the applicant refers to a specific case between the parties to these proceedings, Mr Fernando agreed that the evidence does not give details of what the individual claims, defences or counterclaims made in that action might have been, nor does the evidence specifically state what mark or marks formed the basis of the action. And there is no dispute that no substantive decision was ever reached in the High Court action.

57. Mr Fernando asserted that allowing the amendment would not require any further evidence to be filed and so there would be no further delay. Introducing such a ground after the evidence stages had been completed and without particularising it until just before the substantive hearing denies the opponent a clear view of the objection and the chance to rebut it. Given my comments on the paucity of the evidence of earlier proceedings, I fail to see how unless further evidence were filed, I would be justified in reaching any decision other than dismissing an acquiescence and estoppel claim. There is nothing before me other than a case number. And if further evidence were filed by the applicant it would only be just and equitable for the opponent to be given a chance to respond to it. This would necessarily lead to further delays. I therefore reject Mr Fernando's assertions.

58. A number of reported cases have emphasised the need for parties to plead their cases fully and succinctly at the outset and the inherent difficulties if issues are poorly pleaded (see, for example, *Julian Higgins Trade Mark Application* [2000] RPC 321, *Club Europe Trade Mark* [2000] RPC 329 and *Demon Ale Trade Mark* [2000] RPC 345). The purpose of evidence is not to raise new grounds of attack or defence but to support what is set out in the pleadings.

59. When questioned, Mr Fernando was unable to give me any indication as to why the applicant had not specifically pleaded acquiescence or estoppel in its counterstatement or why it had not sought the amendment earlier. He accepted that it was only when reviewing the case in preparation for the hearing that he identified the need to make the request.

60. The opposition was filed in December 2001, the counterstatement in March 2002 and the evidence stages were completed in March 2003. The request for amendment of the pleadings was put before me, at the hearing, some ten months after the evidence stages had been completed.

61. Taking into account the late nature of the request, the lack of reasons given for why the request was not made earlier, the fact that the applicant was aware of previous actions between the parties since before the counterstatement was filed, the lack of specific information about the previous action, the fact that no substantive decision was reached in the previous action, the fact that the opponent would have to be allowed to reply to the amendment whether or not further evidence was filed and the delays that would have occurred, I declined to allow the amendment. In doing so I made it clear that the period for appeal against this decision would run from the date of this written decision.

SUBSTANTIVE ISSUES

62. I therefore go on to consider the grounds of opposition. The opponent's first ground of opposition is based on Section 5(2)(b) of the Act which states:

- “5.- (1)
- (2) A trade mark shall not be registered if because-
- (a)
- (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,
- there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.
- (3)
- (4)

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.”

63. 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,”

64. Mr Speck wisely conceded that the opponent's strongest case rested on the LAMBRINI trade mark and that if it did not succeed on the basis of this mark it would not win on the basis of LAMBRUCINI. I proceed on this basis.

65. The opponent's mark is an earlier trade mark within the definition of section 6 of the Act.

66. In determining the question under section 5(2), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel v Puma AG* [1998] RPC. 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC. 117, *Lloyd*

Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V. [2000] FSR 77 and *Marca Mode CV v Adidas AG* [2000] ETMR.723. It is clear from these cases that:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors: *Sabel BV v Puma AG*, paragraph 22;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question: *Sabel BV v Puma AG*, paragraph 23, 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 he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen B. V.* paragraph 27;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details: *Sabel BV v Puma AG*, paragraph 23;
- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*, paragraph 23;
- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki v Metro-Goldwyn-Mayer Inc*, paragraph 17;
- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v Puma Ag*, paragraph 24;
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*, paragraph 26;
- (h) further, 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; *Marca Mode CV v Adidas AG*, paragraph 41;
- (i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, paragraph 29.

67. Under section 5(2) therefore, the test is a composite one, involving a global appreciation taking into account a number of factors. With these comments in mind, I go on to consider the opponent's case under section 5(2)(b).

68. Both Mr Fernando and Mr Speck agreed that identical goods are involved and that the matter is therefore to be decided on the basis of the marks themselves. The

guidance set out above requires that I consider the inherent characteristics of the opponent's earlier trade mark and the extent to which its distinctive character may have been enhanced by the use made of it. I have no evidence before me, and Mr Speck did not disagree, that LAMBRINI is anything other than an invented word. Unit sales have increased from 80,000 cases in 1994 to almost 3 million cases in 2000. The turnover figures provided suggest an approximate retail price of around £1 per litre. I note that in contrast to the notional coverage of its specification the opponent's use has been in relation to perry.

69. The opponent's sales are said to represent 37.5% by volume of the perry market to October 1998 and 42.1% by volume to October 1999. As I detailed in paragraph 20 above Mr Oldroyd also gives figures of what he says were market share for off licence sales in perry products for various years. At the hearing I queried these figures and Mr Speck agreed that the exhibits did not support the specific market share figures Mr Oldroyd details. It seems to me that Mr Oldroyd has simply misread the exhibits as they refer to sales by volume and not percentage share of total market sales. Nevertheless, whilst I have no confirmation of what the total market is for perry products in the UK, the exhibits do not contradict Mr Oldroyd's sales by volume figures. These sales have been supported by television advertising campaigns. Whilst there are some flaws in the evidence, there is sufficient evidence for me to find the mark LAMBRINI to have acquired an enhanced level of distinctiveness through use.

70. In making a comparison of marks I must do so from the standpoint of the average consumer. Mr Speck sought to persuade me that the consumer of the goods in question were young female drinkers. Whilst this group of person may be the target audience of the marketing campaigns, it seems to me that there is no evidence that they are the average consumer of these goods. It seems to me that I should take the average consumer to be a person who purchases alcoholic beverages. Although I have no evidence on the point it seems to me that this is likely to take in significant numbers of the adult population in this country. Some will be "experts", some more casual drinkers. Others will fall somewhere between the two. Recognising that purchasers will bring varying degrees of knowledge and attention to the purchasing of the goods, I would expect them to be bought with some care, with attention being paid variously to the price, size, colour, etc of the product.

71. Turning to the marks, from a visual standpoint there is self-evidently some similarity between LAMBRINI and LAMBRELLA insofar as they have the first five letters in common. The words are of similar length, being of eight and nine letters respectively. The endings of each of the words are different. The endings do not share any common letters and the end of the applicant's mark contains a double letter which visually elongates the word. Although the marks share a common prefix, when taken as wholes I do not consider there is any likelihood of visual confusion.

72. Aurally, similar considerations apply. Both words consist of three syllables. Mr Speck referred me to an earlier registry decision No. 0/442/01 involving opposition to registration of the mark LAMBRUSSI by the opponent in the instant case based on the mark LAMBRINI. He urged me to follow the line of reasoning in that case that as both the marks have a terminal vowel not commonly used in English words, they are likely to suggest to many people in the UK that they are both something other than English in their derivation which is more likely to lead to confusion.

73. That case was, as Mr Fernando pointed out, decided on its facts, however I accept that in the instant case the marks do not suggest themselves to be words of an English derivation but do bring to mind an Italian derivation. But I am aware from my own knowledge that use of words of Italian derivation are increasingly common in the UK, indeed some appear in English dictionaries and thus they have become subsumed into the English language. I do not think the fact that words may suggest a foreign derivation makes it more likely of itself that the words will be confused with each other. And although in the present case both words end in a terminal vowel as did the marks in the case Mr Speck referred me to, in this case the particular vowel of one mark is a different one to the other mark. The matter comes down to a comparison of the marks as wholes.

74. The overall sound of the two words is different and I see no risk of confusion arising either from the slurring of word endings or from imperfect pronunciation.

75. For the applicant Mr Burton's evidence (paragraph 6) suggests that the prefix Lam/lamb/lambr denotes sparkling perries marketed to imitate Lambrusco wine. Mr Curtis's evidence (paragraph 2) indicates the prefix is one registered in the UK by other trade mark owners. He exhibits copies of the registration details from the UK register. Mr Speck quite properly reminded me that there is no evidence of what use is made of these marks, although the opponent does not dispute Mr Burton's claim that one of these marks, LAMVINO, registered in the applicant's name and in respect of wines and perries, has been in use since 1998 and remains in use. In my view, the evidence suggests an interest in marks containing the prefix lam/lamb/lambr. It also indicates that at least three marks beginning with the prefix LAM were in use at the relevant date in respect of identical goods. The evidence does not tell me what consumers make of such marks.

76. If the consumer, actual or potential, regards the respective marks as invented words, there is no basis for any finding of conceptual similarity. If the use of the prefix was seen as an allusion to the style of the product (i.e. Lambrusco style) it would reduce the impact of this first element of the marks and highlight the other differences. But bearing in mind that the average consumer perceives a mark as a whole and does not analyse its component parts, I see no likelihood of confusion on this basis.

77. Neither do I find there to be a likelihood of confusion on the basis of imperfect recollection. It is possible that some, when encountering the applicant's mark may think it is reminiscent of the opponent's, but in my view it does not follow that a likelihood of confusion exists.

78. In all the circumstances I am satisfied that even allowing for use of the respective marks on identical goods and taking into account the opponent's enhanced level of distinctiveness through use, there is no likelihood of confusion. 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.

79. I am supported in this finding by the fact that there is no evidence of any confusion between the marks having occurred despite the fact that both parties have

traded together since the applicant began trading under the mark in May 1998, that substantial sales have been made and a common outlet has been used.

80. The opposition under section 5(2)(b) fails.

81. I therefore go on to consider the opposition under section 5(4)(a).

“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.”

82. The conventional test for determining whether a party has succeeded under this section has been restated many times and can be found in the decision of Mr Geoffrey Hobbs QC sitting as the Appointed Person in *WILD CHILD* Trade Mark [1998] RPC 455. Adapted to these proceedings, the three elements that must be present can be summarised as follows:

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

83. The very full guidance given by Mr Hobbs in the *WILD CHILD* case, by reference also to Halsbury’s Laws of England, can be found at pages 460 and 461 of that decision.

84. To succeed under this ground, there must be deception or confusion which is dependent upon the similarity of the respective trade marks. I have already found that the respective trade marks are not similar enough to cause confusion and use of the applicant’s mark cannot therefore constitute a misrepresentation. The opposition under section 5(4)(a) therefore fails.

85. The opposition has failed in its entirety and the applicant is entitled to an award of costs. Both Counsel agreed that I should make an award from the usual scale. No award was requested in respect of the preliminary issue on the request to amend pleadings.

86. As the applicant has been successful I order the opponent to pay the applicant the sum of £1500 as a contribution towards its costs. 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 11th day of May 2004

ANN CORBETT
For the Registrar
The Comptroller General