

O-051-07

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2383571
IN THE NAME OF CONTINENTAL WINE & FOOD LIMITED**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 93583 IN THE NAME OF
SOCIÉTÉ JAS HENNESSY & CO**

TRADE MARKS ACT 1994

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in the name of Continental Wine & Food Limited**

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**IN THE MATTER OF opposition thereto under No 93583
in the name of Société Jas Hennessy & Co.**

BACKGROUND

1. On 3 February 2005, Continental Wine & Food Limited applied to register the trade mark PARADISE BAY in Class 33 in respect of the following specification of goods:

Fortified wine.

2. On 8 July 2005, Société Jas Hennessy & Co filed notice of opposition, the grounds being in summary:

Under Section 5(2)(b) because the mark applied for is similar to the opponents' earlier mark, and is sought to be registered in respect of goods that are identical to those for which this earlier mark is registered, such that there exists a likelihood of confusion.

3. Details of the earlier mark relied upon by the opponents can be found as an annex to this decision. They claim use of the mark in respect of "Brandy".

4. The applicants filed a Counterstatement in which they assert that the word PARADISE is common in Class 33, and alleging that the opponents have only used their earlier mark in respect of brandy, put the opponents to proof.

5. Both sides request that costs be awarded in their favour.

6. Only the opponents filed evidence in these proceedings, which insofar as it is relevant I have summarised below. Neither side took up the offer of an oral hearing, instead electing to file written submissions in lieu of a hearing. After a careful study of the evidence and submissions, I now go on to give my decision.

Opponents' evidence

7. This consists of a Witness Statement dated 22 March 2006, from Stephanie Jenny Loeffler, a trade mark attorney with Marks & Clerk, the opponents' representatives in these proceedings.

8. Ms Loeffler refers to Exhibit SJL1, which consists of a number of invoices headed as being from Hennessy Cognac, the footer referring to Societe Jas Hennessy & Co. The invoices date from 20 October 2000 through to 12 December 2005, and *inter alia* relate to sales of "Decanters 70cl Cognac Paradis with box". The first invoice is addressed to London City Bond at Creek Road No. 3 Warehouse, which by its description may be a bonded warehouse. The buyer on all invoices originating from prior to the relevant date is Moet Hennessy UK Limited, in some cases c/o Cert PLC. Two invoices dating from after the relevant date show The Glenmorangie Company. Ms Loeffler refers to Exhibit SJL2, which she says is a representation of the product container as sold in the UK. The exhibit consists of a bottle labelled Hennessy PARADIS EXTRA fine cognac, the description also referring to the product as PARADIS EXTRA.

9. Ms Loeffler refers to a search of the UK register that she undertook to find out whether there are other marks containing or consisting of the term PARADIS/PARADISE in Class 33. The results, shown as Exhibit SJL3, refer to three PARADISE registrations in addition to the two for LE PARADIS owned by the opponents. Exhibit SJL4 consists of copies of the advertisement for one of these marks that was published in the Trade Marks Journal.

10. Ms Loeffler next refers to the Preliminary Indication issued by the Registrar, in particular that there is a "low degree of similarity between the goods" covered by the respective marks (taking into account the use shown by the opponents). She refers to Exhibits SJL5 and SJL6, which consist of extracts taken from the Internet that show that cognac/brandy is used in the manufacture of fortified wine, and that both are served as after-dinner drinks. Ms Loeffler makes particular reference to the website www.uk.chateauonline.com that lists cognac and port under the general category of "spirits".

Decision

11. The opposition is based on Section 5(2)(b) of the Act, which reads as follows:

"5.-(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."

12. An 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.”

13. In my consideration of a likelihood of confusion or deception I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV 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] F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 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*,
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*,
- (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*,
- (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*,
- (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 Kaisha v Metro-Goldwyn-Mayer Inc*,
- (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*,
- (g) in determining whether similarity between the goods or services covered by two trade marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

- (h) 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*,
- (i) 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*,
- (j) 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.*

14. The opponents rely on one earlier trade mark, a registration for the words LE PARADIS which achieved registration more than five years prior to 8 April 2005, the date on which the application in suit was published. This being the case, the provisions of Section 47(2)(A) introduced under The Trade Marks (Proof of Use, etc.) Regulations 2004 apply, and must be considered before going on to determine the substantive issues. The Proof of Use Regulations place an onus upon the opponents to show that there has been genuine use of their earlier mark, in the UK, within the five years ending with the date on which the application was published. Therefore, the opponents must show use in the period from 8 April 2000 to 7 April 2005, either by them, or by another party with their consent. The evidence would ordinarily be expected to show use in relation to all of the goods for which the earlier mark is registered, but in this case the opponents only claim to have used the mark in respect of “brandy” and it is in relation to this item that the applicants put the opponents to proof. If the proprietors have not used the mark as claimed they may nonetheless satisfy the requirement by showing that there are proper reasons for this. The provisions of sub-section (2)(C) allow for use of a trade mark in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered.

15. The Act refers to “genuine use” having been made of the trade mark but does not set out what constitutes use that is genuine. The European Court of Justice (ECJ) in Case C-40/01, *Ansul BV v Ajax Brandbeveiliging BV* [2003] RPC 40 page 725 paragraph 36, answered the question of what “genuine use” means in the following terms:

“Genuine use must therefore be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others that have another origin.”

16. So according to *Ansul*, genuine use entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned. Such use

must be in relation to goods or services that are already on the market, or about to be marketed and for which preparations are underway to secure customers, for example, by means of advertising. The *Bud* Trade Mark case [2002] RPC 38 at paragraphs 41 and 42 gives some limited guidance on advertising. The assessment of whether there has been genuine use must take into account all of the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, and may include giving consideration, inter alia, to the nature of the goods or services at issue, the characteristics of the market concerned, and the scale and frequency of use; the use need not always be “quantitatively significant” for it to be deemed genuine.

17. In the *Police* case [2004] RPC 35, the Appointed Person took the view that the *Ansul* decision did not limit the factors to be taken into account in establishing whether use was genuine only to the three areas specifically mentioned. It had stated that all facts and circumstances relevant to establishing whether there had been real commercial exploitation should be included, and that the size of a proprietor’s undertaking may be relevant.

18. Further guidance on the scale and frequency of use can be found in the *La Mer Technology Inc* case [2005] F.S.R. 29. This is the decision of a resumed appeal hearing following a reference to the ECJ on various questions relating to the meaning of “genuine use”. In his decision Blackburne J stated:

“**31.** Whether in any given case the proven use amounts to genuine use (“whether the commercial exploitation of the mark is real” as paragraph 38 of *Ansul* puts it) will depend on all of the facts and circumstances relevant to establishing such a state of affairs, including the characteristics of the market concerned and of the products or services in question, and the frequency or regularity of use of the mark. Even minimal use will be sufficient if, in the market concerned, the proven use is considered sufficient to preserve or create a market share for the goods or services protected by it. Thus, the sale or offering for sale (in, say, a trade magazine) of a single exceedingly costly and highly unusual item carrying the mark in a specialised market, for example a very large and complex piece of earth-moving equipment, may very well be considered by itself to be sufficient in the market for such equipment to preserve or create a market share for items of that kind which carry the mark whereas the sale of a low priced everyday product in a widespread market, for example a single jar of face cream bearing the mark or the exposure for sale of, say, half a dozen such jars for sale on a shop shelf, would almost certainly not be. It would be irrelevant to this conclusion that, in the latter example, the purpose of the proprietor of the mark (or of some third-party acting with the proprietor's consent) when offering the jar of cream for sale was to create a share in the market for face cream sold in jars bearing the mark.”

19. Mr Justice Blackburne referred back to the decision of Jacob J in the earlier part of the appeal:

“15. Jacob J himself ventured an answer to those questions. At paragraph 29 of his judgment [2002] FSR 51 at 29) he said this:

"I take the view that provided there is nothing artificial about a transaction under a mark, then it will amount to "genuine" use. There is no lower limit of "negligible". However, the smaller the amount of use, the more carefully must it be proved, and the more important will it be for the trade mark owner to demonstrate that the use was not merely "colourable" or "token", that is to say done with the ulterior motive of validating the registration. Where the use is not actually on the goods or the packaging (for instance it is in advertisement) then one must further enquire whether that advertisement was really directed at customers here. ...

Nor do I think that the absence of a *de minimis* rule significantly affects the policy behind the legislation. Yes, marks must be used within the relevant period, but there seems no reason to make a trader who has actually made some small, but proper, use of his mark, lose it. Only if his use is in essence a pretence at trade should he do so. And of course, if he has only made limited use of his mark it is likely that the use will be only for a limited part of his specification of services. If he has a wider specification, that can and should be cut back to just those goods for which he has made use ..."

20. The evidence of use provided by the opponents is thin to say the least, consisting of a small number of invoices that list a cognac under the name PARADIS, and a sheet depicting a bottle of PARADIS EXTRA cognac, which being undated is of little or no value beyond providing details of how the mark is actually used. It is not at all clear that the invoices show use other than in relation to cognac that reached bonded warehouses, and given the buyer in all transactions prior to the relevant date is Moët Hennessy UK Limited, may well be no more than evidence of transactions between two connected companies. Setting these questions aside and accepting the invoices at face value, they show sales by the opponents to an entity within the UK. The earliest dates from 20 October 2000 through to 12 December 2005, and amongst other products list sales of “Decanters 70cl Cognac Paradis with box”.

21. Although undated, the sheet is exhibited by the opponents as being a “representation of the Product container as sold in the UK”. The exhibit consists of a bottle of cognac that is described either as HENNESSY PARADIS EXTRA or PARADIS EXTRA. Neither the invoices or this sheet show the mark as LE PARADIS, the form in which it is registered, so the question of whether, in taking away the definite article “LE”, and then adding “EXTRA the opponents have used a mark “...in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered...”. I do not think that THE PARADIS and PARADIS would be considered to have a different distinctive character; the distinctiveness

clearly rests in PARADIS just as it does in PARADIS EXTRA. In the latter mark the suffix “EXTRA” is no more than a suggestion that this is a superior variety of the preceding brand. The public are in all probability well used to seeing EXTRA (and other superlatives) used in this manner.

22. There is no information on the extent of any trade that would enable me to assess its significance in the context of the market, nor any that shows there to have been promotion or advertising by the opponents. Nevertheless, taking what I can from the evidence, and giving the opponents the benefit of the doubt in relation to its potential flaws, it would seem that there has been a trade in respect of cognac, and that this was a genuine commercial activity. Having reached this conclusion, I must now go on to determine the substantive ground on the basis that the opponents’ earlier mark is in respect of “cognac”.

23. Turning first to the respective trade marks. The opponents’ mark consists of the words LE PARADIS whereas the applicants’ consists of the words PARADISE BAY. Self-evidently these marks are not identical. Considered separately there is a good degree of similarity in the appearance of the words PARADIS and PARADISE, particularly given that the difference is a single letter at the end of the words. However, the respective marks do not consist solely of these words. The opponents’ mark is preceded by the word “LE”, and the applicants’ mark is followed by the word BAY, and taken as a whole I consider these marks to be visually distinct.

24. It is not unreasonable to infer that the opponents’ mark is most likely of French origin, and that the relevant consumer of the goods in question is likely to see it as such, particularly given that PARADIS is preceded by the definite article “LE”. Whether viewed as an English or French word, I do not believe that the resulting pronunciation will be the same. If spoken as an English word, PARADIS will either be pronounced as PARADIZZ or PARADISS, whereas if recognized and enunciated as a French word, the public will most likely do so as PARADEE (as in the singer Vanessa Paradis) or PARADEEZ. As an ordinary and commonplace English word the consumer will know that PARADISE should be spoken as PARADICE. No matter which of the possible alternative pronunciations for the opponents’ mark is used, the first two syllables will be spoken in the same way, and the respective marks will have a similarity in sound in their beginnings which is regarded as the most significant element in a comparison of word marks. However, the endings are not overshadowed by the similarity in the beginnings, and when the other elements “LE” and “BAY” are factored in, this combines to create a whole that I do not consider to be aurally similar.

25. Whether or not the relevant consumer knows that PARADIS is the French equivalent of the English word PARADISE, it is close enough in appearance for the meaning to show through. This being the case, these elements PARADIS and PARADISE converge upon a similar idea. However, the applicants’ mark is not PARADISE but PARADISE BAY, which conveys the image of an “idyllic” palm-fringed beach, a more specific idea than the word PARADISE alone. So whilst the respective marks are capable of sending the idea centred on some desirable location, the image conjured will only be the same if the opponents’ mark is subjected to some interpretation. The picture that registers in the consumer’s mind will depend upon their idea of

what paradise is, which may, or may not be a bay.

26. Taking a view on all factors for and against, I have little difficulty in coming to the position that the marks LE PARADIS and PARADISE BAY are not similar. In reaching this conclusion I have taken no cognisance of the “state-of-the-register” evidence.

27. As far as I am aware, and there is no evidence to the contrary, the opponents’ mark has no relevance for brandy/cognac and is distinctive for such goods. I have already accepted that the evidence shows use in respect of cognac, but was not able to put this into context in relation to the market for such goods. Consequently, I do not see that I can infer that the mark has become any more distinctive by virtue of the use made of it, and if the opponents have established a reputation, it cannot be quantified.

28. In determining whether the goods covered by the opponents’ earlier mark are the same as, or similar to the applicants’ goods, I have considered the guidelines formulated by Jacob J in *British Sugar Plc v James Robertson & Sons Ltd* [1996] R.P.C. 281 (pages 296, 297) as set out below:

“...the following factors must be relevant in considering whether there is or is not similarity:

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

This inquiry may take into account how those in the trade classify goods, for instance whether market research companies, who of course act for the industry, put the goods or services in the same or different sectors.”

29. Whilst I acknowledge that in the view of the *Canon* judgement the *Treat* case may no longer be wholly relied upon, as can be seen from the following paragraph, the ECJ said the factors identified by the UK government in its submissions (which are listed in *Treat*) are still relevant in respect of a comparison of goods:

“23. In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, *inter alia*, their nature, intended purpose and their method of use and whether they are in competition with each other or are complementary.”

(see paragraph 56 of Case T-169/03 explaining the change from “end consumers” to “intended purpose”. This appears to have resulted from a mis-translation of the original text.)

30. As I have already said, the users of the respective goods will notionally be the same, and as both specifications cover alcoholic beverages I see no reason why their respective uses will not also be the same. One is a spirit whereas the other is a fortified wine. I accept that the evidence shows fortified wines are made by adding a quantity of grape spirit during the fermentation process, and that some traders may list both under the same product description, but this does not make it a grape spirit such as brandy, or a spirit *per se*. Whilst they may have the same use, their physical nature is different. I see no reason why the trade channels through which the respective goods reach the market should not be the same, although I have no evidence that a producer of brandy/cognac would also make fortified wines.

31. In retail establishments such as supermarkets and off licences, beverages such as brandy/cognac and fortified wines will usually be obtained by self-selection. In my experience the normal practice is for goods of a particular generic type to be displayed together, for example, all whiskies, all brandies, etc. Fortified wines such as port and sherry will be positioned in proximity (how close will depend upon the extent to which the retailer carries alcoholic beverages), but for the reasons above will be on different shelves. These are, I believe, circumstances with which the consumer of the goods in question will be familiar and expect.

32. To the extent that brandy/cognac and fortified wines are alcoholic beverages they can be considered as alternatives or in other words, in competition. The evidence from the opponents that supposedly highlights both are taken as an after-dinner drink is of little relevance. This information comes from menus that list many and varied drinks as being for such a purpose. Coffee is commonly consumed at such a time and by no stretch of the imagination could be considered similar to brandy (with which it is often served) or fortified wines. I have no evidence of how those in the trade classify such goods. The most I can do is use knowledge gained from personal experience and say that whilst I have seen both brandy/cognac and fortified wines on sale in the same retail outlets, I do not recall having seen both being sold as the produce of a single undertaking, but as I am not a consumer of either brandy/cognac or fortified wines I place little weight upon this.

33. Taking a balanced view of the factors for and against, I come to the position that whilst there are differences, these are shaded by the similarities and that on balance, brandy and fortified wines should be considered similar goods.

34. From the prices quoted on the invoices provided by the opponents it would seem that they use PARADIS in respect of a high-end cognac, which will no doubt be purchased by a knowledgeable and discerning consumer who will display an above average degree of attention to the transaction. The applicants' have not limited their fortified wines to those of a particular quality or type, so notionally their application encompasses fortified wines ranging from inexpensive mass-market to the high-end, expensive. This means that the respective goods are notionally capable of sharing the same market sector, and potentially involve a trade to the same consumers.

35. Starting from the point that I must assume all consumers to be reasonably circumspect and observant, and taking that they are more likely to be both where expensive or exclusive goods are involved, I have to proceed on the basis that the degree of observation and circumspection given to the purchase in this case will range from "reasonably" to "high". It is also relevant that whilst there may be many different brands of a particular alcoholic beverage, the number of generic types is more limited, and will generally be known to the consumer of these types of goods. As in most purchases, to some consumers the price will be the basis on which the purchasing decision is made, and for whom attention to the brand will be more of a passing consideration. For some the most significant factor will be the taste, and for whom a particular brand that they enjoy will be a more important point of reference to the consumer. These factors alone would support the view that there is little likelihood of confusion through imperfect recollection.

36. Taking all of the above into account and adopting the "global" approach required by *Sabel*, I have no doubt that a public familiar with the opponents' mark, on seeing the applicants' mark being used in relation to what I have determined to be the similar goods, will not be led into believing that they come from the undertaking that they already know, or one that is in some way linked. **There is no likelihood of confusion and the ground under Section 5(2)(b) fails.**

37. The opposition having failed, the applicants are entitled to an award of costs. I order the opponents to pay the applicants the sum of £650 as a contribution towards their costs. This 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 19th day of February 2007

**Mike Foley
for the Registrar
the Comptroller General**