

O-292-08

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2332046
BY INDEPENDENT FOOD SERVICES LIMITED
TO REGISTER THE TRADE MARK:**

HERITAGE

IN CLASS 33

AND

**IN THE MATTER OF OPPOSITION NO 93170
BY NISA-TODAY'S (HOLDINGS) LIMITED**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No 2332046
By Independent Food Services Limited
to register a trade mark in class 33**

and

**IN THE MATTER OF Opposition No 93170
By Nisa-Today's (Holdings) Limited**

BACKGROUND

1. On 14 May 2003 Independent Foods Services Limited (“IFS”) applied to register the word HERITAGE as a trade mark for cider in class 33 of the *Nice International Classification of Goods and Services* (“NICE”).

2. On 7 February 2005 Nisa-Today's (Holdings) Limited (“NISA”) opposed the above application on grounds under sections 5(1) and 5(2)(a) of the Trade Marks Act 1994 (“the Act”). In relation to its ground under section 5(1), NISA relied on its earlier trade mark 2328188, however, this earlier trade mark was refused registration following a successful opposition¹ by IFS; consequently, this earlier mark (and therefore the ground under section 5(1)) cannot be relied upon to prevent the registration of IFS's application. In relation to its 5(2)(a) ground of opposition, NISA relies on its earlier trade mark 2115418 the details of which are shown below:

Trade Mark	Relevant dates	Specification ²
UK Registration 2115418 for the mark: HERITAGE	Filed: 12/11/1996 Registered: 02/01/2004	Class 32: Non-alcoholic beverages; beers.

3. IFS filed a counterstatement denying the grounds of opposition. In relation to the 5(2)(a) ground of opposition it made the following statement:

“Whilst it is denied that non-alcoholic beverages, and beers are similar goods to cider, reference must again be made to the evidence of earlier, honest, and concurrent user of the subject application, already on file. This again was sufficient to facilitate acceptance of the subject application over the citation of registration 2115418.”

¹ See the decision of Mr Landau (on behalf of the Registrar) dated 16/1/2007 (BL-O/022/07) and also the decision of Professor Ruth Annand dated 22/08/2007 (BL-O-247-07) dismissing an appeal against the first instance decision.

² The specification also includes goods in classes 29 & 30 but they are not relied upon by the opponent.

4. Both sides filed evidence (this is summarised below) and the matter came to be heard before me on 11 September 2008. At the hearing, NISA were represented by Mr Martin Krause of Haseltine Lake, IFS were represented by Mr Bruce Marsh of Wilson Gunn.

NISA's evidence

5. NISA's evidence is given by its Trade Mark Attorney, Mr Martin Krause. His evidence details his research into the availability of alcohol-free cider and other alcohol-free beverages (wine, beer and lager).

6. Mr Krause states that he reviewed the web-site of *Asda* and that upon entering the "beer, lager and cider" section of its web-site he noticed a drop-down menu with a variety of options including "cider" and "alcohol free & low alcohol" and that upon entering the latter of these designations a range of drinks including a wine, a cider and several lagers were displayed. Exhibit MK1 (which carries no date) is a print of this web-page. The exhibit also contains a further print from this web-site relating to one of the products found, namely, an alcohol-free cider called *Kopparberg*. From this, I note the following text:

"GENUINE SWEDISH PEAR CIDER. Kopparberg Non Alcoholic Pear Cider offers the same great distinctive taste as Kopparberg Pear Cider but without the alcohol."

7. Mr Krause also notes in his evidence that the alcoholic version of *Kopparberg* cider was available at www.beersofeurope.co.uk and that an article about the launch of the alcohol-free *Kopparberg* was present on a web-site at www.talkingretail.com. Prints from these web sites are provided in Exhibit MK2. The former is undated, the latter carries a date of 2 October 2007.

8. Mr Krause completes his evidence by referring to the availability of alcohol-free wine on the web-site of *Waitrose* and that such wine was available in the same section as alcoholic wine. He also refers to the availability of an alcohol-free beer (*Becks*) on the same web-site in the "beers & lagers" category and that it carries the same branding as the *Becks* alcoholic beer that is also displayed.

IFS's evidence

9. IFS's evidence is given by its Trade Mark Attorney, Mr Bruce Marsh. He firstly refers to Exhibits BM1 & BM2 which contain copies of the decisions in relation to IFS's successful opposition against NISA's earlier trade mark 2328188. He notes that the decisions acknowledge and uphold IFS's possession of a "passing-off right" in respect of cider as of 1 April 2003.

10. Mr Marsh then refers to various definitions of cider. Exhibit BM3 is an extract from the *Concise Oxford English Dictionary (8th Edition)* which defines cider as

“an alcoholic drink made from fermented apples”. Exhibit BM4 is an extract from the dictionary section of www.ask.com which defines cider as “a beverage made from juice pressed from apples”. He then refers to Exhibit BM5³ which contains a number of extracts from web-sites run by organisations or companies that have an involvement in the cider trade and which provide information on the cider making process. He summarises these documents by stating that cider is made by a process that involves a non-pasteurised content together with fermentation. He contrasts this with the manufacturing process for apple juice by providing an extract from www.eddisbury.net which explains how its (Eddisbury’s) apple juice is produced; Mr Marsh explains that it involves pasteurisation but not fermentation. In view of this, Mr Marsh states that an apple juice cannot be classified as a cider.

11. Mr Marsh then refers to Exhibit BM7 which consists of a promotional leaflet from a company called *Aspall* who produce both cider and apple juice. Mr Marsh highlights that although the same brand name is used for both products, they are nevertheless marketed as different and distinct products. He then refers to Exhibit BM8 which provides extracts from the Internet demonstrating the availability of cider with low/no alcohol content. The extracts relate to *Kopparberg non-alcoholic pear cider* (the same product identified in Mr Krause’s evidence); *Westons Cider* (a low alcohol cider with an alcohol content of 0.5% alcohol by volume) and *Sainsbury’s Low Alcohol Cider*. Also provided is an extract from *The Alcohol Free Shop* web-site for a product called *Stowford Press LA* (a cider with an alcohol content of less than 0.5%). Mr Marsh notes that the *Kopparberg* product is marketed as a “cider” despite having a zero alcohol content; it is not, he notes, marketed as a non-alcoholic juice.

12. Exhibits BM9⁴ & BM10⁵ provide, respectively, explanations of the brewing processes for, and definitions of, beer. Mr Marsh summarises that beer is created using grain and hops and is distinguishable from cider.

13. Mr Marsh completes his evidence by exhibiting (BM11) a guidance note on the labelling requirements of alcoholic drinks as found on the web-site www.food.gov.uk. I will refer to this in more detail later in this decision.

NISA’s reply evidence

14. The evidence comes, again, from Mr Krause. To show that cider can be non-alcoholic, Mr Krause refers to Exhibit MK4 which consists of a market report entitled “Low-alcohol and alcohol free drinks – UK”. He states that this report makes a number of references to “alcohol-free cider”. He also refers to Exhibit MK5 which is a print from the Internet of the *Miscellaneous Food Additives*

³ The extracts are from the web-sites of the Campaign for Real Ale (“CAMRA”); *Westons Cider*, *Magners Irish Cider*, *Bulmers*

⁴ The extracts are from CAMRA and *PUBS.COM*

⁵ The definition is from the Oxford English Dictionary (8th Edition)

Regulations 1995 (SI No. 3187) which makes a reference to “cider and perry (including alcohol-free)”

DECISION

15. As mentioned in paragraph 2, the ground of opposition under section 5(1) of the Act cannot be pursued given the refusal of the earlier mark said to give rise to such a claim. Both Mr Krause and Mr Marsh accepted this at the hearing. I have, therefore, only the ground under section 5(2)(a) to consider.

The proof of use regulations

16. Of potential relevance to a ground of opposition under section 5(2)(a) are the provisions that relate to proof of use. Section 6A(1)⁶ of the Act details when these provisions are applicable, it reads:

“6A Raising of relative grounds in opposition proceedings in case of non-use

(1) This section applies where -

- (a) an application for registration of a trade mark has been published,
- (b) there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
- (c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.”

17. The registration procedure for the earlier mark (2115418) was completed on 2 January 2004. The date of publication of the application the subject of the opposition was 5 November 2004. The registration procedure for the earlier mark was, therefore, not completed before the start of the period of five years ending with the date of publication. **Consequently, the proof of use provisions do not apply and the specification of the earlier mark must be considered in its entirety, as registered.**

The law and the leading authorities

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

“5.-(2) A trade mark shall not be registered if because –

⁶ Section 6A was added to the Act by virtue of the Trade Marks (Proof of Use, etc.) Regulations 2004 (SI 2004/946) which came into force on 5th May 2004.

(a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or

(b)

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

19. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which read:

“6.-(1) In this Act an “earlier trade mark” means –

(a) a registered trade mark, international trade mark (UK), Community trade mark or International trade mark (EC) 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.”

20. When reaching my decision I have taken into account the guidance provided by the European Court of Justice (“ECJ”) in a number of judgments germane to this issue, notably in: *Sabel BV v. Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* [1999] R.P.C. 117, *Lloyd Schuhfabrik Mayer & 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, *Medion AG V Thomson multimedia Sales Germany & Austria GmbH* (Case C-120/04) and *Shaker di L. Laudato & Co. Sas* (C-334/05). It is clear from all these cases that:

(a) the likelihood of confusion must be appreciated globally, taking account of all the relevant factors: *Sabel BV v. Puma AG*, paragraph 22;

(b) the matter must be judged through the eyes of the average consumer of the good/services in question; *Sabel BV v. Puma AG*, paragraph 23, who is deemed to be reasonably well informed and 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* 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) when considering composite marks, it is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element; *Shaker di L. Laudato & Co. Sas (C-334/05)*, paragraph 42;

(f) an element of a mark may play an independent distinctive role within it without necessarily constituting the dominant element; *Medion AG V Thomson multimedia Sales Germany & Austria GmbH*, paragraph 30;

(g) 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*, paragraph 17;

(h) 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;

(i) 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;

(j) 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 + Adidas Benelux BV*, paragraph 41;

(k) 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.

Identity of the marks

21. Section 5(2)(a) requires the respective marks to be identical. Both marks consist of the word HERITAGE in no particular style or form of presentation. **The marks are, therefore, identical.**

Similarity of goods/services

22. All relevant factors relating to the goods in the respective specifications should be taken into account in determining this issue. In his skeleton argument Mr Marsh made reference to the guidance set out in by Jacob J in *British Sugar*

Plc v. James Robertsons and Sons Limited [1996] RPC 281 (“the *Treat* case”). Guidance on similarity between goods/services was also provided by the ECJ in *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* when it made the following statement:

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

23. Other factors may also be taken into account in determining similarity such as, for example, the distribution channels of the goods concerned (see, for example, paragraph 53 of the judgment of the Court of First Instance of the European Communities (“CFI”) in Case T-164/03 *Ampafrance v OHIM – Johnson & Johnson (monBeBé)*).

24. IFS seek registration for one product, namely, cider (as classified in class 33 of *NICE*). NISA relies on goods in class 32 of *NICE*, namely:

Non-alcoholic beverages; beers.

Comparison between NISA’s beer and IFS’ cider

25. Mr Krause’s submissions focused on the fact that both goods were similar in nature, both being alcoholic “tall” drinks sold in identical measures (pints etc) or packaging (cans and bottles etc). He argued that the consumers were the same and that both goods competed for this same consumer through the same trade channels. His view was that the goods were very similar indeed.

26. Whilst Mr Marsh did not necessarily disagree with the points identified by Mr Krause, he highlighted as the key distinguishing features the fact that the core ingredients of the goods differed (apples in the case of cider and wheat, hops and barley in the case of beer) and that the manufacturing processes involved were different. He also stated, although he conceded that no evidence had been given on this, that it was not common for manufactures of cider to also produce beer (and vice versa). Mr Marsh concluded that the goods were not “confusingly similar” which he further explained meant that the degree and nature of the similarity between the goods would not be capable of creating confusion.

27. The primary points of similarity and difference identified by the respective attorneys strike me as a reasonable identification of the relevant factors to consider. But, what is the net effect of these similarities and differences? Whilst Mr Marsh’s distinguishing points clearly identify that the goods are not the same, this, in itself, does not render them dissimilar. On the face of it, Mr Krause has identified a number of what appear to be quite strong similarities, I therefore find

it difficult to say that there is no similarity at all between the goods or that any similarity is so minimal that confusion could not possibly arise. On this, Mr Krause referred me to the decision of Mr MacGillivray (for the registrar) in *Kriska Trade Mark* (BL O-016-05). Whilst I pointed out to Mr Krause that this decision was neither binding nor persuasive, I noted that Mr MacGillivray's finding was based to a large extent on the decision of Mr Hobbs QC (sitting as the Appointed Person) in *Balmoral Trade Mark* [1998] RPC 297. *Balmoral Trade Mark* concerned a dispute where the relevant goods were whisky on the one hand and wine on the other, Mr Hobbs stated in this decision:

“At the heart of the argument addressed to me on behalf of the application is the proposition that whisky and wines are materially different products which emanate (and are known to emanate) from producers specialising in different and distinct fields of commercial activity. This was said to render it unlikely that a producer of whisky would become (or be expected to become) a wine producer and unlikely that a producer of whisky who did become a wine producer would market (or be expected to market) his whisky and wines under the same trade mark. I was urged to accept that this made it possible for one producer to use a mark for whisky and another producer to use the same mark concurrently for wines without any real likelihood of confusion ensuing.

I am willing to accept that wine production and the production of whisky are activities which call for the exercise of perceptibly different skills directed to the production of qualitatively different alcoholic drinks. It may be the case that few undertakings produce both whisky and wines and it may be the case that the same trade mark is seldom used to signify that whisky and wines emanate from one and the same producer. However, I am not able to say on the basis of the materials before me whether there is any substance in either of those points. Beyond that, I consider that the arguments advanced on behalf of the applicant over-emphasise the part played by producers and under-emphasise the part played by other traders in the business of buying and selling whisky and wines.

It is common to find whisky and wines bought and sold by merchants whose customers expect them to stock and sell both kinds of products. Many such merchants like to be known for the range and quality of the products they sell. The goodwill they enjoy is affected by the judgment they exercise when deciding what to offer their customers. In some cases the exercise of judgment is backed by the use of “own brand” or “merchant-specific” labelling. Those who supply retail customers may be licensed to do so under an “off-licence” or a licence for “on and off sales” in appropriate circumstances. It is not unusual for resellers of whisky and wines to be suppliers of bar services as well.

When the overall pattern of trade is considered in terms of the factors identified by Jacob J. in the *British Sugar* case (uses, users and physical nature of the relevant goods and service; channels of distribution, positioning in retail outlets, competitive leanings and market segmentation) it seems clear to me that suppliers of wines should be regarded as trading in close proximity to suppliers of whisky and suppliers of bar services. In my view the degree of proximity is such that people in the market for those goods or services would readily accept a suggestion to the effect that a supplier of whisky or bar services was also engaged in the business of supplying wines.”

28. Taking all of the above into account, it seems to me that the goods in question here must be regarded as having some degree of similarity. If whisky and wine are similar then beer and cider must also be given that, on the face of it, they seem closer to each other than whisky and wine. However, to inform my conclusions on the likelihood of confusion, I should also assess the degree to which they are similar. Whilst I note the differences that Mr Marsh has identified in terms of core ingredient and manufacturing process, the similarities identified by Mr Krause are, as I have already said, reasonably strong. Furthermore, whilst I note Mr Marsh’s submission that it is not common for manufacturers of beer to also manufacture cider, there is no evidence of this before me. Irrespective, it would not surprise me to discover that undertakings that are responsible for the production of beer also produce cider, although, I am aware from my own experience, and in line with Mr Marsh’s submission, that the end trade to the general public may be undertaken under different signs of trade origin. In terms of assessing the significance of this in the comparison of the goods, it does not strike me as a highly significant factor (although it may inform the debate in relation to the likelihood of confusion). This is particularly so when the close proximity of the respective goods at the point of sale is taken into account. In relation to this, beer and cider sold in draught form in public houses are likely to have their respective pumps close to each other (potentially even next to each other) and, if sold in bottles or cans, they are normally located close to each other in the same way as they are in retail establishments. **These factors lead me to conclude that beer and cider are not only similar goods, but they are similar to a reasonably high degree.**

Comparison between NISA’s non-alcoholic beverages and IFS’s cider

29. It is fair to say that this was one of the key issues discussed at the hearing. Mr Krause argued that the term “non-alcoholic beverages” that appeared in NISA’s specification was a wide term which covered all beverages (that fall in class 32) that have no alcohol content. He accepted that this included beverages such as carbonated drinks, juices (including apple juice) and waters, but, that the term would also include the non-alcoholic versions of beverages that are traditionally alcoholic in nature such as non-alcoholic beer, wine and, crucially, non-alcoholic cider. He explained that non-alcoholic cider was a term recognised

by *NICE* and that it falls within class 32 of said classification and, further, that non-alcoholic or alcohol-free cider was a product recognised by the trade, as demonstrated by his evidence.

30. Mr Marsh accepted that the term non-alcoholic beverages could, from a literal interpretation, be construed to cover non-alcoholic cider. However, he developed his argument by explaining that the question was a more subtle one and he highlighted a number of factors which should, in his view, lead to a different finding. He questioned whether a beverage made from apple juice but without any alcohol content could properly be said to be a cider; he questioned, if it was a cider, whether such a product fell in class 32 and also whether the product existed at the time that NISA made its application; finally, he strongly argued that a non-alcoholic cider (if it existed) should not, irrespective of its literal meaning, be regarded as a non-alcoholic beverage due firstly to its link to, and categorisation with, traditional alcohol containing cider and, secondly, because non-alcoholic beverages was a term more associated with carbonated beverages and juices etc. Mr March submitted that the closest product to a cider that could be categorised as a non-alcoholic beverage was apple juice, but, he felt that any similarity here was not enough to cause confusion.

31. I must firstly determine whether non-alcoholic cider is a relevant good for the purposes of this opposition. To this extent, and to deal with some of the factors identified by Mr Marsh, I note that both parties have filed evidence demonstrating the existence of *Kopparberg*, a non-alcoholic cider. Mr Marsh highlighted the fact that this is designated as a pear cider and questioned whether this was a cider at all given that cider is made from apples whereas fermented pear is normally designated as perry. He also highlighted that the *Kopparberg* product was designated as “non-alcoholic” which appeared to go against the labelling requirements for alcoholic drinks detailed in Exhibit BM11 of his evidence; this, he felt, cast doubt on whether the product was a cider and, therefore, whether it was relevant to consider non-alcoholic cider in the opposition. I accept that cider is traditionally made from fermented apple juice (this is demonstrated by Mr Marsh’s evidence) and I am also aware that perry is a product that comes from the juice of pears. However, the evidence does not detail how perry is made. It may be that perry is made through a quite different process to cider and, therefore, I am not persuaded that a cider cannot be made from pears even if this would not constitute the most traditional type of cider. On the face of it, the evidence shows a product designated as a pear cider and I am prepared to accept it as such.

32. In terms of whether a product said to be cider but containing no alcohol can properly be called a cider, Mr Krause argued in submissions that apple juice (or pear juice) which had been fermented (to produce alcohol) into cider could be de-alcoholised to form the non-alcoholic beverage. He highlighted that similar processes had been undertaken for many years with respect to beers and wines. Mr Krause’s submissions seem sensible. Whilst the process he described may

not be prolific in relation to cider, there is nothing inherently incredible in the application of such a process to cider. I accept that the traditional form of cider is as an alcoholic beverage (in the same way that beer is traditionally alcoholic), but I do not agree that the instant the alcohol is removed that it ceases to become that product. Again, the evidence shows that the product is sold and marketed in the same way as its alcoholic equivalent and must be regarded as something more than a simple apple (or pear) juice.

33. Mr Marsh also referred to the labelling requirements for alcoholic drinks detailed in BM11 of his evidence, the relevant part reads:

“12. Furthermore, the description “non-alcoholic” shall not be used in conjunction with a name commonly associated with an alcoholic drink, except in the composite name “non-alcoholic wine” when that composite name is used in accordance with regulation 43 of the Food Labelling Regulations.”

34. It is true that the *Kopparberg* product uses the designation “non-alcoholic” together with the designation “cider” and that this appears to go against the labelling requirements referred to. The labelling requirements indicate that the term “alcohol-free” should be used. However, I do not see this as significant because even if this is the case, this issue does not make the product any more or any less a cider. In terms of the classification of cider with no alcohol content, this is clear. Mr Krause identified that *NICE* includes a specific entry, namely:

Cl.	SERIAL No. (E)	INDICATION OF GOODS	SERIAL No. (F)	BASIC No.
32	C 0484	Cider, non-alcoholic	J0066	320047

35. Not only does this further support the proposition that cider can be non-alcoholic whilst still retaining a characterisation as a cider, it gives specific direction that such goods fall in class 32, the class relevant to NISA’s earlier trade mark.

36. Having concluded that cider can be non-alcoholic and that such a product would fall within class 32, I must determine whether such a product can properly be said to fall with the general term “non-alcoholic beverages”. To this extent I note the decision in *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267 where it was stated:

“I should add that I see no reason to give the word “cosmetics” and “toilet preparations” or any other word found in Schedule 4 to the Trade Mark Regulations 1994 anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context. In particular, I see no reason to

give the words an unnaturally narrow meaning simply because registration under the 1994 Act bestows a monopoly on the proprietor.”

37. The above case supports the argument for a literal interpretation of the term. If such an approach were adopted then it is clear (as conceded by Mr Marsh) that non-alcoholic cider must fall within the ambit of the term because: 1) it is a beverage and 2) it is non alcoholic. However, in the *Treat* case, Jacob J. stated:

“I reject this argument. Notwithstanding what is said on the label, the use of the spread with a dessert is in practice likely to be slight. Mr Lloyd Jones, Robertson's Marketing Director, thought that all potential uses of the product, otherwise than as a spread, amounted to less than 5% of volume. The product comes in a jam jar because it is like a jam. No one would describe a jam as a "dessert sauce" in ordinary parlance, yet it too can be used on a dessert and everyone knows and sometimes does that. Supermarkets regard the product as a spread. The jam jar invites use as a spread. When it comes to construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade. After all a trade mark specification is concerned with use in trade. The Robertson product is not for the purpose of trade, a dessert sauce.”

38. It is no doubt the comments of Jacob J. that Mr Marsh had in mind when he argued that cider would not be considered in trade to be a non-alcoholic beverage. Whilst I understand the argument, it seems to me, taking *Beautimatic* and *Treat* in the round, that terms in specifications and the types of goods and services that fall within their ambit, must be determined in accordance with ordinary dictionary meanings unless their context and/or accepted trade descriptions/evidence point otherwise. To this extent, IFS has filed no evidence to suggest that the term “non-alcoholic beverages” is a term recognised by the trade and that it is regarded as designating a particular range of products (a range that differs from its literal meaning). Indeed, the term strikes me as a simple literal one with simple basic understandable words. It is not a term such as “soft drinks” which is less literal in nature and which may be a term recognised by the trade as consisting of certain type of product. It may be true that non-alcoholic cider is marketed in an equivalent manner to its alcoholic counterpart, but that does not dissipate the fact that it is a beverage that is non-alcoholic in nature. In summary, I am not persuaded that the term should be given anything other than its literal meaning and, accordingly, non-alcoholic cider must fall within the ambit of the term “non-alcoholic beverages”.

39. The final point to determine is whether non-alcoholic ciders existed at the time of making NISA's application. It is true that the *Kopparberg* evidence is from after the date of application and therefore that specific brand did not exist at the time of filing. However, it does not follow that non-alcoholic cider did not exist prior to *Kopparberg*. Whilst NISA have filed no evidence to show that it did, I note

that *NICE* includes a reference to non-alcoholic cider not only in its most recent edition (2006, 9th Edition) but also in the previous edition (2001, 8th Edition); this at least supports the proposition that it existed well before *Kopparberg*. Further, I note the decision in *Reed Executive plc and Reed Solutions plc v Reed Business Information Ltd and Reed Elsevier (UK) Ltd, totaljobs.com Ltd* [2004] ETMR 56, where Jacob LJ accepted that a specification could be taken to cover variants of goods that came into existence after registration:

“48. So also for a word or phrase which changes its meaning over time But that must in practice be very rare. Indeed I know no instance of it in any reported case. The ordinary case – and I think this is one – is where some new variant of an article or service comes into existence after registration. The issue then is whether that new article or service falls within the meaning of the existing specification. Columbia Graphophone's TMs (1932) 49 R.P.C. 621 is a good example of a new article falling within an old specification. The specification of goods of the mark under attack was "all goods in Class 8". Class 8 (of the old classification, bizarrely taken from the classification used for the Great Exhibition) quaintly read "philosophical instruments, scientific instruments and apparatus for useful purposes; instruments and apparatus for teaching". An application for partial rectification was made on the grounds of non-use. The excision sought was essentially for "cinematograph films, talking and silent" (my précis). The trade mark owner, a record company, sought to justify the non-user by saying that talkie films had only just become possible and that amounted to special circumstances. The argument failed and excision was ordered. There was an express excision from the specification of a kind of article (talkies) that did not exist at the time of registration.”

40. Taking all factors into account, I am prepared to accept that non-alcoholic cider is covered by NISA's application even though it was applied for in 1996; the reasons for coming to this view are that there are no strong reasons to suggest that non-alcoholic cider did not exist at that date, and furthermore, even if it didn't, it could nevertheless be considered as a new variant non-alcoholic beverage.

41. Having found that NISA's specification encompasses non-alcoholic cider, the comparison between that product and cider in class 33 is relatively straightforward. The nature of both goods is very similar (even though one has an absence of alcohol) as they are both, essentially, ciders. It is clear from the evidence of NISA that alcoholic beverages and their non-alcoholic equivalents are sold side by side. It is also likely that the goods are sold in identical measures and/or in similar types of packaging. Both sides' submissions suggest that the goods would be marketed together. Whilst cider (alcoholic) has as one of its intended purposes an intoxicating effect which is clearly not the case for the non-alcoholic equivalent, this distinction is not sufficient, taking into account all the

other factors, to lessen to any significant extent the degree of similarity. In my view, the goods are highly similar.

42. IFS' view was that the closest non-alcoholic beverage to cider was apple juice. Mr Krause suggested (without ruling out confusion on the basis of apple juice) that the similarity between apple juice and cider was weaker than in relation to the goods I have already dealt with. I agree. For this reason there is little point in deliberating further in relation to apple juice because if NISA cannot succeed in relation to beer or in relation to non-alcoholic cider then they are unlikely to succeed in relation to apple juice.

Relevant public and the purchasing act

43. As matters must be judged through the eyes of the relevant, average consumer (*Sabel BV v. Puma AG*, paragraph 23) it is important that I assess who this is. In relation to beer and cider the average consumer will be the general public, albeit those of drinking age. In relation to non-alcoholic cider, the average consumer will be the same. Whilst there may be no prohibition on the sale of the goods to those who are below the legal drinking age, the nature of the goods lends themselves to being purchased, in the main, by the same average consumer of the alcoholic equivalents as an alternative to the alcoholic version. Although the respective goods are not the most expensive of products, they are still purchased with at least a reasonable degree of attention given that taste, and to some extent brand loyalty, play a part in the selection process. However, this does not equate to the purchasing act being undertaken with the highest degree of attention or consideration, a reasonable degree of care and attention is likely to be utilised.

Distinctiveness of the earlier trade mark

44. The distinctiveness of the earlier mark is another important factor to consider because the more distinctive it is (based either on inherent qualities or because of the use made of it), the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). NISA have filed no evidence to show what use, if any, has been made of its mark. Therefore, I have only the inherent qualities of the mark to consider.

45. At the hearing, Mr Krause conceded that the mark was not one of a high degree of inherent distinctiveness. Mr Marsh agreed with this assessment, he considered the mark to be one of an average degree of inherent distinctive character. I have no reason to come to any different conclusion. To this extent I note⁷ that the word HERITAGE relates to things that have been transmitted from the past or handed down by tradition. It is neither an invented word nor a word that is highly fanciful for the goods at issue. I express this latter view because the word has a suggestive quality, suggestive, in the context of the goods, of

⁷ After taking into account the definitions contained in Collins English Dictionary (5th Edition)

beverages made from traditional recipes. However, despite this suggestive quality, it is not a word which, in isolation, describes (or even comes close to describing) a characteristic of the goods. Overall, I agree that the mark is one of an average degree of distinctiveness.

Honest concurrent use/ “equitable right”

46. In its counterstatement IFS refer to its “evidence of earlier, honest, and concurrent user of the subject application, already on file”. Mr Marsh pursued this line of argument at the hearing referring to the evidence of honest concurrent that was sufficient at *ex parte* stage and by also referring to the decisions of Mr Landau (for the registrar) and Professor Annand (sitting as the Appointed Persons) relating to IFS’ possession of goodwill. Mr Marsh conceded that concurrent use (concurrent with NISA) had not been demonstrated because there is no use of NISA’s mark on record, but that it would be inequitable for IFS’s application to be refused when it has an “earlier right”.

47. I should firstly say that the evidence of *ex parte* honest concurrent use has not been presented to this tribunal. Neither has the evidence of IFS’s goodwill as filed in support IFS’s case in the previous proceedings. It would have been a simple matter to have adopted that earlier evidence as evidence in the present proceedings, but, this has not been done. Whilst the earlier decisions themselves have been filed as evidence, and indeed they are in any event a matter of public record, there is little I can take from the mere fact that in a non-binding case it was found that IFS has a goodwill.

48. Even if I could take greater cognisance of Mr Marsh’s “evidence” there are, in any event, problems in giving it any real significance. The first is, as stated above, that there is no evidence of honest concurrent use of the respective marks. For “honest concurrent use” to play a meaningful role in the assessment of the likelihood of confusion I must be satisfied that the parties have traded in circumstances that suggest consumers have been exposed to both marks and have been able to differentiate between them without confusion as to trade origin⁸. That cannot be the case where, as here, there is no evidence at all in relation to the other mark.

49. The second problem relates to Mr Marsh’s submission that it would be inequitable, in view of IFS’s earlier right and first use, to refuse to register IFS’s application. I can see no basis for this in law. Whilst factors surrounding concurrent confusion-free trading may play a part in the assessment of a likelihood of confusion, this does not extend to simple first user. The facts do

⁸ See to that effect the Court of Appeal in *The European Ltd v. The Economist Newspaper Ltd* [1998] FSR 283 at page 291, Laddie J in *Compass Publishing BV v. Compass Logistics Ltd* [2004] RPC 41 at 809 and the Court of Appeal in *Phones 4U Ltd v. Phone 4u. co. uk Internet Ltd* [2007] RPC 5 at paragraphs 42 to 45 and Alan Steinfield QC, sitting as a deputy judge of the High Court, in *Fiorelli Trade Mark* [2007] RPC 18

nothing to establish that there is no likelihood of confusion and therefore they cannot operate to frustrate the mandatory refusal of an application under section 5(2)(a) in the event of a finding of a likelihood of confusion. The fact, as Mr Marsh pointed out in his skeleton argument, that confusion may occasion itself to the detriment of the applicant as opposed to the proprietor of the earlier mark is in my view not relevant, confusion is confusion regardless of which way around it occurs.

Likelihood of confusion

50. In so far as the conflict with non-alcoholic cider is concerned (falling, as I have found, within the term non-alcoholic beverages) it is with little hesitation that I conclude that there is a likelihood of confusion. The marks are identical. The goods are highly similar. The evidence (Mr Krause's evidence of co-branding between alcoholic beverage and their non-alcoholic equivalents) shows that they are marketed in the same way often using the same branding. The earlier mark also has an average degree of distinctiveness. **Taking all these factors into account I consider that confusion is not only likely but is in fact inevitable.**

51. In relation to beer, the highpoint of IFS's case is that the goods are distinct and that the consumer is not used to seeing co-branding between these types of goods. Whilst this may be true, the marks are nevertheless identical and will be sold through the same channels of trade and the consumer is likely to encounter them in close proximity to each other. There are also strong points of similarity in the physical nature of the goods themselves. It is, therefore, a question of balancing these factors and concluding whether or not the consumer will be confused as to the economic origin of the goods, or, put another way, will the consumer believe that the goods sold come from the same trade source. In my view, the relevant, average consumer encountering the respective marks for the respective goods will clearly notice that they share an identical form of branding. It will certainly not be lost on them. This is likely to lead them to the conclusion that a particular undertaking has produced both a cider and a beer and is using the same branding to send the same guarantee of control and quality. The word is not low in distinctiveness and it is not a word that the consumer is likely to put down to a co-incidental sharing, particularly bearing in mind the close proximity to each other at the point of sale. **All things considered, I find that there is a likelihood of confusion.**

Costs

52. NISA has been successful and is entitled to a contribution towards its costs. I hereby order Independent Foods Services Limited to pay Nisa-Today's (Holdings) Limited the sum of £1700. This sum is calculated as follows:

Opposition fee	£200
Notice of opposition	£300
Considering the counterstatement	£200
Preparing and filing evidence	£400
Considering IFS's evidence	£200
Preparation for, and attendance at, the hearing	£400
Total	£1700

53. The above sum should 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 24th day of October 2008

**Oliver Morris
For the Registrar
The Comptroller-General**