

O/247/12

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION  
No. 2565243  
BY COLD BLACK LABEL LIMITED  
TO REGISTER THE TRADE MARK**



**IN CLASS 32**

**AND**

**IN THE MATTER OF OPPOSITION THERETO  
UNDER No. 101710 BY  
MOLSON COORS BREWING COMPANY (UK) LIMITED**

## BACKGROUND

1) On 25 November 2010 Cold Black Label Limited (hereinafter the applicant), applied to register the following trade mark:





2) In respect of the following goods in Class 32: “Beer, stout, lager, porter, ale; mineral and aerated waters; non-alcoholic drinks; drinks containing not more than 1.2% (by volume) of alcohol.”

3) The application was examined and accepted, and subsequently published for opposition purposes on 17 December 2010 in Trade Marks Journal No.6866.

4) On 18 March 2011, Molson Coors Brewing Company (UK) Limited, (hereinafter the opponent) filed a notice of opposition. The grounds of opposition are in summary:

a) The opponent is the proprietor of the following trade marks:

Number	Mark	Filing and Registration Date	Class	Specification relied upon
CTM 7601743	 <p>Colours claimed: Black, white, grey, red.</p>	13 February 2009 / 26 April 2010	32	Beer, stout, lager, porter, ale; mineral and aerated waters; non-alcoholic drinks.
CTM 4468112		24 May 2005 / 11 September 2006	32	Beer, stout, lager, porter, ale; mineral and aerated waters; fruit juices, fruit drinks; non-alcoholic drinks.

- b) The opponent relies upon the marks above for its opposition under section 5(2)(b). It contends that the mark in suit consists of a big cat's head with the black and red lozenge device through the cat's mouth. It contends that CTM 7601743 consists of a big cat's head with the black and red lozenge device through the cat's mane. With regard to CTM 4468112 the opponent contends that its mark is fully contained in the mark in suit. In both cases the opponent contends that the goods are identical and that there is a high risk of confusion.
- c) The opponent relies upon both marks in paragraph (a) above in relation to its opposition under section 5(3). The opponent contends that the opponent's marks are used upon the biggest selling beer brand in the UK and the opponent's reputation for high quality beer could be at risk if the mark in suit is used on a lesser quality product. They state that their marks are highly distinctive and use of the mark in suit could lead to a loss of sales.
- d) The opponent also relies upon a sign identical to CTM 4468112 for its ground of opposition under section 5(4)(a). The opponent claims to have first used its mark in the UK in 2002. They state that the brand is the biggest selling beer in the UK and the device is recognised by the public as it is used on all packaging and every can of lager. The use of the mark in suit will result in a misrepresentation that will lead the average consumer to believe that the goods of the applicant are in fact goods of the opponent. This misrepresentation would cause damage to the goodwill that the opponent enjoys in the goods.
- 5) On 12 May 2011, the applicant filed a counterstatement which denied the opponent's claims. The applicant did not put the opponent to proof of use.
- 6) Only the opponent filed evidence. Both parties seek an award of costs in their favour. Neither side wished to be heard nor did they provide written submissions.

## **OPPONENT'S EVIDENCE**

7) The opponent filed two witness statements. The first, dated 16 August 2011, is by Annette Middleton who describes herself as "the Senior Brand Manager of Carling of Molson Coors Brewing Company (UK) Limited". She states

"3. The company first began use of their red and black lozenge device ("the lozenge") in the UK in the 1970s in relation to their Carling Black Label beer (now known as Carling) see exhibit XX4. Carling has been the largest selling beer brand in the UK since 1985 in both "on trade" (sales in licensed premises where the product is consumed on-site) and "off trade" sales at supermarkets and off licences where the product is consumed off-site). The lozenge is a distinctive

device and appears on all beer labels and packaging and is recognised by the public as a distinctive and specific element of the Company's Carling beer brand."

8) Ms Middleton states that her company spends between £8-£10 million per annum on advertising and promoting the Carling brand within the UK. She states that "the lozenge is always featured in combination with the Carling trade mark". She states that the opponent has used the image of a lion in relation to Carling for many years. She states that the lozenge and lion's head are "intrinsically linked to the Carling brand and are well known and well recognised in their own right". She also provides the following exhibits:

- Exhibit XX1: Two dvds showing every television advertisement for Carling from 1990 to 2010. Ms Middleton states that almost every advertisement features the lozenge. Whilst most of the advertisements do indeed feature the lozenge if one looks very closely, it is not particularly prominent in most. There are also occasions when the colour red is either absent entirely or is replaced by the colour blue signifying the "extra cold" range.
- Exhibit XX2: This shows sales volumes in terms of barrels and gallons for the period May 2007-May 2010. It shows ten brands of beer with Carling being the leading brand. It also shows sales in litres for the period 1989-2009 of three brands with Carling having the largest sales. There are also similar off trade figures which appear to show that Carling is the largest selling brand.
- Exhibit XX3: Examples of packaging between September 2008 and May 2011 which show use of the lion's head and lozenge. Virtually all of the documents show use of CTM 7601743. However, there are instances where the image is used upon drinking glasses and bottles where the colours red and black are absent.
- Exhibit XX4: A photograph of nine cans of Carling beer. The photograph is headed "Carling can line up dating back to 1971. The first five cans do not have the lozenge upon them. There are no dates shown as to when any of the cans were introduced or whether they were used in the UK. The only constant amongst the cans is the use of the name "Carling". Only the final can has a lion's head upon it, although some much earlier versions have a heraldic crest which appears to contain two lions.

9) The second, dated 23 September 2011, is by Kate Cheney, the opponent's Trade Mark Attorney. She provides her opinion on the grounds of opposition in the case which do not assist my decision. She also comments on a change of name of the applicant and implies bad faith. However, the pleadings did not include a ground under Section 3(6) and I am not considering the name of the company but the mark it is seeking to register.

10) That concludes my summary of the evidence filed, insofar as I consider it necessary.

## DECISION

11) I will first consider the ground of opposition under Section 5(2)(b) of the Act which reads:

“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, the relevant part of which states:

“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) The opponent is relying upon its trade marks CTM 7601743 and CTM 4468112 which are clearly earlier trade marks. Given the interplay between the dates that the opponent’s marks were registered, 11 September 2006 and 26 April 2010, and the date that the applicant’s mark was published, 17 December 2010, the opponent’s marks are not subject to proof of use as per The Trade Marks (Proof of Use, etc) Regulations 2004.

14) In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law provided by the Court of Justice of the European Union (CJEU) 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, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* C-334/05 P (LIMONCELLO). In the recent case of *La Chemise Lacoste SA v Baker Street Clothing Ltd* [ALLIGATOR O/333/10] Mr Hobbs QC acting as the Appointed Person set out the test shown below which was endorsed by Arnold J. in *Och-Ziff Management Europe Ltd and Oz Management Lp v Och Capital LLP; Union Investment Management Ltd & Ochocki*, [2010] EWCH 2599 (Ch).

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods/ services in question; 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, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements; nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;

(e) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element in that mark;

(f) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa;

(g) 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;

(h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient;

(i) 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;

(j) if the association between the marks causes the public to wrongly believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion.

15) In essence the test under section 5(2)(b) is whether there are similarities in marks and goods which would combine to create a likelihood of confusion. In my consideration

of whether there are similarities sufficient to show a likelihood of confusion I am guided by the judgments mentioned above. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different elements taking into account the degree of similarity in the goods, the category of goods in question and how they are marketed. Furthermore, I must compare the applicant's mark and the marks relied upon by the opponent on the basis of their inherent characteristics assuming normal and fair use of the marks on the goods in their specifications.

16) In the instant case the opponent has provided evidence regarding use of its marks. It is clear from the evidence filed that the opponent has used its lozenge device (CTM 4468112) for at least twenty years. However, use does not equal reputation. The device element is, at best, a background which serves to project either the name of the beer, "Carling", or as a background for the message that the advertisement seeks to get across such as "Belong". The mark cannot be verbalised although it can be described, but in the usage provided it is swamped by other trade marks. As it is a registered mark it has some distinctiveness but it is extremely low. The evidence filed does not establish that the opponent has a reputation in the lozenge mark and it cannot therefore benefit from an enhanced reputation.




17) Considering the opponent's trade mark CTM 7601743 I am willing to accept that this has a significant reputation. It has clearly been used since at least September 2008 upon what is the largest selling beer brand in onsite and offsite sales in the UK. As such I am willing to accept that, although most consumers will initially look for the "Carling" name, the device element would be recognised and as such have a significant reputation sufficient enough for it to benefit from an enhanced reputation.

18) As the case law in paragraph 14 above indicates I must determine the average consumer for the goods of the parties. I must then determine the manner in which these goods are likely to be selected by the said average consumer. The average consumer would be those members of the general public who are eighteen years of age or older and who consume alcohol. This encompasses much of the adult UK population. Beers come in a number of different forms which have very different tastes and the average consumer is usually likely to have a distinct preference. As such the goods of the two parties will not be purchased or selected without a degree of care. The visual aspect is likely to be the most important, whether self selecting in a supermarket or when ordering in a pub as most beers are sold either "on tap" in which case they have a marker on the tap facing the consumer or if sold in bottle form will be displayed behind the bar with the labels on display. In the case of ordering in a pub or restaurant I also accept that aural issues have a part to play and so must be considered but these would be of secondary importance.

19) I shall now consider the goods of the two parties. For ease of reference, I set out the relevant specifications of both parties below:

Applicant's specification	Opponent's specification
Class 32: "Beer, stout, lager, porter, ale; mineral and aerated waters; non-alcoholic drinks; drinks containing not more than 1.2% (by volume) of alcohol."	CTM 7601743: Beer, stout, lager, porter, ale; mineral and aerated waters; non-alcoholic drinks
	CTM 4468112: Beer, stout, lager, porter, ale; mineral and aerated waters; fruit juices, fruit drinks; non-alcoholic drinks.

20) Clearly, the specification sought by the applicant is wholly contained in both of the opponent's marks specifications, the goods are therefore identical. I now turn to consider the marks of the two parties. For ease of reference these are reproduced below:

Applicant's Trade Mark	Opponent's Trade Mark
	CTM 7601743 
	Colours claimed: Black, white, grey, red. CTM 4468112 

21) In considering the marks I take into account the following paragraphs of the *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* [C-120/04] case which read:

"[30] However, beyond the usual case where the average consumer perceives a mark as a whole, and notwithstanding that the overall impression may be dominated by one or more components of a composite mark, it is quite possible that in a particular case an earlier mark used by a third party in a composite sign including the name of the company of the third party still has an independent distinctive role in the composite sign, without necessarily constituting the dominant element.

[31] In such a case the overall impression produced by the composite sign may lead the public to believe that the goods or services at issue derive, at the very



least, from companies which are linked economically, in which case the likelihood of confusion must be held to be established.”

22) And also Case T-6/01 *Matratzen Concord GmbH v OHIM* where the GC stated:

“A complex trade mark cannot be regarded as being similar to another trade mark which is identical or similar to one of the components of the complex mark, unless that component forms the dominant element within the overall impression created by the complex mark. That is the case where that component is likely to dominate, by itself, the image of that mark which the relevant public keeps in mind, with the result that all the other components of the mark are negligible within the overall impression created by it.”

23) I will first compare the opponent’s lozenge device mark (4468112) to the mark in suit. The opponent contends that its mark is fully contained within the mark in suit. I do not accept this statement. The opponent’s device is quite clearly two red chevrons pointing at each other within a black oblong. The device element in the mark in suit to which the opponent refers are clearly simply two parallel red lines. The angle at which they slant may be similar but the opponent’s device is not reproduced within the mark in suit. Even if it were regarded as being the lozenge device the distinctive and dominant elements of the mark in suit are the name COLD BLACK and the cat’s head. The lozenge device blends into the overall black background leaving only two parallel red lines. Once one also considers the totality of the mark in suit it is clear that the marks are very different visually. Aurally the opponent’s mark cannot be verbalised whereas the mark in suit would be said to be “cold black”. Conceptually the opponent’s mark is virtually meaningless as it does not immediately convey much of an impression whereas the mark in suit is very clearly a big cat of some sort. The marks of the two parties are not in any manner similar.

24) I now turn to consider the opponent’s lion mark (7601743). In the statement of grounds the opponent contended: “the mark in suit consists of a big cat’s head with the black and red lozenge device through the cat’s mouth. It contends that CTM 7601743 consists of a big cat’s head with the black and red lozenge device through the cat’s mane.

25) The opponent’s contentions are very vague and highly generalised. The mark in suit has the head of a large cat without a mane, facing the reader. It is snarling with its teeth bared and its whiskers highly visible. It is a very aggressive image. The cat has within its mouth two parallel red bars with the words “COLD BLACK” appearing between the bars. The whole background is black with the head and words picked out in white. The opponent’s lozenge device does not form part of the mark in suit. By contrast the opponent’s mark (7601743) is clearly a male lion which is facing sideways so that its mane is very visible. It is a highly stylised lion and has the lozenge device across the lion’s mane below the head.

26) Visually the marks are significantly different, having only the most superficial similarity as set out in the statement of grounds. Verbally the marks are very different, as the opponent's mark would be termed a lion mark whereas the mark in suit is clearly a "COLD BLACK" or big cat mark. Conceptually they might be referred to as big cat marks but I believe that the average consumer would view the opponent's mark as a lion mark as it is clearly that whereas the cat in the mark in suit could be one of a number such as a jaguar, a puma etc.

27) When determining whether there is a likelihood of confusion I have to take a number of factors into consideration. There is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. I must consider whether the opponent's trade marks have a distinctive nature, the average consumer for the goods, the nature of the purchasing process and the issue of imperfect recollection. I must also take into account that these goods will not be chosen without a degree of care. In the instant case the opponent's mark (4468112) has a low degree of inherent distinctiveness. I accept that the goods are identical, however, the considerable differences between CTM 4468112 and the mark in suit means that there is no likelihood of confusion on the part of the public, or a likelihood of association with the earlier trade mark. Turning to the opponent's mark 7601743, again the goods are identical and the mark has a degree of inherent distinctiveness and also benefits from having an enhanced reputation. However, the differences between the marks of the two parties is such that there is no likelihood of confusion on the part of the public, or a likelihood of association with the earlier trade mark. The ground of opposition under Section 5(2)(b) fails with regard to both the opponent's earlier trade marks.

28) I now turn to consider the position under section 5(4)(a) which reads:

"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

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."

29) In deciding whether the mark in question offends against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the *WILD CHILD* case [1998] RPC 455. In that decision Mr Hobbs stated that:

"The question raised by the grounds of opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the applicant from those of other undertakings (see section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see

Article 4(4)(b) of the Directive and section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the applicant in accordance with the law of passing off.

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

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

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

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

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

'To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

30) I also note the comments of Pumfrey J in *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* case, in which he said:

“27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under Section 11 of the 1938 Act (See *Smith Hayden (OVAX)* (1946) 63 RPC 97 as qualified by *BALI* [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation;

evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised the applicant must rebut the prima facie case. Obviously he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur.”

31) I must also keep in mind the comments of Mr Justice Floyd in *Minimax GMBH & Co KG and Chubb Fire Limited* [2008] EWHC 1960 (Pat) in which he says of the above:

“Those observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

32) First I must determine the date at which the opponent's claim is to be assessed; this is known as the material date. In this regard, I note the judgment of the General Court (GC) in *Last Minute Network Ltd v Office for Harmonization in the Internal Market* (Trade Marks and Designs) (OHIM) Joined Cases T-114/07 and T-115/07. In that judgment the GC said:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non registered national mark before the date of filing, in this case 11 March 2000.”

33) The applicant has not sought to claim that it has used the mark in suit prior to its application for registration on 25 November 2010. The opponent claims to have used its lozenge device since 2002. I am willing to accept that the opponent has at best goodwill in relation to lager beer. I have found earlier in this decision that the opponent's mark CTM 4468112 was not similar to the mark applied for. Given this finding I am bound to

conclude that there would be no misrepresentation. This requirement not being met the opposition under Section 5(4)(a) fails.

34) I now turn to consider the ground of opposition under Section 5(3) which reads:

"5-(3) A trade mark which -

(a) is identical with or similar to an earlier trade mark, and

(b) [.....]

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark."

35) The relevant principles can be gleaned from the case law of the Court of Justice of the European Union. In particular, cases *General Motors Corp v Yplon SA* [2000] RPC 572, *Adidas Salomon AG v Fitnessworld Trading Ltd.* [2004] ETMR 10, *Intel Corporation Inc v CPM United Kingdom Ltd* - [2009] RPC 15 and *L'Oreal SA and others v Bellure NV and others* - Case C-487/07. These cases show that:

(a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26; but the reputation of the earlier mark may extend beyond the consumers for the goods and services for which it is registered; *Intel*, paragraph 51.

(c) It is necessary, but not sufficient, for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account all relevant factors, including the degree of similarity between the respective marks and between the respective goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42

(e) Although it is not a necessary factor, a link between the trade marks is necessarily established where the similarity between the marks causes the relevant public to believe that the goods/services marketed under the later mark

come from the owner of the earlier mark, or from an economically connected undertaking; Intel, paragraph 57.

(f) Where a link is established, the owner of the earlier mark must also establish that it has resulted in the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; Intel, paragraph 68: whether this is the case must also be assessed globally, taking account of all the relevant factors; Intel, paragraph 79.

(g) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious likelihood that this will happen in future; Intel, paragraphs 76 and 77.

(h) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; Intel, paragraph 74.

(i) Detriment to the repute of the earlier mark is caused when the goods or services for which the later mark is used by the third party may be perceived by the public in such a way that the earlier trade mark's power of attraction is reduced; L'Oreal, paragraph 40.

(j) Unfair advantage covers, in particular, cases where a third party seeks to ride on the coat-tails of the senior mark in order to benefit from a transfer of the image of the earlier mark, or of the characteristics it projects to the goods/services identified by the later mark; L'Oreal, paragraph 41.

36) The onus is upon an opponent to prove that its earlier trade mark enjoys a significant reputation or public recognition and it needs to furnish the evidence to support this claim. In the instant case the opponent filed evidence that it lager beer is the biggest selling beer in the UK. To my mind the opponent has cleared the first hurdle.

37) Once the matter of reputation is settled any opponent must then show how the earlier trade mark would be affected by the registration of the later trade mark. The opponent contends that its mark is highly distinctive and that use of the mark in suit could lead to a loss of sales. In *Inlima S.L's* application [2000] RPC 61 Mr Simon Thorley QC, sitting as the Appointed Person, said:

"The word 'similar' is a relative term. One has to ask the question 'similar for what purpose'. The question of similarity accordingly can only be answered within the context of a particular set of facts, once one has identified both the facts and the purpose for which similarity is required. In the case of section 5(3), the purpose of requiring similarity is so that the possibility of detriment or unfair advantage might

arise. In any particular case, a conclusion as to whether it does arise must depend not only upon the degree of similarity but on all the other factors of the case, not least, the extent of the reputation.

I therefore conclude that the same global appreciation as is required for confusion under section 5(2) is likewise to be applied to the changed circumstances of section 5(3)."

38) More recently this matter was considered by Mr Daniel Alexander sitting as the Appointed Person in B/L O/307/10 where he said:

"37. The Decision in this case was handed down on 18th May 2009. On 18th June 2009, the ECJ handed down judgment in *L'Oréal v. Bellure*, Case C-487/07 in which it gave guidance on the proper approach to interpretation of Article 5(2) of the First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), (the "Trade Marks Directive").

38. The ECJ said the following as regards Article 5(2) of the Trade Marks Directive and the requirement to show detriment or unfair advantage.

"40. As regards detriment to the repute of the mark, also referred to as 'tarnishment' or 'degradation', such detriment is caused when the goods or services for which the identical or similar sign is used by the third party may be perceived by the public in such a way that the trade mark's power of attraction is reduced. The likelihood of such detriment may arise in particular from the fact that the goods or services offered by the third party possess a characteristic or a quality which is liable to have a negative impact on the image of the mark.

41 As regards the concept of 'taking unfair advantage of the distinctive character or the repute of the trade mark', also referred to as 'parasitism' or 'free-riding', that concept relates not to the detriment caused to the mark but to the advantage taken by the third party as a result of the use of the identical or similar sign. It covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coattails of the mark with a reputation.

42 Just one of those three types of injury suffices for Article 5(2) of Directive 89/104 to apply (see, to that effect, *Intel Corporation*, paragraph 28).

43 It follows that an advantage taken by a third party of the distinctive character or the repute of the mark may be unfair, even if the use of the identical or similar sign is not detrimental either to the distinctive character or to the repute of the mark or, more generally, to its proprietor.



44 In order to determine whether the use of a sign takes unfair advantage of the distinctive character or the repute of the mark, it is necessary to undertake a global assessment, taking into account all factors relevant to the circumstances of the case, which include the strength of the mark's reputation and the degree of distinctive character of the mark, the degree of similarity between the marks at issue and the nature and degree of proximity of the goods or services concerned. As regards the strength of the reputation and the degree of distinctive character of the mark, the Court has already held that, the stronger that mark's distinctive character and reputation are, the easier it will be to accept that detriment has been caused to it. It is also clear from the case-law that, the more immediately and strongly the mark is brought to mind by the sign, the greater the likelihood that the current or future use of the sign is taking, or will take, unfair advantage of the distinctive character or the repute of the mark or is, or will be, detrimental to them (see, to that effect, Intel Corporation, paragraphs 67 to 69).

45 In addition, it must be stated that any such global assessment may also take into account, where necessary, the fact that there is a likelihood of dilution or tarnishment of the mark.

46 In the present case, it is a matter of agreement that Malaika and Starion use packaging and bottles similar to the marks with a reputation registered by L'Oréal and Others in order to market perfumes which constitute 'downmarket' imitations of the luxury fragrances for which those marks are registered and used.

47 In that regard, the referring court has held that there is a link between certain packaging used by Malaika and Starion, on the one hand, and certain marks relating to packaging and bottles belonging to L'Oréal and Others, on the other. In addition, it is apparent from the order for reference that that link confers a commercial advantage on the defendants in the main proceedings. It is also apparent from the order for reference that the similarity between those marks and the products marketed by Malaika and Starion was created intentionally in order to create an association in the mind of the public between fine fragrances and their imitations, with the aim of facilitating the marketing of those imitations.

48 In the general assessment which the referring court will have to undertake in order to determine whether, in those circumstances, it can be held that unfair advantage is being taken of the distinctive character or the repute of the mark, that court will, in particular, have to take account of the fact that the use of packaging and bottles similar to those of the fragrances that are being imitated is intended to take advantage, for promotional purposes, of the distinctive character and the repute of the marks under which those fragrances are marketed.

49 In that regard, where a third party attempts, through the use of a sign similar to a mark with a reputation, to ride on the coat-tails of that mark in order to benefit from its power of attraction, its reputation and its prestige, and to exploit, without paying any financial compensation and without being required to make efforts of his own in that regard, the marketing effort expended by the proprietor of that mark in order to create and maintain the image of that mark, the advantage resulting from such use must be considered to be an advantage that has been unfairly taken of the distinctive character or the repute of that mark.

50 In the light of the above, the answer to the fifth question is that Article 5(2) of Directive 89/104 must be interpreted as meaning that the taking of unfair advantage of the distinctive character or the repute of a mark, within the meaning of that provision, does not require that there be a likelihood of confusion or a likelihood of detriment to the distinctive character or the repute of the mark or, more generally, to its proprietor. The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an advantage taken unfairly by that third party of the distinctive character or the repute of the mark where that party seeks by that use to ride on the coat-tails of the mark with a reputation in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image."

39) Earlier in this decision I determined that the goods of the two parties were identical. I also found that the opponent's mark is inherently distinctive for the goods for which it is registered, and that it does have an enhanced reputation. I also found that whilst there some highly superficial similarities in the marks the differences far outweigh any similarity to such an extent that the marks are quite dissimilar, hence there is no link. Adopting the composite approach advocated, the conclusions that I have set out above naturally lead me to the view that there is no advantage for the applicants to derive. As far as detriment is concerned it is suggested that this would subsist in a reduction in the distinctiveness of the opponent's mark and lead to a loss of sales. I do not consider that registration of the applicant's marks could have an impact in this respect, be it to the distinctiveness of the mark or any reputation it might enjoy. The opposition under Section 5(3) therefore fails.

## **SUMMARY**

40) The opposition has failed under all grounds pleaded.

## **COSTS**

41) The applicant has been successful and it is therefore entitled to a contribution towards its costs.

Preparing a statement and considering the other side's statement	£300
Preparing evidence and considering the evidence of the other party	£500
TOTAL	£800

42) I order Molson Coors Brewing Company (UK) Limited to pay Cold Black Label Limited the sum of £800. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 25<sup>th</sup> day of June 2012**

**George W Salthouse  
For the Registrar,  
the Comptroller-General**