

O-325-13

**TRADE MARKS ACT 1994**

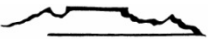
**IN THE MATTER OF INTERNATIONAL REGISTRATION No. 1004245  
STANDING IN THE NAME OF  
ULRIKE HORNIG**

**AND**

**IN THE MATTER OF A JOINT REQUEST FOR A DECLARATION  
OF INVALIDITY THERETO UNDER No.16197  
BY DISTELL LIMITED & J SEDGWICK & COMPANY LIMITED**

## BACKGROUND

1) The following trade mark is registered in the name of Ulrike Hornig (hereinafter UH):

Mark	Number	Date of designation/ protection in UK	Class	Specification
 <p>The mark consists of a stylized image of a cape.</p>	1004245	04 November 2008  Priority date from Germany 29 May 2008  01 October 2009	14	Precious metals and their alloys and goods made therefrom or coated therewith, not included in other classes; jewellery, ornaments, precious stones; horological and chronometric instruments.
			16	Paper, paperboard (cardboard) and goods made from these materials, including fashionable and artistic stationery goods, included in this class; printed matter; self-adhesive labels (not of textile); photographs; writing materials, including writing and drawing implements; artists' materials; office equipment (except furniture).
			18	Leather and imitations of leather and goods made therefrom, and not included in other classes; trunks and travelling bags; rucksacks; umbrellas, parasols and walking sticks; saddlery.
			25	Clothing, footwear, headgear.
			32	Beers; mineral waters and carbonated waters, and other alcohol-free drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.
			33	Alcoholic drinks (except beers), in particular wines, liqueurs, brandies.
			39	Travel services; travel agency and tourism services (included in this class); organization and conducting of trips and excursions; air transport; rail transport; motor vehicle transport; passenger transport by coach; maritime transport; transport by truck; organization and conducting of guided holiday tours; booking of seats for travel and reservation services for travel; reservation and booking of seats for travel; advice and information services relating to travel, in particular for the selection and booking of flights, information relating to tariffs, timetables and methods of transport, including by rail and coach, as well as information about travel destinations; delivery of goods, car hire; rental of aircraft, ships and boats; travel agency services for the organization and reservation of trips and excursions; escorting of travellers and their luggage, storage of luggage.
			43	Catering and accommodation services for guests; wine bar services.

2) By an application dated 19 September 2012, Distell Limited and J Sedgwick & Company Limited, jointly applied for a declaration of invalidity in respect of this registration. The grounds are, in summary:

a) J Sedgwick & Company Limited is the registered proprietor of the following mark:

Mark	Number	Filing and Registration Dates	Class	Specification
TABLE MOUNTAIN	CTM 3316023	18 August 2003 / 26 January 2005	33	Alcoholic beverages (except beers); wines.



b) J Sedgwick & Company Ltd was incorporated for the purpose of holding certain registered trade marks and it is not a trading company. It and Distell Ltd are part of the same corporate group. I shall, hereinafter, refer to the joint applicants in the singular as DL. DL contends that the mark in suit is similar to its trade mark and the other signs it has used and that the following goods are similar such that the mark in suit offends against Sections 5(2)(b) and section 5(4)(a) of the Act.

In Class 32: Beers; alcohol-free drinks in the nature of non-alcoholic wines; fruit drinks and fruit juices;

In Class 33: Alcoholic drinks (except beers), in particular wines, liqueurs, brandies

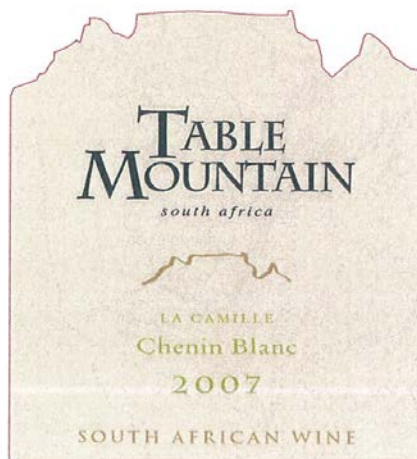
In Class 43: Catering services for guests; wine bar services.

c) DL states that the following signs have been used in the UK in relation to Wines.

Number	Sign	Date signs used
1	TABLE MOUNTAIN	February 2003 – date
2		February 2008 – date
3		February 2003 – February 2008

d) DL also provides the context in which the signs are used as follows:

Use of signs 1 and 2:





Use of signs 1 and 3:



TABLE  
MOUNTAIN

TABLE  
MOUNTAIN

A VERSATILE, EVERYDAY  
WINE WITH DELICIOUS PEAR  
AND GUAVA FLAVOURS

A SILKY, SMOOTH  
MEDIUM BODIED RED  
WITH RASPBERRY AND  
VANILLA FLAVOURS

2007

2007

CHENIN  
BLANC



MERLOT



WINE OF SOUTH AFRICA

WINE OF SOUTH AFRICA

e) DL compares its earlier sign to the mark in suit

DL's earlier sign	UH's mark
	

f) DL states that it uses the sign at (e) above (which corresponds with a stylised outline representation of Table Mountain) in the following ways:

- i) On the front wine bottle label below the name TABLE MOUNTAIN
- ii) On the foil neck of the bottle
- iii) On the reverse wine bottle label beneath the name TABLE MOUNTAIN
- iv) Additionally, the top of the front label is shaped and cut in a profile corresponding to the sign.

g) DL also states that it has used sign 3 above on the front wine label above the name TABLE MOUNTAIN.

- h) DL states that between Feb 2003 to Feb 2008 it sold more than one million bottles of TABLE MOUNTAIN wine in the UK, principally through Morrisons supermarkets.
- i) DL also contends that the image used by UH is conceptually similar to its earlier CTM 3316023 TABLE MOUNTAIN as the device image will be seen as a representation of Table Mountain as DL have educated the public into the association through the use of its labels.

3) UH provided a counterstatement, dated 3 December 2012, in which it denies the above grounds and claims. DL is put to strict proof of use.

4) Only DL filed evidence. Both parties ask for an award of costs. The matter came to be heard on 26 June 2013 when UH was represented by Mr Bartlett of Messrs Beck Greener and DL by Mr Thurgood of Messrs Carpmiels & Ransford.

### **EVIDENCE OF DL**

5) DL filed six witness statements. The first, dated 23 August 2012, is by Carina Gous the business Director: Wines for DL, based in South Africa. She states that Morrisons are the sole distributor in the UK and have sold two types of wine under the TABLE MOUNTAIN label, Merlot and Chenin Blanc. These wines have been sold in the UK since 2003 under the name TABLE MOUNTAIN and have included a device of Table Mountain (as shown in the statement of grounds), although this device altered in late 2007. She also provides various exhibits as follows:

- CG1: examples of the earlier labels used on the wine which shows use of TABLE MOUNTAIN and sign 3. Whilst these do not show either Chenin Blanc or Merlot wines it is clear from the comments of Ms Gous that all wines had the same label save for the name of the type of wine.
- CG2: This shows the new label introduced in late 2007 which shows use of TABLE MOUNTAIN and sign 2. The silhouette appears on the neck of the bottle. The main label is cut along the top to reflect the silhouette, it then has the words "TABLE" and "MOUNTAIN" one above the other in large font, with "south africa" in small print below. Then the silhouette device again in a prominent position and in a sizeable format. Below this are the words "LA CAMILLE" in a very thin and faint font and then in a larger and bolder font the words "Chenin Blanc". At the bottom of the label are the words "SOUTH AFRICAN WINE". This label accords with the label shown in the statement of grounds (SOG). The SOG also showed a label for the Merlot wine which was identical save for instead of the words "LA CAMILLE" and "Chenin Blanc" it has the words "MULGRAVE CASTLE" in a very thin and faint font and then in a larger and bolder font the word "Merlot".
- CG3-5: these documents relate to the approval of the new label and the purchase of 144,000 labels in October 2007.
- CG6-10: These documents show that the labels were put onto wine bottles and that these were prepared for export to the UK. The documents include an export

order, a tax invoice and a shipping waybill. The order includes 700 cases of TABLE MOUNTAIN wine. These are dated late 2007 and early 2008.

- CG11: This consists of copies of 14 invoices for the period 8 January 2008 – 14 March 2008 which show that 219,240 bottles of TABLE MOUNTAIN wine were sent to Morrisons in the UK.

6) The second witness statement, dated 2 October 2012, is by Gary Greenfield the Managing Director of Distell Europe Ltd part of the Distell group. He is responsible for promoting Distell’s wine in the UK and Europe. He confirms that Morrisons was the sole distributor in the UK and that they sold only Merlot and Chenin Blanc wines. He states that between February 2003 and February 2005 Morrisons purchased 392,375 bottles of Table Mountain wine. He confirms that the label on the bottles of Table Mountain wine was changed in late 2007 and that his company supported Morrisons in promoting the wine at the re-launch under the new label in February 2008. They assisted financially in the promotional costs as well as discounting the cost of the wine. Morrisons invoiced his company for the support based on its sales of Table Mountain Wine. At exhibits GG4-6 he includes correspondence between his company and Morrisons and copies of two invoices from Morrisons for the period 18 February 2008 – 28 March 2008 which shows that Morrisons had sold 144,582 bottles. He states that Morrisons keeps its stocks of wines quite low and so most of the wine sold in this period would be wine bearing the new label. He provides details of the time it takes from the point of order to the wine being available in the shops, between 6-9 weeks, which supports the order/invoices and shipping documents provided by Ms Gous. He also describes visiting a number of Morrison’s shops to witness the promotion and notes that there were only a few problems such as where the wine was sited and in a small number of instances, where old stocks of wine with the old label were being offered for sale.

7) The third witness statement, dated 28 September 2012, is by Andrew Brian a solicitor working for Wm Morrison Supermarkets plc. He confirms that he has access to his employer’s records. He confirms that his company has sold Merlot and Chenin Blanc wine under the TABLE MOUNTAIN trade mark since 2003 and he states that during the period 5 February 2007 – 26 January 2009 534,440 bottles of Table Mountain wine were sold by his company. He also confirms the change of label in February 2008 and the subsequent promotion which lasted three weeks. He confirms that in February 2008 Table Mountain wine was available in 374 stores throughout the UK. In his exhibits he provides copies of correspondence between his company and Distell which show the planning of the promotion and also the change of label. This includes photographs of the actual bottles on advertising literature which shows the new label in use. This shows that the offers on the sheet are valid from 6-19 October 2008.

8) The fourth witness statement, dated 1 October 2012, is by Daniel Bowman a Finance Manager with Wm Morrison Supermarkets plc with responsibility for wines and spirits. He confirms that his information comes from his company’s records. He provides the following figures for sales of “Table Mountain” wine in his company’s stores:

Period	Number of bottles	Turnover £
17.03.03 - 29.12.03	106,459	281,084

05.01.04 – 27.12.04	164,467	443,017
03.01.05 – 26.12.05	274,794	748,819
02.01.06 – 25.12.06	223,369	667,270
01.01.07 – 31.12.07	120,940	391,036
07.01.08 – 11.02.08	15,840	51,414
18.02.08 – 26.05.08 (new label)	185,044	498,615
02.06.08 - 27.10.08	194,825	558,241

9) The fifth witness statement, dated 24 August 2012, is by Anne Cook a graphic designer in South Africa. She designed the new label for DL and provides a range of initial drawings which shows how the concept changed slightly before being finalised in the label shown earlier in this decision.

10) The sixth witness statement, dated 29 January 2013, is by Jonathan Thurgood, DL's Trade Mark Attorney. Most of his statement is actually made up of submissions and quotes from previous decisions in *inter partes* cases. He does however provide the following exhibits:

- JMT1: This consists of a print out from the Distell website which shows that they offer a range of spirits and wines. It is dated 23 January 2013
- JMT2: A print out of the Diageo website which shows that they offer a range of beers, wines and spirits. It is dated 23 January 2013.
- JMT3: Copies of pages from various websites of small scale producers of wines and spirits including cider, perry, liqueurs and fruit juices. These are dated 23 January 2013.
- JMT4: A print out from Davy's which shows that it is a UK supplier of wines and provider of wine bars and wine merchants all under the same mark. It is dated 23 January 2013.

11) That concludes my review of the evidence. I now turn to the decision.

## **DECISION**

12) As part of their written skeleton argument for the hearing, DL attached copies of correspondence between the parties and also a copy of a decision from the Munich District Court which dealt with a dispute between the parties on very similar grounds. UH accepted the veracity of the documents, although questioning their applicability, and was granted leave to file additional papers in order to give "full context" to the documents. I shall refer to these documents as and when I feel they are appropriate. Section 47 of the Trade Marks Act 1994 reads:

“47.-(2) The registration of a trade mark may be declared invalid on the ground -

- (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
- (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.”

13) I shall first consider the ground of invalidity 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.”

14) In deciding whether the marks in question offend against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the *WILD CHILD* case [1998] 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.

15) First I must determine the date at which DL'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."

16) In the instant case UH's application had a priority date based upon its German trade mark of 29 May 2008. If UH have used their device trade mark prior to this then this use must also be taken into account. It could, for example, establish that UH is the senior user, or that there had been common law acquiescence, or that the status quo should not be disturbed; any of which could mean that UH's use would not be liable to be prevented by the law of passing-off – the comments in *Croom's Trade Mark Application* [2005] RPC 2 and *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42 refer. However, UH have not provided any evidence hence 29 May 2008 is the material date.

17) I turn to assess the evidence filed in the present proceedings as set out earlier in this decision. Most of the evidence filed relates to wine sold under the "old" label which did not feature the silhouette device which provides DL with its strongest case. I shall therefore only consider the evidence relating to use of the "new" label which features the silhouette device. The new label was designed in late 2006 and first used in production in late 2007. The evidence shows that orders were placed for new labels and that these were placed on bottles in late 2007. In the UK the sole distributor, Wm Morrison Supermarkets plc, agreed to a promotion to "launch" the new label. The costs of the launch, which included a reduction in price, was paid for by both DL and Morrisons. The average time taken from an order being placed by Morrisons in the UK to delivery into the UK supermarkets has been provided and averages approximately 8 weeks. It is clear from the evidence that the launch in February 2008 had only a few minor snags, amongst which was a small number of instances of old stock being sold alongside the new label stock. It is also stated that the level of wine stocks held by Morrisons were relatively low. Given the delivery time this is understandable. Also given the collaboration between Morrisons and DL in promoting the new label, I am willing to accept that Morrisons would have ensured that its old stocks were depleted by the simple expedient of not ordering

replacement “old” label wine. If one looks at the sales figures provided by Mr Bowman of Morrisons the sales in 2007 are considerably down on the previous years and those achieved with the new label. It is clear that the “new” label wine was sold throughout the UK and that in the period 18 February 2008 – 26 May 2008 Morrisons sold 185,000 bottles of TABLE MOUNTAIN wine (Bowman) and that they had ordered 219,240 bottles of new label wine in the period 8 January 2008-14 March 2008 (Gous). I therefore am willing to accept that very few of the 185,000 bottles sold were “old” label bottles. I must now decide what these sales achieved in terms of goodwill.

18) UH referred me to two cases in particular. The first was *Hodgkinson Corby Limited and Another v Wards Mobility Services Limited* (ROHO) [1995] FSR 168. Here the issue was whether the shape of the product would be viewed as a mark of origin. I do not believe that this is on all fours with the instant case. The second was *Radio Taxicabs (London) Limited v Owner Drivers Radio Taxi Services Ltd* [2004] RPC 19. Here the issue was how the public would regard the words “radio taxis”. UH contend that in that case the court stated that burden of proving that the requisite reputation with the general public in the name “radio taxis” lies with the claimant. I agree that the onus is on the claimant to show that it has reputation in the sign relied upon. However, the amount and type of evidence required will vary from case to case depending on the individual circumstances. In *Radio Taxis* the words have a very obvious well known meaning and so the issue of how the public will react to the use of these words will be crucial. In the instant case the sign relied upon is a device which, to my mind, does not have an obvious meaning that will be apparent to the average consumer as soon as they view it.

19) At the hearing UH also made the following contentions regarding the label and how it would be perceived:

“My point really was this, that what stands out on the label are the words “Table Mountain”. Whether or not those words have geographical significance and would be understood by the public as stating where the wine comes from or whether they are the brand indicator, we do not know because there is no evidence. Either way, that is how the public would identify this wine. If the public were asked what this wine is, they would say Table Mountain. Whether they took away with that the idea that it was from a place called Table Mountain or that it was indicating the people that stand behind the product is neither here nor there. What stands out are the words “Table Mountain”. That is how the product would be referred to and that is what you see. All the available options for making the squiggle into a trade mark have not been taken. There is no evidence of any promotional advertising at all, let alone anything which would encourage the public to look at what I am characterising as a squiggle as being capable of having any distinctiveness at all.”

And:

“If it were noticed at all, it would be seen as decoration. The front label itself is acting as an abstract dividing line between the words “Table Mountain” and the name of the grape, and the words “La Camille” or “Chenin Blanc” element of the label. Of course it does appear on the foil as well.”

And:

“THE HEARING OFFICER: You do not think that the repetition on the foil on the top of the label and in the middle of the label would be noticed?”

MR. BARTLETT: In my submission, no, but even more so because of the price point of this product. This is not an expensive product. This is a cheap product of a

level in which the public are not expecting to review the label closely. They just want a cheap wine.”

And:

“The point is that the label has a function. It has a function of saying, "Here is a sensible looking wine that is not going to rot your teeth. It is not going to take the enamel [enamel] off your teeth because it is packaged up in a nice label", but that does not mean that the public are going to rely on the label or buy the products on the basis of who makes it. They are just going to see the product packaged up in a nice way at an extremely low price point and take the bottle away with them. The amount of attention the public, at the price, are going to pay to a label is going to be, in my submission, absolutely minimal. The real point is that there is very little, if any, promotional activity which is demonstrated by the applicant, so you cannot tell actually how this was promoted to the public. We hear there is talk of promotion, but what this means is selling at a cut price. That is not promotion in the terms of making this product known to the public. That just means cutting the price and selling it cheap.”

20) The evidence shows use of the device element only on bottles of wine. Only two types of wine are sold under this device in the UK, a Merlot and a Chenin Blanc. The average price of the wine to date has been approximately £3 per bottle so it is for general consumption aimed at perhaps the more budget conscious. The average purchase will take place in a supermarket or off licence. Although not particularly expensive, wine is, at least for the majority of the UK, not an everyday consumable. Even at these prices it is a luxury, especially in times of austerity, and will not be purchased without some care. Not least of which is that most people have a preference between red and white wine, most consumers will have an idea of the types of wine they prefer, even if this is simply dry or sweet and will therefore check the label for indications that the bottle they propose to purchase meets their requirements. Given that the item is likely to be displayed upon a carousel or shelf and self selected by the consumer, the visual aspect of the comparison is the most important. With these factors in mind I have to decide what the average consumer will make of the bottles of wine when viewing them on the shelf.

21) I have reproduced the label as it appears upon the bottles of wine below for ease of reference. I accept that the words “TABLE MOUNTAIN” stand out. I also accept that the average consumer in the UK will be aware that this is the name of a geographical location in South Africa, and the words “South Africa” and “South African Wine” merely serve to emphasise the fact that the wine comes from this area. The words Chenin Blanc and Merlot on the white and red wine respectively will be seen by the average consumer as indicating the type of grape from which the wine is made. I must also accept that certain trade marks appear at first blush to be obvious geographical locations e.g. Jacob’s Creek, but can become accepted as the trade mark. In addition there are the words “La Camille” on white wine and “Mulgrave Castle” on red wine in addition to the device element. If the device were simply shown once I might have accepted UH’s contention that it would be dismissed as mere decoration. But it appears very prominently, on the neck label, in the middle of the main label where it is quite sizeable and bold compared to some of the wording, and is also replicated on the top edge of the label. Having an uneven edge at the top of a wine bottle label is, in my view, unusual. There was a suggestion that the latter could be mistaken for the label having been damaged but this, to my mind, is untenable. Apart from appearing three times on the front of the bottle, it is also upon the rear label where the wine is fully described for the consumer to decide if the wine is suitable for their palate. In my experience most purchasers of wine will read the rear label

to ascertain the taste they are likely to receive. Even though this is a budget wine, the purchaser will take care to ensure that it is the correct wine, in terms of taste, and will look for the same label again either to repeat the experience if it is pleasant or to ensure that they do not waste any more of their hard earned cash if it was not to their taste. The device element may not be the most obvious element but to my mind the repetition ensures that it will enter into the average consumer's mind as an indication of origin, even if that is in addition to other elements on the bottle. In my opinion, the device element has an independent distinctiveness and it therefore shares the goodwill and reputation gained by the sales made prior to the relevant date. As such the device element relied upon by DL clears the first hurdle under section 5(4)(a).



22) I therefore move onto consider the issue of misrepresentation. As stated in paragraph 17 above DL's strongest case is under its latest device. For ease of reference I reproduce both devices below:

UH's mark	DL's sign

23) UH initially contended at the hearing that there were significant differences between the two devices. However, these seemed to come down to what was described as "an underscore" in UH's device and the contention that DL's sign would be seen as merely a squiggle by those purchasing cheap wine from Morrisons supermarket at a mere £3 per bottle. Whilst I agree that the devices are not identical, I believe that anyone blessed with the gift of sight would accept that they are very similar.

24) I now turn to the goods and services of both parties. At the hearing the invalidity action in respect of Catering services for guests in Class 43 was withdrawn. Therefore, the only goods and services in question are:

In Class 32: Beers; other alcohol-free drinks; fruit drinks and fruit juices.

In Class 33: Alcoholic drinks (except beers), in particular wines, liqueurs, brandies.

In Class 43: Wine bar services.

25) It is well established that it is not necessary for the parties to a passing-off action to be in the same area of trade or even a related area of trade. The point can be supported by reference to the following passage from Millet L.J.'s judgment in *Harrods Ltd v Harrodian School Ltd* [1996] RPC 697:

“There is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any natural extension of the plaintiff’s business. The expression “common field of activity” was coined by Wynn-Parry J. in *McCulloch v May* [1948] 65 RPC 58 when he dismissed the plaintiff’s claim for want of this factor. This was contrary to numerous previous authorities (see, for example, *Eastman Photographic Materials Co. Ltd v John Griffiths Cycle Corporation Ltd* (1898) 15 RPC 105 (cameras and bicycles); *Walter v Ashton* (1902) 2 Ch. 282 (The Times Newspaper and bicycles) and is now discredited. In the *Advocaat* case Lord Diplock expressly recognised that an action for passing-off would lie although “the plaintiff and the defendant were not competing traders in the same line of business”. In the *Lego* case Falconer J. acted on evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into the manufacture of plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing-off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.

The absence of a common field of activity, therefore is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration.”

26) Also:

“It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant’s goods or services.”

27) And:

“Passing off is a wrongful invasion of a right of property vested in the plaintiff, but the property which is protected in an action for passing off is not the plaintiff’s proprietary right in the name or get-up which the defendant has misappropriated but the goodwill and reputation of the business which is likely to be harmed by the defendant’s misrepresentations.”

28) Earlier I found that the device element had goodwill and reputation from its use on bottles of wine. In essence the question I have to address is whether the relevant public seeing the applicant's mark used on the goods and services listed in paragraph 24 above would be likely to believe the goods and services were being offered by DL. The evidence provided by DL shows that companies engaged in the alcohol trade are quite likely to offer a range of products, However, it is not clear from the evidence that this is under the same trade mark. One example quoted is Diageo which sells a vast range of alcoholic products but they are under an equally vast number of trade marks, although I accept that there are instances of the same trade mark being used on a range of goods.

29) I found earlier that DL had goodwill and reputation in its device mark for alcoholic wines, this would clearly extend to non-alcoholic wines, but not all non-alcoholic drinks. To my mind, the average consumer would view a non-alcoholic wine with UH's device mark upon it as being from DL. At the hearing DL contended that fruit drinks and fruit juices were substitutes for wine, in particular as they could come from the same basic raw ingredient. I do not accept this contention; simply emanating from the same raw material does not make goods similar. DL's goodwill is in alcoholic wine and there is no evidence to suggest that it is commonplace for producers of wine to produce fruit drinks or fruit juice. Clearly beers are akin to wines on any reasonable judgment. Similarly there are a large number of liqueurs, brandies and other alcoholic drinks which are wine based and it would seem to me that should the average consumer view these products with the device element of UH upon them they will be seen as originating from DL. However, use of UH's device on wine bar services, even given the goodwill and reputation that DL enjoys in its device for wines would not, in my opinion, be linked to DL. The evidence shows that a wine merchant also has a wine bar business. This may be a one-off instance, but also it is not a wine manufacturer.

30) For the avoidance of doubt, it is my opinion that use of UH's mark on the following goods and services would amount to misrepresentation:

In Class 32: Beers; non-alcoholic wines;

In Class 33: Alcoholic drinks (except beers), in particular wines, liqueurs, brandies.

31) However, use on the following would not amount to misrepresentation:

In Class 32: Alcohol-free drinks but not including non-alcoholic wine; fruit drinks and fruit juices.

In Class 43: Wine bar services.

32) Earlier I stated that the device element shown at paragraph 22 above provided DL with its strongest case. My findings on misrepresentation would not have been as favourable to DL had I considered the case in respect of its earlier device element or the words TABLE MOUNTAIN. **The invalidity action under section 5(4)(a) therefore succeeds in part.**

33) Lastly I turn to consider the ground of invalidity under Section 5(2)(b) 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.”

34) 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 or registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

35) DL is relying upon its CTM 3316023 which is clearly an earlier mark. When considering the issues under Section 5(2)(b) and the likelihood of confusion, I take into account the guidance from the settled case law provided by the 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;

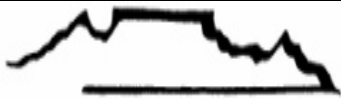
(h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient;

(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.

### Comparison of trade marks

36) The trade marks to be compared are as follows:

UH's mark	DL's mark
	TABLE MOUNTAIN

37) It is well established that the average consumer is considered to be reasonably well informed, circumspect and observant but perceives trade marks as wholes and does not pause to analyse their various details. In addition, he rarely has the chance to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has kept in his mind. Ordinarily in reaching a conclusion on similarity, I would identify what I consider to be the distinctive and dominant elements of the respective trade marks and, with that conclusion in mind, I would normally go on and compare the respective trade marks from the visual, aural and conceptual perspectives. However, in the instant case the marks are quite simply completely different. I accept that the device mark is a profile of Table Mountain but do not believe that the average consumer in the UK will understand or recognise that this is the case. They would merely see the signs as presented above. Considering the matter globally and taking into account the interdependency principle- a lesser degree of similarity between trade marks may be



offset by a greater degree of similarity between goods and vice versa, even if UH's mark were used on identical goods there is no likelihood of consumers being confused into believing that the goods provided by UH are those of DL or provided by some undertaking linked to them. **The invalidity action under Section 5(2)(b) therefore fails.**

## CONCLUSION

38) The invalidity action under section 5(2)(b) fails completely but the action under section 5(4)(a) has been successful in respect of the following goods:

Class 32: Beers; non-alcoholic wines;

Class 33: Alcoholic drinks (except beers), in particular wines, liqueurs, brandies.

39) However, the invalidity under section 5(4)(a) fails in respect of:

Class 32: Alcohol-free drinks but not including non-alcoholic wine; fruit drinks and fruit juices.

Class 43: Wine bar services.

40) As many of the goods and services for which the mark was registered were not challenged the registration will continue to stand in respect of the following goods and services:

14	Precious metals and their alloys and goods made therefrom or coated therewith, not included in other classes; jewellery, ornaments, precious stones; horological and chronometric instruments.
16	Paper, paperboard (cardboard) and goods made from these materials, including fashionable and artistic stationery goods, included in this class; printed matter; self-adhesive labels (not of textile); photographs; writing materials, including writing and drawing implements; artists' materials; office equipment (except furniture).
18	Leather and imitations of leather and goods made therefrom, and not included in other classes; trunks and travelling bags; rucksacks; umbrellas, parasols and walking sticks; saddlery.
25	Clothing, footwear, headgear.
32	Alcohol-free drinks but not including non-alcoholic wine; fruit drinks and fruit juices; mineral waters and carbonated waters; syrups and other preparations for making beverages.
39	Travel services; travel agency and tourism services (included in this class); organization and conducting of trips and excursions; air transport; rail transport; motor vehicle transport; passenger transport by coach; maritime transport; transport by truck; organization and conducting of guided holiday tours; booking of seats for travel and reservation services for travel; reservation and booking of seats for travel; advice and information services relating to travel, in particular for the selection and booking of flights, information relating to tariffs, timetables and methods of transport, including by rail and coach, as well as information about travel destinations; delivery of goods, car hire; rental of

	aircraft, ships and boats; travel agency services for the organization and reservation of trips and excursions; escorting of travellers and their luggage, storage of luggage.
43	Catering and accommodation services for guests; Wine bar services.

## **COSTS**

41) DL has been partially successful in respect of the goods and services it sought to invalidate. It is therefore entitled to a contribution towards its costs.

Preparing a statement and considering the other side's statement	£300
Expenses	£200
Preparing evidence and considering the other sides evidence	£500
Preparing for and attending a hearing	£500
<b>TOTAL</b>	<b>£1500</b>

42) I order Ulrike Hornig to pay Distell Limited & J Sedgwick & Company Limited the sum of £1,500. 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 12th day of August 2013**

**G W Salthouse  
For the Registrar  
the Comptroller-General**