

O-062-14

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION NO 2 623 985
IN THE NAME OF LOCA LIMITED**



TO REGISTER IN CLASS 32 THE TRADE MARK:

AND

**OPPOSITION THERETO UNDER NO 103 981
BY SPENDRUPS INTERNATIONAL AB**

Background and pleadings



1. Loca Limited (the applicant) applied to register the trade mark on 6th June 2012 under No 2 623 985. It was accepted and published in the Trade Marks Journal on 20th July 2012 in respect of *beers; mineral and aerated waters and other non-alcoholic beverages* in Class 32.
2. Spendrups International AB (the opponent) oppose the trade mark application on the basis of Section 5(2)(b) and 5(3) of the Trade Marks Act 1994 (the Act). This is on the basis of its earlier Community trade mark LOKA (under No 3 987 302), filed on 17th August 2004 and registered on 14th November 2005 in respect of *mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages* in Class 32.
3. The opponent argues that the trade mark application should be refused under Section 5(2) (b) of the Act as the goods are identical and/or similar and the marks are similar. As such there is a likelihood of confusion. Further, under Section 5(3), it argues that its mark has a reputation and use of the later mark would take unfair advantage of or be detrimental to, the distinctive character or the repute of the earlier mark. Specifically, use of the later mark would give rise to the relevant section of the public making an economic connection or establishing a link between it and the earlier mark and so will give rise to harm to the earlier mark. Further, the later mark would benefit from the prestige of the earlier mark and would exploit its marketing efforts.
4. The applicant filed a counterstatement, during which the grounds of opposition are denied. Specifically, it argues that the earlier mark is used only in respect of mineral waters which are not similar to the core interest of the applicant, namely beers. Further, no link would be established between the marks.
5. It is noted that the opponent filed evidence. This will be summarised if considered appropriate to do so. The opponent has filed written submissions which, though not summarised, are taken into account in reaching this decision. The contents of the applicant's counterstatement have also been borne in mind. No hearing was requested and so this decision is taken following a thorough perusal of the papers.

Likelihood of confusion – Section 5(2) (b)

6. The relevant parts of section 5 of the Act read as follows:

“(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”.

7. The leading authorities which guide me in this ground are from the Court of Justice of the European Union (CJEU): *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, *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). It is clear from these cases that:

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

(b) the matter must be judged through the eyes of the average consumer for the goods/services in question; *Sabel BV v Puma AG*, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*,

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*,

(d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to *the overall impressions* created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*,

(e) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*

(f) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *Shaker di L. Laudato & C. Sas v OHIM*.

(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*,

(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*,

(i) in determining whether similarity between the goods or services covered by two trade marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

(j) 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*,

(k) 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 and Adidas Benelux BV*,

(l) 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*.

Comparison of goods

8. It is noted that the applicant did not request that the opponent provide proof of use in these proceedings. Rather it argues that the parties operate in different areas of the marketplace, with its core interest goods being beers and the opponent's being mineral waters. It may be true that this description represents the core business of each of the parties; however, the correct comparison to be made is between the respective specifications as applied for and as registered. This distinction, as described by the applicant is not

reflected in the specifications as they currently stand. In this regard, the following guidance provided by this case is borne in mind:

In *Devinlec Developpement Innovation Leclerc SA v OHIM* Case T-147/03, the GC stated:

“104 Consideration of the objective circumstances in which the goods covered by the marks are marketed are fully justified. The examination of the likelihood of confusion which the OHIM authorities are called on to carry out is a prospective examination. Since the particular circumstances in which the goods covered by the marks are marketed may vary in time and depending on the wishes of the proprietors of the trade marks, the prospective analysis of the likelihood of confusion between two marks, which pursues an aim in the general interest, that is, the aim that the relevant public may not be exposed to the risk of being misled as to the commercial origin of the goods in question, cannot be dependent on the commercial intentions, whether carried out or not, and naturally subjective, of the trade mark proprietors.”

9. The same conclusion was reached in *NHL Enterprises BV v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-414/05.

10. That the applicant is only currently interested in beer and the opponent (according to the applicant) in mineral water is, therefore, not relevant. It is clear that the specifications must be considered as registered as circumstances can change in that a trade mark registration can be used in an altogether different market from that which was first envisaged.

11. When making the comparison, all relevant factors relating to the goods and services in the respective specifications should be taken into account in determining this issue. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the CJEU stated at paragraph 23 of its judgment:

“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.”

12. Guidance on this issue has also come from Jacob J In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281 where the following factors were highlighted as being relevant when making the comparison:

“(a) The respective uses of the respective goods or services;

(b) The respective users of the respective goods or services;

- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

13. The earlier goods are:

Class 32:

Mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.

The later goods are:

Class 32:

Beers; mineral and aerated waters and other non-alcoholic beverages.


- 14. It is noted that the following contested terms are expressed in identical terms (or with an identical meaning) in the earlier specification: *mineral and aerated waters and other non-alcoholic beverages*. They are clearly identical.
- 15. This leaves the remaining contested term, namely *beers*. This does not expressly appear in the earlier specification. However, *non-alcoholic drinks* do. This term will include non-alcoholic beers. Bearing in mind the guidance in *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-133/05 (“Gérard Meric”)*, they are considered to be identical.
- 16. The goods of the application are therefore identical to those of the earlier trade mark.

Comparison of the marks

- 17. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind

their distinctive and dominant components. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account any distinctive and dominant components.

The respective trade marks are:

<p style="text-align: center;">LOKA</p>	 <p style="text-align: center;">The logo for LOCA Premium Lager features a stylized blue letter 'L' inside a white circle with a blue border. Below this, the word 'LOCA' is written in a red, cursive script. Underneath 'LOCA', the words 'PREMIUM LAGER' are written in a smaller, blue, sans-serif font.</p>
<p style="text-align: center;">Earlier trade mark</p>	<p style="text-align: center;">Contested trade mark</p>

18. Visually, the earlier trade mark is comprised of one element, whereas the contested trade mark is a complex mark, which includes a stylised letter L enclosed in an ellipse device and also the words PREMIUM LAGER which appear underneath LOCA in a smaller, non-stylised script. The element LOCA is clear within the contested trade mark, albeit appearing in a stylised manner. The difference in the letters K and C is also noted. Bearing in mind the foregoing, it is considered that these marks are visually similar, to a moderate degree.
19. Aurally, it is noted that the letters C and K can be articulated in an identical manner. It is considered therefore that LOKA and LOCA may be aurally identical. It is true that there are additional elements in the contested trade mark. However, the ellipse letter L is highly unlikely to be pronounced, as is PREMIUM LAGER. In any event, even if they were, the marks remain highly similar aurally.
20. Conceptually, the applicant argues that each mark has its own meaning, the contested trade mark having a meaning in Spanish and the earlier trade mark a Swedish meaning. The matter must be considered from the viewpoint of the

average consumer in these proceedings, who is that domiciled in the United Kingdom. This consumer is, it is considered, highly unlikely to understand either of the meanings advanced by the applicant. As such, such a consumer will not differentiate between the marks on this basis. The overwhelmingly more likely scenario is that no meaning will be grasped by either of the trade marks, with both being viewed as invented terms. As such, any conceptual impact is neutral.

Distinctive and dominant components.

21. As regards the earlier trade mark, the answer is straightforward as there is only one component.
22. In the contested trade mark, the element LOCA appears stylised and in the colour red in the centre of the complex trade mark with no other elements appearing at the same level. The ellipse device containing the stylised letter L appears above and the words PREMIUM LAGER below. On balance it is considered that LOCA catches the eye first upon visual inspection and so is the overall dominant and distinctive element. However, the remaining elements are not negligible and so the correct assessment to be made is between the trade marks as a whole.
23. Taking into account all of the aforesaid, it is considered that the respective trade marks are similar, to a reasonable degree.

Distinctiveness of the earlier trade mark

24. The distinctive character of a trade mark can be appraised only, first, by reference to the goods in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public (*Rewe Zentral AG v OHIM (LITE)* Case T-79/00). It is noted that the goods in question are a variety of drinks, for which the earlier trade mark has no meaning in respect of the relevant consumer. Further, that such a consumer is highly likely to perceive LOKA as an invented term. It is thus considered to be highly distinctive.
25. It is noted that the opponent considers that it has a reputation in its earlier trade mark and has filed evidence in support. However, this does not realistically improve its position as, according to the evidence any potential reputation is solely in Sweden and in these proceedings the matter must be considered from the viewpoint of the UK consumer for which a Swedish reputation has no impact. Further, LOKA has already been found to be highly distinctive per se and the respective goods are identical and so reputation will not assist the opponent.

Average consumer

26. The case-law informs me that the average consumer is reasonably

observant and circumspect (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27). The degree of care and attention the average consumer uses when selecting goods or service providers can, however, vary depending on what is involved (see, for example, the judgment of the GC in *Inter- Ikea Systems BV v OHIM* (Case T-112/06)).

27. The goods in question are drinks which can be purchased visually, for example on supermarket shelves, but also requested orally in a cafe, pub, bar or restaurant. The level of attention one would expect to be displayed will vary as some of the goods may be purchased frequently (perhaps daily) whereas others may be purchased and consumed less frequently. None are prohibitively expensive items. They are purchased primarily for refreshment purposes. It is considered therefore that the average degree of attention to be displayed is moderate, though at the lower end.

Global assessment – conclusions on Section 5(2) (b)

28. It is clear that the factors assessed have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17) and that a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.
29. The majority of the goods have been found to be identical. The marks have been found to be similar to a reasonable degree. In this regard the following guidance is borne in mind: The General Court in *Aldi GmbH & Co KG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-505/11 stated:

“91 In addition, the Opposition Division considered that the goods at issue were identical, as was recalled in the contested decision, without the Board of Appeal’s taking a final decision in that regard (see paragraph 40 et seq. above). That implies, in accordance with the case-law cited at paragraph 23 of the present judgment, that, if there is to be no likelihood of confusion, the degree of difference between the marks at issue must be high (see, to that effect, judgment of 29 January 2013 in Case T-283/11 *Fon Wireless v OHIM – nfon (nfon)*, not published in the ECR, paragraph 69).”

30. Further, the level of attention expected to be displayed is on the lower side of moderate. In addition, the earlier trade mark is considered to be highly distinctive for the goods in question and is highly likely to be perceived as an entirely meaningless term. In this regard the following is noted: *Meda Pharma GmbH & Co KG c Office de l’harmonisation dans le marché intérieur (marques, dessins et modèles) (OHMI)* les affaires jointes T-492/09 et T-147/10 comes into play; i.e. the trade mark of the opponent does not have a

limited degree of distinctiveness. It is also borne in mind that consumers rarely have the chance to view trade marks side by side and instead rely on an imperfect picture of them. Indeed each of the trade marks are likely to be perceived as invented terms by the average consumer in the UK. This means that there are no conceptual hooks upon which the consumer can rely and so the effects of imperfect recollection will be increased.

31. All of these factors are considered to combine in this case, the impact being that the relevant consumer is considered to be unable to accurately distinguish between the marks and so is considered highly likely to confuse one for the other.
32. As such, a likelihood of confusion is considered to exist here and the opposition succeeds under Section 5(2) (b) of the Act. The application must therefore be refused in its entirety.
33. As the opposition has been successful under Section 5(2) (b), there is no need to go on to consider the remaining ground as it cannot materially improve the opponent's position.

COSTS

34. The opponent has been successful and is entitled to a contribution towards its costs. In the circumstances I award the opponent the sum of £750 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Statutory fee for filing opposition - £200

Filing notice of opposition and considering counterstatement- £300

Filing evidence and submissions and considering the applicant's evidence - £250

Total - £750

35. I therefore order Loca Limited to pay Spendrups International AB the sum of £750. 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 6th day of February 2014

Louise White

**For the Registrar,
The Comptroller-General**