

**O-277-15**

**TRADE MARKS ACT 1994**

**TRADE MARK APPLICATION NO. 3053011  
BY NANJING DKD FOOD STORE  
TO REGISTER THE TRADE MARK**

**DKD**

**IN CLASSES 29, 30, 31, 32, 35, 40 AND 43**

**AND**

**THE OPPOSITION THERETO UNDER NO. 402767  
BY BEVERAGE BRANDS (UK) LIMITED**

## Background and pleadings

1. Nanjing DKD Food Store (“the applicant”) applied for the trade mark shown below on 25 April 2014, in classes 29, 30, 31, 32, 35, 40 and 43:

**DKD**

2. The application was published on 30 May 2014. Beverage Brands (UK) Limited (“the opponent”) opposes, under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”), class 32 of the application, for the following goods:

*Beer; Whey beverages; Juices; Lemonades; Fruit juice beverages; Non-alcoholic beverages; Fruit drinks; Non-dairy milk; Vegetable drinks; Vegetable juices [beverages].*

3. The opponent relies upon five earlier marks:

|                     |              |   |  |
|---------------------|--------------|---|--|
| (i) UK<br>2048587   | WKD          | Class 33: <i>Alcoholic drinks, except beers.</i>  | Filing date: 14 December 1995<br><br>Date registration procedure completed: 30 August 1996 |
| (ii) UK<br>2264037  | WKD ORIGINAL | Class 33: <i>Alcoholic beverages.</i>   | Filing date: 13 March 2001<br><br>Date registration procedure completed: 17 August 2001    |
| (iii) UK<br>2528315 | WKD ZERO     | Class 32: <i>Beers and ales; drinks made from or containing beer or ale; malt beverages; drinks with a malt beer base; drinks with a brewed malt base; non-alcoholic drinks; mineral and aerated waters; soft drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.</i><br><br>Class 33: <i>Alcoholic beverages, except beers.</i> | Filing date: 8 October 2009<br><br>Date registration procedure completed: 16 April 2010    |

|   |                  |   |   |
|---|------------------|---|---|
| <p>(iv) UK<br/>2598257</p>                              | <p>WKD REMIX</p> | <p>Class 32: <i>Beers and ales; drinks made from or containing beer or ale; malt beverages; drinks with a malt beer base; drinks with a brewed malt base; non-alcoholic drinks; mineral and aerated waters; soft drinks; soft drink mixers; fruit drinks and fruit juices; syrups and other preparations for making beverages.</i></p> <p>Class 33: <i>Alcoholic beverages; alcoholic beverages made from or containing spirits; alcoholic drinks with a spirit base; alcoholic coolers; alcoholic cocktails.</i></p> | <p>Filing date: 18 October 2011</p> <p>Date registration procedure completed: 20 January 2012</p> |
| <p>(v)<br/>Community<br/>Trade<br/>Mark<br/>7525587</p> | <p>WKD CORE</p>  | <p>Class 32: <i>Beers and ales; drinks made from or containing beer or ale; malt beverages; drinks with a malt beer base; drinks with a brewed malt base; non-alcoholic drinks; mineral and aerated waters; soft drinks; soft drink mixers; fruit drinks and fruit juices; syrups and other preparations for making beverages.</i></p> <p>Class 33: <i>Alcoholic beverages; alcoholic beverages made from or containing spirits; alcoholic drinks with a spirit base; alcoholic coolers; alcoholic cocktails.</i></p> | <p>Filing date: 15 January 2009</p> <p>Date registration procedure completed: 29 July 2009</p>    |

4. The opponent claims that, owing to the similarities between the marks and the parties' goods, there is a likelihood of confusion on the part of the relevant public. The opponent claims that its marks constitute a family of marks and that the average consumer would see the applicant's mark as a variant of the opponent's family of marks. Furthermore, the inherent distinctive character of WKD and WKD ORIGINAL has been enhanced through use, increasing the likelihood of confusion. The opponent claims that there is no other beverage on the market sold under a three-

letter mark which incorporates the letter KD. This reputation, and the uniqueness of its mark, supports its claim under section 5(3) of the Act: that the use of the application will take unfair advantage of the earlier mark WKD's reputation, leading to unfair advantage. Substandard products could damage WKD's reputation.

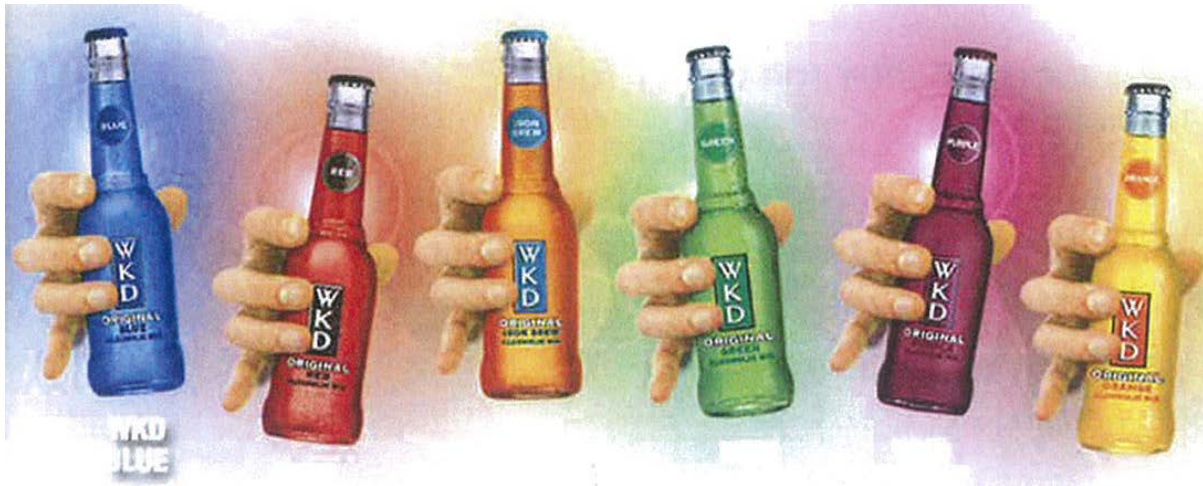
5. The opponent claims that industry analysis has placed WKD as the number one premixed alcoholic drink, which has been sold in bottles and cans through supermarkets, off-licences and on-premises sales since 1999. Sales of these goods in the UK amounts to approximately 200,000 bottles and cans per week. The opponent claims that use of the applicant's mark is liable to be prevented under the law of passing off, under section 5(4)(a) of the Act, because such use would give rise to misrepresentation, causing damage to the opponent's sign WKD.

6. The applicant denies all grounds of opposition, on the basis that neither the goods nor the marks are similar. It made full submissions in its counterstatement which I will not detail here, but will bear in mind in making this decision. Two of the earlier marks had been registered for more than five years when the application was published (WKD and WKD ORIGINAL). The applicant puts the opponent to proof of its use of these under section 6A of the Act, although I note from the counterstatement that it appears to accept that the opponent has used WKD on premixed alcoholic drinks. I will disregard the request for proof of use in relation to marks which had been registered for less than five years on the date on which the application was published. The opponent may rely upon all the goods of the earlier marks for which it is not required to prove use.

7. Both parties are professionally represented. Only the opponent filed evidence. The parties were asked if they wished to be heard or for a decision to be made from the papers. Both sides filed written submissions in lieu of a hearing; in the applicant's case, these were largely a repeat of what it had said in its counterstatement.

## **Evidence**

8. The opponent's evidence comes from Finn O'Driscoll, who is the opponent's Managing Director. He refers to the product sold under the mark WKD as being a Ready to Drink ("RTD") product. As the foremost RTD in the UK, the current retail value of the trade mark is £159 million. Samples of the drink packaging (undated) are shown in exhibit FOD1:



9. WKD alcoholic RTDs are sold in all of the major supermarkets in the UK: Asda, Tesco, Sainsbury's, Morrisons, and in most major off-licences. It is also stocked in a wide variety of pubs, bars, restaurants and nightclubs, nationally. A selection of invoices for sales to Morrisons, Sainsbury, Tesco, Asda, Palmer and Harvey, and Booker are shown in exhibit FOD2. These invoices are dated from 2008, 2009, 2010, 2011, 2012 and 2013.

10. Mr O'Driscoll states that sales under the WKD mark account for 85% of his company's turnover (£100,000,000 per annum). Mr O'Driscoll states elsewhere in his evidence that WKD is also sold abroad. Therefore, I do not know what proportion of these figures is attributable to the UK. However, the fact that the mark is worth £159 million helps to support his statement that WKD is the number one RTD in the UK, as does his statement that over 1.5 million bottles and cans of WKD are sold in the UK weekly. (Although I note that this is much more than was initially claimed in the statement of opposition (200,000 per week). WKD drinks are advertised on national TV, online, on billboards and through promotional events. Exhibit FOD5 shows a schedule of WKD advertising booked in 2008 and 2009 for, e.g. The Grocer, ITV, C4, Channel 5 and Sky Pub Channel, and outdoor billboards, The Sun and in men's magazines. It also contains a memory stick showing adverts for WKD drinks from 2011 and some which were shown during the broadcasts of "The Only Way is Essex" ("TOWIE"). The content appears to capture a cheeky image, aimed at young adults.

11. Examples of press coverage are shown in exhibit FOD6. Those within the relevant period (and within the UK) include The Publican (2008), Alcohol News (2009) and Retail Express (2013). In 2013, the opponent ran WKD promotional events in conjunction with Spotify (exhibit FOD7). In 2014, WKD became the sponsor brand for the TV programme TOWIE. This was announced a couple of months before the application was filed. TOWIE has audience figures of £1.4 million. According to the opponent's marketing director for WKD, TOWIE is the most talked about TV programme amongst WKD's target audience.

## Decision

12. I will deal firstly with proof of use in relation to earlier marks WKD and WKD ORIGINAL. The applicant appears to accept in its counterstatement that there is a reputation (and therefore use) at least for some of the registered goods:

“Furthermore, the Opponent does not produce and does not sell non-alcoholic beverages but premixed-alcoholic beverages only. This is why the average consumer cannot confuse the two categories of goods. Indeed, the Opponent has built his [sic] reputation on the sale of premixed-alcoholic beverages exclusively. Therefore the consumer of “WKD” labelled beverages knows that these beverages are necessarily alcoholic.

In addition, the Opponent’s goods distinguish themselves by their flashy colours which make them easy to distinguish from competitive products (*exhibit n<sup>o</sup>2: pictures of WKD drinks*).

Finally, the bottle shape of the “WKD” labelled beverages is typical of alcoholic beverages: small, narrow, made in glass with a long neck and encapsulated, in contrary to those peculiar to non alcoholic beverages: large carton packs or large bottles in glass with lids or screw caps (*exhibit n<sup>o</sup>2*).”

13. The main issue is therefore whether the opponent can rely upon all alcoholic beverages in class 33, as registered under WKD and WKD ORIGINAL. I am clear that the opponent is not entitled to rely upon such a wide term which includes wine and neat spirits, for which there is no evidence at all, and that I need to frame a fair specification.

14. Section 6A of the Act states:

“(1) This section applies where—

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

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if—

- (a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes—

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(7) Nothing in this section affects—

(a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4)(relative grounds of refusal on the basis of an earlier right), or

(b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration).”

15. The enquiry under section 6A of the Act is identical to that set out under section 46, the part of the Act which deals with the issue of revocation on the grounds of non-use, because both Section 6A and section 46 relate to genuine use of a mark. In *Stichting BDO and others v BDO Unibank, Inc and others* [2013] EWHC 418 (Ch), Arnold J commented on the case law of the Court of Justice of the European Union (“CJEU”) in relation to genuine use of a trade mark:

“In *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759 (to which I have added references to Case C-416/04 P *Sunrider v OHIM* [2006] ECR I-4237):

“(1) Genuine use means actual use of the mark by the proprietor or a third party with authority *Ansul*, [35] and [37].

(2) The use must be more than merely 'token', which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Sunrider*, [70]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22]-[23]; *Sunrider*, [70]-[71].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no de minimis rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25]; *Sunrider*, [72]"

16. Section 100 of the Act states:

"If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it."



17. In *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220, Kitchen L.J. (with whom Underhill L.J. agreed) set out the correct approach for devising a fair specification where the mark has not been used for all the goods/services for which it is registered. He said:

“63. The task of the court is to arrive, in the end, at a fair specification and this in turn involves ascertaining how the average consumer would describe the goods or services in relation to which the mark has been used, and considering the purpose and intended use of those goods or services. This I understand to be the approach adopted by this court in the earlier cases of *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2002] EWCA Civ 1828, [2003] RPC 32; and in *West v Fuller Smith & Turner plc* [2003] EWCA Civ 48, [2003] FSR 44. To my mind a very helpful exposition was provided by Jacob J (as he then was) in *ANIMAL Trade Mark* [2003] EWHC 1589 (Ch); [2004] FSR 19. He said at paragraph [20]:

“... I do not think there is anything technical about this: the consumer is not expected to think in a pernicky way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. ... Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods – are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made.”

64. Importantly, Jacob J there explained and I would respectfully agree that the court must form a value judgment as to the appropriate specification having regard to the use which has been made. But I would add that, in doing so, regard must also be had to the guidance given by the General Court in the later cases to which I have referred. Accordingly I believe the approach to be adopted is, in essence, a relatively simple one. The court must identify the goods or services in relation to which the mark has been used in the relevant period and consider how the average consumer would fairly describe them. In carrying out that exercise the court must have regard to the categories of goods or services for which the mark is registered and the extent to which those categories are described in general terms. If those categories are described in terms which are sufficiently broad so as to allow the identification within them of various sub-categories which are capable of being viewed independently then proof of use in relation to only one or more of those sub-

categories will not constitute use of the mark in relation to all the other sub-categories.

65. It follows that protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider belong to the same group or category as those for which the mark has been used and which are not in substance different from them. But conversely, if the average consumer would consider that the goods or services for which the mark has been used form a series of coherent categories or sub-categories then the registration must be limited accordingly. In my judgment it also follows that a proprietor cannot derive any real assistance from the, at times, broad terminology of the Nice Classification or from the fact that he may have secured a registration for a wide range of goods or services which are described in general terms. To the contrary, the purpose of the provision is to ensure that protection is only afforded to marks which have actually been used or, put another way, that marks are actually used for the goods or services for which they are registered.”

18. The opponent has cover for *alcoholic drinks, except beers, and alcoholic beverages*. These are wide terms which cover all types of alcoholic drinks in class 33, including those listed in the class heading for class 33 goods<sup>1</sup>, which is “Alcoholic beverages (except beers); alcoholic wines; spirits and liqueurs; alcopops; alcoholic cocktails.” The opponent’s evidence shows substantial use on alcopops and alcoholic cocktails. There is no use on wine. There is also no use on spirits and liqueurs *per se*, which are sold in small measures. The evidence does show that the opponent has an ‘app’ which gives cocktail recipes whereby its WKD and WKD ORIGINAL drinks are used as the alcoholic ingredient in cocktails.

19. *Alcopops and alcoholic cocktails* seems to me to represent a fair description of the use shown, and is what the average consumer would recognise as a specific category of alcoholic drinks (of which the evidence shows that WKD and WKD ORIGINAL are the market leaders) without unduly restricting the specification.

20. I also make a finding here that the opponent has a substantial reputation in the UK for these goods under the marks WKD and WKD ORIGINAL.

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<sup>1</sup> World Intellectual Property Office’s 10<sup>th</sup> Edition of the Classification of Goods and Services.  
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## Section 5(2)(b) of the Act

21. Section 5(2)(b) of the Act states that:

“(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.”

22. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

### The principles

(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 or 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;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also 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 of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

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

(j) 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;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

#### Comparison of goods

23. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* where the Court of Justice of the European Union (“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.”

24. ‘Complementary’ was defined by the General Court (“GC”) in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-325/06*:

“82 It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking...”

25. Additionally, the criteria identified in *British Sugar Plc v James Robertson & Sons Limited* (“Treat”) [1996] R.P.C. 281 for assessing similarity between goods and services also include an assessment of the channels of trade of the respective goods or services.

26. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) at [12] Floyd J said:

"... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

27. The competing specifications are shown in the table below.

| Earlier marks   | Application  |
|---|--|
| <p>Class 32: <i>Beers and ales; drinks made from or containing beer or ale; malt beverages; drinks with a malt beer base; drinks with a brewed malt base; non-alcoholic drinks; mineral and aerated waters; soft drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages</i> (WKD ZERO).</p> <p>Class 32: <i>Beers and ales; drinks made from or containing beer or ale; malt beverages; drinks with a malt beer base; drinks with a brewed malt base; non-alcoholic drinks; mineral and aerated waters; soft drinks; soft drink mixers; fruit drinks and fruit juices; syrups and other preparations for making beverages</i> (WKD REMIX and WKD CORE).</p> <p>Class 33: <i>Alcopops and alcoholic cocktails</i> (WKD and WKD ORIGINAL)</p> <p>Class 33: <i>Alcoholic beverages made from or containing spirits; alcoholic drinks with a spirit base; alcoholic coolers; alcoholic cocktails</i> (WKD REMIX and WKD CORE).</p> <p>Class 33: <i>Alcoholic beverages, except beers</i> (WKD ZERO).</p> | <p>Class 32: <i>Beer; Whey beverages; Juices; Lemonades; Fruit juice beverages; Non-alcoholic beverages; Fruit drinks; Non-dairy milk; Vegetable drinks; Vegetable juices [beverages].</i></p> |

28. In *Gérard Meric v OHIM*, Case T-33/05, the GC stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut fur Lernsysteme v OHIM- Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

The opponent’s class 32 specifications (for the marks WKD ZERO, WKD REMIX and WKD CORE) cover both beer and non-alcoholic drinks and so are identical to all of the applicant’s goods.

29. I will also make a separate comparison between all of the applicant’s class 32 goods and the class 33 goods for which the opponent may rely upon under its WKD mark. This is because, notwithstanding that I have found identity between the parties’ goods as represented by earlier marks WKD ZERO, WKD REMIX and WKD CORE, these marks are further away from DKD compared to the opponent’s WKD mark, for which it also has a reputation. These factors impact on the global assessment of the likelihood of confusion.

30. Beyond a very general observation that they can be drunk, there would not appear to be any meaningful level of similarity, within the parameters of the authorities cited above, between the opponent’s goods in class 33 and the applicant’s *whhey beverages* and *non-dairy milk*.

31. The remaining comparison is between:

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|--|---|
| Class 33: <i>Alcopops and alcoholic cocktails.</i> | Class 32: <i>Beer; <del>Whhey beverages</del>; Juices; Lemonades; Fruit juice beverages; Non-alcoholic beverages; Fruit drinks; Non-dairy milk; Vegetable drinks; Vegetable juices [beverages].</i> |
|--|---|

32. I will begin with the comparison between beer and the opponent’s goods. It is helpful to review the caselaw in which various comparisons have been made between different types of alcoholic drinks.

33. In *The Coca-Cola Company v OHIM*, Case T-175/06, the GC considered beer, ale and porter as opposed to wine, noting the difference in colour, taste, smell, ingredients and production methods. It considered that the relevant consumer would consider beer and wine as two distinct products, not belonging to the same family of alcoholic beverages. It found that they were not complementary but that they competed, to a certain extent, because they were both capable of meeting identical needs (consumption during a meal or as an aperitif). However, the Court said that it must be accepted that the average consumer would consider it normal for the two types of product to come from different undertakings, since the perceived differences

between them would also make it unlikely that there would be an expectation that the same undertaking would produce and market the two types of beverage. The Court noted that, in Austria, there is a tradition of producing both beer and wine and that this is done by different undertakings. Its conclusion was that there was little similarity between wines and beers (that there was any was purely on account of the possible competition between them, as mentioned above):

“Comparison between wine and beer

63 So far as concerns, first, the nature, end users and method of use of wines and beers, ale and porter, it is correct, as argued by the applicant, that those goods constitute alcoholic beverages obtained by a fermentation process and consumed during a meal or drunk as an aperitif.

64 However, it must be stated – as did the Board of Appeal – that the basic ingredients of those beverages do not have anything in common. Alcohol is not an ingredient used in the production of those beverages, but is one of the constituents generated by that production. Moreover, although the production of each of those beverages requires a fermentation process, their respective methods of production are not limited to fermentation and are fundamentally different. Thus, crushing grapes and pouring the must into barrels cannot be assimilated to the brewing processes of beer.

65 Moreover, the fact that beer is obtained through the fermentation of malt, whereas wine is produced through the fermentation of the must of grapes, means that the end products generated differ in colour, aroma and taste. That difference in colour, aroma and taste leads the relevant consumer to perceive those two products as being different.

66 In addition, despite the fact that wine and beer may, to a certain extent, satisfy the same need – enjoyment of a drink during a meal or as an aperitif – the Court considers that the relevant consumer perceives them as two distinct products. The Board of Appeal was therefore correct to consider that wines and beers do not belong to the same family of alcoholic beverages.

67 As regards, next, the complementary nature of wine and beer as referred to in the case-law cited in paragraph 61 above, it should be borne in mind that complementary goods are goods which are closely connected in the sense that one is indispensable or important for the use of the other (see Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60). In the present case, the Court considers that wine is neither indispensable nor important for the use of beer and vice versa. There is indeed nothing to support the conclusion that a purchaser of one of those products would be led to purchase the other.

68 As to whether wine and beer are in competition with each other, it has previously been held, in a different context, that there is a degree of competition between those goods. The Court of Justice thus considered that wine and beer are, to a certain extent, capable of meeting identical needs,

which means that a certain measure of mutual substitutability must be acknowledged. Nevertheless, the Court of Justice pointed out that, in view of the significant differences in quality – and, accordingly, in price – between wines, the decisive competitive relationship between wine and beer, a popular and widely consumed beverage, must be established by reference to those wines which are the most accessible to the public at large, that is to say, generally speaking, the lightest and least expensive varieties (see, by analogy, Case 356/85 *Commission v Belgium* [1987] ECR 3299, paragraph 10; see also, Case 170/78 *Commission v United Kingdom* [1983] ECR 2265, paragraph 8, and Case C-166/98 *Socridis* [1999] ECR I-3791, paragraph 18). There appears to be nothing to indicate that that assessment does not also apply in the present case. Accordingly, it must be acknowledged, as the applicant indicates, that wine and beer are, to a certain extent, competing goods.

69 Finally, in accordance with the Board of Appeal's assessment, it must be accepted that the average Austrian consumer will consider it normal for wines, on the one hand, and beers, ale and porter, on the other, to come from different undertakings – and will therefore expect this – and that those beverages do not belong to the same family of alcoholic beverages. There is nothing to suggest that the Austrian public is not aware, and does not notice the characteristics distinguishing beer and wine as regards their composition and method of production. On the contrary, the Court considers that those differences are perceived as making it unlikely that the same undertaking would produce and market the two types of beverage at the same time. For the sake of completeness, it should be noted that it is well known that, in Austria, there is a tradition of producing both beer and wine, and that this is done by different undertakings. Consequently, the average Austrian consumer expects beers, ale and porter, on the one hand, and wines on the other, to come from different undertakings.

70 In the light of all of the preceding factors, the Court considers that, for average Austrian consumers, there is little similarity between wines and beers.”

34. In *Bodegas Montebello, SA v OHIM*, Case T-430/07, the GC made a comparison in that case between wine and rum. It found that wine and rum are not composed of the same ingredients, their method of production is also different, and the end products are different as regards their taste, colour and smell. Consequently, the public perceives wine and rum as different in nature. It also found that wines are normally consumed as an accompaniment to a meal but that rum is not served at a meal, so that the two types of product are consumed on different occasions. The Court observed that the alcoholic content of the two products is very different and that even though the wine and rum might share distribution channels, they will not generally be sold on the same shelves. The Court considered there was no competing or complementary consideration and concluded that wine and rum are clearly distinguished by their nature, method of production, provenance, use and alcoholic content, with the overall result that there was no similarity between them.



35. I bear in mind that the goods upon which the opponent may rely (for its WKD mark) do not include wine. The goods are spirit-based. The processing of beer and spirits is very different, just as the processing of beer and wine is different. However, the goods also do not include spirits *per se*: the goods are longer drinks which include spirits. There is a modern fashion – which the evidence shows is led by the opponent’s WKD products – for longer drinks, known as alcopops, which are bought pre-mixed, either in pubs, bars and restaurants, or from off licences and other retail grocery outlets. Therefore, I am not comparing beer with spirits, but with longer drinks for which there is an element of competition: i.e. a choice between a bottle or can of beer, or a bottle or can of a pre-mixed alcoholic drink.

36. The GC did not, in *Coca-Cola*, refer to proximity of sale, although it did in *Bodegas Montebello, SA v OHIM*, finding that the alcoholic content of wine and rum is very different and that even though they might share distribution channels, they will not generally be sold on the same shelves. In that case, despite the finding about shared distribution channels, the GC found that wine and rum were “manifestly different”. Shared distribution channels was a factor considered by Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *Balmoral Trade Mark* [1999] RPC 297, a case earlier than the GC cases, in which he compared whisky to wine (for identical marks):

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

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

It is common to find whisky and wines bought and sold by merchants whose customers expect them to stock and sell both kinds of products. Many such merchants like to be known for the range and quality of the products they sell. The goodwill they enjoy is affected by the judgment they exercise when

deciding what to offer their customers. In some cases the exercise of judgment is backed by the use of “own brand” or “merchant-specific” labelling. Those who supply retail customers may be licensed to do so under an “off-licence” or a licence for “on and off sales” in appropriate circumstances. It is not unusual for resellers of whisky and wines to be suppliers of bar services as well.

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

37. The comparison of goods factors in the two GC decisions and in *Balmoral* are weighted differently. On the one hand, the GC emphasises the different methods of production, different aroma, colour and taste of the drinks; whilst, on the other hand, *Balmoral* cautioned against placing too much emphasis on these factors and looked, instead, at who will be selling the goods. The GC, in *Coca-Cola*, did not refer to whether there is proximity of sale or distribution channels for wine and beer. And, in *Bodegas Montebello*, although it was acknowledged that that wine and rum might share distribution channels, they will not generally be sold on the same shelves. In that decision, the weight given to the alcoholic content, methods of production, taste, smell etc of wine and rum outweighed the distribution channel similarity and so the goods were “manifestly different”. In *Coca-Cola v OHIM*, the GC considered that wine and beer were not complementary, but that there was a certain amount of competition. The conclusion was that there was “little similarity” between wine and beer. Competition does not feature in the *Balmoral* comparison.

38. Bearing in mind these three different cases, the factors I have in mind in relation to the present case are:

- The different processing/manufacture of beer and spirit-based pre-mixed drinks.
- The different taste, colour and smell.
- The similar alcoholic content of beer and pre-mixed spirit-based drinks, the latter being diluted with a mixer (alcopops).
- They are not in the same ‘family’ of alcoholic beverages, they are not complementary, but there is competition between them as alternative long alcoholic drinks.
- It is common to find the sale of various alcoholic drinks in the same outlet; for example, long drinks sold in cans and bottles may be grouped nearby to one another on refrigerated shelving, whether beer, cider or pre-mixed spirit-based drinks.

39. Weighing the various factors, I conclude that there is a moderate degree of similarity between the applicant's *beer* and the opponent's *alcopops and alcoholic cocktails* based upon a degree of competition and the potential for shared distribution channels.

40. In relation to the remaining goods of the application, the opponent submits:

"8. Furthermore, the term "non-alcoholic drinks" covers de-alcoholised wines, de-alcoholised beer, de-alcoholised drinks, imitation beer, alcohol free aperitifs, alcohol-free beers, alcohol free beverages, alcohol free cider, non-alcoholic cocktails, alcohol free wine; non-alcoholic cocktail bases, non-alcoholic cocktail mixes, non-alcoholic beer flavoured beverages, all in Class 32. Fruit beverages cover non-alcoholic fruit cocktails. All of the aforesaid are highly similar to the Opponent's [sic] the mark WKD is actually used upon, namely, alcoholic drinks and an alcoholic cocktail, which comes in a variety of colours and looks like a fruit flavoured drink."

41. I agree that de-alcoholised versions of alcoholic drinks, such as cider and wine, are covered by non-alcoholic beverages in the application. However, the opponent's goods do not cover cider and wine. The comparison must be between the opponent's pre-mixed spirit based drinks and cocktails, and non-alcoholic versions of such goods. To the extent that there are non-alcoholic cocktails, I agree that there is some similarity based upon a clear element of competition and shared trade channels; and some shared nature as the non-alcoholic version of a mixture of fruit juice, mixers and other flavours (e.g. a mojito with all the ingredients present except for white rum). The applicant's *non-alcoholic beverages* cover such goods. However, I do not think that the opponent's argument can be taken to extremes so that it covers all types of beverages in class 32. The argument has some force in relation to drinks for which their raison d'être is that they are the de-alcoholised versions of alcoholic drinks (cider, perry, wine and cocktails). It is twisted logic to say that, for example, a bottle of fruit juice or a fruit drink is similar to an alcoholic fruit drink because it is the non-alcoholic version of the latter. Fruit juice is fruit juice: this is how the average consumer would describe it and even more so in relation to vegetable drinks and vegetable juices. There would be no connection made with alcoholic drinks, whereas the average consumer would make a connection with (the absence of) alcohol on encountering a de-alcoholised wine.

42. Therefore, although I find that there is an average degree of similarity between the applicant's *non-alcoholic beverages* and the opponent's goods because the former covers non-alcoholic versions of pre-mixed cocktails, there is no meaningful similarity with the remainder of the applicant's goods, bearing in mind the perception of the average consumer (*YouView TV Ltd v Total Ltd*).

#### Average consumer

43. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention

is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*.

44. The average consumer for the opponent’s class 33 goods and for beer is the adult general public. Alcohol may be bought in shops or at a bar. In relation to beer and the opponent’s pre-mixed drinks, notwithstanding the aural aspect to ordering drinks, it is still primarily a visual purchase; the purchaser either visually scans the hand pumps in a bar and asks for a number of pints or bottles, or will scan the bottles or cans on a shop shelf and make a self-selection. Class 32 goods are bought primarily visually. None of the parties’ goods will cause more than an average degree of attention to be paid to the purchase. They are everyday and inexpensive (except, perhaps, in relation to the goods in class 33 for which WKD ZERO has cover, which could include champagnes and single malt whiskeys).

Comparison of marks

45. 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. The Court of Justice of the European Union stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

46. It is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impression created by the marks.

47. The respective marks are:

| Opponent  | Applicant  |
|---|------------|
| <p>WKD</p> <p>WKD ORIGINAL</p> <p>WKD ZERO</p> <p>WKD REMIX</p> <p>WKD CORE</p> | <p>DKD</p> |

48. The applicant's mark consists solely of three letters, as does the opponent's first mark, although they are not the same three letters. The overall impression of both DKD and WKD is of three letter marks which are unpronounceable. The other four of the opponent's marks contain WKD as the first element, together with recognisable words as the second element in each mark. The overall impression of these marks is of two separate elements, WKD being an unpronounceable string of three letters, whilst the second elements all have dictionary meanings.

49. The closest marks visually and aurally are the applicant's mark DKD and the opponent's mark WKD. These marks are unpronounceable as words, meaning that each letter must be enunciated separately. In *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02, the GC noted that the beginnings of word tend to have more visual and aural impact than the ends<sup>2</sup>. The first letter in each mark differs markedly both in appearance and sound. Additionally, the marks are short, which means that a change in one letter is a change of a third of the mark<sup>3</sup>. Where a short three letter combination has a different initial letter, this is an important point of dissimilarity. These factors combine to create no more than an average degree of similarity. Once the applicant's mark is compared to the other four of the opponent's earlier marks, the visual and aural distance between the marks is greater owing to the inclusion in the earlier marks of the second word elements. The degree of visual and aural similarity between the applicant's mark DKD and the opponent's marks WKD ORIGINAL, WKD ZERO, WKD REMIX and WKD CORE is low.

50. Neither DKD nor WKD has a meaning (there have been no submissions from the parties that either mark has any meaning). They are conceptually neutral. The other four of the opponent's marks also contain WKD which has no meaning on its own or in context when positioned next to ORIGINAL, ZERO, REMIX and CORE. These are all dictionary words which need no explanation. The applicant's mark has no meaning, but the opponent's two-element marks all have some meaning because of the second-word elements. Therefore, there is no conceptual similarity between them and of the earlier marks and the applicant's mark.

#### Distinctive character of the earlier marks

51. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*<sup>4</sup> the CJEU stated that:

"22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

<sup>2</sup> Although this does not always apply, e.g. if the beginning of the mark is non-distinctive.

<sup>3</sup> See the comments of Mr Iain Purvis QC, sitting as the Appointed Person, in *Hachette Filipacchi Presse S.A. v Ella Shoes Limited*, BL O/277/12, paragraph 20.

<sup>4</sup> Case C-342/97

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

52. WKD has no descriptive or allusive meaning in relation to the goods, and so is inherently distinctive to a good degree. Although ‘invented’, I do not put its inherent distinctive character at the high level usually reserved for invented words because a) it is not a word capable of pronunciation (e.g. KODAK, to use a paradigm example) and b) it is not unusual to find unpronounceable three letter marks representing the initials of individuals or companies. However, the level of use shown demonstrates that WKD and WKD ORIGINAL have acquired a high level of distinctive character in relation to the goods in relation to which they have been used: *Alcopops and alcoholic cocktails*.

53. Paragraph 6 of the opponent’s written submissions in lieu of a hearing refers to use of WKD CORE and WKD REMIX. There is no use of these marks shown in the evidence. Further, reference is made in paragraph 7 of the submissions to use of other variants, which are not even pleaded as earlier marks. I cannot take into account use on marks not pleaded, use which has not been shown in the evidence, and claims to use made after the close of the evidence rounds. There is no use shown of WKD ZERO, WKD REMIX and WKD CORE. As WKD has no meaning, the marks as wholes have a good level of inherent distinctive character but it is the distinctiveness of the ‘common’ element which is key.

54. The only use shown in evidence is use on WKD and WKD ORIGINAL. The claim to a family of marks does not get off the ground because such a claim must be founded on marks which have been used and for which evidence of use has been provided (see the judgment of the CJEU in *Il Ponte Finanziaria SpA v OHIM*, Case C-234/06, paragraphs 62 to 66).

#### Likelihood of confusion

55. Deciding whether there is a likelihood of confusion is not scientific; it is a matter of considering all the factors, weighing them and looking at their combined effect, in accordance with the authorities set out earlier in this decision. One of those principles states that a lesser degree of similarity between the goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*). I have found that the parties’ class 32 goods are identical. The opponent’s marks in Class 32 - WKD ZERO, WKD REMIX and WKD CORE - do not have an enhanced degree of distinctive character because there is no evidence that they have been used. The

marks share no concept and are similar visually and aurally only to a low degree. Although the goods are not bought with any more than an average degree of attention, the differences between the marks are enough, even with the good level of inherent distinctive character of the earlier marks factored into the assessment, to militate against a likelihood of confusion. There is no likelihood of confusion in relation to the earlier marks WKD ZERO, WKD REMIX and WKD CORE

56. The opponent can rely upon an enhanced degree of distinctive character for its goods used under the WKD and WKD ORIGINAL marks. I found the levels of similarity between these goods and the applicant's goods to be (in ascending order):

- whey beverages, juices, lemonades, fruit juice beverages, fruit drinks, non-dairy milk, vegetable drinks, vegetable juices: none
- beer: moderate
- non-alcoholic beverages, insofar as they cover non-alcoholic cocktails: average

Where there is no similarity between the goods, there can be no likelihood of confusion, regardless of the heightened level of distinctive character of WKD and WKD ORIGINAL<sup>5</sup>. There is no likelihood of confusion between WKD or WKD ORIGINAL in relation to whey beverages, juices, lemonades, fruit juice beverages, fruit drinks, non-dairy milk, vegetable drinks, vegetable juices.

57. The question is whether the undoubted reputation in WKD and WKD ORIGINAL for *alcoholic beverages made from or containing spirits; alcoholic drinks with a spirit base; alcoholic coolers; alcoholic cocktails* will contribute to a likelihood of confusion in relation to beer and non-alcoholic beverages insofar as they cover non-alcoholic cocktails. I do not think that it will in relation to beer: the differences between the marks and the goods for which there is a reputation will not cause even a bringing to mind of the earlier mark. There is more possibility that DKD may bring WKD to mind if encountered on a non-alcoholic cocktail. The differences between the marks are too marked, to my mind, for imperfect recollection. I do not think the marks will be confused for one another. I also do not consider that, although not directly confused, that any connection made will be sufficient to cause the average consumer to believe that the marks belong to the same or economically linked undertakings. There is no history of the opponent altering its WKD element. Replacing the W with a D does not create any conceptual message which might be linked to goods in class 32, or create any conceptual message at all, especially not one consistent with variant branding. Therefore, any calling to mind would be, at best, fleeting and inconsequential, and promptly dismissed. **The opposition under section 5(2)(b) fails.**

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<sup>5</sup> *Waterford Wedgwood plc v OHIM* – C-398/07 P

## Section 5(3) of the Act

58. Section 5(3) states:

“(3) A trade mark which-  
(a) is identical with or similar to an earlier trade mark, 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 or international trade mark (EC), 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.”

59. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

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.

(c) It is necessary 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 of all relevant factors, including the degree of similarity between the respective marks and between the 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) Where a link is established, the owner of the earlier mark must also establish 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 relevant factors; *Intel*, paragraph 79.

(f) 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 risk that this will happen in future; *Intel*, paragraphs 76 and 77.



(g) 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.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV*, paragraph 40.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark 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. This 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 coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

60. It is not necessary for there to be a likelihood of confusion for success under section 5(3)<sup>6</sup>, but there must be a link leading to damage. The opponent has the requisite reputation in WKD for *alcoholic beverages made from or containing spirits; alcoholic drinks with a spirit base; alcoholic coolers; alcoholic cocktails* to make a claim under this ground<sup>7</sup>. The opponent's evidence of reputation shows that the goods sold under the mark WKD come in bottles of liquid of various vivid colours (some of which are unnatural, such as bright blue). The evidence shows that the opponent has cultivated this brightly coloured image of the goods and their packaging. The chances of the relevant public calling WKD to mind when purchasing DKD beer, even in bottles, appear slight to say the least. There is no link in relation to beer. As the conditions of section 5(3) are cumulative (reputation, link and damage)<sup>8</sup>, the section 5(3) ground fails in relation to beer. The case is even weaker for the goods which are not similar, so fails also in relation to whey beverages, juices, lemonades, fruit juice beverages, fruit drinks, non-dairy milk, vegetable drinks and vegetable juices. The section 5(3) ground also fails against these goods.

61. I said above that any calling to mind by consumers of WKD in relation to the purchase of DKD non-alcoholic cocktails would be fleeting, before being dismissed. Such a link would not be strong enough to cause any of the types of damage claimed. The opponent claimed three types of damage in its statement of grounds, although the opponent's submissions in lieu of a hearing address only damage caused by unfair advantage. Absent confusion, for unfair advantage there must be a

<sup>6</sup> *Intra-Press SAS v OHIM*, Joined cases C-581/13P & C-582/13P.

<sup>7</sup> Case C-375/97, *General Motors*, [1999] ETMR 950.

<sup>8</sup> Case 252/07, *Intel*, [2009] ETMR 13.

transfer of image which gives the applicant a 'leg-up' without having to spend time and money establishing its new mark, effectively free-riding by benefitting from the opponent's marketing and reputation. The opponent's evidence shows a strong sense of an image aimed at partying young adults. This comes through from the sponsorship of The Only Way is Essex programme, the witty advertisements, and the storyline of those advertisements, such as one television advertisement included in the evidence which shows a group of young men in a noisy bar, drinking the opponent's brightly coloured WKD drinks out of bottles, and playing pool. A mobile phone rings and the landlord rings a bell which is labelled "Mrs Alert". The men immediately fall completely silent whilst one young man pretends he is at home doing the housework (the landlord switches on a vacuum cleaner to add plausibility). Once the telephone call is over, the young men all revert to drinking WKD and playing pool. It is not easy to see why this image would transfer, or why the applicant would want such a transfer, to non-alcoholic drinks. In relation to beer, the link would simply not be strong enough to counter the brightly coloured, artificial colours, when the differences between the marks are also factored into the assessment.

62. The opponent's claim that there is potential for detriment to quality is not explained. This is not enough to sustain a claim to detriment to repute because, otherwise, all claims that there might be a substandard product involved would succeed on their face.

63. There is no attempt to substantiate the bare claim that use of the applicant's mark would cause detriment to the distinctive character of WKD. Although it is unnecessary to show evidence of actual and present injury, it is necessary to show evidence which demonstrates a serious risk that injury will occur in the future, as set out by the CJEU in *Environmental Manufacturing LLP v OHIM*, Case C-383/12P:

"40. However, in its judgment in *Intel Corporation*, the Court clearly indicated that it was necessary to demand a higher standard of proof in order to find detriment or the risk of detriment to the distinctive character of the earlier mark, within the meaning of Article 8(5) of Regulation No 207/2009.

41. Accepting the criterion put forward by the General Court could, in addition, lead to a situation in which economic operators improperly appropriate certain signs, which could damage competition.

42. Admittedly, Regulation No 207/2009 and the Court's case-law do not require evidence to be adduced of actual detriment, but also admit the serious risk of such detriment, allowing the use of logical deductions.

43. None the less, such deductions must not be the result of mere suppositions but, as the General Court itself noted at paragraph 52 of the judgment under appeal, in citing an earlier judgment of the General Court, must be founded on 'an analysis of the probabilities and by taking account of the normal practice in the relevant commercial sector as well as all the other circumstances of the case'."

64. There is no evidence to support this claim, certainly none which could counter my view that any link made would not be strong enough to lead to any damage. **The section 5(3) ground fails.**

### **Section 5(4)(a) of the Act**

65. Section 5(4)(a) states:

“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

(b)...

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.”

66. The relevant principles are well established and not in dispute. They are conveniently set out in Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue). The following analysis is based on guidance given in 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.

“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.”

67. The following further guidance is given 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.”

68. The opponent has established that it owned a substantial goodwill in the sign WKD in the UK at the date of filing of the opposed application in relation to *alcoholic beverages made from or containing spirits; alcoholic drinks with a spirit base; alcoholic coolers; alcoholic cocktails*. The nature of the reputation attached to the sign WKD for these goods is described earlier in this decision.

69. In *Marks and Spencer PLC v Interflora*<sup>9</sup>, Lewinson L.J. cast doubt on whether the test for misrepresentation for passing off purposes came to the same thing as the test for a likelihood of confusion under trade mark law. He pointed out that it is sufficient for passing off purposes that “a substantial number” of the relevant public are deceived, which might not mean that the average consumer is confused. In particular, he found it hard to see how there could be a likelihood of confusion amongst the public where the majority of the public would not be confused. However, in a subsequent appeal in the same case<sup>10</sup> and after an extensive review of the authorities, a differently constituted Court of Appeal found as follows:

“129. As we have seen, the average consumer does not stand alone for it is from the perspective of this person that the court must consider the particular issue it is called upon to determine. In deciding a question of infringement of a trade mark, and determining whether a sign has affected or is liable to affect one of the functions of the mark in a claim under Article 5(1)(a) of the Directive (or Article 9(1)(a) of the Regulation), whether there is a likelihood of confusion or association under Article 5(1)(b) (or Article 9(1)(b)) , or whether there is a link between the mark and the sign under Article 5(2) (or Article 9(1)(c)) , the national court is required to make a qualitative assessment. It follows that it must make that assessment from the perspective of the average consumer and in accordance with the guidance given by the Court of Justice. Of course the court must ultimately give a binary answer to the question before it, that is to say, in the case of Article 5(1)(b) of the Directive, whether or not, as a result of the accused use, there exists a likelihood of confusion on the part of the public. But in light of the foregoing discussion we do not accept that a finding of infringement is precluded by a finding that many consumers, of whom the average consumer is representative, would not be confused. To the contrary, if, having regard to the perceptions and expectations of the average consumer, the court concludes that a significant proportion of the relevant public is likely to be confused such as to warrant the intervention of the court then we believe it may properly find infringement.

130. In the circumstances of this case we are, of course, concerned with a claim under Article 5(1)(a) (and Article 9(1)(a)) in the context of internet advertising and the question to be answered was whether the advertisements in issue did not enable reasonably well-informed and observant internet users, or enabled them only with difficulty, to ascertain whether the goods and services so advertised originated from Interflora or an undertaking economically linked to Interflora or, on the contrary, originated from M & S, a third party. In answering this question we consider the judge was entitled to have regard to the effect of the advertisements upon a significant section of the relevant class of consumers, and he was not barred from finding infringement by a determination that the majority of consumers were not confused.”

70. It is well established under the law of passing off that the likelihood of deception should not be measured against the likely behaviours of the types of consumer who

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<sup>9</sup> [2012] EWCA (Civ) 1501

<sup>10</sup> [2014] EWCA (Civ) 1403

are either particularly careless and therefore unusually prone to confusion, or particularly attentive and therefore unusually resistant to deception (per Jacob L.J. in *Reed Executive Plc v Reed Business Information Ltd* [2004] RPC 40). As both tests are intended to be normative measures intended to exclude those who are unusually careful or careless, it is doubtful whether the difference between the legal tests will (all other factors being equal) produce different outcomes.

71. I have found under section 5(2)(b) that there would not be a likelihood of confusion and that if there is any bringing to mind of the opponent's sign, it will be fleeting and easily dismissed. I see no reason why the position is any different in relation to the opponent's section 5(4)(a) ground. There would be no assumption of a trade connection, and mere wondering is not enough. In *Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* [2007] RPC 5, Court of Appeal, Jacob LJ said:

"16 The next point of passing off law to consider is misrepresentation. Sometimes a distinction is drawn between "mere confusion" which is not enough, and "deception," which is. I described the difference as "elusive" in *Reed Executive Plc v Reed Business Information Ltd* [2004] R.P.C. 40. I said this, [111]:

"Once the position strays into misleading a substantial number of people (going from 'I wonder if there is a connection' to 'I assume there is a connection') there will be passing off, whether the use is as a business name or a trade mark on goods."

17 This of course is a question of degree—there will be some mere wonderers and some assumers—there will normally (see below) be passing off if there is a substantial number of the latter even if there is also a substantial number of the former.

18 The current (2005) edition of Kerly contains a discussion of the distinction at paras 15–043 to 15–045. It is suggested that:

"The real distinction between mere confusion and deception lies in their causative effects. Mere confusion has no causative effect (other than to confuse lawyers and their clients) whereas, if in answer to the question: 'what moves the public to buy?', the insignia complained of is identified, then it is a case of deception."

19 Although correct as far as it goes, I do not endorse that as a complete statement of the position. Clearly if the public are induced to buy by mistaking the insignia of B for that which they know to be that of A, there is deception. But there are other cases too—for instance those in the *Buttercup* case. A more complete test would be whether what is said to be deception rather than mere confusion is really likely to be damaging to the claimant's goodwill or divert trade from him. I emphasise the word "really."

72. I come to the view that as of 25 April 2014, the opponent would not have been entitled to prevent the use of the applicant's mark because normal and fair use of the

applicant's mark would be unlikely to deceive a substantial number of the relevant public (the opponent's customers). **The section 5(4)(a) ground fails.**

### **Outcome**

73. The opposition fails on all grounds. The application may proceed to registration.

### **Costs**

74. The applicant has been successful and is entitled to a contribution towards its costs, based upon the scale of costs published in Tribunal Practice Notice 4/2007. I will not make a separate award for the written submissions in lieu of a hearing because these were largely a verbatim repeat of the contents of the counterstatement, for which there is an award. I award costs as follows:

|   |             |
|---|-------------|
| Considering the notice of opposition and preparing the counterstatement | £450        |
| Considering the opponent's evidence                                     | £500        |
| <b>Total</b>  | <b>£950</b> |

75. I order Beverage Brands (UK) Limited to pay Nanjing DKD Food Store the sum of £950 which, in the absence of an appeal, should be paid within fourteen days of the expiry of the appeal period.

**Dated this 15th day of June 2015**

**Judi Pike  
For the Registrar,  
the Comptroller-General**