

O-422-16

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION No. 3109363

BY RUSSELL SHARP

TO REGISTER THE TRADE MARK

CALEDONIAN

IN CLASS 33

AND

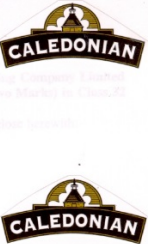
IN THE MATTER OF OPPOSITION

THERE TO UNDER No. 405131 BY

SCOTTISH & NEWCASTLE LIMITED

BACKGROUND

- 1) On 19 May 2015, Russell Sharp (hereinafter the applicant) applied to register the trade mark CALEDONIAN in respect of the following goods in Class 33: “Gin, Scotch Whisky produced in Scotland.”
- 2) The application was examined and accepted, and subsequently published for opposition purposes on 19 June 2015 in Trade Marks Journal No.2015/025.
- 3) On 21 September 2015 Caledonian Brewing Company Limited (hereinafter CBC) filed a notice of opposition, subsequently amended. CBC is the proprietor of the following trade marks:

Mark	Number	Dates of filing and registration	Class	Specification relied upon
CALEDONIAN	2025620A	30.06.95 29.05.98	32	Beer, ale, porter and lager.
			43	Public house, catering and restaurant services.
CALEDONIAN DOUBLE SCOTCH	2284055	26.10.01 29.03.02	32	Beer, ale, stout, lager and porter.
 A series of two marks	2194365	13.04.99 19.11.99	32	Beer; ale; porter; lager.
CALEDONIAN ALE HOUSE	2025620B	30.06.95 29.05.98	32	Beer, ale, porter and lager.
			43	Public house, catering and restaurant services.
CALEDONIAN DOUBLE SCOTCH	EU 2432664	25.10.01 13.11.02	32	Beer, ale, stout, lager and porter

			33	Alcoholic beverages; whisky but in so far as whisky and whisky based liqueurs are concerned, only Scotch whisky and Scotch whisky based liqueurs produced in Scotland.
CALEDONIAN 80/-	EU 10337004	13.10.11 07.02.12	32	Beer; ale; bitter beer; lager; stout; porter; shandy.
			33	Alcoholic beverages; cider; perry.
	EU 10336972	13.10.11 07.02.12	32	Beer; ale; bitter beer; lager; stout; porter; shandy.
			33	Alcoholic beverages; cider; perry.

- a) CBC states that the applicant was the managing Director of CBC during the period 1987 to 2003. CBC contends that its marks predate the mark in suit. CBC contends that it has used its marks in the UK, since 1869, on the goods for which they are registered and as such have reputation in the UK. CBC contends that the dominant element of its marks and the mark in suit is the word CALEDONIAN. CBC contends that the marks and goods of the two parties are similar and as such it contends that the application offends against Section 5(2)(b) of the Act.
- b) CBC also contends that as a result of its reputation in the UK, use of the mark in suit would take unfair advantage of the distinctive character of CBC's marks. It contends that consumers would assume a link between the products and as the opponent cannot control the quality of the applicant's goods its reputation could be undermined. As such the mark in suit will offend against section 5(3) of the Act.

4) On the 1 November 2015 the marks were assigned to Scottish & Newcastle Limited (hereinafter the opponent) who provided the necessary undertakings.

5) On 18 December 2015 the applicant filed a counterstatement, subsequently amended. He puts the opponent to strict proof of use in respect of trademarks UK 2284055 (re: classes 32 & 33), UK 2025620B (re: classes 32 & 43) and EU 2435664 (re: classes 32 & 33). The applicant accepts that he led the buyout of the Caledonian Brewery from its owners Vaux Breweries and he took over as Head Brewer and Managing Director for the period 1987 – 2003. He states:

- At the time of the buyout the brewery traded as Lorimer and Clark and its beer was sold almost exclusively in the north –east of England under the brand name Lorimers Best Scotch Ale. However, Vaux Breweries wanted to keep this brand.
- The brewery was founded in 1869 and was known as Lorimer and Clarks, Caledonian Brewery. Its beers were sold under the name Lorimer and Clark except for Caledonian Strong Ale sold in bottles.
- The brewery had a neighbour in Caledonian Distillery founded in 1855 which traded under the CALEDONIAN name until it closed in 1988.
- Both businesses had a rail link to the Caledonian railway which had a grand terminal in Princes St known as The Caledonian which operated from 1870 to 1965, and had a luxury hotel attached also called The Caledonian.
- When the brewery was taken over in 1987 a new name was required and so CALEDONIAN was chosen. The owners of the distillery (Diageo) owned the trade mark Caledonian in respect of goods in class 33 but when approached they had no issue with the brewery registering the name in class 32. Therefore, between 1987 and 2007 when the mark lapsed the marks co-existed. Although the distillery closed in 1988 stocks were still sold for approximately nine years. During this co-existence no instances of confusion arose. It is also contended that a number of businesses including a brewery and a distillery also use the mark Caledonian but they have not been opposed by the opponent.
- He denies that the marks or the goods of the two parties are similar.

6) Both parties filed evidence. Both parties seek an award of costs in their favour. Neither side wished to be heard. Both sides provided written submissions which I shall refer to as and when necessary in my decision.

OPPONENT'S EVIDENCE

7) The opponent filed a witness statement, dated 14 March 2016, by Graeme Colquhoun the head of the in-house legal team of the opponent. He states that he has access to the records of the opponent. He states that the opponent has not used mark 2025620B (CALEDONIAN ALE HOUSE) in respect of class 32 goods since 2008. He does not provide any evidence of the extent of the use prior to this date. He also states that the opponent has not used its marks 2284055 and EU 2432664 (CALEDONIAN DOUBLE SCOTCH) in respect of goods in class 33, but claims that the marks were used on a special release of beer in 2011. He does not give any details of sales, or how long the beer was offered for sale. He also states that "the opponent has not ruled out brewing an occasional release of CALEDONIAN DOUBLE SCOTCH in the future".

8) He states that there has been a narrowing of the gap between beers and spirits with ready-to-drink hybrid beers containing spirits or spirit flavours. He also refers to the use of beer in spirit cocktails, and refers specifically to the chain of Brewdog bars operated by his company which has 28 bars in the UK which offer cocktails where the main spirit is replaced by beer. He states that the applicant is wrong in contending that only Diageo offers goods in classes 32 and 33. He states that Adnams Brewery which has brewed beer since 1872 also started offering gin, vodka and whisky in 2010, and now also offers absinthe and limoncello. In addition he states that Eden Mill in Scotland manufactures beer, whisky and gin. He provides the following exhibits:

- 1: A print out of a website called RATEBEER which carries posts from beer drinkers. There are five reviews dated between 21 November 2011 to 8 December 2011 and are posted by drinkers in Scotland, Ireland and Spain.
- 2: This consists of various blogs from the Brewdog bars in Shoreditch (8 March 2013 and 23 January 2014), Leeds (21 March 2015) and Clapham Junction (17 September 2015).

- 3: Print outs from the website of Adnams, dated 10 March 2016, which shows a range of sprits offered for sale to the public including whisky (2014), gin (2013), vodka (2014), limoncello and absinthe. The dates shown are those quoted as when the product won an industry award. The website also mentions that the company also manufacturers beer.
- 4: A copy of a post on the Adnams website confirming to a customer that Asda and Waitrose stock its gin, dated 23 September 2015.
- 5: A print out from the Waitrose and Tesco websites, dated 10 March 2016, showing both supermarkets offering Adnams gin to their customers.
- 6: Undated pictures of bottles of Eden Mill beer and gin.

APPLICANT'S EVIDENCE

9) The applicant himself filed a witness statement, dated 10 June 2016. He states that he has been in the brewing and distilling industries for fifty years in a variety of capacities. He points out that beer and whisky have very different alcoholic strengths, tend to be sold on different shelves and parts of retail outlets such as supermarkets and contends that new methods of selling such as specialised on-line whisky retailing sites give different trade channels.

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

DECISION

11) The first ground of opposition is under section 5(2)(b) which reads:

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

(a)

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

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

12) An “earlier trade mark” is defined in section 6, the relevant part of which states:

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

- (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

13) The opponent is relying upon its trade marks listed in paragraph 3 above which are all clearly earlier trade marks. The applicant requested that the opponent provide proof of use in respect of marks UK 2284055, 2025620B and EU 2435664. Given the interplay between the date that the opponent’s marks were registered (29 March 2002, 29 May 1998 and 13 November 2002 respectively) and the date that the applicant’s mark was published (19 June 2015), the proof of use requirement bites. Section 6A states:

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

6A. - (1) This section applies where -

- (a) an application for registration of a trade mark has been published,
- (b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) 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 European Union trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Union.

(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.”

14) Section 100 of the Act states that:

“100. 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.”

15) In *Awareness Limited v Plymouth City Council*, Case BL O/230/13, Mr Daniel Alexander Q.C. as the Appointed Person stated that:

“22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

and further at paragraph 28:

“28. I can understand the rationale for the evidence being as it was but suggest that, for the future, if a broad class, such as “tuition services”, is sought to be defended on the basis of narrow use within the category (such as for classes of a particular kind) the evidence should not state that the mark has been used in relation to “tuition services” even by compendious reference to the trade mark specification. The evidence should make it clear, with precision, what specific use there has been and explain why, if the use has only been narrow, why a broader category is nonetheless appropriate for the specification. Broad statements purporting to verify use over a wide range by reference to the wording of a trade mark specification when supportable only in respect of a much narrower range should be critically considered in any draft evidence proposed to be submitted.”

16) In *Dosenbach-Ochsner Ag Schuhe Und Sport v Continental Shelf 128 Ltd*, Case BL 0/404/13, Mr Geoffrey Hobbs Q.C. as the Appointed Person stated that:

“21. The assessment of a witness statement for probative value necessarily focuses upon its sufficiency for the purpose of satisfying the decision taker with regard to whatever it is that falls to be determined, on the balance of probabilities, in the particular context of the case at hand. As Mann J. observed in *Matsushita Electric Industrial Co. v. Comptroller- General of Patents* [2008] EWHC 2071 (Pat); [2008] R.P.C. 35:

[24] As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in any particular case where satisfaction is required depends on the nature of the inquiry and the nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and what is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence has to be provided in order to satisfy a decision-making body about that of which that body has to be satisfied.

22. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not ‘*show*’ (per Section 100 of the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use.”

17) One of the opponent’s marks is an EU trade mark and as such I take into account *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, where the Court of Justice of the European Union noted that:

“36. It should, however, be observed that..... the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase ‘in the Community’ is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use.”

And

“50. Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as ‘genuine use’, it cannot be ruled out that, in certain circumstances, the market for the goods or services for which a Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark.”

And

“55. Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77).”

18) The court held that:

“Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to ‘genuine use in the Community’ within the meaning of that provision.

A Community trade mark is put to ‘genuine use’ within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the

trade mark and the territorial extent and the scale of the use as well as its frequency and regularity.”

19) In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. reviewed the case law since the *Leno* case and concluded as follows:

“228. Since the decision of the Court of Justice in *Leno* there have been a number of decisions of OHIM Boards of Appeal, the General Court and national courts with respect to the question of the geographical extent of the use required for genuine use in the Community. It does not seem to me that a clear picture has yet emerged as to how the broad principles laid down in *Leno* are to be applied. It is sufficient for present purposes to refer by way of illustration to two cases which I am aware have attracted comment.

229. In Case T-278/13 *Now Wireless Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* the General Court upheld at [47] the finding of the Board of Appeal that there had been genuine use of the contested mark in relation to the services in issues in London and the Thames Valley. On that basis, the General Court dismissed the applicant's challenge to the Board of Appeal's conclusion that there had been genuine use of the mark in the Community. At first blush, this appears to be a decision to the effect that use in rather less than the whole of one Member State is sufficient to constitute genuine use in the Community. On closer examination, however, it appears that the applicant's argument was not that use within London and the Thames Valley was not sufficient to constitute genuine use in the Community, but rather that the Board of Appeal was wrong to find that the mark had been used in those areas, and that it should have found that the mark had only been used in parts of London: see [42] and [54]-[58]. This stance may have been due to the fact that the applicant was based in Guildford, and thus a finding which still left open the possibility of conversion of the Community trade mark to a national trade mark may not have sufficed for its purposes.

230. In *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC), [2015] ETMR 37 at [25] His Honour Judge Hacon interpreted *Leno* as establishing that "genuine use in the Community will in general require use in more than one Member State" but "an exception to that general requirement arises where the market for the relevant goods or services is restricted to the territory of a single Member State". On this basis, he went on to hold at [33]-[40] that extensive use of the trade mark in the UK, and one sale in Denmark, was not

sufficient to amount to genuine use in the Community. As I understand it, this decision is presently under appeal and it would therefore be inappropriate for me to comment on the merits of the decision. All I will say is that, while I find the thrust of Judge Hacon's analysis of *Leno* persuasive, I would not myself express the applicable principles in terms of a general rule and an exception to that general rule. Rather, I would prefer to say that the assessment is a multi-factorial one which includes the geographical extent of the use.”

20) The General Court restated its interpretation of *Leno Marken* in Case T-398/13, *TVR Automotive Ltd v OHIM* (see paragraph 57 of the judgment). This case concerned national (rather than local) use of what was then known as a Community trade mark (now a European Union trade mark). Consequently, in trade mark opposition and cancellation proceedings, use of an EUTM in an area of the Union corresponding to the territory of one Member State may be sufficient to constitute genuine use of an EUTM. This applies even where there are no special factors, such as the market for the goods/services being limited to that area of the Union.

21) Whether the use shown is sufficient for these purposes will depend on whether there has been real commercial exploitation of the marks, in the course of trade, sufficient to create or maintain a market for the goods at issue in the UK/EU during the relevant 5 year period. In making the required assessment I am required to consider all relevant factors, including:

- i) The scale and frequency of the use shown
- ii) The nature of the use shown
- iii) The goods and services for which use has been shown
- iv) The nature of those goods/services and the market(s) for them
- v) The geographical extent of the use shown

22) In *Reber Holding GmbH & Co. KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), Case T-355/09, the General Court found that the sale of 40-60Kg per annum of specialist chocolate under a mark was insufficient to constitute genuine use of the national trade mark, which was registered in Germany. On further appeal in Case C-141/13 P, the CJEU stated, at paragraph 32 of its judgment, that “*not every proven commercial use may automatically be deemed to constitute genuine use of the trade mark in question*”. The CJEU found that “*the General Court conducted an overall assessment of that trade mark, taking into account the volume of sales of the goods protected by the trade mark, the nature and characteristics of those goods, the geographical*

coverage of the use of the trade mark, the advertising on the website of Paul Reber GmbH & Co. KG and the continuity of the trade mark's use. It thus established a certain degree of interdependence between the factors capable of proving genuine use. The General Court therefore correctly applied the concept of 'genuine use' and did not err in law in its assessment of that use" (paragraphs 33 and 34 of the judgment of the CJEU).

23) Proven use of a mark which fails to establish that *"the commercial exploitation of the mark is real"* because the use would not be *"viewed as warranted in the economic sector concerned to maintain or create a share in the [European Union] market for the goods or services protected by the mark"* is therefore not genuine use.

24) The opponent accepts that it has not used its mark 2025620B (Caledonian Ale House) in respect of class 32 goods and as there is no mention in its evidence of use regarding the class 43 services for which is also registered and which were included in the proof of use by the applicant I assume that the mark has not been put to use at all and so it is discounted from the 5(2)(b) comparison. In respect of UK 2284055 and EU 2432664 (Caledonian Double Scotch) the applicant accepts that these marks have not been used in respect of goods in class 33. It does claim that it has used the mark in respect of class 32 goods that would appear to have been sold in and around November and December 2011. In the instant case the publication date of the application was 19 June 2015, therefore the relevant period for the proof of use is 20 June 2010 – 19 June 2015. In the instant case the opponent has provided evidence of considerable sales in a number of EU countries including the UK during the period. The claimed use is within the relevant period, however, the only evidence of use either prior, during or after the relevant period is a single page of comments from a website RATEBEER where there are five reviews. These are all dated in November and December 2011. The opponent has not provided any information on the amount of beer that it produced, over what period it was offered for sale, the extent of sales or detailed any marketing that was carried out. It would appear that it simply produced a small batch of beer under this mark as a one off exercise, which it "has not ruled out brewing an occasional release" in the future. This seems to be the epitome of token use, and one that is insufficiently quantified at that. It is clear that the opponent could easily have provided proper evidence of use, but for its own reasons chose not to do so. The only conclusion I can reach is because it would have made it even more obvious that the use to which the mark has been put is insufficient to amount to genuine commercial use of the mark. **Therefore, marks UK 2025620B, UK 2284055 and EU 2430664 will not be taken into account in the ground of opposition under section 5(2)(b) or 5(3).**

25) When considering the issue under section 5(2)(b) I take into account the following principles which 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.

(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.

The average consumer and the nature of the purchasing process

26) As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods. I must then determine the manner in which these goods are likely to be selected by the average consumer in the course of trade.

27) The goods at issue in these proceedings are all beverages of one sort or another. The average consumer for such goods will be the public at large, albeit insofar as those goods which have an alcoholic content in excess of 0.5% are concerned, the average consumer will be over the age of 18.

28) All of the goods at issue may be sold through a range of channels, including retail premises such as supermarkets and off-licences (where the goods are normally displayed on shelves and are obtained by self-selection) and in public houses (where the goods are displayed on, for example, shelves behind the bar and where the trade marks will appear on dispensers at the bar etc.). When the goods are sold in, for example, public houses the selection process is likely to be an oral one. However, there is nothing to suggest that the goods are sold in such a manner as to preclude a visual inspection. In *Simonds Farsons Cisk plc v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), Case T-3/04, the Court of First Instance (now the General Court) said:

“In that respect, as OHIM quite rightly observes, it must be noted that, even if bars and restaurants are not negligible distribution channels for the applicant’s goods, the bottles are generally displayed on shelves behind the counter in such a way that consumers are also able to inspect them visually. That is why, even if it is possible that the goods in question may also be sold by ordering them orally, that method cannot be regarded as their usual marketing channel. In addition, even though consumers can order a beverage without having examined those shelves in advance they are, in any event, in a position to make a visual inspection of the bottle which is served to them.”

29) Consequently, while the goods may be ordered orally in public houses, it is likely to be in the context of, for example, a visual inspection of the bottles containing the goods prior to the order being placed. Considered overall, the selection process is likely to be predominantly a visual one, although I accept that aural considerations will also play their part. Turning now to the level of attention the average consumer will display when selecting the goods, given that for the most part the cost of the goods is likely to be relatively low, but bearing in mind that the average consumer will wish to ensure they are selecting the correct type, flavour, strength etc. of beverage, they are, in my view, likely to pay at least a reasonable level of attention to the selection of the goods at issue.

Comparison of goods

30) It is clear that the opponent’s strongest case is in respect of the goods for which its marks are registered, as I note that it does not mention the class 43 services in its submissions. To my mind, if the opponent fails in respect of its goods then it will also fail in respect of its services. The goods to be compared in the instant case are:

Applicant’s goods	Opponent’s goods
Class 33: Gin, Scotch Whisky produced in Scotland.	2025620A: Class 32: Beer, ale, porter and lager.
	2194365: Class 32: Beer; ale; porter; lager.
	CTM 10337004: Class 32: Beer; ale; bitter beer; lager; stout; porter; shandy. Class 33: Alcoholic beverages; cider; perry.
	CTM 10336972: Class 32: Beer; ale; bitter beer; lager; stout; porter; shandy. Class 33: Alcoholic beverages: cider; perry.

31) When making the comparison, all relevant factors relating to the goods in the specifications should be taken into account. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer*, the CJEU stated at paragraph 23 of its judgement:

“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”.

32) Guidance on this issue has also come from Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

- a) The respective users of the respective goods or services;
- b) The physical nature of the goods or acts of services;
- c) The respective trade channels through which the goods or services reach the market;
- d) 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;
- e) 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.

33) In *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

“... 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”.

34) As for whether the goods are complementary, in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the GC stated that “complementary” means:

“...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”.

35) In relation to complementarity, I also bear in mind the guidance given by Mr Daniel Alexander QC, sitting as the Appointed Person, in case BL O/255/13 *LOVE* where he warned against applying too rigid a test:

“20. In my judgment, the reference to “legal definition” suggests almost that the guidance in Boston is providing an alternative quasi-statutory approach to evaluating similarity, which I do not consider to be warranted. It is undoubtedly right to stress the importance of the fact that customers may think that responsibility for the goods lies with the same undertaking. However, it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together. I therefore think that in this respect, the Hearing Officer was taking too rigid an approach to Boston”.

36) In addition to the case law cited, above, two GC cases are particularly instructive on the factors to be considered when comparing alcoholic beverages. *The Coca-Cola Company v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-175/06, involved the comparison between wine on the one hand and beer on the other. In that case, the Court accepted (at paragraphs 63-70), that the goods constitute alcoholic beverages obtained by a fermentation process and that they are both consumed during a meal or drunk as an aperitif. However, it noted the different basic ingredients and methods of production (albeit ones which might

include fermentation) and the differences in colour, aroma and taste of the end products. It concluded that, notwithstanding a certain similarity of purpose, i.e. enjoyment of a drink during a meal or as an aperitif, the consumer would perceive the end products as different and belonging to different families of alcoholic beverages. It acknowledged a certain degree of competition between the goods but found there to be no complementary relationship. Overall, it found little similarity between wine and beer.

37) In *Bodegas Montebello, SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-430/07, the GC found that rum and wine were “manifestly different” (its analysis is at paragraphs 29-37). This was again based on an assessment of the different ingredients and methods of production, which result in end products different in taste, colour and aroma. In addition, it noted that wine is often drunk with a meal, while that is not generally the case for rum, and that the goods have a markedly different alcohol content. Although the Court accepted that rum and wine may share the same distribution channels, it considered that the goods would not generally be sold on the same shelves and that the goods were neither complementary nor in competition.

38) The opponent contended that there are a number of hybrid beers which contain spirits but offered no evidence of sales or market share for such products. They also contend that beer can be enjoyed with a shot of whisky. I would venture that beer can also be enjoyed with a variety of other products from pickled eggs, pork scratchings and peanuts to name but a few. This does not make these goods similar, or even complementary, to beer. It further contended that the existence of beer cocktails should be taken into account. Again the evidence of such establishments, as so often in this case, was sketchy to put it mildly. It is claimed that the opponent operates a number of these establishments, yet the existence of only three venues was established and no evidence provided about the turnover, market share, advertising etc. Lastly, the opponent contended that a number of brewers also operated distilleries. I am willing to accept that the brewer Adnams does also offer various spirits. However, the evidence of the extent of its market share etc. is not shown in evidence. The evidence in respect of Eden Mill is undated and so of no relevance to the proceedings. In short, none of the contentions raised by the opponent are persuasive.

39) I shall first consider the class 32 goods of the opponent to the class 33 goods of the applicant. In decision O-175-16 the Hearing Officer considered specifications almost identical to those in the instant case, she concluded:

“36. These decisions of the GC [Case T-175/06 & T-430/07] are weighted differently from the earlier decision of Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *Balmoral Trade*

Mark [1999] RPC 297. *Balmoral* concerned the comparison of whisky with wine. It cautioned against placing too much emphasis on factors such as the methods of production and difference in colour and taste of the drinks, and focussed instead on the shared channels of trade. Shared distribution channels were considered in *Bodegas Montebello* but were not sufficient to outweigh the other factors. *Coca-Cola* did not refer to proximity of sale or distribution channels for wine and beer.

37. The *Collins English Dictionary* (<http://www.collinsdictionary.com/dictionary/english>, accessed 30 March 2016) gives the following definitions of lager, ale and porter:

Lager: “a light-bodied effervescent beer, fermented in a closed vessel using yeasts that sink to the bottom of the brew”

Ale: “a beer fermented in an open vessel using yeasts that rise to the top of the brew”

Porter: “a dark sweet ale brewed from black malt”.

For convenience, as lager, ale and porter are all types of beer, I shall refer to the opponent’s goods as “beers” and “beverages containing beers” but this should be taken to refer to the entire specification.

38. Beers and beverages containing beers are clearly alcoholic beverages, as are gin and whisky. The goods at issue are consumed for a pleasurable drinking experience, which may include the intoxicating effects of alcohol. The users, namely adults over 18, are identical. In addition, the goods are sold through the same channels, for example in retail premises such as supermarkets and off-licences, or in restaurants and bars.

39. Having said that, there is a notable difference in the alcoholic content of the goods at issue. In retail premises, spirits are usually sold in large bottles, while beers are sold in smaller bottles or cans. In restaurants and bars, gin would normally be dispensed into a tall glass and mixed with other spirits or a non-alcoholic beverage (such as tonic water) to make a long drink. The same may apply to whisky but whisky is also frequently sold for consumption by itself. Spirits are generally dispensed in small measures, often from optics displayed behind the bar. By contrast,

beers would customarily be sold in half pint or pint measures dispensed from a tap, or be sold in bottles. While beverages containing beers are likely to consist of beers mixed with non-alcoholic beverages (for example, with lemonade to make shandy), like beer they would be sold in half pint or pint measures and are likely to be perceived as beer-based beverages. In retail premises, the goods at issue are not normally sold on the same shelf and, while I accept that they may be sold in the same aisle, there is ordinarily a clear demarcation between the area for spirits and that for beers and beverages containing beers. Although the base ingredients for all the goods at issue may be the same (e.g. grain or malt), the production methods are different, gin and whisky being made by distillation and beers by fermentation. I do not consider that there is a complementary relationship between the goods of the earlier mark and those in the applied-for specification, neither being essential or important for the consumption of the other. It is possible that there may be a degree of competition between the goods at issue, though I do not consider that the competitive choice between drinking beers (or beverages containing beers) on the one hand and gin or whisky on the other will be commonly made. In my experience, producers of beers do not routinely also produce either gin or whisky, or vice versa. Bearing all of the above in mind, I find that the goods are similar but only to a low degree.

40) This decision was subject to an appeal (O-382-16) where the Appointed Person (Mr Johnston) set out the following comments:

“20. A third case, not mentioned by the Hearing Officer, which seems to be the closest factually to the instant case is T-584/10 *Yilmaz v OHIM* (ECLI:EU:T:2012:518). In this case, the goods found to be dissimilar were a spirit (Tequila) and beer. In making its assessment, the General Court applied the approach from *MEZZOPANE* and started at paragraph 51:

...the differences between those goods [that is Tequila and beer], in respect of all the relevant factors relating to them, are clearer and more substantial than the differences between beer and wine established by the Court in *MEZZOPANE*, with the result that those differences make it even more unlikely that the relevant public would believe that the same undertaking would produce and market the two types of beverage at the same time.

21. The General Court went on at paragraph 54:

In that regard, it must be borne in mind, in particular, that, while the goods to be compared in the present case belong to the same general category of beverages, and more specifically to the category of alcoholic beverages, they are different in particular as regards their ingredients, method of production, colour, smell and taste, with the result that the average consumer perceives them to be different in nature. Those goods are not normally displayed in the same shelves in the areas of supermarkets and other outlets selling drinks. As regards their use, a significant difference between the goods is that beer quenches thirst which is not normally the case for the alcoholic beverages covered by the mark applied for. While it is true that those goods may be consumed in the same places and on the same occasions and satisfy the same need – for example, enjoyment of a drink during a meal or as an aperitif – the fact remains that they do not belong to the same family of alcoholic beverages and that the consumer perceives them as two distinct products, as the Court held, so far as concerns beer and wine, in paragraph 66 of *MEZZOPANE*.

22. The Court then went to state that the existence of alcoholic cocktails does not affect this conclusion (paragraph 55); that Tequila and beer are not complementary (paragraph 56); and, furthermore, that there is a lower degree of competition between Tequila and beer than there is between wine and beer (paragraph 57). Ultimately, the Court upheld the Board of Appeal's finding that the goods were dissimilar (at paragraph 72, which upheld the finding at R 1162/2009-2 *TEQUILA CUERVO*, paragraph 44).

23. While it is true that each of the three assessments by the General Court are factual findings based on a different relevant public than in the instant case, it is clear that the Court's view is that in general there is either no similarity, or very little similarity, between beer (and wine) on one hand, and spirits on the other.

24. In addition to these General Court cases, the Hearing Officer referred to a decision by Geoffrey Hobbs QC, sitting as an Appointed Person, in *BALMORAL TM* [1999] RPC 297. While the Hearing Officer did not set out the relevant passage, I will:

At the heart of the argument addressed to me on behalf of the application is the proposition that whisky and wines are materially different. 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.

25. Once more these statements are factual determinations as to the British market in 1998 when the hearing took place. However, they do view the market very differently from the General Court in the cases mentioned above.

26. Having considered this case law (albeit not *Yilmaz*) the Hearing Officer, based on her own experience, considered whether whisky and beer were similar (Decision, paragraph 39, which is set out above). The Hearing Officer’s decision in this respect closely followed the approach adopted by the General Court in *MEZZOPANE*. Indeed, following that approach, it would have

been entirely possible to conclude that beer and whisky were not similar at all. However, the Hearing Officer, probably mindful of the points made by Mr Hobbs in *BALMORAL* as to the British market for wine and spirits, concluded that the goods were similar to only a low degree. Such a finding is entirely proper and in accordance with case law.”

41) I therefore adopt the reasoning of both the Hearing Officer and the Appointed Person in finding that the opponent’s goods of “Beer, Ale, lager and porter” are similar to the opponent’s goods but only to a low degree. The only other goods the opponent has registered in class 32 are “bitter beer, stout, and shandy”. I regard these as being covered by the overall term “Beers”. **Consequently, the whole of the opponent’s Class 32 is similar to the opponent’s goods in Class 33 but only to a low degree.**

42) I now turn to the opponent’s goods in Class 33. To my mind the term “alcoholic beverage” for which the opponent’s marks EU10337004 and EU10336972 are registered in Class 33 must encompass the whole of the applicant’s Class 33 specification which reads: “Gin, Scotch Whisky produced in Scotland”. **Therefore, the class 33 specifications of the two parties are identical.**

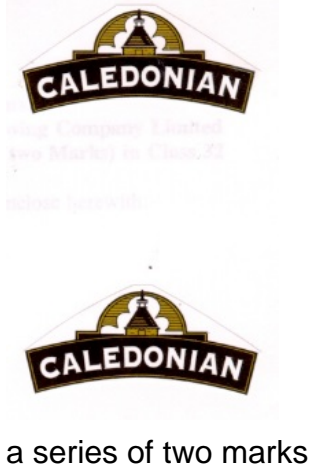
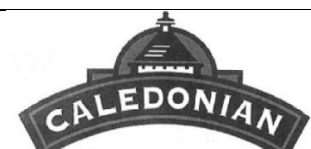
Comparison of trade marks

43) 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 them, bearing in mind their distinctive and dominant components. The CJEU 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.”

44) It would be wrong, therefore, artificially to dissect the trade marks, although, it is necessary to take into account their distinctive and dominant components and to give due weight to any other features

which are not negligible and therefore contribute to the overall impressions created by them. The trade marks to be compared are:

Opponent's trade marks		Applicant's trade mark
2025620A	CALEDONIAN	CALEDONIAN
2194365	 <p>a series of two marks</p>	
EU 10337004	CALEDONIAN 80/-	
EU 10336972		

45) Clearly, the opponent's mark 2025620A is identical to the applicant's mark. With regard to the applicant's marks 2194365 and EU 10336972 these have as their dominant element the word CALEDONIAN albeit presented in a curved label as might be found on the neck of a bottle. Both marks contain slightly different images of buildings in the background but both are equally non-descript and likely to be mostly ignored as of no consequence by the average consumer. These two marks are therefore highly similar to that of the opponent. Lastly I turn to the opponent's mark EU 10337004. This has as its first element the identical word to that of the applicant's mark. It also has as its second element the numbers and symbols which most consumers would recognise as meaning "eighty shillings". In my experience such an element was fairly common at one time on beers, being used as an indication that the beer was of greater strength and flavour, although today's younger drinkers may be unaware of this meaning. Even so, the first element would indicate the origin of the product to the majority of consumers and so the mark must be regarded as highly similar to the applicant's mark. **In conclusion, 2025620A is identical to the applicant's mark, whilst 2144365, EU 10336972 and EU 10337004 are all highly similar to the applicant's mark.**

Distinctive character of the earlier trade mark

46) In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 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).

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).”

47) The opponent’s marks consist mainly of the word “CALEDONIAN” which is a well-known dictionary word which indicates that the goods that it is used upon originate from Scotland. The other elements included in some of the opponents are, relatively speaking, inconsequential and do not assist their distinctiveness. To my mind, the earlier marks are of average inherent distinctiveness whilst none can benefit from enhanced distinctiveness through use as the opponent has effectively provided no evidence of use of any of its marks as I have set out earlier in this decision.

Likelihood of confusion

48) In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of the opponent's trade mark as the more distinctive this trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind. Earlier in this decision, I concluded that:

- the average consumer is a member of the general public over eighteen years of age (including businesses), who will select the goods by predominantly visual means, although not discounting aural considerations and that they will pay at least a reasonable degree of attention to the selection of such items.
- the opponent's marks have an average degree of inherent distinctiveness but cannot benefit from an enhanced distinctiveness through use.
- the goods of the two parties in class 32 are similar to a low degree, whilst the class 33 goods of the two parties are identical.
- regarding the marks of the two parties, 2025620A is identical to the applicant's mark, whilst 2144365, EU 10336972 and EU 10337004 are all highly similar to the applicant's mark.

49) It is easy to envisage a situation whereby an average consumer is standing in the alcohol section of a supermarket and sees a bottle of the applicant's whisky or gin with mark in suit upon it and shortly after views either a bottle of the opponent's spirits or even its beer with any of the opponent's marks upon it. Although those of the opponent's marks which have additional elements such as the device element or even the symbol for "eighty shillings" will be noticed the consumer they will, in my view, undoubtedly believe that the products are manufactured by the same company. In view of this and the above, and allowing for the concept of imperfect recollection,

there is a likelihood of consumers being confused into believing that the goods applied for under the mark in suit and provided by the applicant are those of the opponent or provided by some undertaking linked to it. **The opposition under Section 5(2) (b) in respect of the opponent's marks 2025620A, 2194365, EU 10337004 and EU 10336972 therefore succeeds in full. However, its oppositions under section 5(2)(b) in respect of its marks 2284055, 2025620B and EU 2432664 fail.**

50) I now turn to the other ground of opposition which is under section 5(3) which reads:

“5(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 European Union trade mark or international trade mark (EC), in the European Union) 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.”

51) 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; *Addidas 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).

52) The onus is upon an opponent to prove that his earlier trade mark enjoys a significant reputation or public recognition and he needs to furnish the evidence to support his claim. The opponent contends that its evidence shows use of its marks 2284055, 2025620B and EU 2432664. I totally disagree with this contention. To my mind, the opponent has singularly failed to show that it has any reputation in any of its marks for any of the goods or services for which they are registered. The opponent has provided no evidence of turnover, market-share, advertising or public awareness. **In such circumstances the opponent's case under section 5(3) must fail at the first hurdle.**

CONCLUSION

53) The opposition under Section 5(2) (b) in respect of the opponent's marks 2025620A, 2194365, EU 10337004 and EU 10336972 succeed in full. The application is refused.

COSTS

54) As the opponent has been successful it is entitled to a contribution towards its costs. However, I take into account the failure of its oppositions under Section 5(2)(b) in respect of its marks 2284055, 2025620B and EU 2432664, and the failure of its Section 5(3) opposition.

Expenses	£200
Preparing a statement and considering the other side's statement	£200
Preparing evidence and submissions	£200
TOTAL	£600

46) I order Russell Sharp to pay Scottish & Newcastle Limited the sum of £600. This sum to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 6th day of September 2016

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