

BL O/030/19

TRADE MARKS ACT 1994

TRADE MARK APPLICATION No. 3184904

BY NESS SCOTLAND LIMITED

AND

OPPOSITION No. 60000514

BY MR IAN WILLIAM HENDERSON

AND

TRADE MARK REGISTRATION 3172648

IN THE NAME OF MR IAN WILLIAM HENDERSON

AND

APPLICATION No. 501930 BY NESS SCOTLAND LIMITED

TO INVALIDATE TRADE MARK 3172648

Background and pleadings

1. Mr Ian William Henderson (“Henderson”) is the proprietor of trade mark registration 3172648. This consists of a series of two trade marks made of the words **Loch Ness Tonic** and **LochNess Tonic**. Nothing turns on the slight difference between the two marks. Therefore, for the sake of convenience, I shall refer to them both in the singular as ‘Henderson’s mark’. However, my findings apply equally to both marks.

2. Henderson’s mark was applied for on 4th July 2016 and it was entered in the register on 3rd February 2017. The mark is registered in relation to:

Class 32: Beverages (Non-alcoholic -).

Class 33: Alcoholic beverages, (except beer) but in so far as whisky and whisky based liqueurs are concerned only Scotch whisky and Scotch whisky based liqueurs produced in Scotland.

3. Henderson opposes Ness Scotland Limited’s (“Ness”) application 3184904 to register the trade mark shown below in class 32 in relation to “*Carbonated non-alcoholic drinks; sparkling water; still water; all produced from water drawn from Loch Ness.*”



4. The application to register this mark was filed on 9th September 2016. Henderson’s mark is therefore an ‘earlier trade mark’ for the purposes of s.6 of the Trade Marks Act 1994 (“the Act”).

5. According to Henderson, (1) the opposed mark is similar to the earlier mark, (2) the respective goods are either identical or similar, and (3) there is a likelihood of confusion on the part of the public. Therefore, registration of the opposed trade mark would be contrary to s.5(2)(b) of the Act.

6. Ness filed a counterstatement in which it admitted that the parties' goods in class 32 are identical. However, it denied Henderson's ground of opposition. In particular, Ness claimed that:

- (i) Loch Ness is a famous fresh water loch in Scotland;
- (ii) The name of the loch is therefore associated in the public's mind with water;
- (iii) Ness's goods are water from Loch Ness;
- (iv) The words Loch Ness are therefore descriptive of the geographical origin of the goods and a non-distinctive element of the opposed mark;
- (v) The word Tonic is also descriptive of a kind of water product;
- (vi) The figurative element of the opposed mark is the dominant and distinctive element of that mark;
- (vii) There is therefore no distinctive similarity between the marks.

7. Subsequently, on 3rd January 2018, Ness applied for Henderson's trade mark 3172648 to be declared invalid and its registration cancelled. Ness advanced two grounds for invalidation. The first ground was under s.47(1) of the Act on the basis that registration of the trade mark was contrary to ss.3(1)(b) and (c) of the Act:

- (i) In class 32, for the reasons set out in paragraph 6(i) to 6(v) above;
- (ii) In class 33, for the same reasons, in relation to any goods in class 33 containing tonic water or water;
- (iii) In classes 32 and 33, for the alternative reason that one of the meanings of 'tonic' is something that makes you feel stronger or happier and therefore 'Loch Ness Tonic' describes a 'tonic' from Loch Ness.

8. Ness's second ground for invalidation is under s.47(2) of the Act on the basis that that Henderson's mark is similar to Ness's trade mark 3136784 shown below.



9. This mark was applied for on 18th November 2015 and registered on 19th February 2016. It is therefore an earlier trade mark compared to Henderson's trade mark. The earlier mark is registered in class 32 in relation to the same goods as Ness's later filed trade mark, which Henderson opposes. Ness says that, if Henderson is right to claim that his trade mark is confusingly similar to Ness's later trade mark, then it is also similar to its earlier mark. Therefore, in the alternative to its primary arguments, Ness claims that if there is a likelihood of confusion with Henderson's mark, it is the registration of that mark which contravened s.5(2)(b) of the Act.

10. Henderson filed a counterstatement in which he:

- (i) Admitted that Loch Ness is well known as a loch in Scotland and that it is fresh water loch;
- (ii) Denied that Loch Ness is associated in the public's mind with potable water products, or products containing water, or alcoholic or non-alcoholic drinks, or that there is a likelihood of such an association in the future;
- (iii) Denied that Loch Ness Tonic as a whole is descriptive or incapable of distinguishing the goods for which it is registered;
- (iv) Denied that his trade mark is similar to Ness's trade mark 3136784, pointing out that Ness's mark does not contain the word 'tonic' and the verbal elements of the marks are significantly different;

- (v) Pointed out that his mark is registered in classes 32 and 33 whereas Ness's earlier mark is only registered in class 32.

11. The opposition and invalidation proceedings were consolidated.

Representation

12. Mr Henderson is represented by BTO Solicitors LLP. Ness is represented by Lincoln IP. A hearing took place on 23rd November 2018 by teleconference at which Ms Lynn Richmond represented Ness. Ms Karen Veitch represented Henderson.

The evidence

13. Only Henderson filed evidence. This takes the form of two witness statements by Mr Henderson himself (with 5 exhibits).

14. Mr Henderson does not appear to have traded under the mark to date. However, he says that he intends to use 'Loch Ness Tonic' as a brand and product name. The product will be a bottled tonic water made from the water of Loch Ness. Mr Henderson *"had also considered using the trade mark for alcoholic drinks."* However, he says that *"in the course of discussions with potential partners and in developing the brand, [he has] encountered instances of confusion among family and friends between [his mark] and the Loch Ness Tonic trademark [of Ness]."*

15. Since starting to develop his brand, Mr Henderson has taken advice from the MacDonald Partnership, which is an insurance broker in Inverness. Mr Henderson exhibits a statement from Mr Ian MacDonald of that firm.¹ I note that it includes a statement of truth. Mr MacDonald says that his firm has *"expert knowledge"* of business sectors within the area surrounding Inverness. This is because he has practised in the area for over 40 years in risk analysis and commercial insurance broking for the tourism industry, food & drinks industry, hotel & leisure, manufacturing, wholesale, restaurant & pubs, fleet & haulage, retail & offices,

¹ See exhibit IWH2

construction, property and other sectors. Mr MacDonald has never heard of a soft drink being produced or sold under the name Loch Ness. And according to him, the public has “*absolutely no degree of familiarity*” between Loch Ness and tonic, tonic water, or soft drinks.

16. The remainder of Mr Henderson’s evidence consists of a copy of the entry from Wikipedia for ‘Loch Ness’² and a list of the “*top results*” he found after searching ‘Loch Ness’ on Google for businesses in the local area.³ He points out that none of the businesses in his list are drinks producers.

The striking out of Ness’s grounds for invalidating trade mark 3172648 based on s.3(1) of the Act (lack of distinctive character)

17. As Ness filed no evidence in support of its application, the caseworker wrote to the parties on 31st May 2018 stating that the grounds for invalidation based on s.3(1) of the Act had been struck out pursuant to Rule 42(4) of the Trade Mark Rules 2008. The representatives of Ness responded pointing out that the only fact it wished to rely upon in this respect was that Loch Ness is a well-known fresh water loch in Scotland. If necessary, Ness sought permission to belatedly file evidence in support of the s.3(1) grounds. The caseworker responded on 2nd July 2018 pointing out that reasons were required for exercising the registrar’s discretion to grant Ness leave to file evidence under Rule 42(5) and giving Ness 14 days to provide such reasons. No such reasons were provided. The decision to strike out the s.3(1) grounds for invalidation because of a lack of supporting evidence was therefore maintained. Ness did not apply for leave to appeal this decision prior to the determination of the remaining issues in these proceedings.

Henderson opposition to Ness’s application 3184904

18. Section 5(2)(b) of the Act is as follows:

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

² See exhibit IWH3

³ See exhibit IWH4

(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”.

The identity of the respective goods

19. The respective goods are shown below.

Henderson’s goods (mark 3172648)	Ness’s goods (mark 3184904)
Class 32: Beverages (Non-alcoholic -). Class 33: Alcoholic beverages, (except beer) but in so far as whisky and whisky based liqueurs are concerned only Scotch whisky and Scotch whisky based liqueurs produced in Scotland.	Class 32: Carbonated non-alcoholic drinks; sparkling water; still water; all produced from water drawn from Loch Ness.

20. Henderson’s mark was only registered in 2017, therefore the proof of use requirements in s.6A of the Act do not apply. This means that Henderson can rely on the earlier mark for all the goods covered by the registration of trade mark 3172648 without having to show that the mark has been used in relation to those goods.

21. As I noted earlier, Ness accepts that the respective goods in class 32 are identical. This is because the description of goods in Henderson’s trade mark is wide enough to cover all the goods covered by Ness’s application. I therefore find that the respective goods in class 32 are identical.⁴

⁴ See, for example, paragraph 29 of the judgment of the General Court in *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05,

Identification of the average consumer and the selection process

22. The average consumer in this case is likely to be a member of the general public.

23. 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*.⁵

24. Drinks and alcoholic drinks are not highly considered purchases. On the other hand, consumers of drinks are not indifferent to the brand and type of product supplied. They will therefore take reasonable care when choosing and ordering a beverage. I therefore find that average consumers of beverages will pay a normal degree of attention when selecting such products.

25. I have no evidence to guide me, but my own experience as a consumer indicates that both soft and alcoholic drinks are usually selected from a shelf or a chiller cabinet, or from a bar display or drinks list. Where the drinks are selected in a bar or restaurant, the initial selection will usually be followed by an oral order for the product. And even drinks purchased in a retail environment may be the subject of oral enquiries. Therefore, the selection process as a whole is more visual than oral.⁶ Nevertheless, verbal orders play a significant part in the selection of drinks. Therefore, when it comes to assessing the likelihood of confusion, the way that the marks sound has some importance.

⁵ CJEU, Case C-342/97

⁶ See, to similar effect, the judgment of the decision of the General Court in case T-187/17, *Anton Riemerschmid Weinbrennerei und Likörfabrik GmbH & Co. KG v EUIPO*. In that case, which concerned an application to register LITU for wines, which had been opposed by the owner of the trade mark PITU, the court observed that alcoholic beverages are normally sold in self-service shops where the marks can be seen. Even in the case of noisy bars and restaurants, consumers usually choose wines from a wine list, where again the mark can be seen.

Distinctive character of the earlier mark

26. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*⁷ 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).”

27. Ness submits that ‘Loch Ness’ is descriptive of the geographical origin of non-alcoholic beverages from that place and ‘Tonic’ is descriptive of tonic water or beverages that act as a tonic. Therefore, according to Ness, Henderson’s mark is devoid of any distinctive trade mark character.

28. Henderson submits that there is no association in the public’s mind between Loch Ness and beverages. Consequently, those words have a normal degree of

⁷ Case C-342/97

distinctive character. Further, even if Loch Ness by itself is of low distinctiveness, 'Loch Ness Tonic' is a distinctive combination.

29. Mr Henderson's evidence is intended to establish that Loch Ness is not currently associated with water products, or soft drinks. His evidence is open to a number of criticisms. Firstly, he appears to rely on Mr MacDonald as an expert witness despite (i) not having applied for permission to file such evidence,⁸ and (ii) the fact that Mr MacDonald is his advisor and, therefore, clearly not independent in this matter. Additionally, given that Mr MacDonald is primarily an insurance broker, he is not obviously suitable to act as an expert on the types of businesses based around Loch Ness.

30. The evidence from Wikipedia shows no more than a few of the things for which Loch Ness is primarily known, such as the fabled Loch Ness Monster. However, I accept that this does not include being a source for water products.

31. The evidence from Mr Henderson's Google search is of little evidential value. He has not provided the full search results, just his interpretation of the "*top results*" he found for businesses based in the area around the loch. This does not establish that there are no existing businesses (whether based around the loch or elsewhere) which trade in water products sourced from Loch Ness.

32. On the other hand, if Ness wanted to establish that Loch Ness is associated in the public's mind with existing commercially available beverages sourced from, or produced around the shores of, the loch, it should have filed evidence to support such a case. As things stand, there is no evidence of any such association.

33. This does not mean that Loch Ness would necessarily be regarded by average consumers as normally distinctive for water or water based beverages. It is common ground that Loch Ness is a famous loch in Scotland. According to Wikipedia, it is the second largest loch in Scotland by surface area, and due to its great depth, is the largest loch by volume of water. The fact that it is a fresh water loch in Scotland

⁸ See Tribunal Practice Notice 2/2012

means that it is inherently suitable as a potential source for water products. Indeed, Mr Henderson's evidence is that he intends to market a tonic made with water from the loch. And judging from the strapline in its marks, Ness evidently intends to do something similar. Consumers may or may not know as fact that there are sea and fresh water lochs. If they know that much, they will probably also know that Loch Ness is a fresh water loch. If they do not know that some lochs have sea water and others fresh water, their assumption is likely to be that lochs, like most lakes, are bodies of fresh water. Either way, consumers of water or water based beverages will therefore believe that Loch Ness is a potential geographical source of such products. I therefore find that the name Loch Ness is inherently likely, in the perception of average consumers, to designate the geographical origin of water and water based beverages.

34. Henderson points out that the trade mark must be considered as a whole, i.e. Loch Ness Tonic. That is correct. However, the word 'tonic' is manifestly descriptive of a kind of carbonated water product. Therefore, the mark is no more than the sum of its descriptive parts, i.e. it describes tonic water, or a tonic made with water, from Loch Ness. It makes no difference that 'tonic' has more than one possible descriptive meaning in relation to sparkling water products.⁹

35. Tonic water and tonics made with water from Loch Ness fall within the description of goods for which Henderson's mark has been registered in class 32, i.e. beverages (non-alcoholic). However, as the mark is registered and it is not open to me to review the validity of trade mark 3172648, I must assume that the mark as a whole has at least a minimum degree of distinctive character in relation to all the goods for which it is registered.¹⁰ I will proceed on this basis. This does not mean that I must assume that the words Loch Ness (or Tonic) alone are distinctive. For the reasons given above, they are not.

36. I accept that the trade mark Loch Ness Tonic has a slightly higher degree of distinctiveness in relation to non-alcoholic beverages which are not water or water

⁹ See *OHIM v Wrigley*, CJEU, Case C-191/01 P

¹⁰ See, by analogy, paragraphs 41- 44 of the judgment of the CJEU in *Formula One Licensing BV v OHIM*, Case C-196/11P

based. This is because the words Loch Ness are less obviously descriptive of the potential geographical source of such products. This makes it more likely that Loch Ness (and, by extension, Loch Ness Tonic) would be regarded as a reliable designation of the trade source of such goods.

Comparison of marks

37. It is clear from the CJEU's judgment in *Sabel BV v. Puma AG*¹¹ (particularly paragraph 23) 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.

38. In its judgment in *Bimbo SA v OHIM*¹² the CJEU stated 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.”

It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to consider 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 impressions created by the marks.

¹¹ Case C-251/95

¹² Case C-591/12P

39. The respective trade marks are shown below:

Loch Ness Tonic	
Earlier trade mark	Contested trade mark

40. According to Henderson, the dominant and distinctive element of the contested trade mark is the words Loch Ness Tonic, which is the same as the earlier mark. This is because words generally have more impact on consumers than figurative elements.¹³ On this basis, Henderson claims that the marks are highly similar to the eye and identical to the ear.

41. Ness says that the dominant and distinctive element of its mark is the figurative U-like device; the words 'Loch Ness' and 'Tonic' being merely descriptive of the geographical source and type of goods, respectively.

42. I accept Ness's submission that the figurative U-like device is the dominant and distinctive element of its mark. I therefore reject the submission made on behalf of Henderson that the word elements of Ness's composite mark should necessarily be regarded as the dominant and distinctive elements. In this connection, I note that the CJEU ruled in *L&D SA v OHIM*¹⁴ that:

"55. inasmuch as L & D further submits that the assessment of the Court of First Instance, according to which the silhouette of a fir tree plays a predominant role in the ARBRE MAGIQUE mark, diverges from the case-law

¹³ In this respect, Henderson relies on the Guidelines Concerning Proceedings published by the EUIPO, in particular Part C, Part 2, Chapter 2, paragraph 5.1.

¹⁴ [2008] E.T.M.R. 62

of the Court of Justice, it need only be stated that, contrary to what the appellant asserts, that case-law does not in any way show that, in the case of mixed trade marks comprising both graphic and word elements, the word elements must systematically be regarded as dominant.”

43. In this case the figurative element in Ness’s mark is considerably larger than the word elements. The figurative element is also visually striking and original. It is much more than a mildly stylised letter ‘U’. By contrast, the word elements in the mark are manifestly descriptive. However, as the words ‘Loch Ness’ and ‘Tonic’ are large enough to make a more-than-negligible contribution to the visual impression created by Ness’s mark, some weight must be attached to them, and to the fact that those same words make up the earlier mark. For the sake of completeness, I should also record that I have taken some account of the different presentation of the word ‘Tonic’ in Ness’s mark (in contrast to Henderson’s mark). This is because I think that average consumers would notice that the word ‘Tonic’ in Henderson’s mark is presented in a contrasting font and colour to that used for the name Loch Ness. Overall, I find that the marks are visually similar to only a low degree.

44. I do not think that consumers would articulate the figurative element of Ness’s mark or the small descriptive strapline ‘Made from Loch Ness Water’. I therefore accept that the marks are aurally identical.

45. Conceptually, both marks recall Loch Ness. They are therefore conceptually similar. However, for the reasons given above, this is not a distinctive concept in the context of a trade in water and water-based beverages.

Likelihood of confusion

46. 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 might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

47. I do not consider that the marks are distinctively similar enough to create any direct confusion, even when used in relation to the same goods. This is because (a) the words ‘Loch Ness Tonic’ are weakly distinctive in relation to the goods covered by Ness’s trade mark (which are all water or water-based beverages), and (b) the dominant and distinctive element of Ness’s mark is the figurative device, which has no counterpart in Henderson’s mark.¹⁵

48. I accept that the risk of direct aural confusion cannot be completely discounted. However, I do not regard the aural identity between the marks as conclusive in this respect. As Mr Iain Purvis QC, as the Appointed Person, said in *The Royal Academy Of Arts v Errea Sport S.P.A.*¹⁶ when rejecting a similar submission:

“In essence [the appellant’s attorney’s] argument was that there was bound to be a likelihood of confusion in this case because of the aural ‘identity’ between the marks (if one tried to ask for goods using an aural version of the

¹⁵ The requirement to accord the earlier trade mark a minimum level of distinctive character does not mean that I am required to regard the same words in the later complex trade mark as sufficiently independently distinctive so as to create a likelihood of confusion, despite them being manifestly descriptive: see the judgment of the General Court in *Deutsche Post AG v EUIPO*, Case T-537/15, at paragraphs 67-76.

¹⁶ BL O-016-16

earlier mark, one would ask for ‘RA’ goods, just as one would ask for the applicant’s goods). This argument seems to me to fly in the face of the necessary ‘global’ assessment, bearing in mind the visual, conceptual and aural similarities, which the tribunal must carry out. Particularly in the case of an earlier mark which is a heavily stylised device mark, taking the aural similarities alone tends to ignore the real substance and distinctive character of the mark and is likely to lead to an erroneous result.”

49. As a matter of principle, the same must apply where the dominant and distinctive element of the later mark is a heavily stylised device.¹⁷ As Arnold J. stated in *Whyte & Mackay Ltd v Origin Wine UK Ltd*:¹⁸

“.....if the only similarity between the respective marks is a common element which has low distinctiveness, that points against there being a likelihood of confusion.”

50. As I noted above, although beverages are often the subject of verbal orders or enquiries, these usually follow (or precede) visual exposure of the products and the trade marks applied to them. In these circumstances I find that the visual differences between the marks are sufficient to counter the aural identity between them. Given the low distinctiveness of Loch Ness Tonic, and taking account of the perceptions and expectations of the average consumer, I am not satisfied that there is a risk of confusion amongst a significant proportion of the relevant public.¹⁹ I therefore find that there is no likelihood of direct confusion.

51. Part of Henderson’s case is that there is a likelihood of indirect confusion: that the public will assume that the same undertaking uses the words Loch Ness Tonic,

¹⁷ See *Envirotecnic v Gutterclear UK Limited*, [2015] EWHC 3450 (Ch), where the visual difference between the marks was accepted as being sufficient to avoid a likelihood of confusion, notwithstanding the aural similarity between GUTTER-CLEAR and a composite mark with the verbal element GUTTERCLEARUK (for gutter cleaning products and services).

¹⁸ [2015] EWHC 1271 (Ch), the principle being later applied by Birss J. in *Nicoventures Holdings Limited v The London Vape Company Ltd* [2017] EWHC 3393 (Ch) in a case concerning two stylised word marks including the words VAPE and CO (for vaping products).

¹⁹ See the judgment of the Court of Appeal in *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41, at paragraph 34.

sometimes alone and sometimes as part of Ness's trade mark. I see the point, but I find it more likely that average consumers of the beverages covered by Ness's application will simply assume that someone else is producing tonic beverages using water from Loch Ness. Therefore, although this may result in (mere) association between the marks (i.e. one mark bringing the other to mind), I reject the submission that there is a likelihood of indirect confusion.

52. I therefore reject Henderson's opposition to Ness's application 3184904.

Ness's application to invalidate trade mark 3172648 on relative grounds

53. Ness's application is now limited to the alleged relative ground for cancelling Henderson's trade mark based on s.5(2)(b) of the Act. The relevant law is as follows.

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

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

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

(5) Where the grounds of invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made.

Provided that this shall not affect transactions past and closed.”

Comparison of the goods

54. The description of goods in class 32 covered by Henderson's trade mark, i.e. 'Beverages (Non-alcoholic -)', encompasses all the goods for which Ness's earlier trade mark 3136784 is registered. I therefore find that the respective goods in class 32 are identical.

55. Turning to the similarity between Ness's goods in class 32 and Henderson's goods in class 33, I remind myself of the guidance of the CJEU in *Canon*²⁰ where the court stated at paragraph 23 of its judgment that:

“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”.

56. Soft drinks are similar in nature to alcoholic drinks to the limited extent that they are both liquids and for drinking. However, the trade generally categorises alcoholic drinks separately from soft drinks. I think that the average consumer would also consider them as being generally different in nature. Although alcoholic drinks may sometimes be consumed for refreshment purposes, they are always consumed at least partly for the effect of the alcohol. The purpose of the respective goods may therefore be somewhat similar, but it is different in this important respect. The method of use is the same. Although consumers may opt to take an alcoholic drink or a soft drink, the commercial choice is usually then between competing alcoholic drinks or competing soft drinks. Consequently, the goods are not usually in competition. There is no evidence that consumers generally expect soft drinks to be sold by the same undertakings that market alcoholic drinks. Therefore, although they may be mixed together, e.g. gin with tonic, I find that they are not usually

²⁰ Case C-39/97

complementary goods in the sense described in the case law.²¹ Taking all relevant factors into account, I find that the goods in class 33 covered by Henderson's mark are dissimilar to the goods in class 32 for which Ness's earlier mark is registered.

Identification of the average consumer and the selection process

57. I adopt my findings at paragraphs 22–25 above.

Distinctive character of the earlier trade mark

58. Consistent with the position in its opposition to Ness's trade mark 3184904, Henderson submits that the distinctive character of the earlier mark resides in the verbal elements, i.e. 'Loch Ness Water' and 'Genuine Loch Ness Bottled Drinking Water'. For this purpose, it accepts (as it must) that Loch Ness Water has a normal degree of distinctive character.

59. Ness's primary position is that the distinctive element of the earlier mark resides in the figurative device. However, if Henderson's submission to the contrary is accepted in the context of the opposition to its trade mark 3184904, then Ness submits that it must follow that 'Loch Ness' is the distinctive element of its earlier trade mark 3136784. This is because (i) the words 'Genuine Loch Ness Bottled Drinking Water' are a minor and manifestly descriptive element of the earlier mark, and (ii) the word 'Water' in 'Loch Ness Water' is clearly 100% descriptive of the goods covered by the trade mark. Consequently, if the word elements are accepted as being the dominant and distinctive elements of the earlier mark, this must mean that 'Loch Ness' is the distinctive element of the mark.


60. I prefer Ness's primary argument to its alternative argument and I therefore reject Henderson's submission that the word elements of the earlier mark should be regarded as dominant and distinctive. However, if I am wrong about this, then I would accept Ness's submission that any distinctive character in the word elements

²¹ 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. See the judgment of the General Court in *Boston Scientific Ltd v OHIM*, Case T-325/06.

of the earlier mark must depend on the distinctiveness of the words Loch Ness for water and water-based non-alcoholic beverages.

Comparison of the marks

61. The respective trade marks are shown below:

	<p>Loch Ness Tonic LochNess Tonic</p>
<p>Earlier trade mark</p>	<p>Contested trade marks</p>

62. Ness submits that if the verbal elements of the earlier mark are regarded as the dominant and distinctive elements, then the marks must be highly similar, visually, aurally and conceptually. This is because (i) the words ‘Genuine Loch Ness Bottled Drinking Water’ is plainly a minor and descriptive element and unlikely to be used by consumers when the mark is spoken, (ii) the word ‘Water’ in ‘Loch Ness Water’ is manifestly 100% descriptive of the goods covered by the trade mark, and (ii) the word TONIC is descriptive of tonic water or beverages that act as a tonic. On this footing, the dominant and distinctive element of both marks is the words Loch Ness.

63. Henderson submits that ‘Water’ is different to ‘Tonic’ and average consumers would not therefore confuse Loch Ness Water with Loch Ness Tonic (or LochNess Tonic). Additionally, the earlier mark has 9 words compared to the 3 words in the contested marks. According to Henderson, this will further help to distinguish the marks and avoid confusion.

64. I again prefer Ness's submission to Henderson's. However, I find that Ness's primary position is to be preferred to either of these submissions, i.e. that the dominant and distinctive element of the earlier mark is the figurative device and that none of the words in that mark are distinctive. I accept that the words Loch Ness Water are not negligible in the earlier mark. Some weight must therefore be attached to them when comparing the marks. I find that the similarity between these words and Loch Ness Tonic (and LochNess Tonic) creates a certain degree of overall visual, aural and conceptual similarity between the marks. However, in my judgment, this creates only a low degree of overall similarity between the marks (and no distinctive similarity).

Likelihood of confusion

65. I find that there is no likelihood of confusion for similar reasons to those given in paragraphs 47 to 52 above in respect of Henderson's opposition to Ness's trade mark 3184904. For the sake of completeness, I record that even if I had found that there was a likelihood of confusion in relation to the respective goods in class 32, I would have rejected Ness's application to invalidate Henderson's mark in class 33 where the respective goods are dissimilar.

Outcome

66. Henderson's opposition to trade mark 3184904 is rejected. Ness's application to invalidate Henderson's trade mark 3172648 on relative grounds is also rejected.

Alternative outcome

67. If I had accepted Henderson's submission that the word elements of Ness's trade mark are the dominant and distinctive elements, and/or that the words Loch Ness have a normal level of distinctive character in relation to water and water-based beverages, then I would have found that there was a likelihood of confusion between Ness's trade mark 3136784 and Henderson's trade mark 3172648 if the latter mark was used in relation to the registered goods in class 32. This is because (1) the words Loch Ness make a more-than-negligible impact in the overall impression

created by Ness's mark, and (2) the words 'Water' and 'Tonic' simply describe closely related products, which are likely to be sold by the same undertaking. Therefore, if the words Loch Ness are normally distinctive, as Henderson claims, this would be sufficient to give rise to a likelihood of indirect confusion, i.e. average consumers would believe that Henderson's mark and Ness's earlier mark identify the goods of the same undertaking.

68. Such a finding would have meant that Ness's application under s.47(2) to invalidate the trade mark would have succeeded because its registration in relation to the goods in class 32 was contrary to s.5(2)(b) of the Act. The effect of this would have been that Henderson's mark would be treated as never having been registered for the goods in class 32. The respective goods in classes 32 and 33 are not similar and therefore Henderson's opposition could not have succeeded on this basis alone. Consequently, if I had accepted Henderson's submissions as to the similarity between the marks at issue, its opposition to trade mark 3184904 would still have failed, but for different reasons.

Costs

69. Both parties have achieved a measure of success. I therefore order both parties to bear their own costs.

Dated 16th January 2019

Allan James
For the Registrar