

O/460/19

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION UK 3288786

BY

ASAHI HOLDINGS UK LIMITED

TO REGISTER THE FOLLOWING MARK IN CLASS 32

SNOW GLOBE

AND

THE OPPOSITION UNDER NO. 412621 THERETO

BY

CHINA RESOURCES SNOW BREWERY (LIAO NING) COMPANY LIMITED

Background and Pleadings


1. FULLER SMITH & TURNER PLC¹ (The Applicant) applied to register the mark SNOW GLOBE on the 8 February 2018 for goods in class 32 namely “*Beer, ale, lager, stout and porter; non-alcoholic beers*”. It was accepted and published on the 2 March 2018.

2. CHINA RESOURCES SNOW BREWERY (LIAO NING) COMPANY LIMITED (The Opponent) opposes the application under section 5(2)(b) of the Trade Marks Act 1994 (the Act) relying on its earlier registered marks shown below:

| | Earlier Marks | Registration Number and Details | Goods in class 32 | Subject to proof of use |
|----|---------------|--|------------------------|-------------------------|
| 1. | SNOW | European Union Trade Mark No. EU008538167 Filed: 8 September 2005 Registered: 12 January 2007 Priority date: 4 April 2005 Based on its USA TM 78601509 | Beers | yes |
| 2. | | International Registration designating the UK: WO1001471 Date of protection: 28 January 2010 | Beer ² only | yes |

¹ By way of assignment dated the 30 March 2019 ownership of the applied for mark was assigned from Fuller Smith & Turner Plc to “The Fuller’s Beer Company Limited” which subsequently changed its name to Asahi UK Holdings Ltd on 5 June 2019.

² Whilst its registration covers other goods it is only seeking to rely on beer.

| | | | | |
|----|--|---|---|-----|
| |  | Designation and International Registration Date: 20 April 2009 | | |
| 3. |  | UK 2553730 Filed: 21 July 2010 Registered: 28 January 2011 | Beer | Yes |
| 4. |  | UK 3183186 Filed: 31 August 2016 Registered: 17 February 2017 | Soya-based beverages, other than milk substitutes; Non-alcoholic fruit extracts; Ginger ale; Non-alcoholic fruit juice beverages; Waters [beverages]; Mineral water [beverages]; Must; Lemonades; Vegetable juices [beverages]; Soda water; Milk of almonds [beverage]; Peanut milk (non-alcoholic beverage); Kvass (non- alcoholic beverage). | No |

| | | | | |
|----|--|---|------|----|
| 5. |  | <p>UK 3095246</p> <p>Filed: 19 February 2015 Registered: 24 July 2015</p> | Beer | No |
| 6. |  | <p>UK 3095259</p> <p>Filed: 19 February 2015 Registered: 24 July 2015</p> | Beer | No |

3. The Opponent argues that the respective goods and services are identical or similar and the marks are similar.

4. The Applicant filed a defence and counterstatement denying the grounds of opposition and refuting that the marks are similar, requesting that the Opponent provide proof of use of its first, second and third earlier mark as outlined above. In its written submissions it challenges the Opponent's evidence submitting that it demonstrates that the Opponent's goods have been comparatively unknown in the United Kingdom.

5. In these proceedings the Opponent is represented by Nucleus IP Limited whereas the Applicant is represented by Murgitroyd & Company. Both parties filed evidence, the key points of which I have summarised below. The Opponent's evidence consists of the witness statement and exhibits of Mr Hou Xiaohai dated 1 November 2018, accompanied by initial written submissions dated 7 November 2018 and submissions in reply dated 20 March 2019. The Applicant's evidence consists of the written statements of Ms Séverine Bequin dated 14 January 2019 and Mr Hugh Christian Finn dated 15 January 2019. The Applicant filed initial written submissions dated the 15 January 2019. Both parties filed further written submissions in lieu of a hearing. Whilst I do not propose to summarise the contents of these submissions I have taken them into consideration and will refer to them where necessary in my decision. No hearing was requested and so this decision is taken following a careful perusal of the papers.

6. Both parties seek an award of costs.

Preliminary issues

7. Following the completion of the evidence rounds and subsequent submissions the ownership of the applied for mark was assigned to The Fuller's Beer Company Limited on the 30 March 2019 who subsequently changed its name to ASAHI UK HOLDINGS LTD on the 5 June 2019. Any reference to the Applicant within this decision therefore is to be taken as a reference to Asahi UK Holdings Ltd.

8. Whilst the Opponent initially relied on an additional earlier mark within the original pleadings, namely SNOWFLAKE numbered UK 2631121, at paragraph 6 of its submissions dated 7 November 2018, it withdrew reliance on this mark as it was unable to collate sufficient evidence to satisfy the proof of use requirements. This mark will therefore play no further part in my assessment.

9. The Applicant in its evidence and submissions refers to other “SNOW” marks which appear on the register for beer and argues that they are able to coexist without leading to a likelihood of confusion. The fact that others are including the word Snow within their mark does not by itself afford a defence to the Applicant as it does not reflect the actual position regarding whether average consumers would be aware of them on the market and even if they did it does not follow that the mark’s inherent capacity to distinguish is altered. The issue I must consider is whether there is any confusion between the contested marks. The mere fact that a number of trade marks relating to beer contain the word SNOW, is not enough to establish that the distinctive character of that element has been weakened because of its frequent use in the field.³ The evidence submitted by the Applicant does not confirm one way or the other that consumers are confused by the presence of other SNOW marks.

The Evidence

Opponent’s evidence

10. The Opponent’s evidence consists of a witness statement from Mr Hou Xiaohai dated 1 November 2018, with eight exhibits. He is the CEO of China Resources Snow Brewery (Liao Ning) Company Limited (“China Resources”) a position he has held since December 2016. Mr Xiaohai explains that China Resources is part of the China Resources Beer (Holdings) Company Limited which is a group of companies focussing on manufacturing, sales and distribution of beer products, including Snow beer.

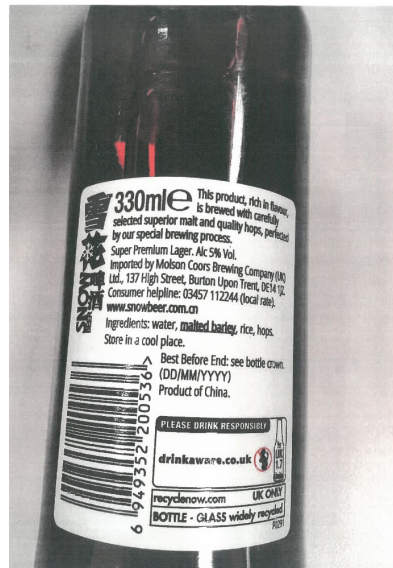
11. In December 2017 China Resources entered into an agreement with Molson Coors (a multinational brewing company) granting it exclusive rights to distribute Snow beer to the UK market. Exhibit 1 consists of two undated pictures of the beer bottle, displaying the front and back labels. The labels are in English and show a variation of mark two, as reproduced below. The back label includes the website address www.snowbeer.com; a UK address and telephone number; a list of the ingredients

³ *Zero Industry Srl v OHIM*, Case T-400/06

and the UK drink aware health warning as well as recycling information marked “UK ONLY”



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12. Mr Xiaohai produces copies of several articles published in a number of beverage industry publications, which outline details of the agreement with Molson Coors and also confirm Snow beer’s standing in the global market. Throughout these articles reference is made to “Snow beer” and “Snow” as well as including pictures displaying variations of the mark on beer labels.

13. Exhibit 2 consists of an article taken from the website www.thedrinksbusiness.com dated 11th December 2017 with what appears to be a print date of 2/10/2018. This article lists “Snow beer” as the “No 1 bestselling beer in the world, a title it has held for six consecutive years”. Mr Xiaohai explains that this publication is the leading European drinks trade journal at the “forefront of what is happening in the drinks industry”. The main focus of the article is a commentary on how Molson Coors is bringing “the world’s best selling beer to the UK” and how it is building a more robust presence in the UK. The article describes how Molson Coors has the exclusive rights to the sales, distribution and customer marketing of “Snow in the UK” and further that it is competing against other brands in the UK’s international restaurant sector. The

article sets out that the UK world beer market has grown by almost 12% in the past year with a value of approximately £3.2bn. Despite this, neither the article nor Mr Xiaohai gives any indication of Snow beer's position within the UK market. The article includes a photograph of a bottle of beer displaying the mark as follows:



14. Mr Xiaohai produces at Exhibit 3 a copy screenshot of an article published in www.businessinsider.com dated 9 May 2016. Mr Xiaohai states that Business Insider is an American financial and business news website, operating editions in the UK, Australia and China. The article is headed "The 10 best-selling beer brands in the world" and according to this website, as at 2016, Snow beer was the number one brand, accounting for 5.4% of the global beer market by volume. The article sets out that the global beer market is expected to generate sales of \$688.4 billion by 2020. Significantly the article affirms that "Snow is the most popular beer on the planet.... despite sales being almost exclusively limited to one country".

15. Mr Xiaohai produces further articles published in Just Drinks, Food Bev Media and the Morning Advertiser explaining that these publications provide news updates, trends and analysis from and to the global food and beverage industry. In particular, Mr Xiaohai explains that Morning Advertiser is a "twice monthly pub trade publication in the UK with a circulation of over twenty five thousand".

16. The first article from “justdrinks” is dated 11 December 2017 and outlines details of the distribution deal that “will bring the world’s biggest selling beer by volume, Snow, to the UK”. The article includes a quote from a Molson Coors’ spokesperson stating “that the beer will be available for wholesale distribution from 11 January”. The article describes how Molson Coors has “redesigned the Snow bottle for the UK market in collaboration with CRSB” to include “Chinese characters and imagery” “designed to make a strong visual impact on shelves and in fridges”. The mark is displayed in the article as follows:



Molson Coors has redesigned Snow's packaging for the UK market

17. In addition, another variation of the mark is displayed at the end of the article as follows:



China Resources Beer and the world's largest beer brand, Snow - The facts

18. Mr Xiaohai outlines that in December 2017 Snow beer was launched at the Hilton hotel, Heathrow, London and produces at Exhibit 5 undated pictures taken from the launch party displaying a variation of the mark on various merchandise as follows:



19. This exhibit includes an undated photograph of a brochure/pamphlet (reproduced below), the front cover of which includes the following text “SNOW IS COMING”; “China’s No 1 Premium Beer”; “Launched in the UK on Chinese New Year 2018” and “Available to stock from January 2018”.



20. Mr Xiaohai continues that prior to entering into the agreement with Molson Coors, Snow beer was already being sold in a number of high end restaurants and festivals in the UK between May 2017 and September 2017. By way of illustration he provides details and undated photographs⁴ of 6 establishments and events throughout the UK

⁴ Exhibit 6 pages 42-47

where he says Snow beer was sold. The photographs consist of advertising/promotional literature in the form of posters, table cards, stand panels, a glass and bottles of beer displaying the mark in the version as seen at the launch party.

21. In order to demonstrate use within the UK, Mr Xiaohai produces at exhibit 7 extracts from two websites which appear to advertise and offer Snow beer for sale. The first is an undated screenshot taken from the website www.molsoncoorsdirect.com/uk. The screenshot shows a picture of a bottle of beer with the mark displayed on the label and the mark Snow beer appears in the heading. There is no actual price displayed on the page however the guide price is in pounds sterling and buyers are directed to log in to view the price. The second is a screenshot taken from the website www.freshoriental.co.uk showing a can of beer for sale and appearing to display mark 3 as registered. The price is in pounds sterling and quantified as £1.80. The website offers free UK delivery on orders over £60. The item however is displayed as “currently out of stock”. Again, the screenshot is undated other than what appears to be a print date of 2/10/2018. Fresh Oriental’s homepage explains that the business commenced in 2004 and that it targets the Coventry and Birmingham area.

22. Mr Xiaohai produces copies of invoices and packing lists between Snow Breweries (Hong Kong) Ltd and Molson Coors. He states that Snow Breweries (Hong Kong) Ltd is one of a number of companies controlled by China Resources Beer (Holdings) Company Ltd. Exhibit 8 comprises of 10 invoices dated between 19 January 2018 and 30 May 2018 issued by Snow Breweries Hong Kong Ltd to Molson Coors Brewing Company UK Ltd at an address in Hungary. All the invoices are in US dollars. The description summary describes the product as “Snow Opera gent. Brown Bottle 330ml”. Four of the invoices are outside the relevant period the remaining ones are all dated the 19 January 2018, 24 January 2018 or 8 February 2018. During this period the invoices show combined sales of 7,436 cartons, each carton containing 12 bottles amounting to in excess of 89,000 bottles. The price paid amounts to

approximately \$30,000. The destination address for the containers is displayed as Southampton and Burton on Trent.

The Applicant's evidence

23. The Applicant's evidence consists of two written statements, the first from Séverine Bequin dated 14 January 2019 and the second from Hugh Christian Finn dated 15 January 2019.

Ms Bequin's statement

24. Ms Bequin states that she is the company secretary of Fuller Smith & Turner plc a position she has held since July 2014. Much of Ms Bequin's evidence is in the form of submissions or observations in reply to the Opponent's evidence rather than evidence of fact; I have therefore summarised the pertinent parts of her evidence.

25. Ms Bequin sets out the historical position and background regarding the company and the application for registration of the later mark. She states that the Applicant owns a wide range of beers sold in various establishments throughout the United Kingdom and operates over 380 pubs, inns and hotels across the South of England.

26. Ms Bequin states that all of the Applicant's beers are sold under various distinguishing trade marks always under its house mark FULLER's. Ms Bequin exhibits at SB1 what she describes as "examples of the different versions of the house mark as used on different labels and pump clips"

27. Ms Bequin explains that the Applicant brews a range of beers and ales many of which are seasonal brews. These seasonal brews are specifically brewed for their taste, in order to suit different seasons or months of the year and are sold under specific individual trade marks. In February 2018 the Applicant chose the later mark

as the name of a seasonal beer to be brewed and consumed during the winter months. Ms Bequin argues that the Opponent's mark is used solely for lager beer whereas the Applicant's mark is intended to be used for spiced winter ale.

28. Ms Bequin produces at exhibits SPB 3, 4 and 5 various online articles which she states demonstrate that the Opponent's SNOW beer "was essentially unknown outside China before 2017".

29. Exhibit SBP3 consists of an article from the Telegraph online newspaper dated August 2011 and which I note is dated outside the relevant period. This article sets out the background information of the company's position in 2011. Similarly, SBP4 is a screen shot taken from the Chinese website www.ecns.cn/business and is dated February 2017. It consists of a narrative regarding Snow beer's growth. Exhibit SBP 5 consists of a screen shot taken from the South Morning Post dated 9 August 2018 again dated outside the relevant period. In summary this article focuses on the impact the USA tax tariffs will have on the brand Snow and other Chinese beers. The main thread of the article is an analysis of the beer market within China and the alleged beer war between China and USA and what impact the various mergers will have on the company's strategy for growth and profitability. The article however does confirm that China Resources will use Molson Coors' "distribution network to expand the growth of its Snow and other Chinese beer brands internationally."

Hugh Christian Finn's Statement

30. Mr Finn's statement is dated 15 January 2019 and is accompanied by 4 Exhibits. Mr Finn is a director of Murgitroyd & Company, the Applicant's legal representatives, a position he has held since July 2006. The main purpose of Mr Finn's statement is to annex various exhibits to his statement, he does not provide any further commentary or explanation.

31. Exhibit HCF 1 is described as extracts from the Oxford English online dictionary providing definitions for the words SNOW and SNOW GLOBE.

32. Exhibit HCF 2 is described as a bundle of extracts from the online records of UKIPO and EUIPO showing details of six marks containing the word SNOW registered for beer in class 32.

33. Exhibits HCF 3 and 4 are described as extracts from the website “untapped.com” displaying various posts for beers which include the word Snow within their label for example Snow Belle and Snow Fox.

34. This concludes my analysis of the evidence.

Proof of use

35. In these proceedings the Opponent is relying upon its six registrations as shown above which qualify as earlier marks under section 6 of the Act. In relation to the Applicant’s first, second and third mark, they have been registered or protection conferred for more than five years ending on the date of publication of the Applicant’s application and therefore they are subject to the proof of use provisions. The remaining marks are not subject to the proof of use provisions as they have been registered within the five year period ending on the date of publication of the Applicant’s mark.

36. The relevant provisions regarding Proof of Use are set out as follows:

“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.”

37. Section 100 of the Act is also relevant it states that:

“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.”

38. Accordingly, under section 6(3)(a) of the Act the relevant period in which genuine use must be established is the five-year period ending on the date of publication of the applied for mark. Consequently, the relevant period is 3 March 2013 to 2 March 2018.

39. Whilst the Applicant puts the Opponent to strict proof of use regarding its first three marks I take note of paragraph 5 of its initial submissions which is as follows:

“Whilst it would appear that the Opponent has genuinely used some of its SNOW marks in the UK upon or in relation to beer, it appears from the witness statement that such use has been both comparatively recent and also fairly small scale.”

40. It appears that the Applicant has conceded that the Opponent has genuinely used some of its earlier three marks, however it has not specified which ones. Therefore, despite this apparent concession, it is still necessary for me to undertake the assessment as to genuine use.

41. What constitutes genuine use has been subject to a number of judgements. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J. summarised the law relating to genuine use as follows:

“114.....The Court of Justice of the European Union (CJEU) has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bunderversvereinigung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Marken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)*

[EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

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

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to

encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial

justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

42. As the first earlier mark is an EUTM, the comments of the CJEU in *Leno Marken BV v Hagelkruis Beheer BV*, Case C-149/11, are relevant. The court 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.”

....

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.

....

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)."

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."

43. 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."

44. The GC 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 the registrar continues to entertain the possibility that 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.

Form of the Mark

45. Before I consider whether the Opponent has demonstrated sufficient use of its marks, I need to consider the variant forms produced in the evidence. In *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, which concerned the use of one

mark with, or as part of, another mark, the Court of Justice of the European Union(CJEU) found that:

“31. It is true that the ‘use’ through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas ‘genuine use’, within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, ‘use’ within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish ‘use’ within the meaning of Article 15(1) for the purpose of preserving the rights of the proprietor of the registered trade mark.

32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestlé*, the ‘use’ of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition by a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

35 Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue

for that use to be covered by the term 'genuine use' within the meaning of Article 15(1)". (emphasis added)

46. In *Nirvana Trade Mark*, BL O/262/06, Mr Richard Arnold Q.C. (as he then was) as the Appointed Person summarised the test under s.46(2) of the Act as follows:

"33. The first question [in a case of this kind] is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period...

34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all."

47. Although this case was decided before the judgment of the CJEU in *Colloseum*, it remains sound law so far as the question is whether the use of a mark in a different form constitutes genuine use of the mark as registered. The later judgment of the CJEU must also be taken into account where the mark is used as registered, but as part of a composite mark.

48. Where the mark has been used in the format in which it is registered this will clearly be use upon which the Opponent may rely. I note that Mr Xiaohai has produced articles, invoices and packing lists where the first word mark SNOW is referred to within the text, this is therefore use upon which the Opponent may rely. The third

mark is a stylised version of the word SNOW and therefore it follows that this is also use upon which the Opponent may rely. However, as noted below the second mark is produced in a number of variations within Mr Xiaohai's evidence.

1.



2.



3.



49. Essentially the main variation is displayed graphically on the actual beer labels and the promotional material produced by the Opponent and appears as follows.



50. It is clear from the evidence/copy articles produced that Molson Coors "redesigned" the Snow beer bottle label for the UK in 2017. The issue therefore is whether this and the ones I have reproduced above are acceptable variations. The

Applicant does not appear to have challenged the evidence on this basis, merely whether the Opponent has established sufficient use of its marks. Nevertheless, since the marks are produced in variant form to the ones as registered, it is an exercise I must undertake.

51. In the first variant the element SNOW is presented underneath the Chinese characters in a column; the second Chinese character includes a snowflake. In addition, the mark includes the word beer and two additional dissimilar Chinese characters presented to the right of the word SNOW. The Chinese characters appear to be larger than the word SNOW. In the first variant this mark is also displayed alongside a warrior mask presented in red and black. The second variation displays the elements in white over a black background in the form of a frayed banner. The third variation shows the word SNOW displayed alongside rather than underneath the Chinese characters and in larger font. The snowflake however is included in the centre of the letter O as opposed to inside the second Chinese character. The word and characters are presented in white surrounded by a black border.

52. The variants are still essentially the word SNOW presented in combination with two main Chinese characters. The differences lie in the additional Chinese characters, the inclusion of the word beer and the position of the elements in contrast to each other namely running underneath rather than alongside and the position of the snowflake. The word beer will be understood as a descriptive addition and the additional Chinese characters due to their position and smaller size will not detract from the other two dominant elements. The warrior mask and black frayed banner will be perceived as decorative as will the snowflake and therefore will not detract from the distinctive character of the marks. In my view these additions are acceptable variants which do not alter the distinctive and dominant character of the second mark as per *Colloseum* and therefore fall within scope of genuine use. These additions, changes in position and substitution of ornamental elements will be considered minor

differences.⁵ I therefore consider these variant forms are ones upon which the Opponent may rely.

Sufficient Use

53. Whether the use shown however is sufficient 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 during the relevant five year period. In making the required assessment I am required to consider all relevant factors, including:

- a. The scale and frequency of the use shown
- b. The nature of the use shown
- c. The goods and services for which use has been shown
- d. The nature of those goods/services and the market(s) for them
- e. The geographical extent of the use shown

54. The Applicant argues that the Opponent's use is only small scale and comparatively recent. Use does not need to be quantitatively significant in order to be genuine, however, 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 market for the goods or services protected by the mark" is not genuine use. It matters not whether

⁵ *Menelaus BV v EUIPO*, Case T-361/13

the use has been comparatively recent the only issue is whether there is a real commercial exploitation of the mark within the relevant period.

55. In *Awareness Limited v Plymouth City Council*, Case BL O/236/13, 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.”

56. I also note Mr Alexander’s comments in *Guccio Gucci SpA v Gerry Weber International AG* (O/424/14). He stated:

“The Registrar says that it is important that a party puts its best case up front – with the emphasis both on “best case” (properly backed up with credible exhibits, invoices, advertisements and so on) and “up front” (that is to say in the first round of evidence). Again, he is right. If a party does not do so, it runs a serious risk of having a potentially valuable trade mark right revoked, even where that mark may well have been widely used, simply as a result of a procedural error. [...] The rule is not just “use it or lose it” but (the less catchy, if more reliable) “use it – and file the best evidence first time round- or lose it”” [original emphasis].

57. If any question arises in UK proceedings as to the use to which a EU or UK registered trade mark has been put, it is for the proprietor to show what use has been made of the mark. Therefore, an Opponent wishing to rely on its mark must first of all prove the use which has been made of it during the relevant period.

58. It is clear from the guidance that a number of factors must be considered when assessing whether genuine use of the mark has been demonstrated by the evidence filed. The responsibility is on the appropriate party, in this case the Opponent, to provide sufficiently solid evidence to counter the application, a task which should be relatively easy to attain.⁶ An assessment of genuine use is a global assessment, which includes looking at the evidential picture as a whole, not whether each individual piece of evidence shows use by itself⁷.

⁶ Awareness Limited v Plymouth City Council, Case BL O/236/13

⁷ Case T-415/09, New Yorker SHK Jeans GmbH & Co KG v OHIM, GC

59. At the outset I must point out that there are a number of deficiencies in the evidence filed. It is clear from the decisions in *Awareness Plymouth* and *Gucci* that the onus is on the Opponent to put forward its best evidence and Mr Xiaohai, in his capacity as the company's CEO, would be in the best position to do so.

60. A proportion of the evidence introduced by the Opponent is in the form of published articles which make reference to "Snow" and "Snow beer" within the text and include photographs displaying the mark on beer bottle labels in an acceptable variation. The articles themselves are within the relevant period and appear to coincide with Molson Coors' involvement. These types of articles would not be unusual in a prelaunch promotional campaign in order to publicise the brand. The articles laud Snow beer as the number one global beer due to the volume of sales in China and outline Molson Coors' campaign to bring it to the UK. The evidence suggests that Snow beer was to be launched in January 2018 and although the photographs were undated, Mr Xiaohai confirmed that the beer was already being sold throughout the UK, prior to this.

61. It is not in dispute that the mark is used extensively throughout China, however it is use within the UK which is key. Other than five invoices of sales to its distributor there is no evidence of actual sales within the UK. I would have expected the production of accounts, turnover figures, invoices and receipts to retailers and consumers as fairly standard pieces of evidence to satisfy the proof of use requirements. Again, I would have expected the Opponent to produce menus or price lists showing snow beer being offered for sale in the actual restaurants rather than undated photographs of bottles of beer being held outside a restaurant window or placed on tables. There are no records of orders or invoices from or to these establishments to show recurring orders being placed. The task of producing records would have been a relatively easy task for Mr Xiaohai to undertake and certainly something that I would have expected from a global company of this size. The only evidence of actual sales is by way of invoices and packing lists addressed to Molson Coors in Hungary which include a reference to SNOW within the product description.

I note that in total over 7000 cartons was supplied to Molson Coors during January 2018 and February 2018. The repeated nature of the orders albeit over a short period indicate that stock was being sold or at least distributed. I also note that the destination locations are marked as Southampton and Burton on Trent demonstrating that they were destined for the UK market. Whilst I note that the invoices are in US dollars this is not surprising as this is a standard currency of trade. Whilst I would have expected a greater volume of sales/distribution from the world's leading no 1 beer supplier I also note that the product was only launched in the UK in December 2017 with "availability to stock" from January 2018.⁸

62. Photographs of the bottles themselves however are clear that they are destined for the UK market as the labels are in English, giving a UK address and telephone number and displaying the appropriate UK drink-aware public health warning.

63. The screenshots taken from two websites do not by themselves demonstrate use. I acknowledge that the websites display the price in pounds sterling and are marked as "co.uk" and "com/uk" addresses which indicates that they are UK websites. The beer, however, is displayed as out of stock on Fresh Oriental's website and the consumer has to log in to obtain a price in Molson Coors' website which may suggest only being available to account holders. No figures have been provided as to how many products were sold via the website nor the number of hits/views attributed to these websites.

64. That being the case, as the caselaw suggests an assessment of genuine use is a global assessment, which includes looking at the evidential picture as a whole, not whether each individual piece of evidence shows use by itself.⁹

⁸ Page 37 Mr Xiaohai statement

⁹ Case T-415/09, New Yorker SHK Jeans GmbH & Co KG v OHIM, GC

65. Notwithstanding the lack of accounts and actual receipts from third party retailers, it is clear that the invoices to Molson Coors demonstrate a total of 7,436 units sold with an intended delivery to the UK. The evidence from the launch party clearly demonstrates preparations of use in December 2017. The bottle labels, merchandise, posters and marketing material paint a global picture of the brand being marketed or about to be marketed¹⁰ and that the Opponent has commercially exploited the mark. Taking the evidence as a whole, I find that the Opponent has proved sufficient use of its second and third mark as they are both UK registered marks and as such it is able to rely upon them for the purposes of this opposition.

66. In relation to the first mark, however, this is an EUTM and the Opponent's case is based solely on its use within the UK. Whilst the caselaw above, in theory, allows for demonstration of use of an EUTM within the UK, as one member state of the community area, this must be considered in the context of the European Union as a whole. This exact point was considered by Mr Daniel Alexander QC, as the Appointed Person, in *Jumpman* BL O/222/16. He upheld the registrar's decision to reject the sale of 55,000 pairs of training shoes through one shop in Bulgaria over 16 months as insufficient to show genuine use of the EU trade mark in the European Union within the relevant 5 year period. Taking account of this decision, the Opponent has not established 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". The Opponent therefore is unable to rely on the first mark as part of its opposition.

Decision section 5(2)(b)

67. The opposition is based upon section 5(2)(b) of the Act which states:

¹⁰ *Healey Sports Cars Switzerland Limited v Jensen Cars Limited*, [2014] EWHC 24

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

(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”.

68. 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 greater 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 to mind the earlier mark, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

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

Comparison of the goods

69. The Opponent submits that the contested goods are identical or similar and that they share the same distribution channels, are directed at the same consumers and have the same producers. The Applicant has not filed any submissions regarding the identity/similarity of the goods other than those contained in Ms Bequin's statement.

70. When conducting a goods comparison, I am mindful of the judgment of the CJEU in *Canon Kabushiki Kaisha v Metro Goldwyn Mayer Inc* Case C-39/97, 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”.

71. I am also guided by the relevant factors for assessing similarity identified by Jacob J in *Treat*, [1996] R.P.C. 281 namely:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;

(d) The respective trade channels through which the goods or services reach the market;

(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

72. In addition, in *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch), Floyd J 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."

73. In *Gérard Meric v Office for Harmonisation in the Internal Market (OHIM)*, Case T- 133/05, the General Court (GC) stated that even if goods or services are not identically worded they can still be considered identical if one term is encompassed within another broader term and vice versa:

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

74. Taking account of the above caselaw the parties respective specifications are as follows:

| Applicant's mark | Opponent's marks |
|--|--|
| <p>Class 32: Beer, ale, lager, stout and porter; non-alcoholic beers</p> | <p>Class 32: Mark 2: Beer Mark 3: Beer Mark 4: Soya-based beverages, other than milk substitutes; Non-alcoholic fruit extracts; Ginger ale; Non-alcoholic fruit juice beverages; Waters [beverages]; Mineral water [beverages]; Must; Lemonades; Vegetable juices [beverages]; Soda water; Milk of almonds [beverage]; Peanut milk (non-alcoholic beverage); Kvass (non-alcoholic beverage). Mark 5: Beer Mark 6: Beer</p> |

Beer

75. The Opponent's specification for its second, third, fifth and sixth marks is for the term *beer(s)* which is identical to the Applicant's term falling within the same category of goods. They are identical.

Ale, lager, stout and porter.

76. Ms Bequin for the Applicant submits that “whilst ales and beer may generally be considered similar goods, because of the considerable differences in flavour, colour, alcohol content and serving temperature between a lager and a spiced winter ale, any potential consumer is unlikely to confuse the one product for the other.” I disagree. Beer is a broad term encompassing all sorts of alcoholic beverages of differing strengths, colour and taste, brewed from grains/malt. *Ale, lager, stout and porter* are all different types of beer and are thus included in the Opponent’s broader category of beer and as such would be considered as identical according to *Meric*.

Non-alcoholic beer

77. The nature of *non-alcoholic beer* is similar to *beer* in that it has the same basic flavour but with the alcohol content removed. I consider that the producers of non-alcoholic beer target the same users, the only difference being, that those consumers do not wish to consume alcohol, for example, if they are driving. I would consider that a non-alcoholic beverage would be in competition with an alcoholic one. It would be a natural extension for brewers to expand their business and brew both alcohol and non-alcoholic versions of their brand, marketed under the same mark and therefore I consider that the channels of trade are the same. Both types of beverages would be sold in similar areas, in similar containers. I consider therefore that the respective goods are similar to a high degree.

78. At this stage I need not go on to consider similarity between the Applicant’s goods and those registered in the Opponent’s fourth trade mark as it will be in no better position.

Average Consumer

79. When considering the opposing marks, I must determine, first of all, who the average consumer is for the goods and the purchasing process. The average

consumer is deemed reasonably well informed and reasonably observant and circumspect. For the purposes of assessing the likelihood of confusion the average consumer's level of attention is likely to vary according to the category of goods in question.¹¹

80. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

81. Whilst the Opponent has provided lengthy submissions regarding the average consumer the Applicant is silent on this matter. The Opponent argues that the average consumer is likely to be a member of the general public exercising a low degree of attention in the purchasing process due to the goods being in the low-priced bracket. I agree that the goods in question are consumable beverages of reasonable low value, however, I consider that the level of attention is higher than that put forward by the Opponent. Since alcohol can only be legally purchased by those having attained 18 years, the average consumer is likely to be an adult member of the general public. The purchasing process is either through self selection in a supermarket or retail outlet or from a bar/restaurant. In this latter scenario aural considerations would play an important part in the selection process as it will involve a request to supply from a

¹¹ Lloyd Schuhfabrik Meyer, case c- 342/97.

bartender/member of staff at the point of sale. I do not discount visual considerations since consumers instead of requesting the beverage aurally, may consider the purchasing options from a selection of the actual bottle label on display or the name from a menu/drinks list. There may be those consumers who apply a higher level of attention when purchasing beer such as those who consume speciality ales/beers or those with gluten intolerances. However, the average adult consumer does not exercise this degree of scrutiny. Overall, the level of attention in the purchasing process would be medium¹² as consumers will take into account taste, flavour, alcohol content and price before purchase.

Comparison of marks

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

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

¹² BLO/061/19 Appointed person

and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

84. The respective trade marks are shown below:

| | Earlier Marks | Applicant's Mark |
|---------------|---|------------------|
| 2. WO1001471 |  | SNOW GLOBE |
| 3. UK 2553730 |  | SNOW GLOBE |
| 4. UK 3183186 |  | SNOW GLOBE |
| 5. UK 3095246 |  | SNOW GLOBE |

| | | |
|---------------|---|------------|
| 6. UK 3095259 |  | SNOW GLOBE |
|---------------|---|------------|

85. Earlier Marks 4, 5 and 6 can all be grouped together as they are all similar (with marks 4 and 5 being identical). These three marks include two main Chinese characters and a snowflake presented in white, on a frayed black banner, on a pale lilac background. A second snowflake is included inside the second Chinese character. The word Snow is underscored and appears alongside the banner in a smaller stylised font. The sixth earlier mark includes additional Chinese characters running length wise alongside the banner, again, in considerably smaller font to the other elements. It is the banner device containing the two Chinese characters and the snowflakes which dominate these three marks. The word Snow plays a lesser role due to its size and position. On this basis, these marks are further away in similarity to the Applicant's SNOW GLOBE mark. I will proceed with my comparison, therefore, on marks two and three, because if the opposition is unsuccessful in relation to these marks it will also fail in relation to marks 4, 5 and 6.

The Opponent's marks

Mark 2:



86. Both the word Snow and the Chinese characters due to their size and positioning contribute to the distinctive and dominant elements of the mark and in which the overall impression resides. In particular, the vertical presentation and the size of the word SNOW in contrast to the other elements, play a significant role in the overall impression. The snowflake within the lower character will be seen as decorative and will therefore play a lesser role. It is unlikely that the meaning snowflake will be attributed to the Chinese characters by the average UK consumer.

Mark 3:

SNOW

87. The Opponent's mark consists of the single word SNOW presented in capitals in an emboldened stylised font. The letter O is shaded but neither this nor the stylisation of the other letters, detract from the word itself. The overall impression therefore resides in the word SNOW with the stylisation, emboldened lettering and shading playing a lesser role.

The Applicant's mark

SNOW GLOBE

88. The Applicant's mark consists of the two words SNOW and GLOBE presented in capitals in an unremarkable font. Neither word is more dominant than the other as the words will be read together to form a unit. Both words are well known to the average UK consumer but have a different meaning when considered together as a whole, than they do separately. The overall impression therefore resides in the two words in combination taken as a whole.

Mark Comparison

89. Whilst the Opponent relies on each of its six marks, I found that the Opponent did not sufficiently prove use of its first EU mark and therefore of those marks that remain the third earlier mark provides the Opponent with its best case. Essentially little significance will be placed on the stylisation and the shading and consumers will focus on the word SNOW. In relation to the other marks, average UK consumers are unlikely to read the Chinese characters or understand their meaning and will therefore focus on the word SNOW which they will recognise. I shall undertake the comparison therefore based on the third earlier mark for this reason and only consider the other marks should it become necessary to my decision.

Visual and Aural Comparison

90. Both marks include the identical word SNOW which is the only common element and point of visual and aural similarity. The difference lies with the additional word GLOBE in the Applicant's mark and the stylisation and shading of the word SNOW in the earlier mark. Since beginnings of marks tend to have more impact than their endings and marks are usually read from left to right the marks share a medium degree of visual and aural similarity due to the shared presence of the word SNOW.¹³ The stylisation is such that it will have little impact in the visual comparison and will not affect the pronunciation of the word itself.

¹³ *El Corte Ingles, SA v OHIM*, cases T-183/02 and T-184/02

Conceptual Comparison

91. Both parties have filed lengthy submissions regarding the conceptual similarities or differences between the respective marks. I accept entirely the dictionary definitions submitted by the Applicant regarding SNOW and SNOW GLOBE. The word SNOW will immediately be recognised as the frozen precipitation and allude to winter or something cold. SNOW GLOBE on the other hand has an obvious meaning when considered in combination rather than as two separate elements. When read together it will form a unit and be understood to refer to a well-known ornament which when shaken disturbs white particles or glitter to create the perception of falling snow. Neither mark is descriptive of the nature of the products for sale. Despite the Applicant's mark having a clear meaning as a whole and the conceptual difference this raises, I still consider that the marks allude to something wintery and cold and therefore consider that they are conceptually similar to a low degree.

Distinctiveness of earlier mark

92. Registered trade-marks possess varying degrees of inherent distinctive character, some being suggestive or allusive of a characteristic of the goods and services on offer to those with high inherent characteristics such as invented words which have no allusive qualities. The degree of distinctiveness is an important factor as it directly relates to whether there is a likelihood of confusion; the more distinctive the earlier mark the greater the likelihood of confusion.

93. 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).”

94. Whilst the Opponent has filed evidence it has not claimed an enhanced level of distinctive character. Whilst I note from the evidence produced by the Opponent, that SNOW beer is the no 1 global beer, this accreditation appears to be predominantly due to sales in China. For an enhanced level of distinctiveness to be claimed it is use within the UK which is key. In my view insufficient evidence has been produced to demonstrate an enhanced level within the UK and therefore I am only able to consider the position based on inherent characteristics.

95. The Opponent’s third mark is for the word SNOW considered a common English word to describe frozen rain. This word has no apparent association or link with the Opponent’s goods and therefore I consider that the mark has a medium degree of

inherent distinctiveness. Neither the shading nor the stylisation enhances the distinctiveness of the mark which is essentially the word SNOW.

Likelihood of Confusion

96. When considering whether there is a likelihood of confusion between the marks I must consider whether there exists direct confusion, where one mark is mistaken for the other or whether there is any indirect confusion where the similarities between the marks lead the consumer to believe that the respective goods or services originate from the same or related source.

97. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Mr Iain Purvis Q.C., as the Appointed Person, explained that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognised that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark, I conclude that it is another brand of the owner of the earlier mark.”

98. In determining whether there is a likelihood of confusion there are a number of factors to bear 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 or services and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the Opponent's trade mark, the average consumer for the goods and the nature of the purchasing process. In doing so, I must consider 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 that he has retained in his mind.

99. In particular I take note of the decision in *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), where Arnold J. considered the impact of the CJEU's judgment in *Bimbo*, Case C-591/12P, on the court's earlier judgment in *Medion v Thomson*. The judge said:

“18. The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19. The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

21. The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors.”

100. I have identified the average consumer to be a member of the general public aged 18 years who will select the goods either through visual or aural means paying no more than a medium degree of attention in the purchasing process. I have found the parties' goods to be identical or highly similar. Conceptually the marks share a low level of similarity. I take into account that the inherent distinctiveness of the earlier mark is medium. When comparing the marks, I take into account the obvious visual and aural similarities between them as a result of the shared presence of the word SNOW which I found to be similar to a medium degree. My assessment however cannot be based on just the comparison between one element of a composite mark and comparing that with another. The comparison I must make must be made by looking at the marks as wholes as per the decision in *Whyte and Mackay* above. The element SNOW in the Applicant's mark has not retained an independent and distinctive role, together with the word GLOBE it will be seen as a unit, having a different meaning compared to the individual components taken separately.

101. I am also particularly mindful of the decision in *The Picasso Estate v OHIM*, Case C-361/04 P, where the CJEU found that:

“20. By stating in paragraph 56 of the judgment under appeal that, where the meaning of at least one of the two signs at issue is clear and specific so that it can be grasped immediately by the relevant public, the conceptual differences observed between those signs may counteract the visual and phonetic similarities between them, and by subsequently holding that that applies in the present case, the Court of First Instance did not in any way err in law.”

102. My assessment cannot lead automatically to a likelihood of confusion just because the marks share a common word. The Applicant's mark will be seen as a composite whole, the words hanging together to form a phrase with neither word playing an independent distinctive role in the mark. "SNOW GLOBE" has such a strong conceptual meaning that it counteracts the visual and aural similarities of the respective marks even for identical and highly similar goods. The Applicant's two words in combination as well as the conceptual differences are sufficient to allow the average consumer to distinguish between them.

103. Taking all these factors into account I do not consider that the marks will be directly or indirectly confused. Consumers will not see the later mark as a sub brand or brand extension of the earlier mark nor will they consider that the goods are economically linked to the same undertaking.

104. As the distinctiveness of the Opponent's other marks resides with the inclusion of the Chinese characters in combination with the word SNOW, any potential confusion will be reduced further. Therefore, I also do not consider that there would be a likelihood of confusion in relation to the Opponent's remaining marks.

Outcome

105. The opposition under section 5(2)(b) fails accordingly; subject to any successful appeal the application may proceed to registration.

Costs

106. The Applicant has been successful and it is entitled to a contribution towards its costs. Award of costs in proceedings are based upon the scale as set out in Tribunal

Practice Note 2 of 2016. Applying this guidance, I award costs to the Applicant on the following basis:

| | |
|---|---------------|
| Considering the Opponent's statement and preparing a defence and counterstatement | £400 |
| Preparing evidence and considering and commenting on the Opponent's evidence | £600 |
| Preparing submissions in lieu of a hearing | £300 |
| Total | £1,300 |

107. I order CHINA RESOURCES SNOW BREWERY (LIAO NING) COMPANY LIMITED to pay ASAHI HOLDINGS UK LIMITED the sum of £1,300 as a contribution towards costs. This sum is 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 08th day of August 2019

Leisa Davies

For the Registrar