

O-190-20

**TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No.3256090
BY MASONS YORKSHIRE GIN LIMITED
TO REGISTER IN CLASSES 21, 32, 33 & 43
THE TRADE MARK
THE YORKSHIRE SPIRIT**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER No. 411393
BY
THOMAS LESLIE MELLOR AND GILLIAN MARY MELLOR**

BACKGROUND

1) On 12 September 2017, Masons Yorkshire Gin Limited (hereinafter the applicant) applied to register the trade mark THE YORKSHIRE SPIRIT in respect of the following goods:

In Class 21: Beverageware not including mugs, tea cups, tea services or teapots; Biodegradable cups; Bottle buckets; Bottle coolers; Bottle baskets coated with precious metal; Bottle openers, electric and non-electric; Champagne buckets; Cocktail glasses; Cocktail shakers; Cocktail sticks; Cocktail stirrers; Coolers [ice pails]; Corkscrews, electric and non-electric; Decanters; Drinking flasks; Fitted liners for ice buckets; Flasks; Glasses, drinking vessels and barware not including mugs, tea cups, tea services or teapots; Glasses [drinking vessels]; Goblets; Hip flasks; Ice scoops [barware]; Jugs, not of precious metal not including milk jugs; Pitchers; Portable beverage container holders; Shaker bottles sold empty; Snifters; Tumblers.

In Class 32: Aerated juices; Aerated waters; Alcohol free beverages; Ales; Beer and brewery products; Beer-based cocktails; Beverages consisting of a blend of fruit and vegetable juices; Carbonated non-alcoholic drinks; Cocktails, non-alcoholic; Concentrates used in the preparation of soft drinks; Cordials; Energy drinks; Essences for making beverages; Extracts for making beverages; Frozen carbonated beverages; Frozen fruit beverages; Fruit beverages and fruit juices; Fruit flavored beverages; Iced fruit beverages; Isotonic drinks; Lemonade; Liqueurs (Preparations for making -); Non-alcoholic cocktail bases; Non-alcoholic cocktail mixes; Non-alcoholic cocktails; Preparations for making beverages; Preparations for making liqueurs; Smoothies; Soda water; Soft drinks; Soft drinks for energy supply; Sports drinks; Squashes [non-alcoholic beverages]; Syrups for beverages; Tonic water; Waters; none of the abovementioned goods containing tea or being tea-flavoured.

In Class 33: Alcoholic beverages (except beer); Alcopops; Alcoholic energy drinks; Alcoholic cocktail mixes; Alcoholic punches; Aperitifs; Cocktails; Distilled spirits; Edible alcoholic beverages; Flavoured gin; Flavoured vodka; Preparations for making alcoholic beverages; Pre-mixed alcoholic beverages; Spirits and liquors; Gin; Vodka; Whisky; Whiskey; none of the abovementioned goods containing or being distilled from tea or being tea-flavoured.

In Class 43: Bars; Bar services; Beer garden services; Catering for the provision of food and beverages; Club services for the provision of food and drink; Cocktail lounge services; Corporate hospitality (provision of food and drink); Food and drink catering for cocktail parties; Hospitality services [food and drink]; Preparation and provision of food and drink for immediate consumption;

Private members drinking club services; Provision of food and drink; Providing drink services; Providing food and drink for guests; Providing information about bartending; Providing information in the nature of recipes for drinks; Restaurants; Restaurant services; Services for providing food and drink; none of the abovementioned services including the provision of tea.

2) The application was examined and accepted, and subsequently published for opposition purposes on 20 October 2017 in Trade Marks Journal No. 2017/042.

3) On 22 January 2018 Thomas Leslie Mellor and Gillian Mary Mellor (hereinafter the opponent) filed a joint notice of opposition. The opponent in these proceedings is the proprietor of the following trade mark:

Mark	Number	Dates of filing & registration	Class	Specification relied upon
SPIRIT OF YORKSHIRE	2648280	18.12.12 19.04.13	32	Non-alcoholic beverages; beer, ale, lager and porter; mineral and aerated waters; de-alcoholised beverages; fruit juices and fruit drinks; syrups and other preparations for making beverages, none of the aforementioned goods being tea-flavoured.
			33	Alcoholic beverages (except beers); spirits and liqueurs; whisky; brandy; vodka; gin; rum; wines and fortified wines; cider.
			43	Provision of food and drink; restaurant, bar, inn and public house services; catering services; provision of temporary accommodation; hotel services; information, advisory and consultancy services all provided

				in relation to the aforesaid services.
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- a) The opponent claims that it has reputation in the goods for which its mark is registered. The opponent contends that the marks of the two parties are very similar and that the goods applied for are identical and/or similar to the goods for which the earlier mark is registered. It compares the goods in class 21 to its services in class 43 stating that the services use such goods as those applied for by the applicant. As such the mark in suit offends against Section 5(2)(b) of the Act.
- b) The opponent claims that it has reputation in the mark and goods shown above and claims that use of the mark in suit would take unfair advantage as the marks/goods and services are identical/ similar. Use of the mark in suit would also dilute the distinctiveness of its mark. As such the mark in suit offend against section 5(3) of the Act.
- 4) On 18 July 2019 the applicant filed a counterstatement basically denying all the grounds of opposition. It contends that it has used its mark since 2012. It also contends that no exclusivity can be claimed in either the word “spirit” or “Yorkshire”. They contend that the marks have and can co-exist in the marketplace.
- 5) Only the opponent filed evidence; both sides seek an award of costs in their favour. Neither side wished to heard and only the opponent provided submissions which I shall refer to as and when necessary.

OPPONENT’S EVIDENCE

6) The opponent filed a witness statement, dated 24 September 2019, by Thomas Leslie Mellor a Director of Sprit of Yorkshire Limited. Following extensive planning and research the company began manufacturing whisky in April 2016. The company offers tours of the distillery and has an onsite café and shop sand also sells its produce through its website. Initially the company sold barrels because whisky has to be in the barrel for three years to be called whisky. It has only recently begun selling whisky in bottles. Turnover figures are provided as follows:

Year	Turnover £
2016	38,000

2017	135.000
2018	430,000
2019	832,000
2020	1,200,000 (estimated)

7) The on-site and online shop sells clothing, hip flasks, pens and umbrellas with turnover of £62,800 for the period April 2016-September 2017. During the period April 2016 – September 2019 the company spent £180,000 on advertising and promotion. The opponent owns the domain name spiritofyorkshire.com and has used this site to sell its product. The opponent has used social media Facebook, Twitter and Instagram to publicise its products and has also received attention from the print media such as newspapers and magazines (national and regional) as well as radio and television. The opponent has attended a number of conferences, exhibits and trade shows in the UK. The company has also won awards for best start up; Young business of the year and Tourism and hospitality Business of the year during 2017 & 2018.

- TLM3: Copies of brochures and leaflets dated 2016 onwards. These show whisky being offered in standard bottles and labels or with customised bottles and/or labels.
- TLM4: Examples of use of the mark in relation to spirits and glassware as well as examples of a range of other whisky producers also offering drinking glasses with their mark upon them.
- TLM5, 6 & 7: Copies of spreadsheets showing turnover figures for whisky, merchandising and advertising respectively.
- TLM8 & 9: Registration details of the website and a printout from the Internet archive website Wayback Machine showing use as of October 2016.
- TLM10,11 & 12: Copies of posts from social media sites. These show use on whisky and drinking glasses with the mark upon them. These are all dated prior to the relevant date of 12 September 2017.
- TLM13: Newspaper and magazine articles said to be dated between 2016 -2019 (although most have no discernible date) which discuss the distillery and its produce and show numerous references to the opponent's mark.

- TLM14: Tweets regarding the BBC radio 4 broadcast in April 2017 which mentions the opponent's mark and its product.
- TLM15 & 16: Paperwork in respect of attendance at shows and conferences, such as Buy Yorkshire in 2016 and the Institute of Brewing and Distilling conference 2017.
- TLM18: Copies of invoices to UK customers, these show sales of whisky under the opponent's mark to clients throughout England and also overseas. Ten are dated prior to the relevant date, seven of which relate to customers in the UK.
- TLM19-21: Documentation in relation to the various awards won.

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

DECISION

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

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

(a)

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

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

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

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

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

11) The opponent is relying upon its trade mark shown in paragraph 3 above which is clearly an earlier trade mark. The mark in suit was published on 20 October 2017 at which point the opponent's mark had not been registered for over five years. Therefore, the proof of use requirements do not bite.

12) When considering the issue under section 5(2)(b) I take into account the following principles which are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

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

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

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

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

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

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

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

The average consumer and the nature of the purchasing decision

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

14) The goods at issue in these proceedings relate to, broadly speaking, both alcoholic and non-alcoholic beverages; glasses, bottle buckets and coolers, decanters and other drinking paraphernalia, and bar services and catering of food and drinks. The average consumer for such goods will be the public at large (including businesses), albeit insofar as those goods which have an alcoholic content in excess of 0.5% are concerned, the average consumer will be over the age of 18.

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

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

16) Consequently, while the goods may be ordered orally in public houses, it is likely to be in the context of, for example, a visual inspection of the bottles containing the goods prior to the order being placed. Considered overall, the selection process is likely to be predominantly a visual one, although I

accept that aural considerations will also play their part. Turning now to the level of attention the average consumer will display when selecting the goods, given that for the most part the cost of the goods is likely to be relatively low, but bearing in mind that the average consumer will wish to ensure they are selecting the correct type, flavour, strength etc. of beverage, they are, in my view, **likely to pay a slightly above average level of attention to the selection of the goods in classes 32 & 33 at issue.**

17) The glasses and other drinking paraphernalia, in class 21 may be sold through a range of channels, including retail premises such as supermarkets, and department stores (where the goods are normally displayed on shelves and are obtained by self-selection). They will also be sold via the internet and through brochures. Considered overall, the selection process is likely to be predominantly a visual one, although I accept that aural considerations will also play their part. Turning now to the level of attention the average consumer will display when selecting such goods, given that for the most part the cost of the goods is likely to be relatively low they are, in my view, **likely to pay no more than an average level of attention to the selection of the goods in class 21 at issue.**

18) Turning to the services applied for by the applicant. These will be advertised in the media of all types, as well as on the internet and on the premises themselves. The selection process is likely to be predominantly a visual one, although I accept that aural considerations such as personal recommendations will also play their part. Turning now to the level of attention the average consumer will display when selecting such services, this will depend on whether they wish to simply have a quick drink or bite to eat or book for an important occasion or party. Overall, in my view, **they are likely to pay an average level of attention to the selection of the services in class 43 at issue.**

Comparison of goods

19) In the judgment of the Court of Justice of the European Union (CJEU) in *Canon*, Case C-39/97, 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”.

20) The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

(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.

21) In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the General Court (GC) stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut für 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”.

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

"... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The*

Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR) [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

23) In *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another*, [2000] F.S.R. 267 (HC), Neuberger J. (as he then was) stated that:

"I should add that I see no reason to give the word "cosmetics" and "toilet preparations"... anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context."

24) In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the GC stated that "complementary" means:

"...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking".

25) As Mr Daniel Alexander Q.C. noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL-0-255-13:

"It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes."

Whilst on the other hand:

“.....it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together.”

26) I shall first consider the goods of both parties in class 32. For ease of reference these are:

Applicant's goods	Opponent's goods
<p>In Class 32: Aerated juices; Aerated waters; Alcohol free beverages; Ales; Beer and brewery products; Beer-based cocktails; Beverages consisting of a blend of fruit and vegetable juices; Carbonated non-alcoholic drinks; Cocktails, non-alcoholic; Concentrates used in the preparation of soft drinks; Cordials; Energy drinks; Essences for making beverages; Extracts for making beverages; Frozen carbonated beverages; Frozen fruit beverages; Fruit beverages and fruit juices; Fruit flavored beverages; Iced fruit beverages; Isotonic drinks; Lemonade; Liqueurs (Preparations for making -); Non-alcoholic cocktail bases; Non-alcoholic cocktail mixes; Non-alcoholic cocktails; Preparations for making beverages; Preparations for making liqueurs; Smoothies; Soda water; Soft drinks; Soft drinks for energy supply; Sports drinks; Squashes [non-alcoholic beverages]; Syrups for beverages; Tonic water; Waters; none of the abovementioned goods containing tea or being tea-flavoured.</p>	<p>In Class 32: Non-alcoholic beverages; beer, ale, lager and porter; mineral and aerated waters; de-alcoholised beverages; fruit juices and fruit drinks; syrups and other preparations for making beverages, none of the aforementioned goods being tea-flavoured.</p>

27) Both specifications have the words “Ale; beer; Aerated waters; Beverages consisting of a blend of fruit juices; Alcohol free beverages; Fruit beverages and fruit juices” within them and so these are identical. To my mind the applicant’s “brewery products; Beer-based cocktails” are encompassed by the opponent’s specification of “beer, ale, lager and porter”. These are therefore identical. The opponent’s specification of “Non-alcoholic beverages” would encompass the following of the applicant’s goods “Aerated juices; Beverages consisting of a blend of vegetable juices; Carbonated non-alcoholic drinks; Cocktails, non-alcoholic; Cordials; Energy drinks; Non-alcoholic cocktail bases; Non-alcoholic cocktail mixes; Non-alcoholic cocktails; Lemonade; Soda water; Soft drinks; Soft drinks for energy supply; Sports drinks; Squashes [non-alcoholic beverages]; Tonic water; Waters” and so these must be regarded as identical. Similarly, the opponent’s specification of “syrups and other preparations for making beverages” would encompass “Concentrates used in the preparation of soft drinks; essences for making beverages; Extracts for making beverages; Liqueurs (Preparations for

making -); Preparations for making beverages; Preparations for making liqueurs; Syrups for beverages” and so these must be regarded as identical. The opponent has “non-alcoholic beverages” registered in class 32 and “also alcoholic beverages such as beer registered in class 32. Therefore, the balance of the applicant’s class 32 specification of “Frozen carbonated beverages; Frozen fruit beverages; Fruit flavored beverages; Iced fruit beverages; Isotonic drinks; Smoothies; none of the abovementioned goods containing tea or being tea-flavoured” are fully encompassed by the opponent’s specification. **In summary, the applicant’s goods in class 32 are identical to the opponent’s goods.**

28) I next turn to compare the parties’ class 33 goods which for ease of reference are:

Applicant’s goods	Opponent’s goods
In Class 33: Alcoholic beverages (except beer); Alcopops; Alcoholic energy drinks; Alcoholic cocktail mixes; Alcoholic punches; Aperitifs; Cocktails; Distilled spirits; Edible alcoholic beverages; Flavoured gin; Flavoured vodka; Preparations for making alcoholic beverages; Pre-mixed alcoholic beverages; Spirits and liquors; Gin; Vodka; Whisky; Whiskey; none of the abovementioned goods containing or being distilled from tea or being tea-flavoured.	In Class 33: Alcoholic beverages (except beers); spirits and liqueurs; whisky; brandy; vodka; gin; rum; wines and fortified wines; cider.

29) The following words appear in both parties’ specifications “Alcoholic beverages (except beer); Spirits and liquors; Gin; Vodka; Whisky” and so must be regarded as identical. “The applicant’s specification of “ Flavoured gin; Flavoured vodka; Whiskey” are encompassed by the opponent’s terms of “gin; vodka and whisky” and these are therefore identical. The balance of the applicant’s specification of “Alcopops; Alcoholic energy drinks; Alcoholic cocktail mixes; Alcoholic punches; Aperitifs; Cocktails; Distilled spirits; Edible alcoholic beverages; Preparations for making alcoholic beverages; Pre-mixed alcoholic beverages; none of the abovementioned goods containing or being distilled from tea or being tea-flavoured” are encompassed by the opponent’s specification of “Alcoholic beverages (except beers)” and these are therefore identical. **In summary, the applicant’s goods in class 33 are identical to those of the opponent.**

30) I next turn to the class 43 services of both parties which for ease of reference are:

Applicant's services	Opponent's services	Comparison
In Class 43: Bars; Bar services; Beer garden services; Catering for the provision of food and beverages; Club services for the provision of food and drink; Cocktail lounge services; Corporate hospitality (provision of food and drink); Food and drink catering for cocktail parties; Hospitality services [food and drink]; Preparation and provision of food and drink for immediate consumption; Private members drinking club services; Provision of food and drink; Providing drink services; Providing food and drink for guests; Restaurants; Restaurant services; Services for providing food and drink; none of the abovementioned services including the provision of tea.	Class 43: Provision of food and drink; restaurant, bar, inn and public house services; catering services; provision of temporary accommodation; hotel services;	Identical
Providing information about bartending; Providing information in the nature of recipes for drinks;	information, advisory and consultancy services all provided in relation to the aforesaid services.	Identical

31) In my view, the services of the applicant fall into two categories, both of which are identical to the corresponding services of the opponent shown above. **The class 43 services are identical.**

32) Lastly, I turn to the applicant's class 21 goods which, for ease of reference are: Beverageware not including mugs, tea cups, tea services or teapots; Biodegradable cups; Bottle buckets; Bottle coolers; Bottle baskets coated with precious metal; Bottle openers, electric and non-electric; Champagne buckets; Cocktail glasses; Cocktail shakers; Cocktail sticks; Cocktail stirrers; Coolers [ice pails]; Corkscrews, electric and non-electric; Decanters; Drinking flasks; Fitted liners for ice buckets; Flasks; Glasses, drinking vessels and barware not including mugs, tea cups, tea services or teapots; Glasses [drinking vessels]; Goblets; Hip flasks; Ice scoops [barware]; Jugs, not of precious metal not including milk jugs; Pitchers; Portable beverage container holders; Shaker bottles sold empty; Snifters; Tumblers.

33) The opponent has submitted that these goods are similar to its class 32 and 33 goods as:

- the consumers would be the same;
- there is an inherent complementary relationship between the goods: in particular, spirits, beer and other alcoholic beverages are often served in and drunk from drinking glasses featuring the drink brand. The same can be said for non-alcoholic beverages and soft drinks.
- The goods are frequently sold together: in some instances, consumers purchase an alcoholic beverage and glass together specifically due to the uniqueness of the glass.
- When considering the consumption of a high end spirit or cocktail, the type of glass used is of primordial importance. For example, when consuming a cocktail, an ill designed or incorrect glass can negatively influence the overall taste. Moreover, in the light of the specific attention that is paid to the serving of some alcoholic beverages it is not uncommon for glassware to be sold in the same specialised retail outlets.
- It is also common for a distillery selling a spirit to also sell drinkware and glasses under the same mark. Exhibit TLM4 is prayed in aid.

34) In making this comparison I note that if the similarity between the goods/services is not self-evident, it may be necessary to adduce evidence of similarity even if the marks are identical. In *Commercy AG, v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-316/07, the GC pointed out that:

“43. Consequently, for the purposes of applying Article 8(1)(b) of Regulation No 40/94, it is still necessary, even where the two marks are identical, to adduce evidence of similarity between the goods or services covered by them (see, to that effect, order of 9 March 2007 in Case C-196/06 P *Alecansan v OHIM*, not published in the ECR, paragraph 24; and Case T-150/04 *Mülhens v OHIM – Minoronzoni(TOSCA BLU)* [2007] ECR II-2353, paragraph 27).”

35) Thus, where the similarity between the respective goods or services is not self-evident, the opponent must show how, and in which respects, they are similar.

36) I accept that the users of glasses and beverages are the same i.e. the general public. I accept that a number of beverage companies put their brand on glasses to promote their product, but I also note from personal experience that the vast majority of drinks served in pubs, restaurants, hotels and

homes are in unbranded glasses. I accept that distilleries and breweries may well sell glasses to the visiting public, but they will also sell all manner of branded souvenirs such as key rings, bottle openers etc. none of which have any relationship with the basic goods being produced. The opponent has offered no evidence to back up its assertion that when consuming a “high end spirit or cocktail, the type of glass used is of primordial importance”. Nor has any definition been given to the term “high end”. I also note that neither of the specifications has such a restriction attached to them. To my mind, it is self-evident that the uses of glasses and beverages are different, the users are the same, the physical nature of the goods are different and that the respective trade channels will be different as the distillers and brewers do not make the glasses that their brands appear upon, and nor are the goods in competition.

37) At paragraph 25 above I have quoted the very learned judge Mr Alexander Q.C. who said “It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes”. Clearly, this is on all fours with the instant case. I accept that in pubs, restaurants etc it is usual to be given beer in a pint, half pint or simply tall glass, whilst spirits tend to come in tumblers or wine glasses. Soft drinks tend to be served in tall glasses and wine glasses. **To conclude it is my view that the goods are not similar and neither are they complementary as glasses are not indispensable or important for the consumption of beverages.**

Comparison of trade marks

38) It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by them, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

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

39) It would be wrong, therefore, to artificially dissect the trade marks, although it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by them. The trade marks to be compared are:

Opponent's trade mark	Applicant's trade mark
SPIRIT OF YORKSHIRE	YORKSHIRE SPIRIT

40) I note that in *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97, the CJEU found 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)”.

41) When either mark is used on alcoholic beverages in class 33 then the word SPIRIT has an obvious descriptive meaning, although some might see it as a typical quality of Yorkshire. However, when used on other items such as hospitality services in class 43 the two words form a unit and invoke an image of the welcoming warmth of Yorkshire folk. Clearly, the word YORKSHIRE acts as a

geographical indication of the origin of the goods or the quality of the services provided. Given that the marks are, to all intents and purposes, the identical words but in reverse there is clear visual, aural and conceptual similarity. **Overall, I believe that the marks have a medium to high degree of similarity.**

Distinctive character of the earlier trade mark

42) 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).

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43) The opponent’s mark consists of a descriptive term (spirit) and an indicative term (Yorkshire) although it can be said to form a unit to invoke an image of the warm Yorkshire welcome or a resilience somewhat akin to the blitz spirit that one finds in Yorkshire folk. To my mind, **it has a low to average degree of inherent distinctiveness**. The opponent has referred to use in its evidence and exhibit some advertising and also that it has won awards. Although turnover figures have been provided these are quite low in terms of the market for alcohol in the UK. **As such the opponent**

cannot benefit from an enhanced degree of distinctives through use in relation to the goods and services for which it is registered.

Likelihood of confusion

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

- the average consumer for the goods and services is a member of the general public including businesses albeit insofar as those goods which have an alcoholic content in excess of 0.5% are concerned, the average consumer will be over the age of 18. Who will select the goods and services by predominantly visual means, although I do not discount aural considerations and that they are likely to pay no more than an average degree of attention to the selection of the goods in class 2, a slightly above average level of attention to the selection of goods in classes 32 and 33, and an average level of attention to the selection of the services in class 43.
- the marks of the two parties have a medium to high degree of similarity.
- the opponent's mark has a low to average degree of inherent distinctiveness but cannot benefit from an enhanced distinctiveness through use.
- the goods of the two parties in classes 32 and 33 are identical as are the services of the two parties in class 43. However, the class 21 goods applied for are neither similar nor complementary to any of the opponent's goods or services.

45) In its counterstatement the applicant claimed that the marks have and could in future co-exist in the marketplace. However, as there is no evidence that the applicant has used its mark it cannot pray in aid any absence of confusion. In view of all of the above, and allowing for the concept of imperfect recollection, there is a likelihood of consumers being directly confused into believing that the goods in classes 32 and 33 and services in class 43 applied for and provided by the applicant are those of the opponent or provided by an undertaking linked to it. **The opposition under Section 5(2) (b) therefore succeeds in respect of all the goods in classes 32 and 33 and services in class 43.**

46) It is accepted that a degree of similarity of goods or services is essential for there to be a finding of a likelihood of confusion. I look to *Waterford Wedgwood plc v OHIM* – C-398/07 P (CJEU); and also *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA, where Lady Justice Arden stated that:

“49..... I do not find any threshold condition in the jurisprudence of the Court of Justice cited to us. Moreover I consider that no useful purpose is served by holding that there is some minimum threshold level of similarity that has to be shown. If there is no similarity at all, there is no likelihood of confusion to be considered. If there is some similarity, then the likelihood of confusion has to be considered but it is unnecessary to interpose a need to find a minimum level of similarity.

47) In view of all of the above, and allowing for the concept of imperfect recollection, there is no likelihood of consumers being directly confused into believing that the goods in class 21 applied for and provided by the applicant are those of the opponent or provided by an undertaking linked to it. **The opposition under Section 5(2) (b) therefore fails in respect of all the goods in class 21.**

48) I next turn to the ground of opposition under section 5(3) which reads:

“5. (3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

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

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel*, paragraphs 76 and 77.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel*, paragraph 74.

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

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

50) The first hurdle is the issue of reputation as set out at points (a) and (b) above. I must determine, if at the relevant date for the opposition (12 September 2017) the opponent had a reputation in relation to its SPIRIT OF YORKSHIRE mark and if so in what goods and services. The test for 'reputation' was set out by the CJEU in *General Motors*. The earlier mark must be known by 'a significant part' of the relevant public. Some commentators have regarded this as setting a low threshold. In *Iron & Smith kft v Unilever NV*, Case Case C-125/14, the CJEU was asked whether a CTM (now an EUTM) with a reputation 'in the Community' (now the European Union), but not in the member state where infringement was alleged, was capable of being infringed under provisions of the Community Trade Mark Regulation (now the European Union Trade Mark Regulation) broadly equivalent to s.5(3) of the Act. The court answered that:

"If the earlier Community trade mark has already acquired a reputation in a substantial part of the territory of the European Union, but not with the relevant public in the Member State in which

registration of the later national mark concerned by the opposition has been applied for, the proprietor of the Community trade mark may benefit from the protection introduced by Article 4(3) of Directive 2008/95 where it is shown that a commercially significant part of that public is familiar with that mark, makes a connection between it and the later national mark, and that there is, taking account of all the relevant factors in the case, either actual and present injury to its mark, for the purposes of that provision or, failing that, a serious risk that such injury may occur in the future.”

51) A European Union trade mark may therefore be known to “a commercially significant part of the public concerned by the products or services covered by that trade mark” in the Union, without meeting the usual threshold in a particular Member State. Nevertheless, provided that the mark is known to “a commercially significant part of” the relevant public in the Member State in which protection is sought it may be entitled to extended protection on account of its reputation in the Union. It is apparent from the court’s judgment that the latter requirement is intended to cover situations where there is a lower, but still significant, degree of recognition of the EUTM in the Member State. This is confirmed by other language versions of the judgment. The French version says that a “commercially non-negligible” part of the relevant public in the Member State must be aware of the earlier CTM (now EUTM) and make a link with the later national trade mark. As a matter of logic, a national trade mark with a qualifying reputation in the UK must therefore be known to more than the lower ‘non-negligible’ part of the relevant public described in *Iron & Smith*.”

52) In the instant case, the opponent has filed evidence that, prior to the relevant date, it has sold its product throughout England to a very low degree when compared to the overall market for alcoholic drinks. Whilst it has won awards and received attention in local and national press the evidence is sparse. However, in my view it is just enough to show that it was known to a commercially significant part of the relevant public. It can rely upon its registration for whisky only.

53) Turning to the issue of the existence of the requisite “link”, it is clear that the two parties are both involved in producing beverages and also the hospitality food and drink market in its broadest sense. However, under this section of the Act I must consider the activities for which the opponent has demonstrated a reputation against the specification applied for by the applicant.

54) Turning to the goods in class 21 I found earlier that these were not similar or complementary to any of the opponent’s registered goods and services. Under this ground of opposition this finding is not fatal as similarity is but one aspect to be considered. To my mind, whisky is clearly similar to the

whole of the applicant's class 33 specification, but is not similar to the applicant's class 32 beverages as it is not commonplace for distillers to produce beers and soft drinks under the same trade mark, and there is no evidence before me to the contrary. Lastly, comparing whisky to the class 43 services must result in a finding of not similar as again it is not commonplace (and the opponent has filed no evidence on the issue) for distillers to also provide catering services etc.

55) Earlier in this decision I also determined that the marks of the two parties are similar to a medium to high degree.

56) In deciding this issue I take into account the comments of Mr Geoffrey Hobbs Q.C. (sitting as a Deputy Judge) in *Electrocoin Automatics Limited and Coinworld Limited and Others* [2005] FSR 7:

“102. I think it is clear that in order to be productive of advantage or detriment of the kind prescribed, ‘the link’ established in the minds of people in the market place needs to have an effect on their economic behaviour. The presence in the market place of marks and signs which call each other to mind is not, of itself, sufficient for that purpose.”

57) I also look to the case of *Intel Corporation Inc v CPM United Kingdom Ltd* [2006] EWCH 1878 where Patten J said at para 28:

“But the first step to the exploitation of the distinctive character of the earlier mark is necessarily the making of the association or link between the two marks and all that Neuberger J is, I think, saying in this passage [Premier Brands at p. 789] is that the existence of a later mark which calls to mind the earlier established mark is not sufficient to ground an objection under s.5(3) or s.10(3) unless it has one or other of the consequences specified by those provisions. It must be right that the making of the association is not necessarily to be treated as a detriment or the taking of an unfair advantage in itself and in cases of unfair advantage it is likely to be necessary to show that the making of the link between the marks had economic consequences beneficial to the user of the later mark. But in relation to detriment the position is more complicated. The association between two marks and therefore potentially between the products or services to which they relate may be detrimental to the strength and reputation of the earlier mark if it tarnishes it by association or makes it less distinctive. This is likely to take place as a consequence of the same mental process which links the two marks in the minds of consumers and is essentially a negative reaction and effect.”

58) The opponent filed evidence that it is commonplace for whisky producers to also sell glasses with their mark upon them. I also know from personal experience that this type of advertising / promotion is common across the drinks industry both alcoholic and non-alcoholic. There can be few adults in the UK who have not, at some stage been given a glass bearing a logo or trade mark such as, inter alia, Schweppes, Guinness or Coca-Cola. Given this I believe that the average consumer will make a link to the opponent if they see the applicant's mark being used upon glasses and other paraphernalia surrounding drinking as shown in the applicant's class 21 specification. I also accept that the use of the mark in suit upon goods in class 33 will also bring to mind the opponent and make a link in the mind of the average consumer, as providing various spirits and alcoholic cocktails etc under the same brand is known to the public.

59) I next turn to consider whether such a link would be made in relation to the class 32 and 43 goods and services. Given that the opponent's use is on whisky I do not believe that the average consumer will make the link if the mark in suit is used upon these goods and services. It is not usual for distillers to also produce non-alcoholic drinks, or to engage in the catering industry. The opponent has not filed any evidence that it is common practice for this to occur. To my mind, the average consumer will not make a link between the opponent and the applicant if the mark in suit is used upon the goods in class 32 or services in class 43.

UNFAIR ADVANTAGE AND DUE CAUSE

60) I now have to consider whether such a link gives an unfair advantage to the applicant's mark or whether it is detrimental to the reputation of the opponent's mark, and whether the applicant had due cause to use its mark. In considering these issues I take into account the comments of Arnold J. in *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) where he considered the earlier case law and concluded that:

“80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair

where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill.

81. The second question is whether there is a requirement for evidence of a change in the economic behaviour of consumers or a serious likelihood of such a change. As counsel for House of Fraser pointed out, the CJEU has held that proof that the use of the sign is or would be detrimental to the distinctive character of the trade mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the trade mark is registered or a serious likelihood that such change will occur in the future: see *Intel* at [77], [81] and Case C-383/12 *Environmental Manufacturing LLP v Office for Harmonisation in the Internal Market* (unreported, 14 November 2013) at [34]-[43]. As counsel for House of Fraser accepted, there is no requirement for evidence of a change in the economic behaviour of consumers of the *trade mark proprietor's* goods or services in order to establish the taking of unfair advantage of the distinctive character or repute of the trade mark. He submitted, however, that it was necessary that there should be evidence of a change in the economic behaviour of the consumers of the *defendant's* goods or services.

82. Counsel for Jack Wills did not dispute that, in order for advantage to be taken of the trade mark's distinctive character or repute, it was necessary for there to be some change in the behaviour of the defendant's consumers as a result of the use of the allegedly infringing sign, or a serious likelihood of such a change. Nor did he dispute that what was required was a change in the behaviour of the consumers as consumers of the relevant goods and services, and in that sense in their economic behaviour. He submitted, however, that the trade mark proprietor could not be expected to adduce positive evidence that consumers had changed their behaviour as a result of the use of the sign.

83. In my judgment the correct way to approach this question is to proceed by analogy with the approach laid down by the Court of Justice in *Environmental Manufacturing* in the following passage:

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

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

61) I also take into account the case of *Mäurer + Wirtz GmbH & Co KG v OHIM*, Case T-63/07, where the General Court held that:

“40. It is possible, particularly in the case of an opposition based on a mark with an exceptionally high reputation, that the probability of a future, non-hypothetical risk of detriment to the earlier mark or of unfair advantage being taken of it by the mark applied for is so obvious that the opposing party does not need to put forward and prove any other fact to that end. However, it is also possible that the mark applied for does not, at first sight, appear capable of giving rise to one of the risks covered by Article 8(5) of Regulation No 40/94 with respect to the earlier mark with a reputation, even though it is identical with or similar to the earlier mark, in which case the non-hypothetical, future risk of detriment or unfair advantage must be established by other evidence, which it is for the opposing party to put forward and prove (Case T-215/03 *Sigla v OHIM –Elleni Holding (VIPS)* [2007] ECR II-711, paragraph 48).”

62) In *Leidseplein Beheer BV v Red Bull*, Case C-65/12, the CJEU held that:

“43. In a system for the protection of marks such as that adopted, on the basis of Directive 89/104, by the Benelux Convention, however, the interests of a third party in using, in the course of trade, a sign similar to a mark with a reputation must be considered, in the context of Article 5(2) of that directive, in the light of the possibility for the user of that sign to claim ‘due cause’.

44. Where the proprietor of the mark with a reputation has demonstrated the existence of one of the forms of injury referred to in Article 5(2) of Directive 89/104 and, in particular, has shown that unfair advantage has been taken of the distinctive character or the repute of that mark, the onus is on the third party using a sign similar to the mark with a reputation to establish that he has due

cause for using such a sign (see, by analogy, Case C-252/07 *Intel Corporation* [2008] ECR I-8823, paragraph 39).

45. It follows that the concept of 'due cause' may not only include objectively overriding reasons but may also relate to the subjective interests of a third party using a sign which is identical or similar to the mark with a reputation.

46. Thus, the concept of 'due cause' is intended, not to resolve a conflict between a mark with a reputation and a similar sign which was being used before that trade mark was filed or to restrict the rights which the proprietor of that mark is recognised as having, but to strike a balance between the interests in question by taking account, in the specific context of Article 5(2) of Directive 89/104 and in the light of the enhanced protection enjoyed by that mark, of the interests of the third party using that sign. In so doing, the claim by a third party that there is due cause for using a sign which is similar to a mark with a reputation cannot lead to the recognition, for the benefit of that third party, of the rights connected with a registered mark, but rather obliges the proprietor of the mark with a reputation to tolerate the use of the similar sign.

47. The Court thus held in paragraph 91 of the judgment in *Interflora and Interflora British Unit* (a case concerning the use of keywords for internet referencing) that where the advertisement displayed on the internet on the basis of a keyword corresponding to a trade mark with a reputation puts forward – without offering a mere imitation of the goods or services of the proprietor of that trade mark, without being detrimental to the repute or the distinctive character of that mark and without, moreover, adversely affecting the functions of the trade mark concerned – an alternative to the goods or services of the proprietor of the trade mark with a reputation, it must be concluded that such a use falls, as a rule, within the ambit of fair competition in the sector for the goods or services concerned and is thus not without 'due cause'.

48. Consequently, the concept of 'due cause' cannot be interpreted as being restricted to objectively overriding reasons.

63) In *Argos Ltd v Argos Systems Inc.*, [2018] EWCA Civ 2211, the Court of Appeal again considered whether an advantage gained by the defendant was unfair. The Court of Appeal found that Argos Systems website 'targeted' UK consumers. It was therefore using the ARGOS[.com] sign in the UK in relation to the service of providing advertising space. UK consumers would make a link between the ARGOS trade mark and the use of ARGOS[.com] by Argos Systems. And the latter gained a commercial advantage from such use. Nevertheless, the Court of Appeal found that the use of the

Argos name for the advertising space services provided via the website was fair. Consequently, there was no infringement of s.10(3) of the Act. L.J. Floyd, who gave the lead judgment, explained why it was fair, as follows:

“109.I do not accept that the judge made any error of principle in his approach to the issue of unfair advantage. He correctly identified that the case was not one involving any transfer of image to ASI's goods or services. He went on to consider factors which have a bearing on unfairness. These were that (a) ASI had not done anything to seek out the unwanted internet traffic which arrived at its website, and which it had no power to prevent; (b) ASI's display of AdSense ads was of some benefit to AUL by restoring misdirected customers to AUL who might otherwise have lost interest; (c) participation in AdSense was a normal and commercially unobjectionable activity; (d) the income stream derived from it by ASI was small in the context of both parties' businesses; (e) on arriving at the website even moderately observant customers would see it had nothing to do with AUL.”

64) It is clear from this judgment that there would have been unfair advantage if the image of the ARGOS trade mark transferred to the goods/services provided by Argos Systems or if there was a likelihood of confusion, including indirect confusion. Earlier in this decision I determined that there would be direct or indirect confusion between the marks. I believe that the “link” formed in the minds of applicant’s consumers will affect their economic activity.

65) Having decided that the advantage gained was unfair I would normally move onto consider whether the applicant had “due cause” to use the mark in suit. However, as the applicant has not made any submissions I cannot consider the matter. **The ground of opposition under section 5(3) succeeds in respect of goods in classes 21 & 33 but fails in respect of goods in class 32 and services in class 43.**

CONCLUSION

66) The opposition under sections 5(2)(b) is successful in relation to the goods in classes 32 & 33, and the services in class 43, but failed in respect of class 21 goods. The opposition in respect of section 5(3) succeeds in respect of goods in classes 21 and 33 but fails in respect of goods in class 32 and services in class 43. Overall, the opponent has been successful against the entire specification applied for and so the application is completely rejected.

COSTS

67) The opponent has succeeded in full and is entitled to a contribution towards its costs.

Preparing a statement and considering the other side's statement	£200
Expenses	£200
Preparing evidence	£600
Provision of submissions	£800
TOTAL	£1800

68) I order Masons Yorkshire Gin Limited to pay Thomas Leslie Mellor and Gillian Mary Mellor jointly the sum of £1,800. This sum to be paid within twenty one days of the expiry of the appeal period or within twenty one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 26th day of March 2020

George W Salthouse

For the Registrar,

the Comptroller-General