

TRADE MARKS ACT 1994

IN THE MATTER OF OPPOSITION No. 90863

IN THE NAME OF LLADRO COMMERCIAL SA

TO TRADE MARK APPLICATION No. 2290379

IN THE NAME OF ROSA MA LLADRO CASTELLO

DECISION

1. On 18 January 2002 Rosa Ma Lladró Castelló (**‘the Applicant’**) applied to register a series of two trade marks for use in relation to *‘Alcoholic beverages except beer’* in Class 33. The marks in the series were:



The colours gold, red and black were claimed as elements of the second mark. The English translation of the Spanish words *‘Conde de Lladró’* is *‘Count of Lladró’*.

2. The application for registration was opposed by Lladró Commercial SA (**‘the Opponent’**) under Sections 5(3), 5(4)(a) and 3(6) of the Trade Marks Act 1994. The objection under Section 3(6) is no longer pursued.

3. The objection under Section 5(3) is maintained on the basis that use of the above marks in relation to goods of the kind specified in the application for registration would infringe the earlier trade mark rights of the Opponent under the following registrations:

| Registration Number | Mark | Registration Effective | Class and Specification of goods and services |
|---------------------|---|------------------------|--|
| UK No. 1393789 |  | 1 August 1989 | Class: 18 Leather, limitations of leather and goods made therefrom; wallets, bags, trunks, cases, handbags, purses; knapsacks; walking sticks, parasols and umbrellas; parts and fittings for all the aforesaid goods; all included in Class 18. |
| UK No. 1393790 |  | 1 August 1989 | Class: 21 Statues, statuettes, figures and figurines; porcelain, ceramic and glassware for decorative and artistic purposes; all included in Class 21. |
| CTM No. 1904408 | LLADRÓ PRIVILEGE | 13 October 2000 | Class 16: Periodical publications. |
| CTM No. 15925 |  | 1 April 1996 | Class 18: Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins; trunks and travelling bags; umbrellas, |

| | | | |
|--------------------|------------------|---------------|--|
| | | | <p>parasols and walking sticks; whips, harness and saddlery.</p> <p>Class: 21 Artistic figures of porcelain, household or kitchen utensils and containers (not of precious metals or coated therewith); combs and sponges; brushes (except paintbrushes); brush-making materials; articles for cleaning purposes; steelwool; unworked or semi-worked glass (except glass used in buildings); glassware, porcelain and earthenware, not included in other classes.</p> <p>Class: 25 Clothing, footwear, headgear.</p> |
| CTM No. 1796754 | LLADRÓ PRIVILEGE | 7 August 2000 | <p>Class: 35 Publicity, advertising services including promotional activities; market studies, market research and monitoring; commercial and business management assistance, including customer services.</p> |

The underlying complaint is that use of the opposed marks for ‘*Alcoholic beverages except beer*’ would, without due cause, take unfair advantage of or be detrimental to the distinctive character or repute of each of the earlier trade marks cited by the Opponent.

4. The objection under Section 5(4)(a) is maintained on the basis that use of the opposed marks for goods of the kind specified in the application for registration would involve use of the designation **LLADRÓ** in a manner likely to give rise to the mistaken belief that the goods were connected in the course of trade or business with the Opponent.

5. The evidence in support of the opposition consisted of a statutory declaration of Mr Enrique Mollá with 9 exhibits dated 6 February 2003.

6. Mr. Mollá is the Opponent's Director for Europe. In paragraph 2 of his declaration he outlined the nature of the Opponent's business and summarised the basis of its claim for protection in the following terms:

The Opponent is a Spanish company based in Valencia. The Opponent's enterprise has grown out of a family business created by the Lladró brothers. The Opponent commercialises fine porcelain and chinaware articles which are sold internationally. The craftsmanship, artistry and skill employed in the manufacture of these goods, sold under the LLADRÓ trade mark, have generated an international fame for the LLADRÓ name and a superlative reputation for goods sold under the mark.

7. In paragraphs 3 to 5 he confirmed that sales of **LLADRÓ** products began in the United Kingdom in the 1970's and had subsequently taken place through a broad range of retail outlets across the country including *'major, high street department stores such as John Lewis and independent chinaware and gift shops such as F. Hinds, Lawleys, H. Samuel and Goldsmiths'*. He referred in paragraph 6 to press advertising as the *'primary advertising medium'* used by the Opponent and provided examples in his Exhibit ERM 5 of advertisements which had appeared in publications with large circulations during the period 1996 to 2002.

8. In paragraph 7 he maintained that *'in view of the duration of business, the geographic extent of retail outlets, prominent advertising, high level of sales and quality of products it can be said that LLADRÓ is a household name and extremely well known*

in the United Kingdom'. A certificate issued by the Spanish Chamber of commerce in Great Britain on 10 July 2002 was put forward in corroboration of that claim: Exhibit ERM 6. Reliance was also placed on a decision issued by the Administrative Panel of the WIPO Arbitration and Mediation Center in Case No. D. 2000-1358 on 28 November 2000 in which the Panel accepted that the Opponent's LLADRÓ trade mark '*is famous, has a strong reputation and is widely known*': Exhibit ERM 7.

9. A market analysis was prepared for the Opponent by Davies Riley-Smith Maclay in May/June 1994. It was entitled Base Study about Decoration Objects at Home and LLADRÓ Image. The results of the analysis were presented in three volumes: Volume 1 (Exhibit ERM 8) focused on 'Consumers'; Volume 2 (Exhibit ERM 9) focused on 'Collectors'; Volume 3 (Exhibit ERM 10) focused on 'Retailers'. With reference to these materials, Mr. Mollá observed that:

LLADRÓ is a well-known trade mark in the United Kingdom, widely recognised by both consumers and retailers. It is clear that the LLADRÓ mark and the goods sold under it have acquired a prestigious reputation and are held in great esteem. Some purchasers are members of the brand's Collectors' Society and adore the brand to the point of 'obsession'. The brand is recognised for its high quality and craftsmanship. Such reputation and fame is greatly sought after and is something that a new brand craves for but cannot generate over night.

At the date of the contested application for registration (18 January 2002) the Lladró Collectors' society had approximately 16,500 members in the United Kingdom alone.

10. In paragraph 13 it was confirmed that the Applicant is one of the daughters of José Lladró. José Lladró is one of three brothers who established and developed the

Opponent's business. The Applicant has served on the Opponent's board of directors. In June 1998 she asked the board for permission to register her name and surname as a trade mark for use in relation to clothing and cosmetics (Exhibit ERM 11). This was refused.

11. The likelihood of conflict in the market place was addressed in paragraphs 14 and 15 in the following terms:

14. In view of the public's significant recognition of the LLADRÓ mark for decorative goods and porcelain, use of such a famous mark in relation to other types of product would most likely lead to an association with the Opponent's mark resulting in confusion. Furthermore, use of LLADRÓ on other goods would lead to a risk of inferior quality. As evidenced above, quality is a core value of the LLADRÓ brand and one which entices consumers to purchase LLADRÓ products. Any tarnishment of the LLADRÓ name through the sale of inferior goods would be extremely detrimental to the Opponent's business.
15. Though the main use of the LLADRÓ mark has been in relation to porcelain ornaments, the Opponent has made use of the mark for other goods. At page 54 of the report appearing at Exhibit "ERM 9" to this Declaration, reference is made to the Carlos I brandy bottle. Carlos I is a recognised trade mark for brandy. It is perhaps better known in Spain than in the United Kingdom; however, Spain is an extremely popular holiday destination for the British and knowledge of the brand is probable. The recognition of a well-known Spanish brand through exposure to it on holiday is recognised on more than one occasion in the surveys exhibited to this Declaration. The Applicant seeks to register the Applicant's Mark in relation to alcoholic beverages and the possibility of confusing the manufacture of bottles of alcoholic beverages with alcoholic beverages themselves would seem a risk. Brandy can be considered a luxury item and a manufacturer of one type of luxury good may well be thought to have diversified into producing (or to have licensed another party to make) another type

of luxury goods if a shared or similar trade mark is used.

12. The Applicant filed no evidence. Neither party requested a hearing. No submissions were made in support of the case for or against registration. The opposition was determined on the basis of the papers on file and it was rejected for the reasons given in a written decision issued by Mr. John MacGillivray on behalf of the Registrar of Trade Marks on 16 July 2003 (BL O-205-03). The Opponent was ordered to pay the Applicant £800 as a contribution towards her costs of the Registry proceedings.

13. On the basis of the evidence before him, Mr. MacGillivray found (albeit with some hesitation) that the Opponent had a reputation in its registered trade marks in relation to decorative porcelain and ceramic products in Class 21, these being goods of the kind for which the marks had primarily been used in the United Kingdom. His hesitation was attributable to the fact that the Opponent's evidence provided no figures for turnover, sales, market share or amounts spent on advertising in relation to its earlier trade marks.

14. With regard to the degree of similarity between the Applicant's trade mark and the Opponent's earlier trade marks, he found as follows:

20. The mark in suit consists of the words CONDE DE LLADRÓ and a device, which possesses the "look" of an heraldic symbol, comprising an animal (lion?) within a circular device which contains latin words, with a crown above the circular device. The opponent's earlier registrations comprise two marks, the word LLADRÓ under a flower like device and also the words LLADRÓ PRIVILEGE.

21. The respective marks must be compared as a whole and by reference to overall impression but in any comparison reference will inevitably be made to the distinctiveness and prominence of individual elements. It is, of course, possible to overanalyse marks and in doing so shift away from the real test which is how marks would be perceived in the normal course and circumstances of trade and I must bear this in mind in my considerations.

22. Firstly, I turn to a visual comparison of the marks. There are apparent differences in that the respective marks contain different devices and/or different words which can be readily seen, particularly on a side-by-side comparison. However, they share a common element i.e. the word LLADRÓ, which as far as I am aware is a distinctive component and which is a prominent and striking component within the marks and is one which is likely to be retained within the customer's mind. Accordingly, there is visual similarity between the marks.

23. In relation to aural use of the marks I believe that the opponent's case may be stronger again in that the device elements within the marks may not be referred to as, in composite marks, "words speak louder than devices".

24. On a conceptual comparison, it seems to me that the average customer in the UK will attach no particular meaning to the respective marks which are likely to be seen as comprising distinctive and invented matter. On this basis the striking and prominent word LLADRÓ may well be retained in the customer's mind.

25. In their totality, I believe the respective marks of the applicant and opponent to be similar on a visual, aural and conceptual basis.

15. The critical question for the purposes of the objection to registration under Section 5(3) of the Act was whether use of the Applicant's trade mark in relation to alcoholic beverages (not including beer) in Class 22 would take unfair advantage of, or be detrimental to, the distinctive character or repute of the Opponent's earlier trade marks as

developed through use in relation to decorative porcelain and ceramic products in Class

21.

16. As to that, the Hearing Officer concluded:

35. In my view, the reputation the opponent possesses in relation to decorative porcelain and ceramic products would not be damaged in any way by or as a result of the applicant's use of their mark on alcoholic beverages. I do not consider that any association would be made between the parties, let alone that any damage would be caused to the opponent's reputation. I would add that no evidence has been filed to the effect that the relevant customer would expect these products to come from the same economic undertaking or even that it is common in trade for the manufacturers of decorative porcelain and ceramic products to extend their operations into distilling, wine production etc. In relation to the opponent's submissions on the repute of their mark in the UK for brandy bottles, once again, no evidence has been supplied by the opponent. The onus lies with the opponent and the onus has not been discharged.

17. With regard to the question whether use of the Applicant's trade mark in relation to alcoholic beverages (not including beer) in Class 33 would involve use of the designation **LLADRÓ** in a manner likely to give rise to the mistaken belief that the goods were connected in the course of trade or business with the Opponent, he found that the evidence on file was not sufficient to establish the suggested likelihood of misrepresentation:

43. I have no evidence before me on whether the public associate alcoholic beverages and decorative porcelain and ceramic products. Furthermore, the opponent has provided no evidence as to whether the producers of decorative porcelain and ceramic products commonly enter the field of alcoholic beverage production. On the basis of my own knowledge and experience I would venture to say that the

respective fields are discrete trades. At any rate it is for an opponent who wishes to claim that they have the characteristics of, or would be recognised as the producer of, an applicant's goods to support such a claim with evidence.

44. In the absence of evidence to the contrary I do not consider that the opponent's goodwill will extend to "alcoholic beverages" and in my view the applicant's use of their mark on these goods will not amount to a misrepresentation.

...

46. I do not consider that the opponent has discharged the onus of showing that the necessary misrepresentation required by the tort of passing off will occur in relation to the goods specified within the application and the opposition under Section 5(4)(a) fails.

18. The Opponent appealed to an Appointed Person under Section 76 of the Act contending, in substance, that the Hearing Officer should have found that the evidence before him was sufficient to substantiate the objections to registration under Section 5(3) and 5(4)(a) of the Act. This contention was developed in argument at the hearing of the appeal. As the argument proceeded, it became clear that the appeal turned on the question of breach rather than subsistence of the rights claimed by the Opponent i.e. whether use of the Applicant's trade mark in relation to goods of the kind specified in her application for registration would have been liable, in January 2002, to bring about consequences of the kind proscribed by Section 5(3) and 5(4)(a).

19. By then the word **LLADRÓ** commanded a high degree of recognition and respect among people acquainted with its use as a trade mark for the Opponent's decorative porcelain and ceramic products. The distinctive character and repute of the trade mark were rooted in the nature and quality of the specialised items with which it was associated

in the minds of consumers. The Opponent's business under the mark appears from the evidence to have been a niche business carried on over many years without diversification. I do not overlook the assertion in paragraph 15 of Mr. Mollá's statutory declaration that *'the Opponent has made use of the mark for other goods'*. However, the assertion has not been substantiated by information as to the nature, duration or extent of the trading activities he had in mind. I can only assume that if the Opponent had any material evidence to give in this connection, it would have been given.

20. The Applicant's trade mark undoubtedly had the capacity to associate goods and trading activities with those of the Opponent in areas of commerce where consumers would be liable to make a mental connection between the two. If they were liable to do so, it would not matter for the purposes of the objections to registration that I am now considering whether they were liable to do so on the basis of experience, expectation or extrapolation. However, neither objection can be maintained in the absence of a proper basis for inferring that consumers would be liable to make such a connection.

21. The evidence in the present case provides no basis for inferring that consumers would be led by experience, expectation or extrapolation to make such a connection. Moreover, the difficulty of making the required inference is as great as the degree of unrelatedness is large between the trading activities which have made the word **LLADRÓ** famous as a trade mark in the hands of the Opponent and those covered by the specification of the contested application for registration. The case for saying that the required inference should none the less be made is based upon the high degree of individuality possessed by the word **LLADRÓ** and the strength of the reputation it has

acquired through use. These factors cannot be denied. However, the hearing officer was not willing to accept that they provided a sufficient basis on which to make the inference he was being asked to make. His concerns as to the lack of particularity in the Opponent's evidence relating to reputation (paragraphs 29 and 30 of his decision) do not appear to me to render his reasoning or assessment unsound. I am not prepared to say that he erred in adopting the stance that he did.

22. Even if I had decided that the hearing officer was wrong on this point, I would still have come to the conclusion that he was right to reject the objections to registration.

23. For the reasons given at greater length in Electrocoin Automatics Ltd v Coinworld Ltd [2005] FSR 7, p.79 at paragraphs 98 to 103, I adhere to the view that the presence in the marketplace of marks and signs which call each other to mind is not, of itself, sufficient to satisfy the requirements of Section 5(3) (paragraph 102). It appears to me that the mischief remedied by Section 5(3) can be described metaphorically as 'cross-pollination': the mark and sign in issue are identical or similar; use of one is liable to influence the effect of the other on people who have been exposed to the use of both; the effect is such that advantage or detriment of the kind proscribed is liable to ensue; use of the offending sign must be restricted in order to prevent such advantage or detriment (paragraph 100). I think it is clear that in order to be productive of advantage or detriment of the kind proscribed, 'the link' established in the minds of people in the marketplace must be liable to have an effect on their economic behaviour (paragraph 102). On examining the facts and matters in evidence in the present case, I can find no sufficient or proper basis for concluding that there would be cross-pollination between the

two strains of trading activity represented by use of the designation **LLADRÓ** for the purposes of distinguishing decorative porcelain and ceramic products emanating directly or indirectly from the Opponent and use of the designation **LLADRÓ** for the purposes of distinguishing alcoholic beverages (not including beer) emanating directly or indirectly from the Applicant.

24. Having reached that conclusion in relation to the objection under Section 5(3) (which does not require either the presence or the absence of a likelihood of confusion to be established), I am unable to see how the Opponent could realistically be found to have succeeded in the more pointed task of establishing that people exposed to use of the designation **LLADRÓ** for the purposes of distinguishing decorative porcelain and ceramic products on the one hand and alcoholic beverages (not including beer) on the other would be likely to believe that the goods were directly or indirectly marketed by the same undertaking or economically linked undertakings. The objection under Section 5(4)(a) likewise fails for lack of any sufficient or proper basis to sustain it.

25. For the reasons I have given the appeal is dismissed. The Applicant's costs of the appeal are likely to have been somewhat larger than the costs she incurred in respect of the proceedings in the Registry. I therefore direct the Opponent to pay the Applicant £950 as a contribution towards her costs of the unsuccessful appeal. That sum is to be paid within 21 days of the date of this decision. It is payable in addition to the sum of £800 awarded in respect of the Registry proceedings.

Geoffrey Hobbs QC

16th January 2006

Mr Thomas Moody-Stuart instructed by Messrs White & Case appeared as Counsel for the Opponent

Mr Nicholas Saunders instructed by Messrs Marks & Clerk appeared as Counsel for the Applicant

The Registrar was not represented.