

**TRADE MARKS ACT 1938 (AS AMENDED)**

**AND TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 1560688 BY  
DANIEL FINZI & CO. (SUC.) LIMITED**

**AND**

**IN THE MATTER OF OPPOSITION NO. 42548 THERETO  
BY JOSEPH E SEAGRAM & SONS INC**

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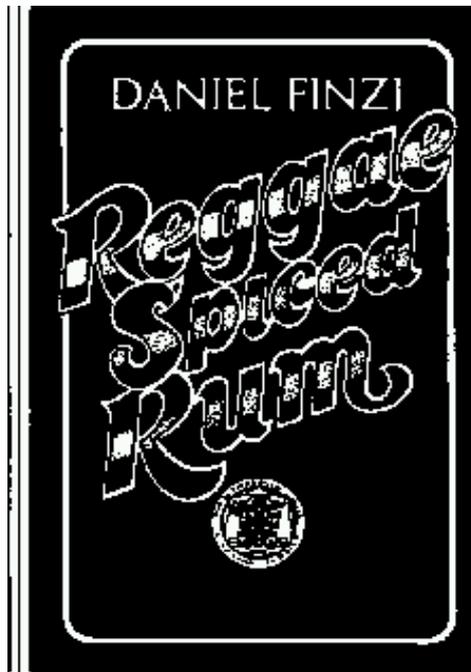
**IN THE MATTER OF Application no 1560688  
by Daniel Finzi & Co. (Suc.) Limited**

**and**

**IN THE MATTER OF Opposition no 42548 thereto  
by Joseph E Seagram & Sons Inc**

**BACKGROUND**

On 29 January 1994, Daniel Finzi & Co. (Suc.) Limited of 234 Spanish Town Road, Kingston 11, Jamaica, West Indies, applied under Section 17(1) of the Trade Marks Act 1938 to register the trade mark shown below in Class 33.



The application proceeded to advertisement in Part A of the register in respect of the following specification of goods:-

“Alcoholic beverages; all included in Class 33”.

The advertisement of the mark also included the following variation clause:-

In use in relation to goods covered by the specification other than spiced rum, the mark will be varied by the substitution of the name and description of such goods, for the words spiced rum.

On 22 May 1995, Joseph E. Seagram & Sons, Inc filed notice of opposition against the application. The grounds of opposition are in summary:

1. Under Section 12(1) of the Act, because of the opponents earlier registration No 1225801 for the mark REGGAE in Class 33 is registered in respect of “Wines, spirits (beverages), and liqueurs” (which has subsequently been revoked).
2. Under Section 17(1) of the Act, the opponents say that the applicant cannot claim to be the proprietor of the mark in suit, and registration of the mark would constitute a serious interference with the legitimate conduct of their business.
3. The opponents ask the registrar to exercise her discretion in their favour.

The applicants filed a Counter-Statement in which they admit the existence of registration No 122580. All of the other grounds of opposition are denied, and the applicants ask the registrar to exercise her discretion and to award costs in their favour. In respect of the latter, the applicants point out that the opponents did not contact them before filing the opposition.

Both sides filed evidence in these proceedings and the matter came to be heard on 3 November 1999, when the applicants were represented by Ms McFarland of Counsel instructed by J E Evans Jackson & Co. The opponents were represented by Mr Speck of Counsel instructed by R G C Jenkins & Co.

By the time the matter came to be heard the Trade Marks Act 1938 had been repealed in accordance with Section 106(2) and Schedule 5 of the Trade Marks Act 1994. In accordance with the transitional provisions set out in Schedule 3 to that Act however, I must continue to apply the relevant provisions of the old law to these proceedings. Accordingly, all references in the later part of this decision are references to the provisions of the old law.

### **Opponent’s Evidence (Rule 49)**

This consists of a Statutory Declaration dated 16 July 1996 by Ann M Giambusso of 375 Park Avenue, New York, United States of America. Ms Giambusso explains that she is the Assistant Secretary of Joseph E Seagram & Sons Inc (hereafter referred to as JES), and has held this position since 1983. Ms Giambusso explains that JES is a member of the Seagram Group of Companies. She confirms that the information contained in her declaration comes from the books and records of JES to which she has access, or from her own personal knowledge.

Ms Giambusso explains that JES are the proprietors of UK Trade Mark Registration No 1225801, and refers to exhibit AMG1 which confirms this.

She continues that Seagram United Kingdom Limited (hereafter referred to as SUK), which is also a member of the Seagram Group of Companies, is licensed by JES, and in 1995, they

She continues that Seagram United Kingdom Limited (hereafter referred to as SUK), which is also a member of the Seagram Group of Companies, is licensed by JES, and in 1995, they launched a REGGAE brand of rum in the United Kingdom, which she says has been very successful. An example of the REGGAE RUM label used is exhibited at AMG2. Finally, Ms Giambusso provides observations on the potential conflict between the mark applied for, and the opponents existing registration, with her concluding that confusion and deception in the on-license and off-license trades, and in the channels of distribution of the two products would, in her opinion, be inevitable.

### **Applicant's Evidence (Rule 50)**

This consists of a Statutory Declaration dated 18 April 1997 by Michael Anthony Braham of 234 Spanish Town Road, Kingston 11, Jamaica, West Indies. Mr Braham explains that he is the Company secretary of Daniel Finzi & Co (Suc.) Limited, although he does not say how long he has held this position. Mr Braham says that the facts set out in his declaration are from his own knowledge, or have been obtained by or for him from the records of his company to which he has full access.

Mr Braham then gives a brief overview of his Company's history, and explains that they have been involved in the business of the manufacture, sale and distribution of wines and spirits in particular but not exclusively rum since 1843. Mr Braham adds that the Company has won numerous awards over the years for its rums and cordials. Mr Braham continues that in 1993 his Company developed a new logo known as the REGGAE SPICED RUM label, and a copy of this is exhibited at MAB1. He continues by saying that on 12 January 1994, instructions were issued by his company to file trade mark applications for the mark in suit in various countries, including the United Kingdom.

Mr Braham explains that on 7 April 1995, his trade mark Attorneys in the United Kingdom received a letter from those representing the Seagram Group of Companies, in which they objected to the inclusion of the word SPICED in the application, and threatened to oppose the application if his company did not voluntarily withdraw the application and undertake not to use the term SPICED. Mr Braham notes that the letter did not object to the element REGGAE appearing in the mark, and no separate letter of complaint was received about this word. He goes on to say that his company refused to withdraw this application or provide the undertaking demanded, because in his view the word SPICED is apt to describe drinks that have been spiced. He adds that spicing is a traditional method of affecting taste in the drinks industry, and believes that his company and others have a legitimate right to use the term SPICED to describe spiced drinks.

Mr Braham explains that on 22 May 1995, Seagram UK Limited also filed an opposition to this application on the basis of an objection to the word SPICED (Opposition No 42556). Having received this additional opposition, Mr Braham explains that his United Kingdom trade mark Attorneys were instructed to file an application for revocation, on the basis of non-use, against registration No 1225801. In view of this, Mr Braham says that his Company decided not to begin using the mark, and stopped ongoing preparations to launch the product, in the United Kingdom, while the opposition and revocation proceedings remained pending.

pursue that opposition, and the opposition was withdrawn in its entirety.

Returning to Mr Braham's declaration, he then provides some observations of his own regarding the opponents motives for launching these proceedings. Mr Braham concedes that Seagram UK Limited launched a REGGAE white rum product in the United Kingdom, and provides comments as to the provenance and authenticity of the use. In this respect, and in support of his contentions, he refers to exhibit MAB2, which is a copy of a Statutory Declaration made by Mr David Dean who is the Marketing Manager of Seagram United Kingdom Limited, and which was originally filed in relation to Revocation No 8535.

### **Opponent's Evidence in reply (Rule 51)**

This consists of a Statutory Declaration dated 15 September 1997 by Ian Michael Harris of 18 Croham Valley Road, South Croydon, Surrey, CR2 7NA. Mr Harris explains that he is the Marketing Director of Seagram United Kingdom Limited (SUK), and that he was appointed to the Seagram United Kingdom board on 1 July 1997. He further explains that he has been employed by the Company since May 1987, and during that time has held a number of positions including Trade Marketing Manager, Promotions Manager and National Accounts Manager. Mr Harris confirms that he has full access to the books and records of SUK, and all of the information provided comes from the books or records or from his own personal knowledge.

Mr Harris explains that SUK is a member of the same group of companies as JES, both of which are under the ultimate control of the Seagram Company Ltd of Montreal, Canada. I note that the majority of Mr Harris' declaration relates to the word SPICED appearing in the mark, and this issue is dealt with in my decision on co-pending opposition no 42556 which is mentioned above. Finally, Mr Harris comments that through their related company, Captain Morgan Rum Distillers, REGGAE white rum was launched to the UK market in September 1995. Whilst I note Mr Harris' comments, given that the launch and continued use is after the material date in these proceedings, this information is of little relevance.

That concludes my review of the evidence in so far as it is relevant in this case.

### **DECISION**

During the course of the Hearing before me, Mr Speck for the Opponents indicated that he did not intend to pursue the second ground of opposition, under Section 17(1) It is therefore formally dismissed. With that in mind, I have only the Section 12(1) ground to consider.

Section 12(1)

This section of the Act reads as follows:

12. - (1) Subject to the provisions of subsection (2) of this section, no trade mark shall be registered in respect of any goods or description of goods that is identical with or nearly resembles a mark belonging to a different proprietor and already on the register in respect of:

- (a) the same goods,
- (b) the same description of goods, or
- (c) services or a description of services which are associated with those goods or goods of that description.

The reference in this section to a near resemblance is clarified by Section 68(2B) of the Act, which says that references in this Act to a near resemblance of marks are references to a resemblance so near as to be likely to deceive or cause confusion.

It is beyond dispute, that the mark for which registration is sought, contains identical goods to the registered mark. That being the case, I must consider if the marks themselves are in conflict. The standard test for opposition under Section 12(1) of the 1938 Act, has been laid down in *Smith Hayden & Co Ltd's Application* (1946) 63 RPC 97, by Mr Justice Evershed. Applied to the facts of the present case, the test may be expressed as follows:

Assuming use of the opponents mark REGGAE in a normal and fair manner for any of the goods covered by the registration, is the tribunal satisfied that there will be no reasonable likelihood of deception or confusion amongst a substantial number of persons if the applicant uses the mark DANIEL FINZI REGGAE SPICED RUM and device normally and fairly in respect of any goods covered by the proposed registration.

In order to answer this question, I have applied the test advanced by Mr Justice Parker in the *PIANOTIST* case (1906) 23 RPC at page 77, which is still the appropriate test for similarity of marks in proceedings under the 1938 Act. I have also borne in mind the evidence filed in these proceedings, and the submissions of both Counsel at the hearing.

When comparing marks, Mr Justice Parker said:

“You must take the two words. You must judge of them both by their looks and their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy these goods. In fact you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods by the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be confusion - that is to say, not necessarily that one man will be injured and the other gain illicit benefit, but there will be a confusion in the minds of the public which will lead to confusion in the goods - then you may refuse registration, or rather you must refuse registration in that case”.

In so far as registration No: 1225801 is concerned, it consists of the word REGGAE alone. The application however, is for the mark DANIEL FINZI REGGAE SPICED RUM and a device element, arranged in the form of a label, as shown on Page 2 of this decision. It is my view that the words SPICED RUM appearing in the application would be seen by the

public as a description of the content of the product, and as such, can effectively be disregarded for the purposes of this comparison. There also appears in the application a device element. This device element consists of a coat of arms, surrounded by the name and location of the applicant company. I note that it appears at the very bottom of the label device and while I can not, of course, completely disregard it, I do not think it will feature significantly in a potential purchaser's mind. That being the case, what I need to decide, is whether the mark REGGAE when used in the manner mentioned earlier in this decision, is likely to be confused with the dominant or essential features of the application, which in my view, are the words DANIEL FINZI and the word REGGAE.

Both of these elements are likely, in my view, to be considered by the average member of the public as essential features of the mark. Whilst it is well settled that marks must be considered as wholes, it is also important to bear in mind that marks are often recalled by their essential features. The fact that the marks may differ when placed side-by-side, is not the appropriate test when deciding if confusion is likely. I am fortified in this view, by the comments in *DE CORDOVA v VICK* (1951) RPC 10 (at page 106 lines 17-23):

“The likelihood of confusion or deception in such cases is not disproved by placing the two marks side by side and demonstrating how small is the chance of error in any customer who places his order for goods with both marks clearly before him, for orders are not placed under such conditions. It is more useful to observe that in most persons the eye is not an accurate recorder of visual detail and that marks are remembered by general impressions or by some significant detail than by any photographic recollection of the whole”.

And again in *SAVILLE PERFUMERY* (1941) RPC 147, (at page 162 lines 18-20):

“Now the question of resemblance and the likelihood of deception are to be considered by reference not only to the whole mark, but also to its distinguishing or essential features, if any”.

In the light of these authorities, and given that the opponents mark is wholly subsumed, but not lost, in the applicants mark, I find that the respective marks are in conflict. Ordinarily, this conclusion under Section 12(1) of the Act, would mean a finding in favour of the opponents. However, both in their Counter Statement and at the Hearing, Ms McFarland for the applicants, asked me to exercise the Registrar's discretion in the applications favour. The Registrar's discretion in this case, stems from Section 12(2) of the Act which reads as follows:

12(2):

In case of honest concurrent use, or of other special circumstances which in the opinion of the Court or the Registrar make it proper so to do, the Court or the Registrar may permit the registration [by more than one proprietor, in respect of-

- (a) the same goods
- (b) the same description of goods, or

(c) goods and services or descriptions of services which are associated with each other, of marks that are identical or nearly resemble each other,] subject to such conditions and limitations, if any, as the Court or the Registrar, as the case may be, may think it right to impose.

There was no claim to honest concurrent use. But the fact that the opponents earlier registration on which the opposition under Section 12(1) was based had been removed from the register following a successful application for revocation by the applicant - SRISO-271-98-(the application mentioned in the counterstatement) was considered immaterial.

In Ms McFarland's view, the fact that registration No: 1225801 (which is the only remaining basis of opposition) had been revoked as a result of non-use, was sufficient grounds for me to exercise the Registrar's discretion under the "other special circumstances" provisions of Section 12(2) of the Act in her clients favour. Not surprisingly, Mr Speck for the opponents resisted this approach. In Mr Speck's view, the position was quite clear. Whilst he accepted that the opponents earlier mark had been revoked, that revocation only took place from the date of the filing of the revocation action i.e., 14 June 1995. That being the case, at the material date in these proceedings i.e., 29 January 1994, Mr Speck argued that the opponents had a validly registered mark, and as such, my finding under Section 12(1) should be mandatory.

To support his view of matters, Mr Speck drew my attention to the comments of Mr Justice Lightman in the case of *SECOND SIGHT LTD v NOVELL UK LTD AND NOVELL INC* (1995) RPC 423, and Mr Justice Walker in *ROAD TECH COMPUTER SYSTEMS LIMITED v UNISON SOFTWARE (UK) LTD*, FSR (1996) 805, both of which highlight the difference between challenging the initial registration of a mark, (invalidation action), and its continued registration (revocation action). Mr Speck added that had the applicants sought a revocation date prior to the filing date of the revocation application, then the result may have been somewhat different. They had not, and says Mr Speck, they must live with the result. Finally, Mr Speck drew my attention to the decision of the Registrar's Hearing Officer in the *SODA CLUB* case (SRIS No: 0-231-98). The facts in this case were, felt Mr Speck, on all-fours with this application, and as such, were of assistance.

There is very little guidance on how widely the phrase "Or other special circumstances" appearing in Section 12(2) of the 1938 Act should be interpreted. Kerly's Law of Trade Marks and Trade Names (twelfth edition) includes the following entry at Paragraph 10-21:

"The words "or other special circumstances" includes any circumstances peculiar to the applicant in relation to the subject matter of the application, and this includes use by an applicant of his mark before the conflicting mark was registered or used, or the fact that the mark is the ordinary mark of a foreign company so that it would cause hardship if it could not be used here".

Having considered the extensive submissions of both Counsel at the hearing on this point, I accept that this is an arguable decision, whichever way I find. The relevant facts are:

1. The date of application for registration of the trade mark in suit is 29 January 1994.

2. The date of application for revocation of the opponents trade mark was 14 June 1995, which is now the date from which it was removed from the register.
3. The opponents trade mark would appear not to have been in use when the trade mark in suit was applied for.
4. At the hearing to determine the matter of the revocation, the opponents (registered proprietor) stated that they did not resist the revocation and allowed the removal of their registration accordingly.
5. The revocation dates only from the date of the application for revocation, and therefore the success of that action does not remove the opponents trade mark as a bar to registration of this application.

First of all, it has been held CHELSEA MAN (1989) RPC 111, that Section 12(2) provides a discretionary path to registration notwithstanding Section 12(1) [and Section 11]. I also note the comment in Kerly's Law of Trade Marks and Trade Names at 10.16 it says:

“All the surrounding circumstances of each case have to be taken into account before a mark is accorded the privilege of concurrent registration under this section and a consideration of the surrounding circumstances includes a consideration of the degree of deception and confusion likely to arise from the use of the two marks. This renders the provisions flexible and adaptable to each case as it arises.

The Registrar has held that Section 12(2) has no application where the mark on the Register has not been used, or not on the same goods as the applicants mark. This can hardly be correct: even if “concurrent use” here means, concurrent with use by the proprietor of the registered mark (“concurrent with the registration” is surely the better reading), the lack of use of the registered mark ought surely to be an “other special circumstance” under the subsection, strongly favouring the application.”

The applicants for registration in this case could (and should) have sought to have the earlier trade mark removed from a date prior to the date of filing the application for revocation (Section 46(1)(b) of the Trade Marks Act 1994 refers). But in the circumstances of this case (and the discretion afforded me by Section 12(2)), I need to consider whether I should nevertheless allow this application to proceed in the light of the fact that there was already a confusingly similar trade mark on the register on the date on which this application for registration was filed. In all of the circumstances of this case, I have decided that I should do so.

The fact that the opponents had a registration of a trade mark which would appear not to have been in use at the date of this application and that they decided not to resist the application for revocation of the trade mark at a later date, suggests that there is unlikely to be any confusion or deception caused to the public by the registration of the trade mark in suit. The opposition is therefore dismissed.

The applicants having been successful in these proceedings they are entitled to a contribution towards their costs. I therefore order the opponent to pay to the applicant the sum of £650.

**Dated this 14 Day of February 2000**

**M Knight  
For the Registrar  
The Comptroller General**