

O-046-15

TRADE MARKS ACT 1994

IN THE MATTER OF AN APPLICATION UNDER NO 500240
BY UTO NEDERLAND B.V.

TO CANCEL REGISTRATION NO 2626364 FOR THE TRADE MARK

grey cardinal

IN THE NAME OF GREY CARDINAL LIMITED

Background

1. The trade mark shown on the front cover of this decision stands in the name of Grey Cardinal Limited (“the registered proprietor”). It was filed on 29 June 2012, entered in the register on 30 November 2012 and is registered for *Spirits and liqueurs*.

2. On 17 December 2013 an application seeking cancellation of the registration was filed by Uto Nederland B.V. (“the applicant”). The application is made under the provisions of section 47(2)(a) of the Trade Marks Act 1994 (“the Act”), founded on an objection under section 5(2)(b) of the Act. The applicant relies on the following International trade mark:

Mark	Dates	Specification
1023617 CARDINAL	International Registration Date: 10 November 2009 Date of Designation of the EU: 10 November 2009 Date Protection granted in the EU: 8 March 2011	Alcoholic beverages (except beers)

3. The applicant claims the registration is invalid because the similarities in the marks and goods are such that there is a likelihood of confusion.

4. The registered proprietor filed a counterstatement denying the grounds of invalidation. I note that at question 5 of the form it refers to the applicant as being the “owner of a registration of the trade mark CARDINAL for “vodka”” however, as shown above, its specification of goods goes wider than this. Only the registered proprietor filed evidence with both parties filing written submissions. Neither party requested to be heard. I therefore give this decision after careful consideration of all the papers before me.

5. Section 47(2)(a) of the Act states:

“The registration of a trade mark may be declared invalid on the ground-

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

(b)...

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

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

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

7. In its counterstatement, the registered proprietor refers to its mark being registered in November 2012 and the applicant’s mark not receiving protection “until the first half of 2013”. An earlier trade mark is defined in section 6 of the Act. It states:

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

(a) a registered trade mark, international trade mark (UK), Community trade mark or international trade mark (EC) 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,

(b) a Community trade mark or international trade mark (EC) which has a valid claim to seniority from an earlier registered trade mark or international trade mark (UK), (ba) a registered trade mark or international trade mark (UK) which-

(i) has been converted from a Community trade mark or international trade mark (EC) which itself had a valid claim to seniority within paragraph (b) from an earlier trade mark, and

(ii) accordingly has the same claim to seniority, or

(c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark.

(2) ...”

8. It is clear from the above, that the dates to be taken into account are the dates of application i.e. filing dates. In the case of an international mark, its filing date equates to the “International Registration Date”. As can be seen from the details set out above, the applicant’s registration has a filing date which predates that of the registered proprietor’s mark. It is an earlier trade mark. The registered proprietor also contends that the applicant has not made genuine use of its mark nor has it offered any vodka for sale under the mark in the UK. I have no evidence before me to show whether the applicant has made any trade in the UK or not, however, again given the respective dates, the applicant is not required to show any use of its mark but is

entitled to rely on it for each of the goods for which it is protected. This is because section 47(2A) of the Act does not require an applicant to prove use of an earlier mark where the registration procedure for that mark was completed within the period of five years ending with the date of the application for the declaration of invalidation, as is the case here.

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

The principles

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

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

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

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

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

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

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

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

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

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

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

10. Bearing the above in mind, I go on to compare the respective marks.

Comparison of the respective marks

11. 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 Court of Justice of the European Union 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.”

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

13. In its counterstatement, the registered proprietor states that it uses “a cardinal bird as its logo with a distinctive bottle shape and a blue bird”. The comparison I have to make does not include any analysis of the use or marketing strategies undertaken by the registered proprietor. I have to compare the applicant’s mark as relied upon and recorded on the international register and the registered proprietor’s mark as registered both of which are word-only marks.

14. The applicant’s mark consists of the single word **CARDINAL** in plain block capitals. The registered proprietor’s mark consists of the two words **grey cardinal** presented in lower case. Nothing rests on the fact that the former is presented in capitals and the latter in lower case.

15. It is self evident that the word cardinal is common to both marks, being the whole of the earlier mark and the second word of two that make up the registered proprietor’s mark. They differ only in that the registered proprietor’s mark has the

word grey as its first word. There is a fairly high degree of visual and aural similarity between the respective marks.

16. The registered proprietor submits that the words GREY CARDINAL:

“cannot be separated to ‘grey’ and ‘cardinal’ in reference to the mark.”

It goes on to submit:

““grey cardinal” is derived from French “grey eminence” the term used with reference to a powerful decision-maker or advisor who operates “behind the scenes” or in a non-public or unofficial capacity”.

I have no reason to believe, nor any evidence to show, that this derivation will be known to the average consumer in the UK. The word grey is an adjective which refers to a colour. Whilst I accept that the two words hang together, the word cardinal is the more dominant and is qualified by the word grey. The word cardinal has a number of meanings. It is, as the registered proprietor suggests, a type of bird but I am aware that it may also refer to a butterfly or a religious official. Whilst it has a number of possible meanings, given that the word is common to both marks, the average consumer is likely to give the same meaning in both cases albeit that in the case of the registered proprietor’s mark the cardinal will be seen as being grey. There is a fairly high degree of conceptual similarity between the respective marks.

The comparison of the respective goods

17. In its counterstatement, the registered proprietor submits that its goods are “a well defined brand with precise production method”, however, again, I have to compare both parties’ goods as protected and registered. With that in mind, the goods to be compared are as follows:

Applicant’s goods	Registered proprietor’s goods
Alcoholic beverages (except beers)	Spirits and liqueurs

18. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-133/05, the General Court stated:

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

19. Spirits and liqueurs are alcoholic beverages and included within that term. On the basis set out in *Merica*, the respective goods are identical.

The average consumer and the nature of the purchasing process

20. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*.

21. 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.”

22. All of the goods 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 pubs and restaurants (where the goods may be displayed on shelves behind the bar and where the trade marks will appear on dispensers at the bar, menus etc.). When sold in pubs, the 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.

23. 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.”

24. Consequently, while the goods may be ordered orally in public houses and restaurants, it is likely to be in the context of a visual inspection of e.g. 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. As 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, a reasonable level of attention is likely to be paid to the selection of the goods at issue.

The distinctiveness of the earlier trade mark

25. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

26. The applicant has not filed any evidence to show what use it may have made of its mark. That being the case, I am unable to find that its distinctiveness has been enhanced through use. Nevertheless, whilst it is a dictionary word, the word CARDINAL has no meaning with reference to the goods for which it is registered and thus I consider it is a mark with an average degree of inherent distinctive character.

Likelihood of confusion

27. In written submissions filed in lieu of a hearing, the registered proprietor referred to trade mark proceedings which are said to have arisen between the same parties in France and in which its application for registration there had been opposed. The opposition is said to have been later withdrawn allowing the application to be registered. It has also filed a witness statement by Latif Mammadaliev, said to be a director and main shareholder of the registered proprietor. Mr Mammadaliev gives details of the French proceedings and submits that the applicant’s withdrawal of those proceedings “paves the way for the UK application for cancellation/invalidity submitted by the applicant to be dismissed outright”. I have no detailed knowledge of the French proceedings or the reasons for them being withdrawn whilst the proceedings here have continued, however, whilst I appreciate the situation might be puzzling for the registered proprietor, the withdrawal of the French proceedings can

have no effect on the matters which I have to decide, on a notional basis, under the UK Act.

28. In determining whether there is a likelihood of confusion, a number of factors have to be borne in mind. The first is the interdependency principle whereby a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. I also have to factor in the distinctive character of the earlier mark as the more distinctive it is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, 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 on the imperfect picture of them he or she has retained in mind.

29. The registered proprietor has submitted that “the marks are unlikely to be seen as a variety of the same product” in the same way, it says, that people are able to distinguish between “Coca Cola” and “Pepsi Cola”. Given that cola is a descriptive word in relation to cola drinks, the comparison between the two marks referred to rests on the words Coca and Pepsi. That is an entirely different situation to the one in the present case. Earlier in this decision I found:

- The respective marks have a fairly high degree of visual, aural and conceptual similarity;
- The respective goods are identical and will be bought with a reasonable degree of care by the average consumer;
- The earlier mark has an average degree of inherent distinctive character which has not been shown to have been enhanced through use.

30. I have to consider both direct and indirect confusion. In *L.A. Sugar Limited v By Back Beat Inc* (BL-O/375/10), the Appointed Person, Mr Iain Purvis Q.C, commented on the difference between direct and indirect confusion in the following terms:

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

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

31. Taking all matters and submissions into account, I consider that whilst a reasonable degree of care in the purchase may lessen the likelihood of imperfect recollection, the situation here is that the average consumer will notice there is a difference between the marks so will not imperfectly recall or directly confuse them. Although I have concluded that the competing trade marks will not be confused directly, the presence of the word GREY in the registered proprietor’s trade mark falls into category (c) above. The consequence of that conclusion is that the average consumer is likely to construe the registered proprietor’s trade mark as a sub-brand or brand extension of the applicant’s trade mark and assume that the registered proprietor’s goods are those of the applicant or some undertaking economically linked to them. The application for cancellation of the registration under section 5(2)(b) of the Act succeeds accordingly.

Summary

32. The application for cancellation of the registration succeeds in full.

Costs

33. Uto Nederland B.V. has succeeded and is entitled to an award of costs in its favour. In making the award, I take note that only the registered proprietor filed evidence, such evidence being minimal, and that no hearing took place. With that in mind, I make the award on the following basis:

Preparing a statement and considering the other side’s statement:	£200
Fee:	£200
Written submissions:	£300
Total:	£700

34. I order Grey Cardinal Limited to pay Uto Nederland B.V. the sum of £700. This sum is to be paid within seven days of the expiry of the appeal period or within seven

days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 30th day of January 2015

**Ann Corbett
For the Registrar
The Comptroller-General**