

O-115-10

TRADE MARKS ACT 1994

**UK APPLICATION NO. 2462677 “HYPNOTIZER” IN THE NAME OF
PATRICE YASSINN DIALLO**

OPPOSITION THERETO BY HEAVEN HILL DISTILLERIES INC.

APPEAL TO THE APPOINTED PERSON

DECISION

Introduction

1. This is an appeal from the decision of the hearing officer Mr Landau on an opposition brought by Heaven Hill Distilleries (“Heaven Hill”) against an application made by a French national Mr Yassinn Patrice Diallo (“M Diallo”).
2. The application is for the word HYPNOTIZER in respect of *alcoholic beverages, wines, spirits*.
3. It was opposed under s5(2)(b) of the Trade Marks Act 1994 on the basis of two trade marks owned by Heaven Hill, numbers 2620466 and 2989085. The former registration is for the word HPNOTIQ. The latter is for a device of the shape of a bottle bearing the trade mark HPNOTIQ and an arrangement of some of the letters of the word HPNOTIQ. Both marks are registered for *liqueur*.
4. The trade mark application was also opposed by Heaven Hill on the basis of its alleged rights in passing off under s5(4)(a).
5. The opposition succeeded under s5(2)(b). The hearing officer did not address the s5(4)(a) grounds, and no respondent’s notice was served so I can ignore them for the purpose of this appeal. I can also ignore the 2989085 registration, since it is obvious that Heaven Hill’s strongest case is based on the word mark alone.

The evidence

6. The evidence in the case was not extensive. The hearing officer summarised it between paragraphs 8 and 19 of his decision. Neither party takes any issue with the accuracy of this summary.

7. The evidence showed that Heaven Hill had made some use of their trade mark HPNOTIQ in the United Kingdom. Some sales had been made through night clubs and cash and carry retailers. The precise extent of the sales and the promotion of the mark was not entirely clear on the evidence, but they were both at a fairly low level. The hearing officer was clearly right to decide that the trade mark HPNOTIQ was not known to a significant proportion of relevant consumers in the United Kingdom, and that Heaven Hill could not therefore rely on any “reputation” in the United Kingdom as increasing the likelihood of confusion between the marks.

The decision of the hearing officer

8. The hearing officer proceeded to consider the likelihood of confusion between the marks HYPNOTIZER and HPNOTIQ on the assumption of ordinary and fair use of those marks in relation to the goods within the respective specifications.

9. He concluded that the similarity between the words was at the “higher end of the scale”. Furthermore, HPNOTIQ was a highly distinctive mark in relation to liqueurs. In the circumstances, he held that the public was likely to be confused not only if HYPNOTIZER was used as a brand of liqueur or spirits (identical or very similar goods) but also if it was used as a brand of wine (goods with a relatively low degree of similarity).

The appeal

10. M Diallo was not represented on the appeal. Furthermore, he chose not to appear before me, although he did submit written arguments. Heaven Hill was represented by Mr Potter of Harrison Goddard Foote.

Preliminary objection

11. At the hearing, Mr Potter took an objection to the Notice of Appeal, contending that it did not identify any error of principle in the decision of the hearing officer. Rather, he said, it simply alleged that the hearing officer was wrong to make a finding of likelihood of confusion, for pretty much the same reasons which had been argued at the original hearing. Therefore, he submitted, the Notice did not identify any ground upon which the Appointed Person could overturn the decision, in the light of the guidance of the Court of Appeal in Reef Trade Mark [2003] RPC 5. He invited me to dismiss the Appeal without further ado.

12. It seems to me that this is not an appropriate course to take for a number of reasons:

(a) The submission that a decision of a hearing officer on likelihood of confusion cannot be overturned without identifying an error of principle is a misreading of Reef. The actual words used by Robert Walker LJ in the well-known passage in paragraph 28 of his judgment in that case (dealing with the same situation to the present, where an appeal is made against the finding of a hearing officer on likelihood of confusion based on written testimony only) were as follows:

“In such circumstances an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle.”

A “real reluctance” is different from an absolute bar. Although it is obviously a lot easier to succeed on an appeal where an error of principle can be shown, there is no reason why a party should not be permitted to argue an appeal to the Appointed Person on the simple basis that the hearing officer’s view on likelihood of confusion was wrong in all the circumstances. If the Appointed Person, having applied the necessary degree of caution, is satisfied that the hearing officer was clearly wrong to make the finding he did, then the appeal will succeed. There is thus nothing wrong *per se* in a Notice of Appeal which does not identify any error of principle in the decision appealed from.

- (b) If an application is to be made to dismiss a Notice of Appeal, then it should be made well in advance of the hearing itself. Even where there are good grounds for such an application, it would be normal to permit the appellant an opportunity to correct the Notice, which cannot practically be achieved during the hearing itself. It is obviously unsatisfactory to attempt to resolve pleading issues at the substantive hearing of an appeal. This is particularly the case where the appellant is (i) not legally represented; (ii) not present; and (iii) lives abroad.
- (c) I do not take the view that the Notice of Appeal in this case is defective. It adequately (bearing in mind that English is not M Diallo’s mother tongue) identifies the issues. It may be criticised as being over-long and discursive, but it is not particularly difficult to identify the primary points which M Diallo wishes to make about the hearing officer’s decision.

Litigants without representation

- 13. As I have noted, M Diallo was not legally represented and did not appear in person before me, although I had the benefit of his written submissions. The hearing therefore took the form simply of oral submissions from Mr Potter, with interventions from myself.
- 14. In the course of argument, Mr Potter submitted on a number of occasions that it was not for the Appointed Person in those circumstances to take points on

behalf of the Appellant which the Appellant may not have properly identified himself. He described this as “doing the job for the Appellant”, which he submitted was not part of the role of the appellate tribunal.

15. Because of these submissions, I will set out below the principles which I think should be applied by Appointed Persons in these circumstances, and which I have endeavoured to apply in the present case.

16. In hearing an Appeal where one party is not legally represented, I believe the following policies (which may sometimes pull in different directions) should be borne in mind:

(a) The Trade Mark Registry and its associated tribunals, including the Appointed Person, should be accessible to everyone who needs to use their services. Although the consumers of these services are almost inevitably traders of one kind or another, they are not necessarily substantial or wealthy businesses. They include persons or companies who cannot afford the services of trade mark attorneys, solicitors or barristers. Although it is reasonable to expect someone choosing to act in person before the Trade Mark Registry to have acquired a basic knowledge of the principles which will be applied to decide their dispute, it is not reasonable to expect them to have a detailed or completely up-to-date knowledge of all the legal authorities (including ECJ judgments) which may be relevant. Some degree of assistance from the tribunal in terms of explaining the relevant law and procedure which applies to the dispute is likely to be necessary to ensure that the litigant in person is not disadvantaged to such a degree that justice cannot properly be done. Although the CPR does not apply to these proceedings, it is notable that the “overriding objective” of “dealing with cases justly” is said by Part 1.1(2)(a) to be served firstly by “ensuring that the parties are on an equal footing.”

(b) The rights and legitimate expectations of other litigants ought not to be diminished or prejudiced by the fact that there is a litigant in person on

the other side. These include the right to know the case which is being put against them and a proper opportunity to deal with it.

- (c) The tribunal itself must endeavour so far as possible not to act (to adopt the terminology used by Geoffrey Hobbs QC in CITIBOND O/197/06) “protagonistically towards either side in the dispute”. Although the ultimate aim of proceedings before the Appointed Person (and indeed the hearing officer) is, like any legal process, to reach a just result, the process is an adversarial one. The Appointed Person (and the hearing officer) is a neutral arbiter in that process.

17. In the usual case, where the litigant in person is present at the hearing, the tribunal will explore with him or her in the course of argument the precise ambit of the submissions being made, and may take the opportunity to explain elements of the relevant law on the issue. A new point or even a new ground of appeal may be identified in the course of such discussion which the litigant had not previously relied on, and the litigant may then decide for himself whether to seek to pursue it. This is entirely legitimate and the fact that the point was only identified in the course of discussion with the tribunal is not a problem in itself, provided that the opponent is properly protected against being taken by surprise (potentially by an adjournment).
18. If the litigant in person is not present at the hearing, this approach is not open. In those circumstances the only way a new point would be able to be taken on behalf of the litigant in person would be if the tribunal took the decision to argue the point itself. To my mind this goes beyond what a neutral arbiter in adversarial proceedings can properly do. Not only is there a danger of the tribunal appearing to lack neutrality, there is the further danger in some circumstances that it may take points “on behalf of” a party which the party himself might (for collateral reasons of its own) have preferred not to take. However, this does not mean that the tribunal must take a narrow or literal view of the submissions which have been made. On the contrary, I believe that one should err on the generous side when construing written submissions which have been advanced by litigants in person (provided always that the

other side are protected against any prejudice as a result of having reasonably construed the submissions more narrowly).

19. In writing this decision, therefore, I have taken into account only those points and grounds of appeal which I consider have been identified by Mr Diallo on a fair (and generous) reading of his written submissions and Notice of Appeal.

The substance of this appeal

20. M Diallo attacks the decision on a number of grounds.
21. First he says that the hearing officer was wrong to find that the marks were similar and that the similarity was “at the higher end of the scale”. He points out that the marks are quite different in length, have a different number of syllables, and make a different visual impression.
22. M Diallo makes three particular complaints about the approach taken by the hearing officer to the comparison of the marks. First he points to what he considers to be an inconsistency (or “incoherence” to use his word) in the analysis of the hearing officer. In paragraph 29 of his decision, the hearing officer stated that neither trade mark could be divided into distinctive and dominant components and they stand or fall in their entirety. However, in paragraph 30, he notionally divides up the trade marks by considering whether their beginnings are more “important” than their endings (he finds that they are), and refers to the visually striking nature of certain parts of the earlier mark HPNOTIQ. I can understand why these paragraphs appear to M Diallo to be contradictory, and the passage in paragraph 29 is in my view not very well expressed. Clearly, any comparison of marks has to look at the marks as a whole, not simply individual components of the marks. Equally clearly, such a comparison must take into account the “distinctive and dominant components” of the marks (following the guidance of the ECJ in Sabel v Puma). Overall, however, I do not consider that the hearing officer misdirected himself here. He clearly considered the similarity of the marks taking account of the

distinctive elements of the marks, for example the absence of the Y in HPNOTIQ.

23. M Diallo makes another related point. The hearing officer found in paragraph 30 that the beginning of the marks is more important than their endings. He also found that the absence of the Y at the beginning of HPNOTIQ is “visually quite striking”. Obviously the word HYPNOTIZER does not have this “striking” element in the most important part of the mark. M Diallo suggests that in those circumstances, the finding of similarity was another “incoherence”. I think that there is no basis to criticise the decision on this ground. In paragraph 30 the hearing officer was, very fairly, identifying the various points of distinction and similarity between the marks, and giving them a “weighting” according to their significance.
24. The third point made by Mr Diallo concerns the pronunciation of the word HPNOTIQ. He criticises the hearing officer for his “arbitrary” conclusion that the public would pronounce the word “HPNOTIQ” as if it were written “HYPNOTIC”. I do not consider this to be a fair criticism either. It seems to me that the hearing officer was perfectly entitled to reach this conclusion in the absence of evidence.
25. Overall, I consider that the finding by the hearing officer that the similarity between the marks was “at the higher end of the scale” was a perfectly reasonable conclusion.
26. M Diallo’s second ground of appeal is that the hearing officer was wrong to find that there was identity and/or similarity between the goods for which the trade mark was applied for and the goods for which the earlier mark was registered.
27. The earlier mark is registered for “liqueurs”. The hearing officer considered that there was identity between these goods and the general category of “alcoholic beverages” for which the mark was applied for. Given that “alcoholic beverages” includes “liqueurs”, this conclusion was plainly correct

as a matter of law and supported by the authorities which the hearing officer cites including Meric v OHIM [T-133/05 at paragraph 29]. It would appear from his submissions that M Diallo has misunderstood the law in this area, believing that the fact that liqueurs were not specifically mentioned in his application meant that they were not covered.

28. So far as the other goods for which the mark was applied for are concerned, “spirits” are to my mind either identical or extremely similar to “liqueurs”. Similarity between “wines” and “liqueurs” on the other hand is plainly at the low end of the scale, being limited to the fact that they are both alcoholic drinks. The hearing officer came to the same view, so I consider that he was right.

29. Finally, M Diallo challenges the hearing officer’s conclusion that there is a likelihood of confusion between the two trade marks. It seems to me that this was not a clear-cut case. I might personally have reached a different conclusion from the hearing officer in relation to those goods with only a low degree of similarity. However, I consider that his decision was well within the set of reasonable conclusions open to him with which an appellate tribunal exercising “real reluctance” ought not to interfere. Since no error of principle in his approach has been identified, I therefore uphold the decision.

Conclusion and costs

30. The Appeal is dismissed. Heaven Hill is entitled to £750 costs of the appeal.

IAIN PURVIS QC

THE APPOINTED PERSON

30 March 2010