

O-120-05

TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No.2281347
BY FRATELLI MARTINI SECONDO LUIGI S.P.A.
TO REGISTER THE TRADE MARK
CANTI
IN CLASS 33
AND IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 90257
BY DISTILLERIE FRATELLI RAMAZOTTI S.P.A.

BACKGROUND

1) On 21 September 2001, Fratelli Martini Secondo Luigi Spa applied under the Trade Marks Act 1994 for registration of the trade mark CANTI, in respect of the following goods in Class 33: “Alcoholic drinks; wines; spirits; liqueurs; cocktails”. The Italian word “Canti” in the mark means “songs”.

2) On 20 March 2002 Distillerie Fratelli Ramazotti S.p.A. of 20124 Milano, Corso Buenos Aires No. 54, Italy filed notice of opposition to the application. The grounds of opposition are in summary:

a) The opponent is the proprietor of the following UK Trade marks:

Mark	Number	Effective Date	Class	Specification
CANEI	1114411	16.05.79	33	Wines.
PEACHCANEI	1336613	25.09.87	33	Wine, being peach flavoured or made from peaches; all included in Class 33.
 <p>In use in relation to goods covered by the specification other than sweet sparkling wine the mark will be varied by the substitution of the name and description of such goods for the words “Vino Frizzante Dolce”. The Italian words “Vino Frizzante Dolce” appearing in the mark mean “Sweet Sparkling Wine”.</p>	1493906	11.03.92	33	Wines, spirits and liqueurs; all included in Class 33.

b) Trade mark 1114411 has been used on wine sold in the UK since 6 April 1986. Trade mark 1493906 has been used on wine, alcoholic drinks, spirits, liqueurs and cocktails sold in the UK since 25 September 1994. Trade mark 1336613 has been used on peach flavoured wine or wine made from peaches since 11 March 1992. The opponent has a reputation under these marks for the goods for which they are registered. The mark in suit is similar to the opponent’s trade marks, and the goods applied for are identical or similar. The mark applied for therefore offends against Section 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994. In the alternative if the goods are found to be dissimilar then the mark in suit offends against Section 5(3).

3) The applicant subsequently filed a counterstatement denying the opponent’s claims.

4) Both sides filed evidence in these proceedings. Both sides ask for an award of costs. The matter came to be heard on 26 January 2005 when the applicant was represented by Mr Buehrlen of Messrs Beck Greener, and the opponent by Ms Cole of Messrs Urquhart-Dykes & Lord.

OPPONENT'S EVIDENCE

5) The opponent filed three witness statements. The first, dated 27 July 2003, is by Ludwig Paillier the Brand Manager for Canei products at Pernod Ricard UK Limited. He states that he has been in the marketing profession for four and a half years and is conversant with the English language.

6) At exhibit LP1 he provides a print out from his company's website dated October 2002 which shows a group of sparkling wines, one of which appears to have a trade mark similar to 1493906 on it. It is not possible to be sure if it is the mark or a similar version.

7) At exhibit LP2 he provides various material relating to the promotion of the brand. Much of this relates to plans for promotions in various years, although it is not clear if these activities were carried out. The only evidence of use appears to be the sponsoring of an "Up for it" night at a London night club. This shows that CANEI is one of the sponsors. The year is not shown on the copy of the poster but it does have a date of 2000 added in pen on the top of the photocopied page. There is a copy of a page from a magazine called "Pride" from 1999 which has a competition to win a bottle of CANEI and it shows a picture of a bottle with the word CANEI in script. It is similar to trade mark 1493906 but the wording under this name appears to be different, although it is impossible to read precisely what is written due to the poor nature of the photocopy. There is also an undated flyer showing various drinks and their prices, this includes two bottles of CANEI neither of which carries any of the trade marks in the exact form that they are registered upon them. The word "Canei" is produced in exactly the script form used in 1493906.

8) At LP3 he provides the results of research carried out by The Redbox Agency into "Canei: Qualitative Research Study Social & Drinking Trends." This offers overviews which state, inter alia, "Canei enjoys strong brand recognition as an established and long standing family name". However, it does not state when or where the research took place, how many people were interviewed, what questions they were asked although it would appear from comments such as "Most of the sample were surprised to learn that they had tested, and highly rated, Canei samples, especially the two popular flavours, during the taste test", that the product was on view.

9) The second statement, dated 17 June 2003, is by Antonio Ghilardi the President and General Manager of the opponent company. He states that wines bearing the three trade marks 1114411, 1336613 & 1493906 have been sold in the UK since 1979, 1988 and 1992 respectively. At exhibit AG1 he provides examples of how the marks are used in the UK. These examples are not dated and whilst they have the name CANEI in script, none are identical to the marks registered. It is very similar to the label in mark 1493906 in that the name CANEI is in the same script set against a black label but it does not have the additional words underneath as shown in the mark

1493906. The labels feature an heraldic shield device and also descriptors such as “Vino Rose”, “Vino Rosso”, “Mellow Wine” and “Vino Blanco”. The word CANEI is also underlined in a number of the illustrations of bottles. He also provides the following turnover figures for the UK for the three trade marks:

Year	Cases	Litres	Turnover
1995	32,638	293,000	965 Million Lira
1996	36,389	327,500	1,066 Million Lira
1997	31,844	286,588	1,991 Million Lira
1998	32,589	293,274	1,024 Million Lira
1999	33,623	302,553	1,150 Million Lira
2000	29,814	268,323	572,000 Euros
2001	25,060	225,542	491,000 Euros

10) At exhibit AG2 Mr Ghilardi provides invoices for the period June 96-January 2002 which show sales of goods under the following descriptions: “PEACHCANEI”, “CANEI BIANCO”, “CANEI ROSSO”, “CANEI LAMBRUSCO”, “CANEI ROSE”, and “CANEI PEACH”. The only ones showing “PEACHCANEI” were dated June 1996, October 1996 and July 1997. Although the invoices are in Italian and the printing is not entirely clear it would appear that each invoice relates to 2,860 x 75cl bottles of what is described as “COCKTAIL AROM. BASE PROD. VITIVIN”. I note that the two invoices for “CANEI PEACH, dated September 2000 and February 2001 also carry the same descriptive line “COCKTAIL AROM. BASE PROD. VITIVIN”. Similarly, an earlier invoice, dated March 1998 has an entry for SANGRIA with the line “BEVANDA AROMATIZZATA A BASE VINO” beneath it.

11) Mr Ghilardi states that the products are sold throughout the UK via cash and carry outlets, retail stores, bars and nightclubs. At exhibit AG3 he provides a copy of the statement of Mr Paillier detailed in paragraphs 5-8 above. Mr Ghilardi also provides figures for the advertising and promotion of the three marks in the UK as follows:

Year	Amount
1995	109 Million Lira
1996	99 Million Lira
1997	146 Million Lira
1998	141 Million Lira
1999	200 Million Lira
2000	119,000 Euros
2001	62,000 Euros

12) Mr Ghilardi states his view that his company has a reputation under its trade marks and the mark in suit, if used in the UK, would cause confusion on the part of the public.

13) The third witness statement, dated 29 September 2003, is by Stephen Richard Maly a Director of The Redbox Agency. He describes his company as a marketing and advertising agency and states that they also carry out research as part of the marketing process. He states that his company has been responsible for market

research for goods bearing the trade mark CANEI since the 1990s. He states that the first project that his company was involved in was the re-launch of the brand in 1998.

14) Mr Maly states that goods in the alcoholic drinks sector are traditionally split between beer, spirits, wine and, more recently, alcopops. He states that goods bearing the CANEI mark would be “classified as wines and on a par with alcopops”.

15) He states that his company carried out research for the opponent at the beginning of 2001. The research was designed to provide background information about the target market, their drinking patterns and opinions and the different flavours of the brand. The research was also designed to provide information on previous campaigns and the drink itself. From previous work carried out for the opponent Mr Maly states that his company had a good idea of the target audience which in this case is described as being “largely Afro-Caribbean”. Mr Maly states that: “A vast majority of the Afro-Caribbean population of the UK lives in London and as a result, much of the company’s research has been focussed here.”

16) As well as providing a copy of the research at exhibit SRM1 Mr Maly states that the research “established that CANEI is a leading brand in its target market and that the introduction of new flavours would be popular. He states that as a result of the research, posters were devised which were then used in a marketing campaign.

17) Mr Maly also states that “Market research companies hold databases of different types of people, for example according to age, sex, race and earnings. Once the target audience for a specific product has been identified, then a focus group of people belonging to that audience is assembled. Focus groups are made up from people on the street, existing contacts etc.”

18) Exhibit SRM1 is not dated. It states that there were three discussion groups each comprising 7-8 people. The three groups were categorised as follows:

- a) Male and female participants aged 18-24
- b) Female participants aged 25-34
- c) Male participants aged 25-34

19) The questions evoked various responses but the overwhelming attitude from the 20 or so people questioned seemed to suggest that CANEI was seen as a teenagers drink or a drink for girls.

APPLICANT’S EVIDENCE

20) The applicant filed a witness statement, dated 3 March 2004, by Gianni Enrico Martini the President of the applicant company. He states that the intention is to establish a trade mark for a range of wines just as the New World sell all kinds of wines under a single brand. He states that the mark has been extensively promoted in magazines and newspapers and posters.

21) Mr Martini states that this campaign has proved successful with his wine now enjoying substantial sales in the UK. At exhibit GM4 he provides a list showing sales in January 2002-November 2003 of over 8 million bottles of wine. Although not shown on the documents Mr Martini states that these bottles are sold under the

CANTI trade mark. He states that with this level of sales if the marks were confusable then instances of confusion would have come to light. He further claims that the products of the two companies are very different with his company selling wine as opposed to the opponent's alco-pop.

22) At exhibit GM5 he provides a copy of an article said to have been published by the previous proprietor of the opponent's mark which describes how the opponent's product was conceived and marketed. According to the article it was once described as "Coca-Cola, Italian-style" and reference is made to the bottle as follows: "In fact, the Canei bottle could not fit in normal wine shelving in stores, and as a result Canei was displayed in supermarkets in different areas than most wines."

OPPONENT'S EVIDENCE IN REPLY

23) The opponent filed a witness statement, dated 24 September 2004, by Alison Elizabeth Fraser Simpson the opponent's Trade Mark Attorney. She refutes the allegation made by the applicant that the products of the two parties are displayed in different areas. At exhibit AS1 she provides copies of photographs taken at a cash and carry these show that both parties products are stored with other wines. At exhibit AS2 a receipt is provided showing that both products are available from the same cash and carry outlet.

24) That concludes my review of the evidence. I now turn to the decision.

DECISION

25) 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."

26) An "earlier trade mark" is defined in Section 6, the relevant parts of which state:

"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,"

27) The opponent is relying on three UK Trade Marks No.1114411 "CANEI" registered with effect from 16 May 1979, No. 1336613 "PEACHCANEI" registered

with effect from 25 September 1987 and “CANEI VINO FRIZZANTE DOLCE and label device” registered with effect from 11 March 1992, all three of which are plainly “earlier trade marks”.

28) In determining the question under section 5(2)(b), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel Bv v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Meyer Inc.* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R 723. It is clear from these cases that:

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel Bv v Puma AG*;

(b) the matter must be judged through the eyes of the average consumer, of the goods / services in question; *Sabel Bv v Puma AG*, 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; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel Bv v Puma AG*;

(d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel Bv v Puma AG*;

(e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Meyer Inc.*;

(f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it; *Sabel Bv v Puma AG*;

(g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel Bv v Puma AG*;

(h) further, 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; *Marca Mode CV v Adidas AG*;

(i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Meyer Inc.*

29) In essence the test under Section 5(2)(b) is whether there are similarities in marks and goods which would combine to create a likelihood of confusion. In my consideration of whether there are similarities sufficient to show a likelihood of

confusion I am guided by the judgements of the European Court of Justice mentioned above. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different elements taking into account the degree of similarity in the goods, the category of goods in question and how they are marketed. Furthermore, I must compare the mark applied for and the opponent's registrations on the basis of their inherent characteristics assuming normal and fair use of the marks on a full range of the goods covered within the respective specifications.

30) I also have to consider whether the opponent's marks have a particularly distinctive character either arising from the inherent characteristics of the marks or because of the use made of them. The opponent has filed combined turnover figures for all three marks but no evidence of market share or the extent of the market. In the absence of such evidence I cannot infer that the opponent has a great reputation under any of their marks. The opponent also provided combined figures regarding promotion and advertising, which whilst significant are by no means remarkable and there are no details as to the extent of the circulation of the brochures and advertising material provided in the opponent's evidence. The opponent also filed evidence of market research but this evidence was flawed and cannot be relied upon.

31) On the evidence filed it is clear that the opponent enjoys goodwill and some degree of reputation in its mark No.1114411 "CANEI" and mark No. 1493906 "CANEI & label device" in relation to wine. However, they have not been shown to be a household name amongst the relevant public. With regard to the "PEACHCANEI" mark the only evidence of use shown was three invoices dated June 1996, October 1996 and July 1997. As the last use of this mark was over four years prior to the relevant date and use prior to this was very limited the opponent cannot claim goodwill or reputation in this mark. I cannot infer even that the opponent has goodwill in this mark as the turnover figure was a combined figure.

32) When considering inherent distinctiveness one must consider the goods and/or services for which the mark is registered. The specifications for all three marks are similar being "wines", "Wine, being peach flavoured or made from peaches all included in Class 33" and "Wines, spirits and liqueurs; all included in Class 33". Whilst the initial part of trade mark 1336613 "PEACHCANEI" obviously is descriptive there is no suggestion that the dominant feature of all three marks, "CANEI" has any meaning with regard to the goods in the specifications and all the marks must therefore be regarded as being inherently distinctive.

33) The effect of reputation on the global consideration of a likelihood of confusion under Section 5(2)(b) of the Act was recently considered by David Kitchen Q.C. sitting as the Appointed Person in *Steelco Trade Mark* (BL O/268/04). Mr Kitchen concluded at paragraph 17 of his decision:

"The global assessment of the likelihood of confusion must therefore be based on all the circumstances. These include an assessment of the distinctive character of the earlier mark. When the mark has been used on a significant scale that distinctiveness will depend upon a combination of its inherent nature and its factual distinctiveness. I do not detect in the principles established by the European Court of Justice any intention to limit the assessment of

distinctiveness acquired through use to those marks which have become household names. Accordingly, I believe the observations of Mr Thorley Q.C in *DUONEBS* should not be seen as of general application irrespective of the circumstances of the case. The recognition of the earlier trade mark in the market is one of the factors which must be taken into account in making the overall global assessment of the likelihood of confusion. As observed recently by Jacob L.J. in *Reed Executive & Ors v Reed Business Information Ltd & Ors*, EWCA Civ 159, this may be particularly important in the case of marks which contain an element descriptive of the goods or services for which they have been registered. In the case of marks which are descriptive, the average consumer will expect others to use similar descriptive marks and thus be alert for details which would differentiate one mark from another. Where a mark has become distinctive through use then this may cease to be such an important consideration. But all must depend upon the circumstances of each individual case.”

34) In the present case it is my view that the opponent’s marks all have a degree of inherent distinctiveness and the opponent’s “CANEI” and “CANEI and label device” marks also have some reputation.

35) I will first compare the goods of the two parties. I note that in a parallel action trade mark number 1493906 was revoked as of 20 September 2001 with regard to “Spirits and liqueurs”. As the revocation date was prior to the relevant date in this case the opponent’s specification is consequently reduced. For ease of reference the specifications are:

Applicant’s goods	Opponent’s Goods	
Alcoholic drinks; wines; spirits; liqueurs; cocktails	1114411	Wines.
	1336613	Wine, being peach flavoured or made from peaches; all included in Class 33.
	1493906	Wines, all included in Class 33.

36) In carrying out a comparison I take into account the factors referred to in the opinion of the Advocate General in *Canon*; page 127, paragraphs 45-48. In its judgement, the ECJ stated at paragraph 23:

“23. 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 end users and their method of use and whether they are in competition with each other or are complementary.”

37) Clearly, the opponent’s goods are confined to wine which is identical to the same element in the applicant’s specification. The other elements of the applicant’s specification are all alcoholic beverages. The nature is clearly the same as would be the end users. To my mind the items would be in competition with each other and whilst the goods may not share a shelf in a retail outlet they would clearly be displayed in the same area. Further, the outlets all have to be licensed. In my opinion

the goods in the applicant's specification are, in the case of wine, identical and with regard to the rest of the specification very similar to those of the opponent.

38) I will now compare the marks of the two parties. For ease of reference these are reproduced below:

Applicant's Mark	Opponent's Marks	
CANTI	1114411	CANEI
	1336613	PEACHCANEI
	1493906	

39) I shall first compare the mark in suit (CANTI) with 1114411 (CANEI). Visually they share the first three letters and also the last letter. The marks are the same length. The only difference between them is that the mark in suit has the letter "T" where the opponent's mark has the letter "E". The opponent contends that the mark in suit will be pronounced "Can't I" whereas their mark will be pronounced "Can I". This is certainly one way of pronouncing the marks, however I have to accept that the mark in suit could be pronounced "Kant" as in decant, and "ee". Similarly the opponent's mark could be pronounced as "cane-ee" "cane-I" or "canny". Neither mark has any conceptual meaning although both might be regarded as being "Italian" marks. I doubt that many UK consumers would be aware that the Italian word "Canti" means "song" as the UK public are known to be monoglots.

40) Both marks are relatively short, where even minor differences are likely to be noted although I must also take into account imperfect recollection. The average consumer for such goods must be considered as being over 18 and a drinker of alcohol, which means the vast majority of the adult population of the UK. When purchasing alcohol most consumers will take a degree of care in choosing what to buy be it in the supermarket or other retail outlet or in the pub. Whilst there are clearly similarities in the marks there are differences both visually and aurally that to my mind outweigh the similarities.

41) Taking account of all of the above when considering the marks globally, I believe that there is no likelihood of consumers being confused into believing that the goods provided by the applicant are those of the opponent or provided by some undertaking linked to them. The opposition under Section 5(2)(b) therefore fails with regard to the opponent's mark No.1114411.

42) The opponent's other marks do not give it a stronger position. The mark 1493906 has the same degree of reputation and inherent distinctiveness. The mark although in script is the same word and so has the same properties as 1114411, and is registered for the same goods. The additional words on the label are variable and also descriptive and so would in my view not be seen as part of the mark by the average consumer. However, if they were to be taken as part of the trade mark then it would further differentiate the opponent's mark from that of the applicant. The opponent's

mark 1336613 has a descriptive element within the mark itself. If this element were taken into account then it is clearly quite different to the mark in suit. If the “Peach” element were to be disregarded then the mark comes down to the word “canei” which is identical to the opponent’s mark 1114411 and so the result would be the same. The opposition with regard to the opponent’s marks 1493906 and 1336613 under Section 5(2)(b) also fails.

43) Next, I consider the ground of opposition under section 5(4)(a) which reads:

“5. (4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

44) In deciding whether the mark in question “CANTI” offends against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the *WILD CHILD* case [1998] 14 RPC 455. In that decision Mr Hobbs stated that:

“The question raised by the Grounds of Opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the Applicant from those of other undertakings (see Section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Art.4(4)(b) of the Directive and Section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the Applicant in accordance with the law of passing off.

A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of England 4th Edition Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd - v - Borden Inc* [1990] RPC 341 and *Even Warnik BV - v - J. Townend & Sons (Hull) Ltd* [1979] AC 731 is (with footnotes omitted) as follows:

‘The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of "passing off", and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.'

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

'To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.’”

45) The date at which the matter must be judged is not entirely clear from Section 5(4)(a) of the Act. This provision is clearly intended to implement Article 4(4)(b) of Directive 89/104/EEC. It is now well settled that it is appropriate to look to the wording of the Directive in order to settle matters of doubt arising from the wording of equivalent provisions of the Act. It is clear from Article 4(4)(b) that the earlier right had to have been “acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed....”. The relevant date is therefore 21 September 2001, the date of the application.

46) With these considerations in mind I turn to assess the evidence filed on the behalf of the parties in the present proceedings as set out earlier in this decision, and the arguments put forward at the hearing.

47) To succeed under this ground the opponent must show that it enjoyed goodwill at the relevant date. Considered overall it seems clear that the opponent had some trade in the UK prior to the relevant date. However, the deficiencies in the evidence makes it impossible to assess the extent of the opponent’s goodwill in the businesses conducted under its “PEACHCANEI” trade mark. No corroborative evidence of use of this mark has been supplied and the turnover figures relate to all the opponent’s trade marks. Some evidence of use of the “CANEI” and “CANEI and label device” marks has been supplied. In my view only the opponent’s business under marks 1114411 and 1493906 with regard to wines can form the basis of this ground of opposition.

48) Earlier in this decision I found use of the mark in suit, actual or on a fair and notional basis would not result in confusion with the opponent’s marks when used on “Alcoholic drinks; wines; spirits; liqueurs; cocktails” in Class 33. Accordingly, it seems to me that the necessary misrepresentation required by the tort of passing off will not occur. The opposition under Section 5(4)(a) of the Act must fail with regard to these items.

49) I now turn to the ground under section 5(3). The opposition was based on the old version of Section 5(3) where the goods had to be dissimilar and the marks similar. The opponent at no point in the proceedings requested that the pleadings be amended to allow it to encompass similar goods. I have found earlier that all of the goods of both parties are identical or very similar and the marks dissimilar. Section 5(3) in its original form reads:

“5. (3) A trade mark which -

- (a) is identical with or similar to an earlier trade mark, and
- (b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

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 Community trade mark, in the European Community) 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.”

50) In *General Motors Corporation v. Yplon SA (Chevy)* Case C-375/97 the European Court of Justice established the parameters for claiming a reputation in relation to Section 5(3):

“Article 5(2) of the First Council Directive (89/104/EEC) of 21 December 1988 to approximate the laws of the Member States relating to trade marks is to be interpreted as meaning that, in order to enjoy protection extending to non-similar products or services, a registered trade mark must be known by a significant part of the public concerned by the products or services which it covers. In the Benelux territory, it is sufficient for the registered trade mark to be known by a significant part of the public concerned in a substantial part of that territory, which part may consist of a part of one of the countries composing that territory.”

51) On the basis of *Chevy I* I consider that the opponent needs to demonstrate that at the relevant date a significant part of the persons over 18 years of age in a substantial part of the UK knew of the trade mark of the opponent. Absent public opinion survey evidence I must take into account “the market share held by the trade mark, the intensity, geographical extent and duration of its use and the size of the investment made by the undertaking in promoting it “(*Chevy*). Taking into account that the relevant public is those over eighteen years of age who drink, the opponent has to show his market share in relation to alcoholic beverages at large. The opponent has filed combined turnover figures but has not put this into context of overall market share. I note that the last two years for which turnover figures are provided show sales of less than half a million pounds. Given the size of the whole of the alcohol industry in the UK would be measured in £billions I do not consider these figures to be substantial in terms of the overall market.

52) The opponent has failed to show that it has the reputation required under Section 5(3). In addition the marks have already been found to be dissimilar and the goods similar. The opposition under 5(3) does not get off the ground.

53) The opposition has failed under all grounds. The applicant is therefore entitled to a contribution towards its costs. I have taken into account the fact that this case was one of three where the evidence was effectively identical and a single hearing took place. I order the opponent to pay the applicant the sum of £1450. This sum 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 27th day of April 2005

George W Salthouse
For the Registrar,
the Comptroller-General