

O-128-08

**TRADE MARKS ACT 1994**

**IN THE MATTER OF INTERNATIONAL REGISTRATION NO 883070  
IN THE NAME OF  
DOMAINE CHANDON AUSTRALIA PTY LTD  
OF THE TRADE MARK:**

**GREEN POINT ZD**

**IN CLASS 33**

**AND**

**THE OPPOSITION THERETO  
UNDER NO 71414  
BY ZD WINES, LLC**

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### **Introduction and evidence**

1) Domaine Chandon Australia Pty Ltd, which I will refer to as DCA, is the holder of the international registration for the trade mark **GREEN POINT ZD**. The United Kingdom was designated in respect of the international registration on 2 March 2006, the registration has an international priority date of 14 September 2005. (Consequently, the material date for this case is 14 September 2005<sup>i</sup>.) Protection has been sought in the United Kingdom in respect of *wine*. The granting of protection for the registration has been opposed by ZD Wines, LLC, which I will refer to as ZDW. ZDW is the holder of international registration no 851849, which has been granted protection in the United Kingdom in respect of *wines and distilled spirits*. The international registration is for the trade mark **ZD**. ZDW's registration is an earlier trade mark and is not subject to proof of use provisions.

2) ZDW's opposition is based upon two grounds. It claims that the respective trade marks are similar and that the respective goods are identical. Consequently, there is a likelihood of confusion and granting protection to DCA's registration would be contrary to section 5(2)(b) of the Trade Marks Act 1994 (the Act). ZDW claims that its trade mark is a well-known trade mark in the United Kingdom and is entitled to protection under the Paris Convention. The opposition form relates this to section 56 of the Act<sup>ii</sup>. Section 56 of the Act sets out the requirements for a claim that a sign is a well-known trade mark but it cannot form the basis of a ground of opposition. The redress that section 56 of the Act gives, as per section 56(2) of the Act, is injunctive relief, something that is outside the vires of the registrar. In an opposition the claim to protection under section 56 of the Act is, in effect, a claim to protection of a well-known trade mark as per (or in the sense of<sup>iii</sup>) the Paris Convention and/or the WTO agreement; if established this would simply get ZDW to the position that it already has from its international registration, ie having an earlier trade mark<sup>iv</sup> for the purposes of section 5(2)(b) of the Act. I cannot see, therefore, that this claim adds anything to ZDW's opposition and will say no more about it. However, if the earlier trade mark does have a reputation this is something to which consideration must be given when deciding whether there is a likelihood of confusion. Where the similarity of the respective goods or services is limited the reputation of the earlier trade mark can affect the decision as to whether there

is a likelihood of confusion<sup>v</sup>. In this case the respective goods are identical and so reputation will not have an effect in relation to the consideration of the goods in the global appreciation of the likelihood confusion. Reputation also has an effect where an earlier trade mark does not enjoy a great deal of inherent distinctiveness. It is something that can make a trade mark “more distinctive”<sup>vi</sup>. If a trade mark already has the “gold standard” of distinctiveness, reputation cannot assist it in this part of the global appreciation; reputation assists “where the earlier mark has a particularly distinctive character, either *per se* or because of the reputation it enjoys with the public”.

3) ZDW has furnished evidence in the form of witness statements from Mr Brett de Leuze and Mr Douglas Harrison (two witness statements). Mr de Leuze is president of ZDW. Mr Harrison is director of Harrison Vinters Limited, who are the distributors of ZDW’s wines in the United Kingdom.

4) Mr de Leuze’s evidence attempts to establish that ZD wines are well-known in the United Kingdom; so for the purposes of section 5(2)(b) of the Act, I must consider if ZD wines have a reputation which will have an effect upon whether there is a likelihood of confusion. Mr de Leuze **asserts** that the wines are well-known in the United Kingdom, he states:

“For wine makers, the indicator of success and reputation is the critical acclaim achieved by independent wine connoisseurs from across the world.”

Unfortunately for Mr de Leuze, in relation to a likelihood of confusion, a more prosaic approach is adopted. Is the trade mark known to a significant part of the public concerned<sup>vii</sup>? It is a matter of never mind the quality, feel the width. In relation to wine there is a very wide public, the great majority of the adult population of the United Kingdom. Even those who might not drink wine could well buy wine to give as a gift or to take to a social occasion.

5) There are no turnover figures, there are no figures for promotion. ZD wines have won a number of awards. They have been referred to in some publications. Receiving awards does not mean that a wine will be known to more than a minority of the relevant public. Appearance in specialist wines magazines and books is of its nature self-restricting to those who read such magazines and books. There is nothing to indicate that the **average** relevant consumer reads specialist wine magazines or books. It would seem much more likely that these are the actions of the atypical consumer. Specialist magazines and books will, of their nature, include many types and brands of wines and so there is no certainty that even the consumer who reads such publications will note or recall a particular brand or wine. If every wine that appears in a publication was to claim a reputation, there would be many tens of thousands with the requisite reputation. The majority of the evidence furnished by ZDW emanates from long before the material date, after the material date and/or from outside of the jurisdiction. ZD wines have never been sold in supermarkets, in Scotland or by Majestic Wines. I consider that it can be taken on judicial notice that the primary retailers of wine in the United Kingdom are supermarkets, and ZD wines are excluded from this primary retail source. In relation to the claimed

reputation, the evidence is against ZDW; it indicates that ZD wines are not known to a significant part of the public concerned, indeed that they are known only to a small group of consumers. If there was a claim in relation to passing-off ZDW would have established a protectable goodwill but nothing more. ZDW cannot claim any enhanced protection on the basis of its trade mark having a reputation in the United Kingdom.

6) Mr Harrison is an expert in wines, he has been in the wine business for over thirty years. He does not know of another wine producer or wine that uses two letters on its label as a brand; nor can he think of another wine label that starts with the letter Z.

7) Mr Anthony Douglas Jordan has given evidence for DCA. Mr Jordan is the director and chief executive officer of DCA. GREEN POINT ZD wines have been sold in the United Kingdom since 2005. In 2005 and 2006 there were sales to the value of £45,006 and £23,640 respectively; there was a 60% retail mark up on the sales. GREEN POINT ZD wines have been advertised in retailer magazines and in “shelf barkers”. The estimated amount spent on advertising and promotion GREEN POINT ZD wines was £12,000 and £8,000 in 2005 and 2006 respectively. GREEN POINT ZD wines have been sold in Waitrose, Majestic Wines stores and in independent wine merchants. A page from waitrosewine.com, downloaded on 9 October 2007, is exhibited; the page describes the wine as “Green Point ZD 2002 Australia, Sparkling Wine”. An article from independent.co.uk dated 9 October 2007 is exhibited. This article refers to a variety of Australian wines, included in the article is a reference to “2002 Green Point ZD Sparkling Blanc de Blancs, £13.99, Waitrose”. Copies of other press articles are exhibited; one is from the *Irish Times* and so is extra-jurisdictional. Other references refer to “Chandon’s Green Point Z\*D”, “Green Point”, “Moët et Chandon’s new Green Point fizz”, “a new sparkling wine called Z\*D”, “Green Point ZD Chardonnay sparkling wine”, “Chandon’s Green Point Z\*D” “Green Point Z\*D Blanc de Blancs 2001”, “Green Point ZD 2001”. A neck label bearing “Chandon Z\*D” can be seen on a bottle.

8) The evidence of Mr Jordan shows that the wine, as actually sold, is an Australian sparkling wine made by a subsidiary of Moët et Chandon. The ZD refers to zero dosage, meaning that no sugar has been added in the topping-up process.

#### **Likelihood of confusion – section 5(2)(b) of the Act**

9) According to section 5(2)(b) of the Act a trade mark shall not be registered if because:

“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.”

#### **Relevant consumer and nature of purchasing decision**

10) As I have stated above the relevant consumer is the public at large, or at least those over eighteen years of age. The nature of the purchasing decision will vary as to the

nature and cost of the wine. The wine purchased could be of relatively low cost. In the purchasing of wines I consider it likely that the relevant consumer will be considering the colour of the wine, the grape(s) from which the wine is made, the vintage, the country or region of origin, whether the wine is sparkling, still or fortified. I have to consider the gamut of wines that could be sold under the respective trade marks and so consider wines that are cheap. The cheaper the wine the less the care that it likely to be taken in the purchase, so ZDW's position is at its best in relation to cheap wines, which will be covered by both specifications, and so I will consider the issues in relation to likelihood of confusion on the basis of cheap wines. The relevant consumer may take a little time to consider the wine that is being bought but if purchasing from a supermarket, owing to the constraints of time, is unlikely to take a good deal of time considering the product; the product might also be viewed from a distance<sup>viii</sup>. The relevant consumer is also likely to be considering a battery of other matters and information on the label/packaging; consequently, his or her attention could be diverted and increase the effects of imperfect recollection. The majority of wines are bought in self-service stores and so primarily bought by the eye. In restaurants the wine list means that again they will primarily be bought by the eye. In public houses, in my experience, wines are primarily offered for sale and requested by type rather than name. However, when a particular brand is to be purchased the bottle is still likely to be seen<sup>ix</sup>. Overall, it appears to me that visual similarity, or the absence thereof, in relation to the perception of the average relevant consumer and the average purchasing process is more important than aural similarity.

#### **11) The respective goods are identical.**

##### **Similarity of trade marks**

12) The trade marks to be compared are:

DCA's trade mark:

ZDW's trade mark:

**GREEN POINT ZD**

**ZD**

The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details<sup>x</sup>. 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<sup>xi</sup>. Consequently, I must not indulge in an artificial dissection of the trade marks, although I need to take into account any distinctive and dominant components. The average consumer 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 he/she is deemed to be reasonably well informed and reasonably circumspect and observant<sup>xii</sup>. The assessment of the similarity of the trade marks must be made by reference to the perception of the relevant public<sup>xiii</sup>.

13) The issue of similarity revolves around the presence of the letters ZD at the end of DCA's trade mark. Clearly they reproduce the trade mark of ZDW in its entirety. From the evidence of DCA I am aware that some sparkling wines are produced by the zero

dosage method (see above). However, there is no indication that ZD is a standard abbreviation and no evidence that the average relevant consumer will know that ZD might refer to this (see below). Indeed there is no evidence that the average relevant consumer will have any knowledge of the zero dosage method of sparkling wine production. Taking into account the whole of DCA's trade mark, I do not consider that it can be argued that ZD is the dominant component. However, as for the average relevant consumer, ZD will have no meaning, I consider that it is still a distinctive element. The presence of the letters ZD in DCA's trade marks gives rise to a degree of visual and phonetic similarity. I do not consider that for the average relevant consumer that it will have any conceptual association.

## **Conclusion**

14) In considering whether there is a likelihood of confusion various factors have to be taken into account. There is the interdependency principle – a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods, and vice versa<sup>xiv</sup>. In this case the respective goods are identical. It is necessary to consider the distinctive character of the earlier trade mark; the more distinctive the earlier trade marks (either by nature or nurture) the greater the likelihood of confusion<sup>xv</sup>. The distinctive character of a trade mark can be appraised only, first, by reference to the goods or services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public<sup>xvi</sup>. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the mark to identify the goods 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<sup>xvii</sup>. It was Ms McFarland's submission that ZD is non-distinctive, that it stands for zero dosage and will be seen as such. There is nothing in the evidence to show that the average consumer will know what zero dosage is or means. More importantly there is nothing to show that ZD is a recognised abbreviation for zero dosage and would be known to the average consumer. Mr Jordan has not given any evidence to this effect. If this was the case, one would expect evidence to have adduced to support the submission. In the evidence of Mr Jordan the references to ZD are explained: "Chandon ZD standing for Zero Dosage", "Not because it is bone dry ("zero dosage" – geddit?)", "Chandon's Green Point ZD [zero dosage], "(ZD stands for zero dosage)". If ZD is a known abbreviation it is difficult to understand why it needs explaining. Mr McFarland also submitted that DCA are educating the public to know what the ZD stands for. I cannot see that there the nature and extent of the material represents a large scale education project. There is nothing to show that this education runs to the point of sale. Even if it did, I cannot see that this would be relevant as this represents a marketing strategy and is extraneous to the trade mark which has to be considered outwith extraneous matter<sup>xviii</sup>; which of course could be used in relation to all types of wines and could be sold to another undertaking. There is evidence that the use of two letter trade marks for wines is unusual, possibly unique. The distinctiveness of a trade mark depends on the nature of the goods and, consequently, the norms of the relevant trade. In the case of wines I consider that ZD is highly distinctive

owing to its unusual nature and will have no conceptual associations for the average, relevant consumer.

15) In considering the likelihood of confusion I have to bear in mind the nature of the goods, the purchasing process and the relevant consumer, which have been dealt with above. It is necessary to consider what is the relative importance that phonetic and visual similarities have in relation to the goods; as stated above, the visual similarity is of greater importance than the aural similarity. This is a case where the earlier trade mark is reproduced in the later trade mark. It is necessary, therefore, to consider the judgment of the European Court of Justice (ECJ) in *Medion AG v Thomson multimedia Sales Germany & Austria GmbH* Case C-120/04. In that judgment the ECJ stated:

“29 In the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see *Matratzen Concord*, paragraph 32).

30 However, beyond the usual case where the average consumer perceives a mark as a whole, and notwithstanding that the overall impression may be dominated by one or more components of a composite mark, it is quite possible that in a particular case an earlier mark used by a third party in a composite sign including the name of the company of the third party still has an independent distinctive role in the composite sign, without necessarily constituting the dominant element.

31 In such a case the overall impression produced by the composite sign may lead the public to believe that the goods or services at issue derive, at the very least, from companies which are linked economically, in which case the likelihood of confusion must be held to be established.

32 The finding that there is a likelihood of confusion should not be subject to the condition that the overall impression produced by the composite sign be dominated by the part of it which is represented by the earlier mark.

33 If such a condition were imposed, the owner of the earlier mark would be deprived of the exclusive right conferred by Article 5(1) of the directive even where the mark retained an independent distinctive role in the composite sign but that role was not dominant.

34 This would be the case where, for example, the owner of a widely-known mark makes use of a composite sign juxtaposing this mark and an earlier mark which is not itself widely known. It would also be the case if the composite sign was made up of the earlier mark and a widely-known commercial name. In fact, the overall

impression would be, most often, dominated by the widely-known mark or commercial name included in the composite sign.

35 Thus, contrary to the intention of the Community legislator expressed in the 10th recital in the preamble to the directive, the guarantee of the earlier mark as an indication of origin would not be assured, even though it still had an independent distinctive role in the composite sign.

36 It must therefore be accepted that, in order to establish the likelihood of confusion, it suffices that, because the earlier mark still has an independent distinctive role, the origin of the goods or services covered by the composite sign is attributed by the public also to the owner of that mark.

37 Accordingly, the reply to the question posed must be that Article 5(1)(b) of the directive is to be interpreted as meaning that where the goods or services are identical there may be a likelihood of confusion on the part of the public where the contested sign is composed by juxtaposing the company name of another party and a registered mark which has normal distinctiveness and which, without alone determining the overall impression conveyed by the composite sign, still has an independent distinctive role therein.”

The ECJ dealt with this matter again in *Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) v Shaker di L Laudato & C Sas* Case C-334/05 P:

“41 It is important to note that, according to the case-law of the Court, in the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see order in *Matratzen Concord v OHIM*, paragraph 32; *Medion*, paragraph 29).

42 As the Advocate General pointed out in point 21 of her Opinion, it is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element.”

16) Owing to its position and length, I am of the view that **GREEN POINT** is the dominant element of DCA’s trade mark. However, taking into account the nature of the goods and the inherent distinctiveness of the letters ZD, I do not consider that this element of the trade mark can be considered to be negligible by any means.

17) Ms McFarland argued that the trade marks had co-existed in the marketplace with no instances of confusion; the proof of the pudding argument. Alan Steinfield QC, sitting as a deputy judge of the High Court, in *Fiorelli Trade Mark* [2007] RPC 18 gave weight to

an absence of confusion in the market place. However, he was not referred to the authorities in regard to this matter: the Court of Appeal in *The European Ltd v. The Economist Newspaper Ltd* [1998] FSR 283 at p 291, Laddie J in *Compass Publishing BV v. Compass Logistics Ltd* [2004] RPC 41 at p 809 and the Court of Appeal in *Phones 4U Ltd v. Phone 4u. co. uk Internet Ltd* [2007] RPC 5 at paragraphs 42 to 45.) The matter was succinctly summed up by Millet LJ in the first case:

“Absence of evidence of actual confusion is rarely significant, especially in a trade mark case where it may be due to differences extraneous to the plaintiff's registered trade mark.”

(It is to be noted that in *Rousselon Freres et Cie v Horwood Homewares Limited* [2008] EWHC 881 (Ch) Warren J accepted the position that Laddie J adopted in *Compass Publishing BV v. Compass Logistics Ltd*<sup>xix</sup>.)

18) In this case the respective goods would appear not to have crossed in terms of channels of trade. The sales of DCA's wine have been small; there is nothing to indicate that there has been an opportunity for confusion to take place. Claims to an absence of confusion, especially where sales are small, could also indicate nothing as the completely confused would not know that he or she was confused. In this case there is also the matter that the wine sold under DCA's trade mark is a sparkling, white wine from Australia whilst the wine sold under ZDW's trade mark are still wines, both red and white, from California. In considering the likelihood of confusion I have to consider notional and fair use of ZDW's trade mark for the whole gamut that it covers, which includes sparkling, white wine from Australia. The evidence shows that DCA's wine has born references to the parent company by the presence of the word Chandon upon the bottles. Although it is not particularly telling, I would also note that the bottles of ZDW wine usually bear the trade mark ZD in a stylised form:



Use of DCA's trade mark is also often in the form Z\*D rather than just ZD. I consider that the absence of evidence of confusion is not indicative of anything and it does not have a bearing upon my decision.

19) I can envisage the relevant consumer, knowing the sign of ZDW, would see GREEN POINT as the name of a particular vineyard which is producing wines for the owners of the ZD trade mark. Even if this were not the case, I consider the relevant consumer would, at the very minimum, believe that goods sold under the respective trade marks came from economically linked undertakings. The presence of the highly distinctive would make the economic link connection.

**20) There is a likelihood of confusion and protection of the international registration of DCA in the United Kingdom is to be refused as per section 5(2)(b) of the Act.**

## **Costs**

21) ZDW has been successful and is entitled to a contribution towards its costs. Other than the statement of Mr Harrison in relation to the uniqueness of the letters ZD, none of the evidence of ZDW had a bearing upon the outcome of the case, nor was it likely to do so. Consequently, I have given a very limited award in respect of the evidence of ZDW. I award costs on the following basis:

Opposition fee	£200
Notice of opposition	£300
Considering the counterstatement	£200
Evidence of ZDW	£100
Considering the evidence of DCA	£250
Preparation and attendance at hearing	£500
<b>TOTAL</b>	<b>£1,550</b>

22) I order Domaine Chandon Australia Pty Ltd to pay ZD Wines, LLC the sum of £1,550 . 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 1<sup>st</sup> day of May 2008**

**David Landau**  
**For the Registrar**  
**the Comptroller-General**

Ms Denise McFarland, instructed by Murgitroyd & Company, appeared as counsel for DCA.

Mr Michael Edenborough, instructed by Martineau Johnson, appeared as counsel for ZDW.

The hearing took place on 30 April 2008.

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<sup>i</sup> See article 8 of The Trade Marks (International Registration) Order 1996 and sections 6(1)(a) and 35 of the Trade Marks Act 1994.

<sup>ii</sup> Section 56 of the Act reads:

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“56.-(1) References in this Act to a trade mark which is entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark are to a mark which is well-known in the United Kingdom as being the mark of a person who -

- (a) is a national of a Convention country, or
- (b) is domiciled in, or has a real and effective industrial or commercial establishment in, a Convention country,

whether or not that person carries on business, or has any goodwill, in the United Kingdom.

References to the proprietor of such a mark shall be construed accordingly.

(2) The proprietor of a trade mark which is entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark is entitled to restrain by injunction the use in the United Kingdom of a trade mark which, or the essential part of which, is identical or similar to his mark, in relation to identical or similar goods or services, where the use is likely to cause confusion.

This right is subject to section 48 (effect of acquiescence by proprietor of earlier trade mark).

(3) Nothing in subsection (2) affects the continuation of any *bona fide* use of a trade mark begun before the commencement of this section.”

<sup>iii</sup> If the position adopted by Mr Richard Arnold QC, sitting as the appointed person, in BL O/012/05 paragraphs 48 to 54 (inclusive) is correct and if the *Marleasing* principle can apply.

<sup>iv</sup> Section 6(1) of the Act defines an earlier trade mark in the following terms:

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

- (a) a registered trade mark, international trade mark (UK) or 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), 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.”

<sup>v</sup> *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117 at paragraphs 19 and 24:

“19. It follows that, for the purposes of Article 4(1)(b) of the Directive, registration of a trade mark may have to be refused, despite a lesser degree of similarity between the goods or services covered, where the marks are very similar and the earlier mark, in particular its reputation, is highly distinctive.”

“24. In the light of the foregoing, the answer to be given to the first part of the question must be that, on a proper construction of Article 4(1)(b) of the Directive, the distinctive character of the earlier trade mark, and in particular its reputation, must be taken into account when determining whether the similarity between the goods or services covered by the two trade marks is sufficient to give rise to the likelihood of confusion.”

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<sup>vi</sup> *Sabel BV v Puma AG* [1998] RPC 199:

“In that perspective, the more distinctive the earlier mark, the greater will be the likelihood of confusion. It is therefore not impossible that the conceptual similarity resulting from the fact that two marks use images with analogous semantic content may give rise to a likelihood of confusion where the earlier mark has a particularly distinctive character, either *per se* or because of the reputation it enjoys with the public.”

<sup>vii</sup> See by comparison *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585 at paragraph 52.

<sup>viii</sup> See by analogy the judgment of the Court of First Instance (CFI) in *Koipe Corporación SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-363/04:

“109 Third, as the Board of Appeal acknowledges in the contested decision, account should be taken of the fact that olive oil is most commonly purchased in supermarkets or establishments where goods bearing different trade marks are arranged on shelves. In this type of point-of-sale, as the applicant submits, the consumer loses little time between his successive purchases, which are made in different parts of the shop, and does not ask orally for the various goods that he is looking for, but goes to the shelves where those products are located with the consequence that phonetic differences between the marks at issue are irrelevant for the purposes of distinguishing the goods. In those circumstances, the consumer is guided more by an impression than by a direct comparison of the various marks and often does not read all the information on each olive oil container. In most cases, he merely takes a bottle whose label provides him with the visual impact of the brand he is looking for. In those circumstances, it is the figurative element of the marks at issue which acquires greater importance, contrary what was held in the contested decision, which increases the likelihood of confusion between the two marks at issue.

110 It should be noted in support of this, that where the marks at issue are examined at the distance and the speed at which the consumer in a supermarket selects the goods he is looking for, the differences between the signs at issue are more difficult to distinguish and the similarities are more apparent, since the average consumer perceives the mark as a whole and does not proceed to analyse its various details.”

<sup>ix</sup> See by analogy the judgment of the CFI in *Bitburger Brauerei Th. Simon GmbH v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Cases T-350/04 to T-352/04:

“112 Furthermore, Bitburger Brauerei has not furnished the slightest proof to show that its goods are generally sold in such a way that the public does not perceive the mark visually. In that regard, it must be borne in mind that, even if bars and restaurants are not negligible distribution channels for the products of Bitburger Brauerei, it is common ground that the consumer will be able to perceive the marks at issue visually in such places, *inter alia* by examining the bottle served to him or by other means (glasses, advertising posters etc.). Moreover, and above all, it is not disputed that bars and restaurants are not the only sales channels for the goods concerned. They are also sold in supermarkets or other retail outlets. Thus, clearly when purchases are made there consumers can perceive the marks visually since the drinks are presented on shelves (see, to that effect, Case T-3/04 *Simonds Farsons Cisk v OHIM* [2005] ECR II-0000, paragraphs 57 to 59). It follows that the argument of Bitburger Brauerei relating to the conditions under which the products in question are sold must, in any event, be rejected.”

and the judgment of the CFI in *Simonds Farsons Cisk plc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-3/04:

“58. 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

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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.”

<sup>x</sup> *Sabel BV v Puma AG* [1998] RPC 199.

<sup>xi</sup> *Sabel BV v Puma AG* [1998] RPC 199.

<sup>xii</sup> *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77.

<sup>xiii</sup> *Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02.

<sup>xiv</sup> *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117.

<sup>xv</sup> *Sabel BV v Puma AG* [1998] RPC 199.

<sup>xvi</sup> *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91.

<sup>xvii</sup> *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

<sup>xviii</sup> See to this effect: *Sadas SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-346/04, *Daimlerchrysler AG v. Office for Harmonisation In the Internal Market (Trade Marks and Designs)* [2003] ETMR 61, *Devinlec Développement Innovation Leclerc SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T- 147/03, *L’Oreal SA and others v Bellure NV and others* [2007] EWCA Civ 968 and *Georg Neumann GmbH v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-358/04.

<sup>xix</sup> “98. As to c. (he wrongly considered that the absence of actual evidence of confusion was determinative of the answer to the question as to whether there was a likelihood of confusion under section 5(2) TMA), it is true that Mr Foley relies on parallel trading, citing the passage from *Fiorelli* which I too have set out at paragraph 26 above. From paragraph 74 of the Decision it is clear that Mr Foley does not regard concurrent use as necessarily determinative but sees it as one of the factors to be taken into a global appreciation of a likelihood of confusion. On the evidence, he finds that there is clear unchallenged evidence of parallel trading by the use of JUDGE SABATIER and STELLAR SABATIER over many years and seems to regard that, on the facts of the present case, as at least a very important, if not an overwhelming, factor: he adopts “the proof of the pudding is in the eating” approach adopted by Mr Steinfeld in *Fiorelli*.

99. There is a dispute between Mr Arnold and Mr Vanhegan whether the question of a likelihood of confusion is an abstract question rather than whether anyone has been confused in practice. Mr Vanhegan relies on what was said by Laddie J in *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 at paragraphs 22 to 26, especially paragraph 23. Mr Arnold says that that cannot any longer be regarded as a correct statement of the law in the light of *O2 Holdings Ltd v Hutchison 3G Ltd* [2007] RPC 16. For my part, I do not see any reason to doubt what Laddie J says. *O2 v H3G* was a case considering infringement, not invalidity, and although there is of course some commonality between matters relevant to each, it is correct, in the context of infringement, to look only at the particular circumstances of the alleged infringement. In contrast, in cases of validity, it is necessary to look across the whole range of goods covered by the registration. The Court of Appeal was unimpressed by the suggestion that the abstract test applicable to validity applies in the case of infringement, but it did not give even a hint that the validity test as understood was incorrect: see paragraph 34 of the judgment of Jacob LJ.”