

O-133-08

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2423547
BY FINNIAN FITZPATRICK
TO REGISTER THE TRADE MARK**

MARTELLO TOWER /A

IN CLASSES 32 & 33

AND

**IN THE MATTER OF OPPOSITION NO 94880
BY MARTELL & CO**

TRADE MARKS ACT 1994

IN THE MATTER OF Application No 2423547

By Finnian Fitzpatrick

To register the trade mark “MARTELLO TOWER /Λ” in Classes 32 & 33

and

IN THE MATTER OF Opposition No 94880

By Martell & Co

BACKGROUND

1. On 4 June 2006 Finnian Fitzpatrick applied to register the above trade mark in relation to the following goods:

Class 32: Aerated mineral waters.

Class 33: Alcoholic beverages.

2. On 29 December 2006 Martell & Co filed a notice of opposition to the above application. The opposition is based on grounds under sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 (“the Act”). The opponent relies on two of their own trade marks, namely:

Trade Mark	Filing date	Specification
UK registration 297495: MARTELL	28/10/1907	Class 33: Brandy
UK registration 2007374: MARTELL	11/01/1995	Class 32: Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages. Class 33: Alcoholic beverages.

3. The applicant filed a counterstatement denying the grounds of opposition.

4. Both sides filed evidence, this is summarised below. Neither party requested a hearing. The opponent filed written submissions in lieu of attending a hearing, the submissions were made by their trade mark attorneys Mewburn Ellis LLP. The applicant did not file any formal written submissions, but I note that a number of submissions are

included in his counter-statement and evidence. Both parties' submissions will be drawn upon and taken into account in this decision, but I do not intend to summarise them separately. Acting on behalf of the Registrar, and after a careful study of the papers, I give this decision.

Opponent's evidence in chief

Witness statement of Mr Mark Darren Davies

5. Mr Davies is the Assistant Brand Manager of Pernod Ricard UK. He states that Pernod Ricard UK are responsible for the distribution, marketing and sale of cognac under the MARTELL trade mark in the UK. Pernod Ricard UK is a subsidiary of Pernod Ricard SA who, in turn, is the indirect parent company of Martell & Co (the opponent). Mr Davies states that his evidence comes from his own knowledge or from the records of Martell & Co or Pernod Ricard UK.

6. Mr Davies' witness statement provides details of a meeting that he had with Finnian Fitzpatrick (the applicant) about an invention for a new ready to drink ("RTD") beverage that Mr Fitzpatrick proposed to call MARTELLO TOWER. Mr Fitzpatrick wished to discuss the potential to use Martell cognac as the base ingredient of the drink and the potential to use the MARTELL trade mark on the product. The outcome was that Mr Davies sent an e-mail (after discussing matters with his senior managers) to Mr Fitzpatrick stating that the idea was not to be pursued, that the production of an RTD with the Martell brand name on was not something that would be pursued, and, in relation to the MARTELLO TOWER trade mark, it was stated that registering it was not something that would be done for a drink that they would not be putting into production.

Witness statement of Nichola Alice D'Arcy-Evans

7. Ms Darcy-Evans is the Financial Controller of Pernod Ricard UK. She details the same company relationships with Pernod Ricard SA and Martell & Co as Mr Davies has done. Her evidence comes from her own knowledge or from the records of Martell & Co or Pernod Ricard UK. Her evidence serves to introduce into the proceedings sample invoices relating to sale of cognac under the MARTELL trade mark in the period 2002-2006. One sample invoice per year is supplied. The pre vat totals that relate to the sale of Martell cognac on each single invoice are as follows:

2002	£38,996.86
2003	£47,961.90
2004	£49,411.34 ¹
2005	£75,175.40
2006	£7,854.00

¹ This figure takes into account the promotional discounts given.

Witness statement of Mr Fabienne Bertin

8. Mr Bertin is the Legal Manager of Martell & Co. His evidence comes from his own knowledge or from the records of Martell & Co. Much of his evidence deals with the repute of MARTELL cognac. He states that the MARTELL mark has been registered in many countries. He particularly refers to the two UK registrations (detailed in exhibit FB1) that are relied upon by the opponent in these proceedings.

9. Mr Bertin then details the history of Martell cognac. He states that the opponent is one of the oldest cognac houses and have been exporting cognac for over 290 years. He states that the MARTELL mark has been used in the UK throughout this period. A number of documents are provided in FB2 to show this history including invoices (to UK companies) from the 18th Century and articles highlighting the 250th anniversary of the opponent company. Also provided at FB3 is an extract from the *Dictionary of Drink* referring to Martell as a cognac producer and to Martell (Jean) as its founder.

10. Exhibit FB4 consists of numerous invoices (between Martell & Co and Pernod Ricard UK) for the period 2002-2006. I do not intend to detail them here, it is sufficient to say that the sums involved are significant. The significance of the sums are exemplified in the annual figures for shipments of Martell cognac (which I take to mean into the UK). Although figures from 1990 are provided, I detail only the last five years:

Calendar year	9 Litre cases	Approx total retail value - £million ²
2002	202, 303	49
2003	293, 149	70
2004	319, 624	77
2005	293, 688	70
2006	332,056	80

11. Mr Bertin then details Martell's market share in relation to off-trade cognac sales. In 1995 it was 44.3%, in 1996 it was 47.7% and in 2001 43.6%. Reports from relevant trade publications support these figures. Further information on Martell's position in the market is given in FB5 (again from relevant trade publications) which show that Martell was the biggest selling cognac brand from 1990-2001 and the second biggest from 2002-2005.

12. Mr Bertin states that the Martell mark has been used in the UK since 1800 – recent examples of the types of packaging and labels used in the UK are provided in FB6; they all clearly show the MARTELL mark. Exhibits FB7, FB8 & FB9 deal with the promotion and advertising of the MARTELL mark. He states that the mark is promoted heavily including advertising on national TV and press and also advertising in leading trade publications. Many of the examples given in evidence relate to advertisements in publications aimed at the trade; some of these mention the type of advertising that will be aimed at the consumer. Examples of national press advertising are also provided (two advertisements from the *Telegraph* newspaper). Mr Bertin also highlights Martell's

² The figures are based on 2007 prices (using £20 per bottle as an approximate retail price per bottle).

sponsorship of the Grand National horse race. Numerous advertisements, race programmes and associated publicity are provided to evidence this. It is clear that in the period of sponsorship (1992-2004) the famous Grand National event is often referred to in publicity material as the Martell Grand National. A breakdown of the amount spent on the Grand National sponsorship is then given, it is sufficient to record that between 1992-2004 it was worth £4.5 million. Since the end of this sponsorship, Mr Bertin states that the amount spent on advertising is around £2 million per annum. He refers to the new campaign launched in 2005 (“MARTELL Let the conversation flow”). I note that this campaign is referred to in some of the trade advertisements detailed in FB7.

13. Mr Bertin then refers to recent changes in the UK market whereby consumers are drinking Martell not only in its traditional form (on its own or “neat”), but also as a mixed drink in the nature of a cocktail or long drink (the later combined with a non-alcoholic mixer). To evidence this, FB9 is an extract from a Grand National Programme that refers to a bar selling Martell cocktails and long drinks. Also referenced are the CD-Roms in exhibit FB8 that were issued to the press in relation to the Grand National sponsorship; information is given in them stating that Martell is an excellent base for cocktails and long drinks. This evidence is provided to support the proposition that this modern way of drinking Martell leads to a greater likelihood of confusion with the RTD beverage that the applicant is intending to sell.

14. Mr Bertin concludes his evidence by referring to the name Martello Tower. He states that the Martello Tower is a symbol of Jersey (the place where Jean Martell, the founder of Martell cognac, was originally from) and provides an extract from “www.jersey.typepad.com” which details the history of Jersey’s Martello Towers. In summary, they are a series of towers used, historically, for defence purposes and were built towards the end of the 1700s. 24 of them still stand in Jersey today. I note from this extract that Martello Towers are not peculiar to Jersey, others having been built, notably on the south coast of England. The extract does however claim that the Jersey towers are the only “true” Martello Towers but it concedes that other towers of this period are popularly referred to as Martello Towers. The link between the Martello Tower, Jersey and Jean Martell, together with the fact that the applicant wished to use Martell in his product equates, in Mr Bertin’s mind, to the applicant intending to take unfair advantage of Martell’s reputation and that this is likely to cause detriment to the distinctive character and repute of the Martell mark.

Applicant’s evidence

15. This comes from Mr Finnian Fitzpatrick, the applicant for the trade mark MARTELLO TOWER/\. He explains that he is a teacher and the holder of several trade marks. Mr Fitzpatrick ran a brewery in 1982 and has been a drinks consultant to a variety of bars and restaurants in London.

16. Most of Mr Fitzpatrick’s evidence details the type of drink he wishes to produce and why it will not be confused with Martell cognac. He states that MARTELLO TOWER/\ will be an RTD blend of grappa, spices and lemonade. He states that the name comes

from the small forts built around the English coast as defences against a Napoleonic invasion. He states that he chose the name because Martello is suggestive of an Italian ingredient (like limoncello, and Martello was also an Italian Inventor) and Tower suggests both strength (from the alcohol) and height, the whole communicating a drink that is: a) Italian, b) strong, c) a long drink. He states that it will be the first RTD based on grape spirit rather than grain spirit.

17. Much of the applicant's witness statement consists of submissions (which I will take into account when I reach my decision) rather than evidence of fact. In summary, Mr Fitzpatrick states that the opposition may have been motivated in order to allow Martell time to develop a grape based RTD given their status as one of the oldest cognac houses. He states that an RTD based on grape spirit (and being carbonated etc) would not be confused with a cognac; that Martell, as stated in the opponent's evidence, is a cognac of repute and not a product that would be found in the chiller cabinet (along with RTDs); that the Martell brand uses distinctive fonts and a picture of a bird whereas Martello Towers does not, but, instead has the /-\ device; that Martello Tower is aimed at young people rather than the discerning cognac drinker; that the ingredient of grappa will be listed on the product therefore no one will consider the product to contain Martell. He refers to other co-existences on the market place (e.g. Budweiser and Budvar) so his mark can easily co-exist with Martell. He concedes that Martell may be mixed but opines that no one will ask for a particular brand being mixed, with the consumer more likely to ask for the generic type of spirit.

18. Mr Fitzpatrick then refers to the meeting that took place with Pernod Ricard UK (the meeting with Mr Davies). He states that his approach was one of many to manufacturers all over the world. He refers to exhibit FF1 which consists of a letter (dated 6th June 2006) to Schweppes Ginger Ale with a view to associating his drink with Schweppes. He then refers to the e-mail from Pernod Ricard UK (included in the evidence of Mr Davies) and states that the e-mail clearly explained that in their view, the standing of Martell in the marketplace did not lend itself to an RTD and that they did not have any other drinks in their stable that they would like to produce. He also highlights that there was no suggestion in this e-mail that there was a problem with the name he proposed to use for his drink. He summarises that he can see no connection between a Napoleonic fortress (Martello Tower) and the rarefied world of cognac, and, further, that they are at different ends of the market. Reference is made to the /-\ device as a further point of distinction between the respective marks.

Opponent's evidence in reply

Witness statement of Ms Rachel Elizabeth White

19. Ms White is employed by Mewburn Ellis LLP, the opponent's representatives in this matter. Much of the information contained in her witness statement is submission rather than fact. The evidence deals with the statements in Mr Fitzpatrick's evidence where he appears to acknowledge the repute of Martell cognac and that in her view it is clear that a

brand of this reputation would be damaged if the applicant were to use his trade mark for the goods of interest.

20. She observes that Mr Fitzpatrick mentions passing-off in his evidence but that passing-off is not an aspect of this case. She observes that the mention by Mr Fitzpatrick of the packaging of Martell and the use of the swift device is irrelevant as the earlier mark must be considered as registered.

21. Ms White identifies a tension in Mr Fitzpatrick's evidence. Mr Fitzpatrick suggests that one of the factors in choosing the name was its Italian feel because he intended to produce an RTD blend of grappa, spices and lemonade. This appears to be incorrect because when the applicant met Mr Davies he was proposing to produce an RTD based on Martell cognac. Ms White suggests that the true intention was that Martell was intended to be part of the product and that the name was chosen to indicate that the product contained Martell cognac. She also refers to an exchange of correspondence before the proceedings were commenced in which the applicant had apparently agreed to withdraw the application in so far as it covered alcoholic beverages, but, that this agreement was never seen through by the applicant; REW1 consists of a letter to the applicant to formalise this amendment to the application.

Witness statement of Fabienne Bertin

22. This is the same Mr Bertin who gave evidence earlier in the proceedings. Much is, again, by way of submission rather than fact. However, evidence is presented to show that the goods that the applicant intends to produce are similar to cognac (he also observes that identical goods are in any event involved given the respective wordings of the specifications). He refers to FB11 which is a copy of an EEC Regulation concerning the classification of spirit drinks. This shows that cognac is a wine spirit and grappa is a grape marc spirit. Both, therefore, are based on the grape.

23. In relation to the target consumer, Mr Bertin refers to FB12 which consists of 2 articles from the trade press discussing cognac being targeted at younger consumers. He explains that the cheaper VS cognac (as opposed to the more expensive VSOP) is increasingly drunk with a mixer. He also refers to the popularisation of cognac by hip-hop artists and their followers. Information from the web-site *Wikipedia* is provided in Exhibit FB13 to support this proposition. An article from *Harpers* (a trade publication) also contains information to this effect. Much of the information stems from the US, but, further evidence shows that American hip-hop is also popular in the UK. The intention of this evidence is to show that the relevant consumer of cognac includes those of the younger generation. It is also suggested that the use by rappers of rhyming slang for brands of cognac³ means that MARTELLO TOWER could be taken as rhyming slang for Martell cognac; there is, however, no evidence that this is the case.

³ The *Harpers* articles refers to a song by the hip-hop artist Busta Rhymes featuring Henny (Hennessy), Cris (Cristal), Remi (Remi Martin).

24. Further information on the use of cognac in mixed drinks is then provided. FB14 provides articles from various publications (*New Statesman*, *Wine Enthusiast*, and *The Telegraph*) to demonstrate this. The *New Statesman* article states that the “rich youth market” in the UK are drinking brandy mixers. To counter some of the points that the applicant has made in relation to the different types of packaging being used, Mr Bertin, provides evidence in FB15 to show that Martell is sold in a number of different smaller bottles which would be closer to those the applicant intends to use.

25. In response to the applicant’s allegation that the opponent launched these proceeding to gain time to develop its own RTD, Mr Bertin states that the opponent has no such intention. He refers to FB16 which consists of extracts from the trade publication *International Wine and Spirit Record* which shows that RTD’s are declining in popularity and cognacs increasing.

26. To counter the applicant’s statement that Martell is only VSOP (and hence would not be used in mixed drinks), Mr Martin states that most Martell cognac sold (90%) is VS not VSOP. FB17 provides information to corroborate this. To counter the applicant’s statement that specific brands will not be used when ordering mixed drinks, Mr Bertin makes a contrary statement and also provides evidence in FB18 which shows price lists for a number of establishments in the UK (including the well known Wetherspoons chain) showing that brands are specifically listed with their respective prices and, further, that drinks containing cognac mixed with other ingredients do list the specific brand. He refers back to the *New statesman* article in FB14 to further support this; this is intended to demonstrate that cocktails and drinks are often named after the base ingredient e.g. Martell Apricot, Martell Ginger. This he states is further proof that the consumer would see a Martello Tower as a drink containing Martell.

DECISION

The proof of use requirements

27. Of potential relevance to both grounds of opposition are the provisions that relate to the proof of use requirements. Section 6A⁴ of the Act states:

“6A Raising of relative grounds in opposition proceedings in case of non-use

(1) This section applies where -

(a) an application for registration of a trade mark has been published,

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

⁴ This section was introduced into the Act by amending statutory instrument “The Trade Marks (Proof of Use, etc.) Regulations 2004” (SI 2004 No.946).

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if-

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods and services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes-

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(7) Nothing in this section affects -

(a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4)(relative grounds of refusal on the basis of an earlier right), or

(b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration)."

28. The trade mark application in suit was published on 29 September 2006. Both of the opponent's earlier marks were registered significantly more than five years prior to this⁵. The proof of use provisions therefore apply. The opponent claims to have used their marks in relation to brandy. The evidence filed to support this claim is significant. As can be seen from the evidence, and indeed from some of the statements made by the applicant, the Martell brand has been used in relation to the sale of cognac in the UK for over 200 years. In recent years Martell has been either first or second in terms of market leadership. Be it first or second, their market share is, to say the least, very impressive. Turnover figures and also the amount (and manner) spent on advertising and promotion is significant.

29. The test relating to genuine use of trade marks and the principles to be applied can be seen in: *Ansul BV v Ajax Brandbeveiliging BV* [2003] R.P.C. 40 and *Laboratoire de la Mer Trade Mark* [2006] F.S.R. 5. I do not intend to summarise these cases in full, but taking them in the round, it is clear that the test for genuine use is a qualitative one and not a quantitative one. Genuine use should be found when the trade mark has been used in such a way so as to create or maintain a share in the market for the goods and services for which it is registered. In relation to this market share, this should not be construed as imposing a requirement that a significant market share has been achieved (*Laboratoire de la Mer*, paragraph 44). Genuine use should not be found if use is mere "token" use or if it is merely internal to the registered proprietor's business (*Ansul*, paragraph 36 & 37 respectively). Taking these principles into account and applying them to the evidence, I have no hesitation in concluding that the opponent's earlier marks have been used in the five year period preceding the publication of the application.

30. The opponent's claim relates to brandy. The evidence refers to cognac. Cognac is a high quality brandy produced in a certain part of France. After analysing the evidence, I must accord a notional specification which will be used for the purpose of assessing the opponent's claims. The method for coming to a fair specification has been dealt with in a number of cases⁶, consequently, the specification should: reflect the circumstances of the particular trade and the way in which the relevant public would perceive the use; where a broad category of goods has been registered (as in earlier mark 2007374) then the sub-category of such goods should be identified; and, that such an exercise should not be conducted in a pernickety way. In my view, brandy is a sub category of the registered term alcoholic beverages (in relation to 2007374) and that this reflects a notional specification that is neither too wide nor too pernickety. **For the purposes of the opposition, the opponent's earlier marks will be treated as if registered in respect of brandy⁷.**

⁵ 2007374 in 1996 and 297495 in 1908.

⁶ *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32; *Reckitt Benckiser (España), SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-126/03; Animal Trade Mark* [2004] FSR 19.

⁷ In accordance with section 6A(6) of the Act.

Section 5(2)(b)

The legislation and relevant case-law

31. Section 5(2)(b) of the Act states:

“5.-(2) A trade mark shall not be registered if because –

(a)

(b) it is similar to an earlier trade mark and it 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.”

32. An “earlier trade mark” is defined in section 6 of the Act, 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), 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.”

33. When reaching my decision I have taken into account the helpful guidance provided by the European Court of Justice (“ECJ”) in a number of judgments relating to Article 7(2) of the Directive (Section 5(2) as incorporated into the Act), notably in: *Sabel BV v. Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* [1999] R.P.C. 117, *Lloyd Schuhfabrik Mayer & Co. GmbH v. Klijsen Handel B.V* [2000] F.S.R. 77 and *Marca Mode CV v. Adidas AG + Adidas Benelux BV* [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 the relevant factors: *Sabel BV v. Puma AG*, paragraph 22;

(b) the matter must be judged through the eyes of the average consumer of the good/services in question; *Sabel BV v. Puma AG*, paragraph 23, who is deemed to be reasonably well informed and 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* paragraph 27;

(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*, paragraph 23;

(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*, paragraph 23;

(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-Mayer Inc*, paragraph 17;

(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*, paragraph 24;

(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*, paragraph 26;

(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 + Adidas Benelux BV*, paragraph 41;

(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-Mayer Inc*, paragraph 29.

Relevant consumer and the purchasing act

34. As matters must be judged through the eyes of the relevant or average consumer (*Sabel BV v. Puma AG*, paragraph 23) it is important that I assess who this is for the goods at issue. In relation to alcoholic beverages, the average consumer will be the general public, albeit those of drinking age. Teetotallers will form a small part of the relevant consumer group as they may buy alcoholic beverages from time to time (for example, as gifts for others), but, in the main, the relevant consumer will be those who drink alcohol. Although alcoholic beverages are not the most expensive items in the world, they will still, in my view, be purchased with at least a reasonable degree of attention given that taste, and to some extent brand loyalty, play a part in the selection process.

35. In relation to the aerated mineral waters covered by the application, the relevant consumer will be the general public at large. Although I would say that the degree of attention paid in relation to this purchasing act may be slightly less than for alcoholic beverages, it is not significantly less and the purchasing act will not be a completely ill thought process; personal preferences still come into play.

Similarity of trade marks

36. When assessing this factor I must do so with reference to the visual, aural and conceptual similarities between the respective trade marks bearing in mind their distinctive and dominant

components (*Sabel BV v. Puma AG*, para 23). For ease of reference, the respective trade marks are:

Applicant's trade mark

Opponent's trade mark

MARTELLO TOWER /-\

MARTELL

37. The opponent's submissions focus on the word MARTELLO as being the dominant and distinctive element of the applicant's mark and, in terms of their arguments on similarity, the submissions, in the main, compare MARTELLO with MARTELL. Reference is made to the decision of the High Court in *Coco de Mer Limited v Chanel Limited* [2004] EWHC 992 (ch) to support this line of argument. The rationale given for saying that MARTELLO is the dominant and distinctive element is that the word MARTELLO is the first element of the applicant's mark and, they say, the word TOWER is a common element in UK trade marks in classes 32 & 33. The applicant's arguments focus more on a comparison of the marks in their totality.

38. The opponent has filed no evidence to support their argument that TOWER is a common element of trade marks in classes 32 and 33, even if they had, this would not have demonstrated that marks containing the word TOWER are actually in use in the market. Irrespective of this, even if I were prepared to accept that MARTELLO was the dominant and distinctive element of the applicant's mark (which I do not necessarily do) I am conscious that the ECJ stated at paragraph 42 of in their judgment in *Shaker di L. Laudato & Co. Sas* (C-334/05):

“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.”

39. The word TOWER can in no way be said to be negligible in the context of the applicant's mark. As has been said by the ECJ on a number of occasions (see, for example, *Sabel BV v. Puma AG* at paragraph 23) the relevant consumer normally perceives marks as a whole. I will therefore undertake a comparison of the marks based on their overall impressions, but will, where relevant, take into account the dominance and distinctiveness of the various elements within them. There is nothing in the *Coco de Mer* case that suggests that I should do otherwise.

40. From a visual point of view, there is one point of similarity, namely, that the first seven letters of each mark are the same. These seven letters are the totality of the earlier marks, but the applicant's mark also has an additional letter O in its first word, an additional word following it (TOWER) and also a device of a /-\ . In terms of dominance, in the applicant's mark neither of the word elements dominate the other; they strike the eye with the same impact. Whilst the /-\ can not be ignored completely, it does seem to have less of a visual impact than the two words. Despite the similarity in the first six letters, and despite the fact that the “/-\” does not have much of an impact, the presentation of MARTELLO TOWER creates a visual whole which renders any similarity to be of only a minimal degree.

41. The degree of aural similarity has similar considerations. The /-\\ is completely lost as this has no aural presence in the mark. Again, in terms of dominance, neither word in the applicant's mark dominates the other; it will be pronounced as MAR-TELL-O TOWER or MART-ELL-O TOWER. The opponent's mark will be pronounced as MART-ELL or MAR-TELL. The applicant has stated that the word MARTELLO has an Italian feel to it – I agree. I also consider that this would be a point observed by the relevant consumer which, as a consequence, creates another point of distinction. The beginnings of the marks do have a similar aural quality, nevertheless, the other points of distinction render any aural similarity to be of only a small degree.

42. From a conceptual viewpoint, both the applicant's and the opponent's evidence tells me that a MARTELLO TOWER is a Napoleonic defensive construction. The applicant also tells me that his mark was coined to give the consumer a message of Italianess, strength and length. Regardless of all this evidence, I can only make conclusions on the basis of what conceptual meanings the consumer will take from the respective marks.

43. In relation to the concepts that underpin the opponent's mark, I do not consider that the consumer will see the word MARTELL as having any strong conceptual meaning. It will possibly be seen as a surname but, as this is not a common one, it could just as easily be seen as an invented word. In relation to the applicant's mark, and despite the evidence from both sides, I place no significance on the historical meaning of Martello Tower. Whilst factually true, there is no evidence filed to show that the relevant consumer will, in general, be aware of this fact. Nevertheless, I must still assess whether the words that form the mark will give the consumer some form of conceptual meaning. The word tower is a common English word with the primary meaning, in the context of the mark as a whole, of a tall, usually square or circular structure⁸. The word MARTELLO is unlikely to be seen as an independent word within the mark as a whole, I consider that the consumer will see it as a qualifying word relating to the type of tower that the mark alludes to. Being a qualifier, I do not see that MARTELLO will, alone, dominate the mark as the opponent would have me believe. Whilst no specific meaning may derive from Martello, its combination with the word tower is likely to indicate the geographical location of the tower or, alternatively, the name of the person after whom the tower has been named.

44. There is an argument that if the word MARTELL is seen as a surname, and if the word MARTELLO in the applicant's mark also has surnominal significance, then the consumer may see some conceptual similarity (Martello possibly being seen as an Italian variant of the surname Martell). However, in my view, any such similarity is of a superficial nature. The word MARTELLO, as I have already said, is not the dominant element within the mark (the words have equal dominance and would be seen as a whole phrase) and the presence of the word TOWER changes its overall meaning. In the context of the mark as a whole, the word MARTELLO therefore has a qualifying effect on the word TOWER. I am therefore left with the applicant's mark indicating, as a whole, the name of a tower, whereas the earlier marks will be seen either as a surname or an invented word. In my view, this cannot equate to a finding of conceptual similarity.

⁸ Collins English Dictionary – 5th Edition.

Overall, the degree of similarity between the respective marks is very low.

Similarity of goods

45. The applicant's specification covers two classes. The first is Class 32 and relates to aerated mineral waters. The second is in relation to alcoholic beverages that fall within Class 33. However, I note from the applicant's evidence that the alcoholic product is intended to be an RTD beverage containing grappa. When assessing whether, and to what extent, these goods are similar or identical to brandy, all the relevant factors relating to the goods in the respective specifications must be taken into account. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the ECJ stated at paragraph 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.'

46. Other factors may also be taken into account such as, for example, the distribution channels of the goods concerned (see, for example, paragraph 53 of the judgment of the Court of First Instance (CFI) in Case T-164/03 *Ampafrance v OHIM – Johnson & Johnson (monBeBé)*).

Analysis in relation to aerated mineral waters

47. It could be argued that there is some similarity in relation to the nature and their method of use as both are liquid in nature and are intended to be drunk. However, this basic analysis misses some of the more obvious and fundamental points relating to the goods at issue. Brandy has a high alcohol content whereas mineral water has none. Brandy is drunk for its intoxicating nature and/or its distinctive taste which, again, differs from mineral water. I do not regard mineral water and brandy to be in competition. I accept that an aerated mineral water may be consumed as an alternative to brandy (or any other alcoholic beverages), for example, by someone wishing to abstain from drinking to allow them to drive, however, this does not make the actual goods themselves compete in the marketplace. In submissions, the opponent suggests that an aerated mineral water would include within its definition what is described as "imitation mineral waters" which could be seen as non-alcoholic equivalents of goods within class 33. I do not accept this argument, I cannot see how any form of water can be said to be a non-alcoholic version of any alcoholic drink let alone brandy. In relation to the end-users, this aspect is of little significance given that goods aimed at the general public will always have the same end user; this does not necessarily make the goods any more similar.

48. In relation to complimentary uses, I cannot rule out the possibility that an aerated mineral water could be mixed with brandy to produce a long drink. It could therefore be argued that the goods complement each other to some extent. However, I am conscious

that, according to the case-law of the CFI⁹, goods are complementary if there is a close connection between them in the sense that one is indispensable or important for the use of the other¹⁰. On this analysis, I do not see that either of these goods are indispensable or important for the use of the other – they both have self standing life and are probably consumed by themselves more often than mixed.

49. In relation to the distribution channels, it is useful in this assessment to consider their place in the supermarket. Brandy would be sold in the alcohol aisle in close proximity to other alcoholic beverages (particularly other spirits). Mineral water would be sold elsewhere. If being sold as a mixer, some forms of mineral water may be sold closer to the alcohol aisle, but not normally combined into it. My assessment, based on my overall analysis, is that any similarity between these goods is of only a superficial nature and therefore **the degree of similarity between them must be very low.**

Analysis in relation to alcoholic beverages

50. The applicant's specification is a broad one covering all alcoholic beverages that fall within Class 33. Brandy is an alcoholic beverage that falls in Class 33 and must therefore be a subcategory of the applicant's specification. **As such, the applicant's goods cover identical goods to those of the earlier mark.**

51. I acknowledge that there will be some goods that fall within the applicant's broad terminology that are not identical to brandy but may instead be similar; effectively, any alcoholic beverage that is not brandy. To assess the degrees of similarity between all the possible forms of alcoholic beverages in class 33 would not be practical, however, I am conscious that the applicant states in his evidence that the product intended to be launched is an RTD beverage with a grappa base. I therefore consider it appropriate to assess the degree of similarity in respect of this product with brandy.

52. In terms of their nature and method of use, there is a clear similarity, both are liquids, both contain alcohol, both are consumed for their alcoholic content and/or taste. I am also aware that RTD beverages often contain spirits which, in my view, increases the degree of similarity. The similarity is further increased when one considers that the applicant's RTD is grappa based. Grappa is a spirit based on the grape as is brandy. I also consider there to be a degree of competition between the sale of the goods as the opponent's evidence gives some support to the proposition that brandy and cognac are now often mixed to form long drinks. Therefore, those who wish to purchase brandy for this purpose may instead opt for an RTD. However, the evidence on this point is not overwhelming, so I do not place this as a point of similarity with the highest degree. There do not appear to be any complementary uses. In terms of trade channels, the RTD beverages will be sold relatively close to brandy and other spirits, but this is likely to be in its own designated area of the alcohol aisle. **Overall, I consider there to be a reasonably high degree of similarity between these goods.**

Distinctiveness of the earlier trade mark

⁹ The Court of First Instance of the European Communities (a court of binding precedent).

¹⁰ See to that effect Case T-169/03 *Sergio Rossi v OHIM*.

53. The earlier marks' distinctiveness is another important factor to consider because the more distinctive they are (based either on inherent qualities or because of use made), the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). From an inherent point of view, the earlier marks are in no way allusive or suggestive of the goods. This gives them a reasonably high degree of distinctive character. I have already touched on the evidence filed in my assessment of the proof of use provisions (see paragraph 29 above). It should be clear from the assessment made that the use of the marks has been considerable. The evidence therefore enhances the marks' distinctive character further and they **must be considered to be highly distinctive**.

Likelihood of confusion

54. Before assessing whether the above factors combine to create a likelihood of confusion, I should comment on the evidence filed by both parties in relation to the meeting that took place between Mr Fitzpatrick and Mr Davies and its relevance to this ground of opposition. In summary, I see little relevance. The question to be answered is whether the consumer will be confused about the trade origin of the goods being sold under the respective marks. The meeting therefore has no bearing on whether the consumer is likely to be confused.

55. In determining the question of likelihood of confusion it is useful to start with what is likely to be the opponent's best case, namely, will confusion arise if the respective trade marks were both used in relation to identical goods, namely, brandy? I have found that the earlier marks are of a highly distinctive character, this is an important factor. However, I have also found that the visual and aural similarities between the marks are low and that there is no conceptual similarity. I am conscious that visual and aural similarity can, in certain circumstances, be counteracted by conceptual differences¹¹. Also of relevance on this point is the approach adopted by Mr Hobbs QC sitting as the Appointed Person in *Cardinal Place* case [O-339-04] where, when comparing the marks CARDINAL and CARDINAL PLACE, he stated:

“15. The perceptions and recollections triggered by the earlier mark are likely to have been ecclesiastical whereas the perceptions and recollections triggered by the Applicant's mark are likely to have been locational as a result of the qualifying effect of the word PLACE upon the word CARDINAL. A qualifying effect of that kind can be quite powerful as indicated by the examples cited in argument on behalf of the Applicant: SOMERSET as compared with SOMERSET HOUSE; COUNTY as compared with COUNTY HALL; CANARY as compared with CANARY WHARF.”

56. I see no reason why the counteraction described in *Devinlec* could not operate here, particularly, because, as in this case, the degree of visual and aural similarity is low. Nevertheless, I still have the repute of the earlier mark to consider. If a highly distinctive and recognisable trade mark were “borrowed” and placed in another mark, and even if the totality of that mark created a different concept, the possibility of confusion can not be

¹¹ See to that effect the judgment of the CFI in: *Devinlec Développement Innovation Leclerc SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T- 147/03 (para 98).

ruled out. However, in my view, and despite the reputation enjoyed by the opponent, confusion is not likely in this case. I come to this view because the similarity is so perfunctory that the consumer will not make any form of economic link between the marks. A consumer encountering the sign MARTELL TOWER/-\ will not be pointed towards the undertaking responsible for MARTELL and vice versa because the MARTELL element in MARTELL TOWER does not stand out enough for confusion of any sort to arise. This is re-enforced by the qualifying effect, as described in the *Cardinal Place* decision, that the word MARTELL has on the rest of the mark which alters the perception and recollection that will be triggered in the mind of the consumer. I have taken into account the concept that the consumer may imperfectly recall a mark (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27), but, I do not consider it reasonable to assume a likelihood of confusion based on the mark MARTELL TOWER/-\ being imperfectly recalled as MARTELL **There is no likelihood of confusion in relation to identical goods.**

57. This effectively disposes with the section 5(2) ground as if the opponent cannot win in relation to identical goods then I cannot see that they would be in a better position in relation to goods that are only similar. However, I will say a few words on some of the relevant factors should I be found wrong on my assessment in relation to identical goods. In relation to the applicant's RTD beverage containing grappa, there is much debate between the parties as to the target consumer and the consequent degree of overlap in trade. On the one hand, the applicant suggests that consumers of alcopop style RTDs are quite different from sophisticated brandy drinkers. The opponent, on the other hand, suggests that there is in fact quite a crossover. I am more inclined to adopt the opponent's position on this point. There is some evidence that brandy is being used as part of mixed drinks and therefore it would be a natural extension of trade for a brandy producer to make a ready mixed drink. Furthermore, the applicant's characterisation of a young alcopop drinker against a sophisticated brandy drinker is in my view a little artificial; the distinction the applicant makes would be more a result of respective marketing campaigns rather than the inherent properties of the goods. There is also some evidence to show that brandy is being consumed by the younger generation, therefore, the distinction the applicant paints is not so stark.

58. The opponent further argues that long drinks are often named after their base brand ingredient. Therefore a MARTELL TOWER would be seen as a MARTELL long or RTD beverage. Whilst I understand the argument, there is no evidence to suggest that the names involved here will be taken by the consumer as being based on one another. I am therefore left with the view, and despite this potential overlap in consumer, that my findings in relation to identical goods hold true for these goods also. **There is no likelihood of confusion in relation to similar goods; the opposition under section 5(2) of the Act fails.**

Section 5(3)

59. Section 5(3)¹² of the Act reads:

“5-(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark,

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 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.”

60. The scope of Section 5(3) has been considered in a number of cases notably *General Motors Corp v Yplon SA (Chevy)* [1999] ETMR 122 and [2000] RPC 572, *Premier Brands UK Limited v Typhoon Europe Limited (Typhoon)* [2000] RPC 767, *Daimler Chrysler v Alavi (Merc)* [2001] RPC 42, *C.A. Sheimer (M) Sdn Bhd's TM Application (Visa)* [2000] RPC 484, *Valucci Designs Ltd v IPC Magazines (Loaded) O/455/00, Mastercard International Inc and Hitachi Credit (UK) Plc* [2004] EWHC 1623 (Ch), *Electrocoin Automatics Limited and Coinworld Limited and others* [2005] FSR 7 and *Davidoff & Cie SA v Gofkid Ltd (Davidoff)* [2003] ETMR 42, *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd (Adidas-Salomon)* (C-408/01) .

61. The points that come out of these cases are as follows:

a) “Reputation” for the purposes of Section 5(3) means that the earlier trade mark is known by a significant part of the public concerned by the products and services covered by that trade mark (paragraph 26 of the ECJ’s judgement in *Chevy*);

b) Protection is available where the respective goods or services are similar or not similar (paragraph 29 of the Advocate General’s opinion in *Chevy* and *Davidoff*);

c) The provision is not intended to give marks “an unduly extensive protection” – there must be actual detriment or unfair advantage (not merely risks) which must be substantiated to the satisfaction of the national court or tribunal (paragraph 43 of the Advocate General’s opinion in *Chevy* and paragraph 88 of Pumfrey J’s judgment in the *Merc* case);

d) The provision is not aimed at every sign whose use may stimulate the relevant public to recall a trade mark which enjoys a reputation with them (per Neuberger J in the *Typhoon* case);

¹² As amended by The Trade Marks (Proof of Use, etc) Regulations 2004 (SI 2004 No. 946) giving effect to the judgments of the ECJ in *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd* (C- 292/00) and *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* (C-408/01)

e) The stronger the earlier mark's distinctive character and reputation the easier it will be to accept that detriment has been caused to it (paragraph 30 of the ECJ's judgment in the *Chevy* case);

f) Confusion as to the trade source of the goods or services offered for sale under the later mark is not a necessary condition before there can be detriment; but is one form of detriment (paragraph 88 of Pumfrey J's judgment in the *Merc* Case);

g) It is not conditional for a finding that there exists a likelihood of confusion; it is sufficient for the degree of similarity between a mark with a reputation and the applied for mark to have the effect that the relevant consumer establishes a link between the marks (paragraph 31 of the ECJ's judgment in *Adidas-Salomon*)

h) Detriment can take the form of either making the earlier mark less attractive (tarnishing) or less distinctive (blurring) (paragraph 88 of Pumfrey J's judgment in the *Merc* Case);

i) Unfair advantage can take the form of feeding on the fame of the earlier mark in order to substantially increase the marketability of the goods or services offered under the later trade mark (per G Hobbs QC in *Visa* at page 505. lines 10-17).

62. I also note the following comment from Mr Geoffrey Hobbs Q.C. (sitting as a Deputy Judge) in *Electrocoin Automatics Limited and Coinworld Limited and Others* [2005] FSR 7:

“102. I think it is clear that in order to be productive of advantage or detriment of the kind prescribed, ‘the link’ established in the minds of people in the market place needs to have an effect on their economic behaviour. The presence in the market place of marks and signs which call each other to mind is not, of itself, sufficient for that purpose.”

63. Some of the above points are clearly in the opponent's favour. In relation to reputation, and given my earlier analysis, I have no doubt that the mark is known by a significant proportion of the relevant public. Also, the stronger the earlier mark's distinctiveness (I have already found it to be highly distinctive) then the easier it is to accept that detriment may be caused to the marks or their reputations. However, what concerns me is whether the requisite link in the minds of the relevant consumer is present.

64. In my view, whilst there are similarities between the marks (ones of a low degree), the differences far outweigh them. Although confusion as to trade source is not a requirement under this ground, I have nevertheless already found that the MARTELL element in MARTELLO TOWER/-\ will not stand out to the relevant consumer. This being so, I cannot see how the relevant consumer will make any form of link between the respective marks and, consequently, the various heads of damage claimed will not flow. No evidence has been filed to show that the consumer will make a link. Taking all this into account, **the ground of opposition under section 5(3) fails.**

65. I should briefly add that the meeting between Mr Fitzpatrick and Mr Davies, although the evidence relating to it has been taken into account, has little bearing on this ground for similar reasons as I have already given in paragraph 51. Even if I were to accept that Mr Fitzpatrick was, as the opponent wishes me to believe, intending to take unfair advantage of the Martell mark and its reputation, if this intent does not result in the relevant consumer making the requisite link then the opponent cannot succeed. I should add, although of little significance, that the evidence relating to the applicant's intent does not persuade me one way or the other as to his true intent.

CONCLUSION

66. All the grounds of opposition have failed. In the circumstances the application should proceed to registration in respect of:

Class 32: Aerated mineral waters.

Class 33: Alcoholic beverages

COSTS

67. The applicant has been successful and is entitled to a contribution towards his costs. I order the opponent to pay Mr Fitzpatrick the sum of £633. This sum is calculated as follows:

Considering notice of opposition	£133
Statement of case in reply	£200
Preparing and filing evidence	£200
Considering evidence	£100
Total	£633

68. It should be noted that in this breakdown of costs, the sums awarded represent no more than two thirds of what I may otherwise have awarded. This reflects the fact that the applicant has not had legal representation in these proceedings. The Civil Procedure Rules state at Part 48.6¹³:

“48.6-(1) This Rule applies where the court orders (whether by summary assessment or detailed assessment) that costs of a litigant in person are to be paid by any other person.

¹³ Mr Simon Thorley QC, sitting The Appointed Person in *Adrenalin Trade Mark* (BL 0/040/02), confirmed the applicability of this Rule to costs before the Registrar of Trade Marks.

(2) The costs allowed under this Rule must not exceed, except in the case of a disbursement, two-thirds of the amount which would have been allowed if the litigant in person had been represented by a legal representative.”

69. The above sum must 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 8th day of May 2008

**Oliver Morris
For the Registrar
The Comptroller-General**