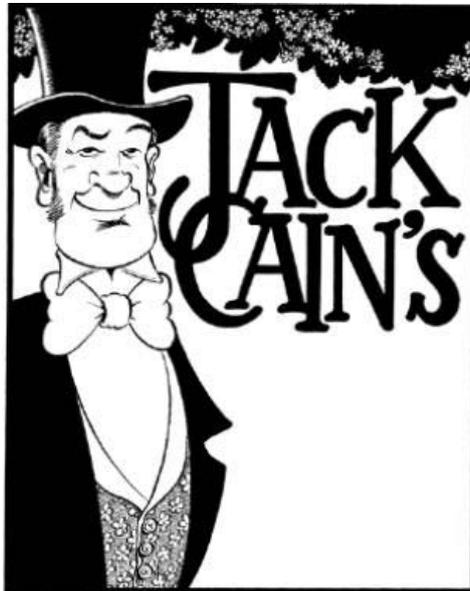


O/139/12

**TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK REGISTRATION NO. 2524004  
IN THE NAME OF NORTHUMBRIA SPIRIT LTD  
IN RESPECT OF THE TRADE MARK:**



**AND  
AN APPLICATION (NO. 83961) FOR A DECLARATION OF INVALIDITY BY  
APPLETON IP LIMITED**

## BACKGROUND

1. Trade mark No. 2524004 shown above stands registered in the name of Northumbria Spirit Ltd (“NS”). It was applied for on 13 August 2009 and completed its registration procedure on 25 December 2009. It is registered for the following goods in class 33:

Blended whisky, brandies, brandy based liqueurs, gin, liqueurs, rum, Scotch whisky, Scotch whisky based liqueurs, spirits, whisky, vodka.

2. On 18 January 2011, Appleton IP Ltd (“AI”) filed an application to have this trade mark declared invalid under the provisions of sections 47(2) and 5(2)(b) of the Trade Marks Act 1994 (“the Act”) which states:

“47(2) The registration of a trade mark may be declared invalid on the ground-

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

(b)...

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

And:

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

(a)....

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, or

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

3. AI directs its application against all of the goods for which NS’s trade mark stands registered. It relies upon two trade mark registrations namely:

Trade Mark	No.	Application date	Registration completion date	Goods and services relied upon
CAINS	2026095	6.7.1995	30.5.1997	32 - Beer, ale, porter and stout.
CAINS	E3319142	19.8.2003	21.5.2008	<u>Although registered for:</u> 32 - Beer, ale, lager,

				<p>41 - Entertainment services; organisation of competitions; organisation of shows; provision of museum facilities; entertainment and night club services,</p> <p>43 – Bar, public house, inn, bistro and wine bar services; information, advisory and consultancy services relating to the aforesaid services,</p> <p>AI only relies upon the goods in class 32 and public house services in class 43.</p>
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4. 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) 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,

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

Both of AI’s registrations qualify as earlier trade marks under the above provisions.

5. In its application AI indicates that trade mark No. 2026095 has been used upon all of the goods for which it is registered. In its application, AI said:

“1. [NS’s trade mark] contains the surname CAIN’S which is highly similar to the trade marks of [AI] when an overall comparison is made between them.

2. The goods of class 33 in [NS's registration] are similar to the goods of class 32 [of AI's registrations] and legally similar to public house services in class 43..."

6. On 25 March 2011, NS filed a counterstatement (subsequently amended) which consists, in essence, of a denial of the ground upon which the application for invalidity is based. It said, inter alia:

"1...The supply of spirits made under the name of Jack Cain's is only made using the whole of that wording with the graphical image of a Victorian character on which [NS's] trading identity is based. It is an overall image comprising both words and character and is wholly different to the image and trade mark for Cains Brewery, Roberts Cains etc. Jack Cain's is not a brewery and does not supply brewery related products.

2. It is considered that the strength of the mark is significant and is incapable of confusion with the other mark referred to in the application. The goods are not in great proximity being respectively beer under class 32 and under class 33 spirits with no beer or brewery related products. There is little similarity of the marks and no evidence of actual confusion. There is no intention on the part of [NS] to expand the product lines beyond class 33."

7. I note that in its counterstatement NS asked AI to provide proof of use in relation to "spirits". Given the interplay between the date on which AI's trade marks completed their registration procedure and the date of its application for invalidity (18.1.2011), only trade mark No. 2026095 is, in principle subject to proof of use, as per The Trade Marks (Proof of Use, etc) Regulations 2004. However, I note that in official letters dated 8 April and 15 June 2011, the Trade Marks Registry ("TMR") advised NS that as this registration did not cover "spirits" the request as it stood was not acceptable. NS chose not to correct this discrepancy. In an official letter dated 17 August 2011 the TMR said:

"It is noted that the registered proprietor has already been given two opportunities to amend the form TM8 and therefore these proceedings will continue on the understanding that the applicant is not required to provide proof of use."

8. As NS did not respond to that official letter, I too will proceed on the basis that AI are not required to provide proof of use in relation to registration No. 2026095.

9. While neither party filed evidence, both filed written submissions during the evidential rounds. Neither party asked to be heard nor did they file written submissions in lieu of attendance at a hearing. I will refer to the submissions filed as necessary below.

## **DECISION**

10. AI's application is based upon section 5(2)(b) of the Act. In his decision in *La Chemise Lacoste SA v Baker Street Clothing Ltd* - BL O/330/10 (approved by Arnold

J in *Och-Ziff Management Europe Ltd v Och Capital LLP* [2011] FSR 11), the Appointed Person, Mr Geoffrey Hobbs QC, expressed the test under this section (by reference to the CJEU cases mentioned) on the basis indicated below:

### **The CJEU cases**

Sabel BV v Puma AG [1998] RPC 199; Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc [1999] RPC 117; Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V. [2000] F.S.R. 77; Marca Mode CV v Adidas AG & Adidas Benelux BV [2000] E.T.M.R. 723; Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), Case T-6/01; Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH C-120/04; Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P.

### **The principles**

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

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

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

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

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

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

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

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

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

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

(k) if the association between the marks causes the public to wrongly believe that the respective goods [or services] come from the same or economically-linked undertakings, there is a likelihood of confusion.”

11. In these proceedings AI are relying upon the two trade marks shown in paragraph 3 above. As the form in which these trade marks are registered is identical, and as trade mark No. E3319142 is registered for both goods and services and is not subject to proof of use, it is this trade mark that I intend to use to conduct the comparison; if AI do not succeed on the basis of this trade mark they will be in no better position in relation to registration No. 2026095.

### **The average consumer and the nature of the purchasing process**

12. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods and services. I must then determine the manner in which these goods and services are likely to be selected by the average consumer in the course of trade.

13. Turning first to the goods at issue in these proceedings, these are all beverages of one sort or another. The average consumer for such goods will be the public at large, albeit insofar as those goods which have an alcoholic content in excess of 0.5% are concerned, the average consumer will be over the age of 18.

14. All of the goods at issue may be sold through a range of channels, including retail premises such as supermarkets and off-licences (where the goods are normally displayed on shelves and are obtained by self selection) and in public houses (where the goods are displayed on, for example, shelves behind the bar and where the trade marks will appear on dispensers at the bar etc.). When the goods are sold in, for example, public houses the selection process is likely to be an oral one. However, there is nothing to suggest that the goods are sold in such a manner as to preclude a visual inspection. In *Simonds Farsons Cisk plc v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-3/04, the Court of First Instance (now the General Court) said:

“In that respect, as OHIM quite rightly observes, it must be noted that, even if bars and restaurants are not negligible distribution channels for the applicant's goods, the bottles are generally displayed on shelves behind the counter in such a way that consumers are also able to inspect them visually. That is why, even if it is possible that the goods in question may also be sold by ordering them orally, that method cannot be regarded as their usual marketing

channel. In addition, even though consumers can order a beverage without having examined those shelves in advance they are, in any event, in a position to make a visual inspection of the bottle which is served to them.”

15. Consequently, while the goods may be ordered orally in public houses, it is likely to be in the context of, for example, a visual inspection of the bottles containing the goods prior to the order being placed. Considered overall, the selection process is likely to be predominantly a visual one, although I accept that aural considerations will also play their part. Turning now to the level of attention the average consumer will display when selecting the goods, given that for the most part the cost of the goods is likely to be relatively low, but bearing in mind that the average consumer will wish to ensure they are selecting the correct type, flavour, strength etc. of beverage, they are, in my view, likely to pay at least a reasonable level of attention to the selection of the goods at issue.

16. As to how public house services are selected by the average consumer, my own experience suggests that visual considerations (having encountered the trade mark on, for example, signage in the high street, in advertisements in magazines, on posters and on the web) are most likely to dominate the selection process. The level of attention paid to the selection of a public house by the average consumer is likely, once again in my experience, to vary from minimal to reasonable depending on the reason why the public house is being selected. For example, whether it is being selected as a venue for an impromptu drink in an unfamiliar location or has been sought out because of the range of, for example, beers it offers.

### Comparison of goods and services

17. For the sake of convenience the goods to be compared are:

NS's goods	AI's goods and services
Blended whisky, brandies, brandy based liqueurs, gin, liqueurs, rum, Scotch whisky, Scotch whisky based liqueurs, spirits, whisky, vodka.	<b>No.E3319142</b>  32 - Beer, ale, lager.  43 – Public house services

18. The leading authorities on how to determine similarity between goods and services are considered to be *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* [1999] R.P.C. 117 and *British Sugar Plc v James Robertson & Sons Ltd (Treat)* [1996] R.P.C. 281. In the first of these cases the CJEU accepted that all relevant factors should be taken into account including the nature of the goods/services, their intended purpose, their method of use and whether they are in competition with each other or are complementary. The criteria identified in the *Treat* case were:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;

(d) The respective trade channels through which the goods or services reach the market.

(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

19. In relation to complementary goods and services the comments of the Court of First Instance in *Boston Scientific Ltd v OHIM* case T-325/06 are relevant i.e.

“82 It is true that 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 other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI) [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 P Rossi v OHIM [2006] ECR I-7057; Case T-364/05 Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL) [2007] ECR II-757, paragraph 94; and Case T-443/05 El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños) [2007] ECR I-0000, paragraph 48).”

20. In its submissions AI said:

“The class 32 goods of [AI] are alcoholic drinks. As such they are similar to the class 33 goods of [NS]. The contested goods [in NS’s registration] are, just like beers, alcoholic beverages. They have the same nature of being alcoholic drinks and being consumed in similar circumstances. Furthermore, all alcoholic beverages are sold in the same or close parts of supermarkets. Therefore, although the ingredients and the way of production of the beverages may differ, they still share the same basic nature, the same public and similar distribution channels. The respective parties’ products are therefore in competition with one another.

The class 32 (sic) goods [in NS’s registration], are also similar to the services in class 43 of [AI’s registration] namely bar, public house, inn, bistro and wine bar services and nightclub services in class 41 as these services are addressed to the same public. The companies that sell the products in class 33 often provide the aforementioned services in classes 41 and 43. The services and the products are in competition. The distribution channels coincide.”

21. Insofar as the second paragraph above is concerned, I note that in its pleadings AI relied only upon public house services in class 43. As none of the other services mentioned above in either class 41 or 43 were identified in its pleadings (and were

not the subject of any request to amend its pleadings), it is only the public house services in class 43 that I can take into account.

22. In its submissions NS said:

“3...there is no degree of similarity of the goods as suggested by [AI].

5. The product supplied by [the parties] are entirely different and their only similarity is that they both contain alcohol. There is nothing here at all to suggest that the public would wrongly believe that the goods come from the same or any economically linked undertakings given the very different basis upon which they are displayed and marketed and that they are of a different nature...

7. [NS] supplies only spirits and not beer, ale or lager. It does not provide anything at all...in classes 41 or 43 and has no means of doing so.

8. It is accepted that both parties sell and supply alcoholic beverages but there is huge difference between spirits in [NS's registration] and beer, ale and lager in [AI's registration] and there is nothing at all put forward by way of evidence to suggest how these would ever become confused. The suggestion that because they are both sold in supermarkets they might be mixed up by members of the public is wholly rejected. There are no grounds for making this suggestion and no evidence that this has ever occurred...There is the singular statement in [AI's submissions] that the products are in competition with one another without saying anything at all to support that.”

23. In my view, AI's best case lies with its goods in class 32; if it fails in this regard, it will be in no better position in relation to its public house services in class 43. NS's goods are spirits, whereas AI's goods are beers of one sort or another. In its submissions, AI accepts that the ingredients and method of production of the competing goods will differ, but argues that the competing goods share the same basic nature, the same average consumer, the same distribution channels and are, they say, in competition with one another. NS disagrees. It says that the only similarity in the competing goods is that they both contain alcohol. The goods are, it says, different in nature, are displayed and marketed differently and are not competitive.

24. The competing goods are all likely to be predominantly alcoholic beverages of one sort or another which will have the same average consumer i.e. the public at large over the age of 18. While AI's goods will be the subject of a brewing process, spirits and liqueurs are distilled. Generally speaking, the competing beverages will be served cold but will be sold in differing measures. Unlike NS's goods, spirits and liqueurs are not, in my experience, likely to be selected to quench the thirst, although all the beverages at issue may be selected to provide an enjoyable drinking experience. Insofar as channels of trade are concerned, all of the goods will be sold in public houses and will be stocked in the same general area of a supermarket, albeit on different shelves. Notwithstanding the differences I have identified above, overall I consider there to be a low to moderate degree of similarity between the competing goods.

## Comparison of trade marks

25. For the sake of convenience the competing trade marks to be compared are:

NS's trade mark	AI's trade mark
	CAINS

26. The average consumer is considered to be reasonably well informed, circumspect and observant but perceives trade marks as wholes and does not pause to analyse their various details. In addition, he rarely has the chance to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has kept in his mind. In reaching a conclusion on similarity, I must identify what I consider to be the distinctive and dominant components of the respective trade marks and, with that conclusion in mind, I must then go on and compare the respective trade marks from the visual, aural and conceptual perspectives.

27. As the conflict involves trade marks incorporating names, it is useful to bear in mind what the CJEU stated in *Harman International Industries, Inc v OHIM* (C-51/09 P):

“34. However, in paragraphs 30 and 31 of *Medion*, the Court held that, beyond the usual case where the average consumer perceives a mark as a whole, 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. 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 come, at the very least, from companies which are linked economically, in which case the likelihood of confusion must be held to be established.

35. In the present case, having repeated all of the rules set out in paragraphs 30 to 33 of this judgment, the General Court held essentially, in its assessment of the conceptual similarity of the marks at issue, first, that, as consumers in part of the European Union generally attribute greater distinctiveness to the surname than to the forename in word signs, the component ‘Becker’ in the mark applied for was likely to have attributed to it a stronger distinctive character than the component ‘Barbara’; second, that the fact that Ms Becker is famous in Germany had

no effect on the similarity of the marks at issue since they refer to the same surname and the component 'Barbara' is merely a forename and, third, that the component 'Becker' retained an independent distinctive role in the composite mark because it would be perceived as a surname.

36. Although it is possible that, in a part of the European Union, surnames have, as a general rule, a more distinctive character than forenames, it is appropriate, however, to take account of factors specific to the case and, in particular, the fact that the surname concerned is unusual or, on the contrary, very common, which is likely to have an effect on that distinctive character. That is true of the surname 'Becker' which the Board of Appeal noted is common.

37. Account must also be taken of whether the person who requests that his first name and surname, taken together, be registered as a trade mark is well known, since that factor may obviously influence the perception of the mark by the relevant public.

38. Furthermore, it must be held that, in a composite mark, a surname does not retain an independent distinctive role in every case solely because it will be perceived as a surname. The finding with respect to such a role may be based only on an examination of all the relevant factors of each case.

39. Moreover, as the Advocate General pointed out in essence, in point 59 of his Opinion, the grounds relied on by the General Court in order to conclude that the marks at issue are conceptually similar, if they were held to be consistent with Article 8(1)(b) of Regulation No 40/94, would result in acknowledging that any surname which constitutes an earlier mark could be effectively relied on to oppose registration of a mark composed of a first name and that surname, even though, for example, the surname was common or the addition of the first name would have an effect, from a conceptual point of view, on the perception by the relevant public of the composite mark."

### **Distinctive and dominant elements**

28. In its submissions AI said:

"..As [AI's trade mark] would be perceived as a surname mark and [NS's trade mark] as a first name and surname by a large part of the relevant public, the second element of that mark, CAINS can thus be considered the more dominant element within the mark."

And:

"As regards the figurative elements in [NS's trade mark], it should be noted that where a trade mark is composed of both verbal and figurative elements, the former usually has a stronger impact on the consumer than the latter. This is because the average consumer will more easily refer to the goods and

services in question by quoting their name than by describing the figurative element of the trade mark.”

29. In its submissions NS said:

“6....The exclude (sic) Victorian character used with [NS’s] use of the name Jack Cain is entirely separate and distinctive.”

30. AI’s trade mark consists of the word CAINS presented in upper case; as no part of the trade mark is highlighted or emphasised in any way its distinctiveness must lay in its totality.

31. NS’s trade mark consists of a number of elements i.e. a device of what NS describes as a Victorian character above which there is what appears to be a device of the leaves of a tree (the latter device will, I think, go largely unnoticed by the average consumer). To the right of the device of the male character are the words JACK CAIN’S presented in a not unusual script but where the base of the letter J is interlinked with the C of the word Cain’s creating a monogram.

32. Given its size and positioning, the device of the male character (which is as far as I am aware neither descriptive of nor non-distinctive for the goods for which NS’s trade mark is registered), is both a distinctive and dominant element of its trade mark. The words Jack Cain’s would be understood by the average consumer as the name of an individual. I note that in its submissions (see paragraph 44 below) AI state that CAINS is not a common surname. Although there is no evidence on the point, that would accord with my own view of the matter. Given its size and positioning and as names (be it a full name or a surname) are a classic form of trade mark, the name Jack Cain’s is also a distinctive and dominant element of NS’s trade mark.

33. In its submissions AI said:

“Family names have, in principle, a higher intrinsic value as indicators of the origin of goods and services than first names. Both marks at issue contain the surname CAINS/CAIN’S. First names generally belong to a great number of people who do not have anything in common, whereas the presence of the same surname could imply the existence of some link between them. Therefore, the distinctiveness of surnames is in general higher than first names. As [AI’s trade mark] would be perceived as a surname mark and [NS’s trade mark] as a first name and surname by a large part of the relevant public, the second element of that mark, CAINS can thus be considered the more dominant element within the mark...”

34. One sees in AI’s submissions an echo of the argument considered by the court in *Harman International* i.e. that as a general rule surnames have a more distinctive character than forenames. However, the court indicated that on reaching a conclusion one should bear in mind whether the surname was unusual and whether the full name being considered was well known. Finally, it cautioned that a surname may not retain an independent distinctive role within a trade mark simply because it is a surname. Applying this guidance to the facts as they relate to this case, and in

the absence of evidence one way or the other, it appears to me that CAIN'S is an uncommon surname and that the full name Jack Cain's is not well known (in this case it is, in my view, likely to be seen by the average consumer as a reference to the Victorian character which forms part of NS's trade mark). The result of those conclusions is, in my view, that the surname CAIN'S as it appears in NS's trade mark is more likely than not to retain an independent distinctive role within NS's trade mark and I will conduct my further analysis with that conclusion in mind.

### **Visual similarity**

35. In its submissions AI said:

"...The marks are similar to the extent that they both feature the similar names CAINS/CAIN'S".

36. In its submissions NS said:

"9. The form of script in which Cains and Jack Cains are written are different and the visual comparison is very instructive...since it shows the way in which [NS] uses the name Jack Cain in connection with a Victorian figure and which is entirely separate and different to anything done by [AI]."

37. The only element of similarity between the competing trade marks are the words CAINS/CAIN'S which are clearly highly similar. In my view, this results in a reasonable degree of visual similarity overall.

### **Aural similarity**

38. In its submissions AI said:

"...the pronunciation of the marks coincides in the sound of the letters CA-IN-S present identically in both signs and to that extent the marks are aurally similar."

39. In its submissions NS said:

"9...It is however accepted that pronunciation of Cains and Jack Cains have a similarity for aural purposes."

40. As the average consumer is unlikely to try and verbalise the visual elements of NS's trade mark, and as both trade marks contain the words CAIN/CAIN'S, there is, in my view, a reasonable degree of aural similarity between the competing trade marks.

### **Conceptual similarity**

41. In its submissions AI said:

"[NS's trade mark] will be perceived as composed of a first name and a family name from the perspective of ordinary consumers for the goods at issue. [AI's

trade mark] will be understood as the family name CAINS. The marks are conceptually similar i.e. they bring to mind products (and services) sold under the similar surnames CAINS/CAIN'S."

42. The concept underlying AI's trade mark is that of a surname. The concept NS's trade is likely to create in the mind of the average consumer is of a Victorian gentlemen called Jack Cain. In the context in which it is likely to be viewed by the average consumer, for example, on the goods, the message it is likely to send is here we have goods supplied by Jack Cain i.e. they are Jack Cain's goods. Insofar as both trade marks contain the word CAINS/CAIN'S, the trade marks are likely to send similar conceptual messages i.e. goods originating from an undertaking connected with the surname CAINS/CAIN'S. The competing trade marks are, in my view, conceptually similar to a reasonable degree.

### **Distinctive character of AI's earlier trade mark**

43. I must now assess the distinctive character of AI's earlier trade mark. The distinctive character of a trade mark must be appraised first, by reference to the goods and services in respect of which it has been registered and, secondly by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade 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 trade mark to identify the goods and services for which it has been registered as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

44. In its submissions AI said:

"The assessment of the distinctiveness of [AI's trade mark] will... be based upon its distinctiveness per se.

[The comments in paragraph 33 are repeated here]

In the present case, the earlier trade mark as a whole has no meaning in relation to the goods at hand from the perspective of the public in the relevant territory. Therefore the distinctiveness of the earlier mark must be seen as normal."

And:

"...due to the fact that CAINS/CAIN'S are not common surnames."

45. I agree that absent use and as surnames are a traditional form of trade mark with which the average consumer would be very familiar, AI's CAINS trade mark is, as AI argues, possessed of a normal (neither high nor low) degree of inherent distinctive character.

## Likelihood of confusion

46. In determining whether there is a likelihood of confusion, I need to bear a number of factors in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. It is also necessary for me to keep in mind the distinctive character of AI's earlier trade mark (as the more distinctive this trade mark is, the greater the likelihood of confusion), the average consumer for the goods and services, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind.

47. Earlier in this decision I concluded that (i) the average consumer for the goods at issue in these proceedings is a member of the general public and, where the goods had an alcoholic content in excess of 0.5%, a member of the general public over the age of 18 who would (ii) select the goods and services by primarily visual means, but insofar as the goods were concerned aural considerations had to be kept in mind, (iii) there is a low to moderate degree of similarity in the goods, and (iv) bearing in mind the distinctive and dominant elements of the competing trade marks a reasonable degree of visual, aural and conceptual similarity. Finally, I concluded that AI's trade mark is possessed of a normal degree of inherent distinctive character.

48. Bringing these conclusions together, I am satisfied that (in particular) the visual differences between the competing trade marks are sufficient to avoid direct confusion i.e. where one trade mark is mistaken for the other. However, the degree of similarity in the goods, the overall degree of similarity in the competing trade marks and the uncommon nature of the surname CAINS/CAIN'S is still likely, in my view, to result in indirect confusion i.e. where the combination of all these factors leads the average consumer to assume that the goods come from economically linked undertakings. As a consequence of that conclusion, AI's request to invalidate NS's registration under section 5(2)(b) of the Act succeeds.

## Costs

49. AI has been successful and is entitled to an award of costs. Awards of costs are governed by Annex A of Tribunal Practice Notice 4 of 2007. Using the TPN mentioned as a guide, I award costs to AI on the following basis:

Preparing a statement and considering NS's statement:	£300
Official fee:	£200
Written submissions:	£300
<b>Total</b>	<b>£800</b>

50. I order Northumbria Spirit Ltd to pay to Appleton IP Limited the sum of **£800**. 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 27<sup>th</sup> day of March 2012**

**C J BOWEN  
For the Registrar  
The Comptroller-General**