

BEFORE

**MR SIMON THORLEY QC
(Sitting as the Appointed Person)**

IN THE MATTER OF TRADE MARKS ACT 1994

AND

**IN THE MATTER OF TRADE MARK APPLICATION NO 2175746
TO REGISTER SARANTOS CHARDONNAY AND DEVICE IN
CLASS 33 IN THE NAME OF KINGSTON ESTATE WINES PTY LTD**

AND

**IN THE MATTER OF OPPOSITION NO 49506 THERETO BY
CHAMPAGNE MOET & CHANDON**

**APPEAL OF OPPONENTS FROM THE DECISION OF MR M REYNOLDS
ACTING ON BEHALF OF THE REGISTRAR, DATED 24 AUGUST 2000**

**MR D A TAYLOR (of Mewburn Ellis) appeared on behalf of the
Appellants/Opponents**

**MR P DYSON (of Bailey Walsh & Co) appeared on behalf of the
Respondents/Applicants**

**J U D G M E N T
(As approved)**

Mr Thorley: This is an appeal to the Appointed Person from a decision of Mr Reynolds given in opposition proceedings on 24 August 2000.

The opposition is by Champagne Moët & Chandon to an application No 2175746 by Kingston Estate Wine Pty Ltd to register a mark in Class 33. The mark in question is a device mark consisting of a label for a wine bottle which consists of the word “SARANTOS”, in block capitals, above a device of a fish, underneath which is the word “Chardonnay”.

Registration is opposed on the basis of the prior registration of trade mark No 1493205, a word mark, SARAN, registered in Class 33 of alcoholic beverages.

Originally, there was objection not only under Section 5 of the Act but also under Section 3(6) on the ground that the application by Kingston Estate was made in bad faith. That ground was rejected by Mr Reynolds and the appeal in relation to it has not been pursued - - in my judgment, quite properly.

I should, however, indicate that, in my judgment, it is insufficient for questions of bad faith to be raised either in opposition proceedings in the pleadings or on appeal without those grounds being fully particularised. In this case they were not and had it been that the ground was pursued, I should have required an explanation for this.

I turn, then, to the Section 5 objection. Mr Reynolds set out an analysis of the factors that needed to be taken into account on page 6 of his decision from lines 5 to 36. He founded those on the guidance provided by the European Court of Justice in **Sabel BV v Puma AG** [1998] RPC 199 at 224, **Canon v MGM** [1999] RPC 117 and **Lloyd Schuhfabrik Mayer & Co GmbH v Klijsen Handel BV** [1999] ETMR 690 at 698. Mr Taylor, who appeared on behalf of the opponents (the appellants before me), accepted Mr Reynolds’ analysis as being a correct analysis of the law. I set it out below:

“It is clear from these cases that:

- (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/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;
- (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 therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components;
- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa;
- (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;
- (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);
- (h) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertaking, there is a likelihood of confusion within the meaning of the section.”

Mr Reynolds went on to apply those criteria to the facts of this case. The first question he had to address was the impact of the applicants' mark as a whole. The opponents' mark is plainly a word mark and there was debate before Mr Reynolds as to whether the applicants' mark would be seen primarily as a word mark or as to whether the fish device would make an important visual contribution to the mark as a whole.

In the final event, he considered the question of likelihood of confusion on the basis that the two were both word marks and then went on to decide whether or not the addition of the fish device made a difference.

He concluded that there was an immediate point of visual similarity between the two word marks but warned himself against the fact that the two marks having an element in common does not necessarily result in confusion. He concluded that one would not be likely to be mistaken for the other even if imperfect recollection was taken into account.

Equally, considering aural confusion, he did not believe that the termination of the word SARANTOS was likely to be slurred or lost in speech and he rejected, therefore, the possibility of direct aural confusion.

He considered conceptual confusion and, again, came to the conclusion that there would be no conceptual confusion.

Next he considered whether, notwithstanding these conclusions, there was likely to remain the possibility that the public might make some form of association between the respective word marks because of the common element. He directed himself - - correctly, in my judgment - - to take account of the distinction between the likelihood of confusion in a trade mark sense and mere likelihood of association. In the final event, he considered that the likelihood of confusion was not sufficiently made out.

Finally, he considered the question of use of the trade mark SARAN, particularly bearing in mind criterion (f) of his criteria, but concluded that the evidence of use was such that it did not

alter his prima facie conclusion.

Before me, Mr Taylor sought to adduce further evidence consisting of a further statutory declaration by him which drew attention to the fact that when the opponents' trade mark SARAN (1493205) was the subject of an application for registration under the 1938 Act, it was accepted for registration in Part A of the Register under Section 9 of that Act without the necessity of any evidence of use.

Mr Dyson of Bailey Walsh, who appeared on behalf of the applicants, did not object to this late evidence and I therefore admitted it.

The substance of Mr Taylor's complaint about Mr Reynolds' judgment was that he failed, particularly in considering criterion (f) fully and properly to consider the inherent distinctiveness of the SARAN mark. Mr Taylor contended that it was of a highly distinctive character and that this was substantiated by the Trade Marks Registry's original acceptance of the mark in Part A without evidence of use.

He contended, upon the basis of that, that the more distinctive the earlier mark, was the more likely there was to be confusion when the later mark was used. As a principle of law, I accept that and I did not understand Mr Dyson to dissent from it. None the less, one has to consider the question of likelihood of confusion globally, and the distinctiveness of the opponents' mark is but one of the factors that must be taken into account.

Mr Taylor went on to suggest two matters that I should take into consideration when considering this question of confusion. He suggested that the average consumer could well see SARAN Chardonnay wine on a wine list in a restaurant and thereafter, if he wishes to try it again, would go into an off licence or a supermarket and either ask or look for SARAN wine, see SARANTOS Chardonnay and, with imperfect recollection, think that this was the same product.

Secondly, he suggested that it was wrong to pay any attention to the fish device since, aurally,

the only use that would be made in identifying the applicants' wine would be the word SARANTOS; it would not be called fish wine.

As to the second of these points, I do not believe that Mr Reynolds fell into any error in approaching the element of the fish device in the trade mark. Mr Reynolds did conclude that the device was a significant element within the totality of the mark, but he expressly went on to consider the parties' views in relation to the word elements of their respective marks before considering the matter in the round. I believe he was right to do this. The fish device is obviously part of the mark but I think, particularly when considering the aural use of a trade mark for wine which is likely to be a frequent use, one should be considering the two word marks together. This, I believe, is what Mr Reynolds did.

Mr Taylor's first point, in my judgment, is of more substance. It is precisely the case of imperfect recollection with the law requires the Registry, and me on appeal, to take into account. The fact that the two words are visually and aurally different does not answer the question that is posed by Section 5 of the statute.

On appeal, I have to consider the totality of the judgment. If I consider it to be wrong, I must reverse it. If I consider it to be right, I must uphold it. It is correct that I should give weight to the opinions of officers acting for the Registrar who have considerable experience in making the comparison, but in the final event the judgment is one for me.

I have been troubled by this case. The two marks are very similar. The word SARAN forms part of the primary element of distinctiveness in the mark opposed, SARANTOS. I think there is a force in what Mr Taylor says, particularly with regard to the average consumer in a restaurant. None the less, I have concluded - - and not without some hesitation - - that Mr Reynolds' view was the correct view. Taking the matter as a whole and approaching it globally, I believe that the likelihood of confusion is not sufficient to merit this appeal being allowed.

Mr Dyson drew my attention to the fact that the marks have been registered side by side in

Australia and New Zealand and that there is a co-pending application in the United States. In so far as the goods have been used in the course of trade in those countries, no instance of confusion has arisen.

While it is comforting that the conclusion I have reached is consistent with the conclusions reached in the Australian and New Zealand Trade Marks Registry, this cannot affect the judgment I have to make and I have, therefore, not taken it into account in reaching my conclusion.

Further, any evidence of absence of confusion can only be weighed up when one has details of the volume and extent of sales side by side that have occurred. Again, therefore, I have attached no weight to that.

In the final event, though, I am not satisfied that Mr Reynolds' decision was anything other than correct and I therefore dismiss this appeal.

Mr Dyson, you would like some costs?

Mr Dyson: Please.

Mr Thorley: I thought you would. You cannot really oppose that, I do not think.

Mr Taylor: No Sir.

Mr Thorley: Down below there was no hearing. Am I correct?

Mr Taylor: Yes.

Mr Thorley: It was decided on paper.

Mr Dyson: Yes. I am sorry. I did not know what you meant by "down below"; whether

you meant in Australia and New Zealand!

Mr Thorley: I am sorry, that was a misuse of language. Before Mr Reynolds there was no oral hearing so nobody had the expense of turning up.

Mr Dyson: Yes.

Mr Thorley: I think normally, where there has been a hearing, the course taken in this Tribunal is to order the same sum as below. I think it is appropriate in the present case to taken account of the fact that this was an oral hearing and that further evidence was adduced. I believe the correct order for a contribution to costs in this appeal is the sum of £650 in addition to the £435 already ordered.

Is there anything else?

Mr Taylor: No.

Mr Dyson: No.

Mr Thorley: Thank you both very much for your help.

Mr Taylor: Thank you, sir.

Mr Dyson: Thank you.