

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 3368081

BY BREWDOG PLC

TO REGISTER AS A SERIES OF TWO TRADE MARKS:

Hawkes

AND

HAWKES

AND

IN THE MATTER OF OPPOSITION THERETO

UNDER NO. 416643

BY HAWKSHEAD BREWERY LIMITED

Background and pleadings

1. On 18 January 2019, Brewdog Plc. (“the applicant”) applied to register the words “Hawkes” and “HAWKES” as a series of two trade marks, under number 3368081. The difference between the marks is not material and I will refer to them in the singular as “the contested mark”. Registration was sought in respect of the following goods and services:

Class 32: Non-alcoholic beverages; non-alcoholic cider; beers; mineral and aerated waters and other non-alcoholic beverages; fruit beverages and fruit juices; syrups and other preparations for making beverages; ale; real ale; lager; stout; porter; non-alcoholic cider; flavoured beers; ginger beer; malt beer; apple beer; beer wort; extracts of hops for making beer.

Class 33: Alcoholic beverages [except beers]; cider; flavoured ciders; beer-flavoured cider; spirits; liqueurs; distilled beverages; pre-mixed alcoholic beverages, other than beer-based; pre-mixed alcoholic cocktails.

Class 43: Services for providing food and drink; bar services; operation of bars and pubs; restaurant services; information, consultancy and advisory services relating to the aforesaid.

2. The application is opposed by Hawkshead Brewery Limited (“the opponent”). The opposition is based upon ss. 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). Under each of these grounds, the opposition is directed against all of the goods and services in the application. For the purposes of the opposition under ss. 5(2)(b) and 5(3), the opponent relies upon the following trade marks:

Trade mark number & relevant dates	Trade mark	Specification
UK 3348684 Filing date: 26 October 2018	HAWKSHEAD (“the HAWKSHEAD mark”)	<u>Class 32</u> : Beers, ales, lagers ; non-alcoholic beverages; de-

Registration date: 26 April 2019		alcoholised beverages; tonic waters; fruit juices; waters. <u>Class 33:</u> Alcoholic beverages (except beers); spirits ; gin; vodka; rum; whisky.* *Only the goods in bold are relied upon under s. 5(3).
UK 2305911 Filing date: 22 July 2002 Registration date: 3 January 2003	HAWKSHEAD BREWERY (“the HAWKSHEAD BREWERY mark”)	<u>Class 32:</u> Beers

3. Under s. 5(2)(b), the opponent relies upon all of the goods for which its marks are registered. The opponent claims that “HAWKS” is the most dominant and distinctive element of the earlier marks and that this is virtually identical to the contested mark. It claims that the goods and services are identical or similar and that there is a likelihood of confusion, including the likelihood of association.

4. Under s. 5(3), the opponent relies upon both of the trade marks shown at paragraph 2, above. In respect of the HAWKSHEAD mark, it claims a reputation only for the goods shown in bold in the table, above. It says that it has a reputation for all of the goods for which the HAWKSHEAD BREWERY mark is registered. The opponent claims that the reputation of the earlier mark in the UK is such that use of the contested mark would cause the relevant public to believe that there is an economic connection between the parties, where no such connection exists.

5. Under s. 5(4)(a), the opponent claims that it has used the signs HAWKSHEAD and HAWKSHEAD BREWERY throughout the UK since 2002. The use is said to have been in respect of “beers; spirits; provision of food and drink; bar and restaurant services; brewery tours”. The opponent also claims that it has used the sign HAWKS HEAD in the

UK since August 2016 for “beers”. It is said that the opponent has established goodwill through extensive use of the signs and that use of the contested mark would be a misrepresentation likely to cause damage to that goodwill.

6. The applicant filed a counterstatement denying all of the grounds of opposition and putting the opponent to proof. Among other denials, it denies that the marks are similar, or confusingly similar; denies that “HAWKS” is dominant in the opponent’s marks; and denies that use of the contested mark is without due cause.

Representation and hearing

7. The opponent is represented by J A Kemp LLP, the applicant by Lawrie IP Limited. Neither party requested a hearing but both filed written submissions in lieu, which I will bear in mind and refer to as appropriate. This decision is made following a careful reading of all of the papers.

Relevant dates and proof of use requirements: ss. 5(2)(b) and 5(3)

8. The relevant date for the determination of the grounds under ss. 5(2)(b) and 5(3) is the filing date of the application, i.e. 18 January 2019.

9. Given their dates of filing, the opponent’s trade marks qualify as earlier marks in accordance with s. 6 of the Act. The HAWKSHEAD BREWERY trade mark had been registered for five years at the date on which the contested mark was filed. It is, therefore, subject to the proof of use provisions contained in s. 6A of the Act. The opponent indicated in its notice of opposition that the mark had been used for all of the goods for which it is registered. The applicant requested that the opponent make good its claim to use. The relevant period for the assessment of genuine use is 19 January 2014 to 18 January 2019.

10. The HAWKSHEAD trade mark had not been registered for five years at the relevant date. It is not subject to the proof of use provisions and the opponent may, therefore, rely upon all of the goods and services it has identified without showing that it has used the mark.

Evidence

11. Both parties filed evidence, with accompanying submissions. The latter I will not summarise but will refer to as appropriate.

Opponent's evidence

12. This consists of the witness statement of Steve Ricketts, the Managing Director of the opponent. Although Mr Ricketts has only held that post since April 2019, he confirms that he has full access to the records of the opponent and that the facts in his evidence come from those records or from his own knowledge and belief.

13. Mr Ricketts states that the opponent first started to use the HAWKSHEAD and HAWKSHEAD BREWERY marks in 2002 and that they have been used in relation to beers since that date. Use of the HAWKS HEAD sign is said to have started in 2016.

14. Mr Rickett's evidence is that turnover for products sold under the marks exceeded £14 million between 2010 and 2018, or more than 75,000 hectolitres of product. The opponent's beers are said to be sold in over 900 outlets nationwide, including supermarkets such as Morrisons, Tesco and Asda.

15. It is said that around 85 different beers have been produced under the marks and signs relied upon. The "current" range (Mr Rickett's statement is dated 18 November 2019) is said to encompass 69 different beers in three different ranges ("core", "small batch" and "collaboration"). Mr Ricketts' evidence is that the HAWKSHEAD BREWERY mark is used on every product.¹ Prints from the "beers" section of the opponent's website are exhibited.² These have a printing date of 18 November 2019. Different types of beer, such as pale ale, stout and bitter, are offered for sale; "Lakeland Gold" beer features in the "core" range and "Kai Moana Gose" beer is sold out in the "collaboration brews". "Hawkshead Brewery" is visible at the top of each page. The words "HAWKS HEAD" appear one above the other in connection with various beers, including bitter, stout and

¹ Ricketts, §3.

² Exhibit SR1.

lager. A roundel device also appears in relation to many of the beers, with the words “HAWKSHEAD BREWERY” around a stylised depiction of a mountain and lake, as shown below:³



16. There is also use of the words “HAWKSHEAD BREWERY” in other roundel devices, an example of which is reproduced below:



17. Evidence is provided of bottle labels for the “Lakeland Gold” pale ale which are said to be dated between 2016 and 2018.⁴ The words “HAWKSHEAD BREWERY” are visible throughout, including in the roundel on a label for “Lakeland Gold” dated 31 August 2016. One of the labels, said by Mr Ricketts to be the latest version, shows “HAWKS HEAD” presented as two words, one above the other. A label for the “Kai Moana Gose” beer also shows the “HAWKS HEAD” two-word format. Mr Ricketts says that this label shows the first time this sign was used in August 2016. Labels for other beers are included but Mr Ricketts only says that these are “older”.

18. Advertising is said to take place through print, broadcast and social media. Advertising spend since January 2015 is said to have been over £50,000. Mr Ricketts provides examples of advertisements which are said to have been run between 2014 and 2018.⁵ One is an announcement that the new brewery and beer hall is opening. Most of the

³ This reproduction is taken from SR2 as the image is clearer but it appears to be identical.

⁴ SR2 and Ricketts, §4.

⁵ SR3.

advertisements are not themselves dated but two that are have dates in 2019.⁶ “HAWKSHEAD BREWERY” is used throughout, including as part of a roundel device. The only instance of “HAWKS HEAD” is on a voucher which expires at the end of August 2019.⁷ In addition to beers and a beer shop, brewery tours and a beer hall with a bar serving food are mentioned. There appear to be breweries and brewery shops in two locations (Kendal and Flookburgh).

19. A list of awards won by the opponent between 2002 and 2019 is provided.⁸ These include awards from SIBA (the Society of Independent Brewers) and CAMRA. “Hawkshead lager” won an award in 2017. Many of the same beer names as are on the website prints are visible. The “Lakeland Gold” beer appears up to 2014. The opponent won an award for its beer hall development in 2015 and for the beer hall (Pub of the Year, Westmorland CAMRA) in 2016.

20. There is also evidence concerning the ‘Budweiser’ and ‘Jack Daniels’ trade marks.⁹ The evidence is said to show how those trade marks are abbreviated. I have read all of it and do not need to detail it any further here.

Applicant’s evidence

21. Two witness statements were filed by the applicant. The first statement, with twelve accompanying exhibits, is that of Richard Street, Head of Legal and Property for the applicant. Mr Street’s evidence concerns the business conducted under the “HAWKES” name and information about the applicant. Evidence is also provided by Sharon Mackison of Lawrie IP Limited, the applicant’s representative. This goes to the distinctiveness of the word “HAWKSHEAD” and the strength of the opponent’s reputation.

⁶ Pp. 3 and 5.

⁷ P. 5.

⁸ SR4.

⁹ SR5 to SR7.

Brewdog plc

22. Mr Street's evidence is that the applicant acquired the Hawkes Brewing Company in April 2018, along with "rights to the Hawkes name, including goodwill in the Hawkes brand".¹⁰

23. There are also posts, articles and information about the applicant, and the buy-out of Hawkes by the applicant in July 2018.¹¹ Hawkes is described in this material as a London-based company with six products. The applicant is described variously as "one of the stars of the [microbrewery] movement" and, in 2016, as the UK's fastest-growing drinks company, noted for publicity stunts.¹² Its UK turnover in 2018 was over £132 million.¹³

Use of "HAWKES"

24. The "Hawkes" Facebook page was created on 14 May 2013 with the tag "@wearehawkes".¹⁴ It shows a device of a skull and the word "HAWKES", in a slightly stylised typeface, on a dark circular background with border: the word in the same stylised typeface appears throughout the exhibit. A post from 28 June 2013 reports that an article about Hawkes was the most read article in the last seven days.¹⁵ The article itself is not provided, though its title is partially visible ("New ginger beer brand aims to help the ho..."), nor is it clear to which publication the comment relates.

25. A Facebook print reports attendance at a trade show on 2 July 2013, with a photograph of a stand at a trade fair with bottles and the words "Hawkes Ginger Beer".¹⁶ There are further prints dated between 2013 and 2018 from both Facebook and Instagram, along with archive prints from wearehawkes.com showing "Hawkes" in plain word and a slightly stylised typeface used on alcoholic ginger beer and, from February

¹⁰ Street, §2 and RS01.

¹¹ RS02, pp. 17-18, RS03, pp. 23-30, RS06-RS08, RS10-RS12.

¹² RS06, pp. 5, 7; RS10.

¹³ Street, §15; RS10, pp. 15-17, p.25. See also RS06, p. 12

¹⁴ RS02, p. 3.

¹⁵ RS02, p. 5.

¹⁶ RS02, p. 4.

2015, cider.¹⁷ An apple pale ale, apparently a hybrid of beer and cider, in cans bearing the “HAWKES” name, appears to have been launched in February 2018.¹⁸

26. Mr Street gives turnover for “Hawkes branded products” in the UK as increasing from £178,000 in 2014 to £2.2 million in 2018.¹⁹ The 2018 figure represents 7,655hl. of product.²⁰ Some invoices dated between October 2017 and November 2018 are in evidence, showing sales of ginger beer and cider.²¹ They total £171,417.03.

27. It is said that Hawkes branded products are available in the applicant’s bars (37 are in the UK) and in “numerous” other bars and restaurants throughout the UK.²² They are also said to be available for purchase through the applicant’s website and other third-party sites, as well as national supermarkets. Prints from www.beermerchants.com show “HAWKES” ginger beer for sale in August 2013 and 2015;²³ cider was available on the site by October 2015.²⁴ An article, apparently from 25 May 2014, reports that Hawkes ginger beer is sold in 300 Mitchells & Butlers pubs and bars across the country, that Youngs has agreed to stock it and that it is available through Ocado and Wholefoods.²⁵ Hawkes cider was sold in Harvey Nichols by May 2017; the company is said to have “secured listings” in Harvey Nichols, Greene King pubs and Claridge’s by June 2016.²⁶ 2015 archive prints from the Hawkes website indicate stockists in various UK locations; a list of UK customers is also provided but it is not clear whether this relates to the relevant period.²⁷

28. A Facebook post dated 19 July 2015 announces the opening from 25 July of the “Hawkes Ciderhouse” (in the same stylised font), serving ciders and pizza.²⁸ Pages from

¹⁷ RS02, RS05.

¹⁸ RS03, p. 21; RS02, pp. 25, 26.

¹⁹ Street, §16.

²⁰ *Ibid.*

²¹ RS09.

²² Street, §13.

²³ RS05, pp. 24-25.

²⁴ RS02, pp. 7, 8.

²⁵ RS03, pp. 1-2.

²⁶ RS03, pp. 15, 5.

²⁷ RS05, pp. 26-27; RS08.

²⁸ RS02, p. 12.

wearehawkes.com dated September 2015 and October 2016 also advertise the “HAWKES CIDERHOUSE” for cider and pizza.²⁹ The origin of the name “HAWKES” is said to derive from ‘street hawkers’.

29. Prints from Twitter for the HawkesCiderTap, which appear to be contemporaneous with Mr Street’s statement, show the joining date was December 2015.³⁰ It appears that a different (or possibly second) venue was opened in the summer of 2017: a post on the “hawkescidertap” Instagram account dated 10 June 2017 announces its opening.³¹ From June 2017 references are to the “Hawkes Cidery & Taproom” and some reviews dating back to September 2017 are in evidence.³² A cider-making experience scheduled for 28 April 2018 appears to have been offered (and sold out) by March 2018.³³ Others are mentioned but they are after the relevant date.³⁴

30. A number of articles from publications such as the *Grocer*, the *Guardian* and *Telegraph* are provided, which are dated from 2013 to 2016.³⁵ Most relate to the applicant’s ginger beer and cider products, in relation to which the name “Hawkes” is used or is visible on product images. One article, dated June 2013, states “Hawkes is focused on growing its distribution throughout London in 2013 and is also targeting major multiples”.³⁶ Hawkes is variously referred to as a small business, a “London drinks company”, an “urban cider maker” and a “London based cider business”.

“Hawkshead”

31. Wikipedia pages show that Hawkshead is a village in the Lake District to the west of Windermere, with links to William Wordsworth and Beatrix Potter.³⁷ Prints from nationaltrust.org.uk, an article from the *Independent* dated 18 June 2018 and prints from

²⁹ RS05.

³⁰ RS02, p. 33.

³¹ RS02, pp. 31, 27. See also RS03, pp. 13, 17-18.

³² RS04.

³³ RS02, p. 30.

³⁴ RS02, pp. 15, 34.

³⁵ RS03.

³⁶ RS07, p. 7.

³⁷ SM01.

lakedistrict.gov.uk (which also references Hawkshead Brewery) mention Hawkshead in connection with Beatrix Potter.³⁸

32. Prints from lakedistrict.gov provide details about the National Park.³⁹ It had 41,100 residents in the 2011 census and attracts 19.17 million visitors each year (data from 2017).

33. There is also information about SIBA, the Society of Independent Brewers.⁴⁰ It is a “campaigning, political and representative voice of the independent brewing industry and has “micro, local and regional” members. A membership review published on 17 July 2018 limited membership to breweries representing up to 1% of the UK beer market (around 430,000hl. at the time).

34. That concludes my summary of the evidence, to the extent I consider necessary.

Proof of Use

35. The proof of use provisions are at s. 6A of the Act, which reads:

“(1) This section applies where

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

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the relevant period.

³⁸ SM02

³⁹ SM03.

⁴⁰ SM04

(1A) In this section “the relevant period” means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(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 relevant period 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 or 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 (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), 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 European Union trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(5A) In relation to an international trade mark (EC) the reference in subsection (1)(c) to the completion of the registration procedure is to be construed as a

reference to the publication by the European Union Intellectual Property Office of the matters referred to in Article 190(2) of the European Union Trade Mark Regulation.

(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”.

25. Section 100 is also relevant and states as follows:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

26. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J summarised the law relating to genuine use as follows:

“114. [...] The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundervsvereinigung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32]”.

36. As some—indeed most—of the use shown is of the words “HAWKSHEAD BREWERY” as part of the roundel device, the first issue is whether this qualifies as use of the trade mark. It is settled law that use of a trade mark includes its independent use and its use as part of a composite mark, provided that it continues to be indicative of the origin of the product: *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12 at [31] to [35]. The use of the words “HAWKSHEAD BREWERY” in the roundel device is not such as to impair the mark’s ability to indicate origin, the words being reasonably

prominent and their distinctiveness unaffected by the other elements of the mark. I find that use in the roundel devices qualifies as acceptable use of the mark.

37. The more pertinent question is whether the evidence is sufficient to show genuine use. As is so often the case, the opponent's evidence leaves much to be desired. Very little of the evidence is dated within the relevant period. Nevertheless, there is some evidence that the words "HAWKSHEAD BREWERY" were present on bottle labels for the Lakeland Gold beer between 2016 and 2018. The applicant calls into question the value of the label evidence, asserting (correctly) that evidence of labels does not, of itself, show use in the market. However, there is evidence that the Lakeland Gold beer won awards to 2014 and that it was present on the opponent's website in 2019. These factors point to the labels being used on goods which were put on the market, rather than to a branding exercise with no commercial result. Mr Ricketts' evidence is that the mark has been used in relation to beers since 2002 and that it was on every product at the time of his statement. I have no reason to believe that Mr Ricketts is being untruthful in his evidence (nor has it been alleged). Taking into account Mr Ricketts' claim, the fact there is some evidence of the mark on labels in the relevant period and the reasonably wide range of goods on the website within ten months of the relevant date, I find that it is more probable than not that the words HAWKSHEAD BREWERY were present on or in relation to beer sold by the opponent in the relevant period.

38. The level of turnover, £14 million spread over eight years, is, in the market as a whole, small. The volume of beer is said to have been 75,000 hl.; the applicant's evidence shows that 1% of the beer market in 2018 would have been around 430,000 hl. However, sales appear to have taken place over a number of years, there has been some expenditure on advertising, albeit very modest, and the opponent's goods have attracted awards over a seventeen-year period, including in the relevant period for genuine use purposes. These factors, taken together, are sufficient to show that there has been a real attempt to carve out a share in the market. I am satisfied that there has been genuine use in relation to beer.

39. The final piece of the genuine use jigsaw is whether use has been shown across the claimed specification and, if not, the specification on which the opponent may rely. In *MELIS Trade Mark*, BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law regarding a fair specification as being:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned”.

40. Whilst I bear in mind the not insignificant deficiencies in the evidence, the picture that emerges is of the opponent as a beer manufacturer. It has won awards for lager and various other beers (bitters, ales) in the relevant period, which is consistent with the offering in the web prints and labels. “Beers” is a self-standing category and there is, in my view, no justification for restricting the specification further. The opponent may rely upon its mark for “beers”.

Section 5(2)(b)

41. Section 5(2)(b) of the Act reads as follows:

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

[...]

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

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

42. Although the UK has left the EU, section 6(3)(a) of the European (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from an EU Directive. That is why this decision continues to refer to EU trade mark law.

43. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, EU:C:1997:528, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, EU:C:1998:442, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, EU:C:1999:323, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, EU:C:2000:339, *Matratzen Concord GmbH v OHIM*, Case C-3/03, EU:C:2004:233, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, EU:C:2005:594, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P, EU:C:2007:333, and *Bimbo SA v OHIM*, Case C-591/12P, EU:C:2016:591:

(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 be dominated by one or more of its components;

(f) however, it is also 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 creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

44. The HAWKSHEAD mark is both closer to the contested mark and has the wider specification. If the opposition based upon this mark fails, the opponent's case will be no better under the HAWKSHEAD BREWERY mark. I will, therefore, start by considering the s. 5(2)(b) ground based upon the HAWKSHEAD mark only.

Comparison of goods and services

45. When making the comparison, all relevant factors relating to the goods and services in the specification should be taken into account. In *Canon*, the Court of Justice of the European Union ("CJEU") stated at paragraph 23 of its judgment:

“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 intended purpose and their method of use and whether they are in competition with each other or are complementary”.

46. Guidance on this issue has also come from Jacob J. (as he then was) in *British Sugar Plc v James Robertson & Sons Ltd* (the *Treat* case), [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

- (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.

47. A further relevant factor is whether there is a complementary relationship between the respective goods and/or services. It was explained by the CJEU in *Kurt Hesse v OHIM*, Case C-50/15 P, EU:C:2016:34, that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods, which also applies by analogy to services. In *Boston Scientific Ltd v Office for Harmonization in the Internal*

Market (Trade Marks and Designs) (OHIM), Case T-325/06, EU:T:2009:428, the General Court stated that “complementary” means:

“[...] 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”.

48. In *Avnet Incorporated v Isoact Limited*, [1998] F.S.R. 16, Jacob J. (as he then was) stated that:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase”.

49. The goods and services to be considered are:

Earlier specification	Contested specification
<p><u>Class 32</u>: Beers, ales, lagers; non-alcoholic beverages; de-alcoholised beverages; tonic waters; fruit juices; waters.</p> <p><u>Class 33</u>: Alcoholic beverages (except beers); spirits; gin; vodka; rum; whisky.</p>	<p><u>Class 32</u>: Non-alcoholic beverages; non-alcoholic cider; beers; mineral and aerated waters and other non-alcoholic beverages; fruit beverages and fruit juices; syrups and other preparations for making beverages; ale; real ale; lager; stout; porter; non-alcoholic cider; flavoured beers; ginger beer; malt beer; apple beer; beer wort; extracts of hops for making beer.</p> <p><u>Class 33</u>: Alcoholic beverages [except beers]; cider; flavoured ciders; beer-</p>

	<p>flavoured cider; spirits; liqueurs; distilled beverages; pre-mixed alcoholic beverages, other than beer-based; pre-mixed alcoholic cocktails.</p> <p><u>Class 43:</u> Services for providing food and drink; bar services; operation of bars and pubs; restaurant services; information, consultancy and advisory services relating to the aforesaid.</p>
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Class 32

50. The applicant accepts that “non-alcoholic beverages; non-alcoholic cider; beers; mineral and aerated waters and other non-alcoholic beverages; fruit beverages and fruit juices” and “ale; real ale; lager; stout; porter; non-alcoholic cider; flavoured beers; ginger beer; malt beer; apple beer” are identical to goods in the earlier specification.

51. The contested “syrups and other preparations for making beverages” are all ingredients which are used in the preparation of drinks. These goods are not, however, restricted to ingredients as part of the production process, but include finished goods which are added to other beverages to produce a drink, for example, lime cordial added to soda water. Taking the earlier “non-alcoholic beverages”, there is some overlap in nature, purpose and method of use, all being liquids for imbibing, though the contested goods may be more viscous and are unlikely to be intended for consumption on their own. Users will be the same and channels of trade will intersect: although they may not be in the same areas of retail premises, they will all be served in bars and other licensed premises. The goods are not in competition, not being alternatives to one another. There is, however, complementarity, as the goods are frequently used together and the

consumer is likely to believe that the same undertaking is responsible for both. These goods are similar to a medium degree.

52. The contested specification's "beer wort" is the liquid produced in the beer-making process prior to fermentation. As with the contested "extracts of hops for making beer", it is an ingredient in beer rather than the finished product. I accept, however, that the users of such goods may well include home brewers, i.e. part of the general public, and not just professional beer manufacturers. There may, therefore, be an overlap in the users of such goods and the consumers of beers. The purpose of beer wort and hop extracts is to make beer and is, therefore, different from that of beers, which are intended to be drunk. Their nature and method of use are also different. There is no evidence on the subject but beer is likely to be sold in supermarkets (and their online equivalents), off licences and licensed premises, whilst beer-making ingredients will be sold in specialist outlets. That said, I see no reason why a beer producer selling beers in, for example, a brewery shop, may not also sell such ingredients. There may, therefore, be a limited degree of overlap in channels of trade. There is no competitive relationship between, on the one hand, hop extracts and beer wort and, on the other hand, beers, since the ingredients are not alternatives to drinks ready for consumption, though clearly they play a part in the production of drinks which could serve as alternatives. Both beer wort and hop extracts are essential components in the manufacture of beer. Again, there is no evidence to assist me but it does not seem to me to be a stretch that the consumer may believe that manufacturers of beers cater to the home brew market by providing such goods: there is a degree of complementarity. Overall, these goods are similar to a low degree.

Class 33

53. The applicant accepts that all of the contested goods in class 33 are identical to the earlier specification.

Class 43

54. The applicant submits that only "bar services; operation of bars and pubs" have any similarity with the earlier goods. It submits that any similarity is of a low degree. The

opponent says that all of the services in class 43 are at least complementary to the earlier goods and appears to contend that they are highly similar.

55. The contested “services for providing food and drink; bar services; operation of bars and pubs; restaurant services” are different in nature, purpose and method of use from the earlier alcoholic beverages and beers. These goods and services do, however, share users. There is a competitive relationship, though it is not a particularly strong competitive relationship, as a consumer may purchase drinks from a retailer or obtain the goods from, for example, a bar or restaurant. Channels of trade intersect and there may be complementarity: it is not unusual in the UK for a brewery to operate pubs and bars, or for restaurants to offer otherwise unbranded “house” wines. These goods and services are similar to a medium degree.

56. “Information, consultancy and advisory services relating to services for providing food and drink, bar services, operation of bars and pubs, restaurant services” in the contested specification differ in nature, purpose and method of use from the earlier alcoholic and non-alcoholic beverages. They are not in competition. Nor are they complementary: whilst information and advice may be useful to purchasers of beverages, the relationship between the goods and the contested services is neither essential nor important, nor are such services typically provided by the same undertakings. Given that the contested information and advisory services are wide enough to include the provision of information such as reviews to the general public, there may be an overlap in users. I am not persuaded that consultancy services would naturally be read as services provided to the general public; rather, “consultancy” suggests a service provided between businesses. Notwithstanding any overlap in users, which is only at a very superficial level, these goods and services are not similar. There can be no confusion where the goods and services are dissimilar and the opposition under s. 5(2)(b) against these services is dismissed accordingly.⁴¹

⁴¹ See, for example, *Waterford Wedgwood plc v OHIM* – C-398/07 P (CJEU).

The average consumer and the nature of the purchasing act

57. The average consumer is a legal construct deemed to be reasonably well informed and reasonably circumspect: *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch) at [60]. For the purposes of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods and services in question: *Lloyd Schuhfabrik*.

58. The average consumer for the goods and services at issue will be a member of the general public. The goods and services at issue are likely to be purchased or selected with reasonable frequency and none is likely to require great expense. As far as the goods are concerned, some attention will be paid to factors such as flavour and strength, whilst considerations such as food/drink menu choices and ambiance will come into play for the services. The selection of both the goods and services is likely to attract a medium degree of attention.

59. The selection process itself will take place, in the case of the goods, after visual inspection of the goods on shelves in supermarkets and off-licences, or their online equivalents. I acknowledge that drinks in restaurants and bars are commonly ordered verbally but the marks are likely to be visible before the point of purchase, for example on menus, bottles behind the bar and beer pumps. Whilst I allow for an oral aspect, the purchasing process will be mainly visual.

60. The services are also likely to be selected through mainly visual means, by way of websites, flyers and signs on the premises themselves. Recommendations may be involved in the selection process and the potential for an aural element is, therefore, of relevance.

Distinctive character of the earlier trade mark

61. In *Lloyd Schuhfabrik*, the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)”.

62. The applicant contends that the name “HAWKSHEAD” will be known to a large proportion of relevant consumers as a Cumbrian village. It also contends that the branding used by the opponent reinforces the connection with the Lake District. The latter point is irrelevant to an objection under this ground. The opponent submits that only a negligible proportion of consumers would associate the word “HAWKSHEAD” with the place.

63. The applicant has filed evidence that Hawkshead is a place in Cumbria near Windermere, that the National Park attracts many visitors each year and that Hawkshead is associated with both Beatrix Potter and William Wordsworth. I accept all of this. What I am unable to accept is that the average consumer will perceive “HAWKSHEAD” as being a place in the Lake District. Some consumers will undoubtedly know that Hawkshead is a place. Many of those who visit the Lake District each year may be among them. It is,

however, by no means certain that (i) all or most of the 20 million visitors to the Lake District each year visit Windermere and its environs, (ii) that this figure represents mainly or exclusively new, rather than returning, visitors, or (iii) that these visitors are visitors from within the UK rather than overseas. Even were all 20 million tourists aware that Hawkshead is a place, the UK population is over three times that figure. Other consumers may assume, without any specific knowledge to that effect, that “HAWKSHEAD” is a place, given that “head” is often used to indicate a geographical location, such as a headland or the head of a valley.

64. However, for other consumers, the word “HAWKSHEAD” will be seen as a combination of the words “HAWKS” and “HEAD”. Whilst this group of average consumers may be in the minority, they will represent a sufficiently significant portion of average consumers to be relevant. Consequently, my finding is that the average consumer is not a homogeneous construct in this case: for some average consumers, “HAWKSHEAD” will be known as, or assumed to be, a place but for a significant portion it will not carry this meaning.

65. There is no evidence to suggest that Hawkshead as a place has any particular reputation as a drink-producing locality. I accept that it may, for some consumers, be indicative of geographical origin and that for such consumers the distinctive function of “Hawkshead” is curtailed. For these consumers, the HAWKSHEAD mark will have only a low degree of inherent distinctive character.⁴² For consumers who do not know or assume the word to indicate a location, the combination is not a commonplace one but nor is it especially striking. The mark as a whole has an average degree of inherent distinctive character for this group of average consumer.

66. Turning to the question of whether the mark has acquired distinctiveness through the use which has been made of it, my view is that the evidence falls a long way short of establishing the kind of market penetration which would have enhanced the distinctiveness of the mark. The opponent’s market share is demonstrably very small and,

⁴² Registered trade marks cannot be considered wholly non-distinctive or descriptive: *Formula One Licensing BV v OHIM*, Case C-196/11P.

while there is enough evidence to establish that use in relation to beers has occurred over a period of years, there is next to no evidence of advertising or promotion in the period leading up to the relevant date which would adequately compensate for the modest sales figures.

Comparison of trade marks

67. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details: *Sabel* (particularly paragraph 23). *Sabel* also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in *Bimbo*, that:

“[...] it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion”.

68. It would be wrong, therefore, artificially to dissect the marks, although it is necessary to take into account the distinctive and dominant components of the marks. Due weight must be given to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. The marks to be compared are:

Earlier mark	Contested marks
HAWKSHEAD	HAWKES Hawkes

69. Notional and fair use of a word trade mark permits its use in upper, lower or title case. Accordingly, the difference between the two marks in the series applied for is not material. I will focus on the first of the two, though my comments can be taken to apply equally to the “Hawkes” mark.

70. The earlier mark consists of the words “HAWKSHEAD”. The overall impression is contained in that word as a whole, though the average consumer will recognise the ordinary words “HAWKS” and “HEAD” within it. I reject the opponent’s contention that the mark is dominated by the word “HAWKS”: neither the presentation nor the relative distinctiveness of either word is likely to lead the average consumer to perceive one element, albeit the first recognisable word, as dominant.

71. The contested mark consists of the single word “HAWKES” and it is in that word in which the overall impression rests.

72. The respective marks share the first four letters “HAWK”. They differ after that, and there is no real visual similarity between “HEAD” and “ES”. The earlier mark is a third longer than the contested mark. They are visually similar to a medium degree.

73. When spoken, the pronunciation of “HAWKES” in the contested mark will be identical to that of “HAWKS” in the earlier mark. There is, however, a difference because of the additional syllable produced by “HEAD” in the earlier mark, which has no comparable element in the contested mark. They are aurally similar to a medium degree.

74. The opponent submits that the contested mark will be seen as a misspelling or archaic spelling of the word “hawks” and will convey the meaning of that bird of prey. The applicant disputes this, arguing that the contested mark is of ambiguous meaning. The applicant also appears to assert that the contested mark has a distinct conceptual meaning which has been brought about by the use made of the mark and/or the reputation of the applicant company and that it will be recognised “as a trade mark [for goods and services] originating from the Applicant”. I accept that there are occasions on which an

extensive reputation may result in a word obtaining a conceptual meaning.⁴³ In those cases, the reputation attached to the names has been because of the fame of the individuals concerned, not through any trade mark function. That is manifestly not the case in the instant proceedings: the use of “HAWKES” is far too insubstantial to establish any such distinct conceptual meaning. The reputation of the applicant under the name “BREWDOG” is entirely irrelevant: the evidence shows little more than the announcement of the acquisition and goes no distance at all to establishing that the average consumer will understand “HAWKES” to mean the applicant company (Brewdog).

75. It is not clear to me that the contested mark will be perceived in only one way. Some people may know that “Hawkes” is a surname or see the mark as a misspelled possessive of “Hawke”. Others may not attribute any conceptual meaning to the word, knowing that “hawk” is not spelt with an “e”. However, a significant proportion of consumers is likely to perceive the work “HAWKES” in the way suggested by the opponent, i.e. as a misspelling or an archaic form of the word “hawks”, and the notion conveyed will be of these birds of prey.

76. The earlier mark may convey the meaning of a place, as discussed above. For consumers who perceive this meaning, there is a conceptual difference between the marks, no matter what meaning they attribute to the contested mark. However, for consumers who do not know of Hawkshead, my view is that a significant proportion will understand the mark to mean “hawk’s head”, despite the absence of an apostrophe. Where the earlier mark does not convey an image of a bird of prey, there is a conceptual distinction. However, for consumers who perceive the earlier mark as “hawk’s head” and who also perceive the contested mark as a variant of “hawk”, there is a medium degree of conceptual similarity between the marks.

Likelihood of confusion

77. In determining whether there is a likelihood of confusion, all of the above factors need to be borne in mind. They must be considered globally (*Sabel* at [22]), from the

⁴³ See *The Picasso Estate v OHIM*, Case C-361/04 P, EU:C:2006:25, and *EUIPO v Messi Cuccittini and J.M.-E.V. e hijos v Messi Cuccittini*, joined cases C-449/18 P and C-474/18 P, EU:C:2020:722.

perspective of the average consumer. In making my assessment, I must keep in mind 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 (*Lloyd Schuhfabrik* at [26]). The factors considered above have a degree of interdependency (*Canon* at [17]): for example, a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa.

78. Confusion can be direct or indirect. The difference between these two types of confusion was explained in *LA SUGAR Trade Mark*, BL O/375/10, where Iain Purvis Q.C. explained that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark”.

79. In *EDEN CHOCOLAT Trade Mark*, BL O/547/17, James Mellor Q.C. (as he then was), as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls another mark to mind. This is mere association not indirect confusion.

80. This is not a clear-cut case. The marks are visually and aurally similar to a medium degree. Many average consumers, among whom I would number, would not be confused

because Hawkshead is known or assumed to be a geographical location and/or Hawkes is either a name or has no clear concept. However, my view is that there is a significant proportion of average consumers, albeit a minority, for whom the respective marks have a medium degree of conceptual similarity and the earlier mark an average degree of inherent distinctiveness.⁴⁴ I acknowledge that “HEAD” in the earlier mark is a distinctive element in itself and that the combination “HAWKSHEAD” will result in a specific meaning: this is not a case where one mark features a non-distinctive addition, or where there is an independent distinctive element.⁴⁵ Direct confusion can be ruled out on this basis. I also bear in mind that the goods and services at issue will be selected with a medium level of attention. Nonetheless, I consider that the shared imagery of a hawk created by both marks will be retained by the average consumer and that, bearing in mind that the average consumer does not conduct a side-by-side comparison of the trade marks, the conceptual distance between the marks is insufficient to avoid confusion on the part of the average consumer, even where there is only a low degree of similarity between the goods and services. A significant proportion of average consumers will believe that the marks are used by the same or connected undertakings. There is a likelihood of indirect confusion.

Acquiescence

81. In its written submissions, the applicant raises the issues of honest concurrent use and acquiescence. Neither defence was pleaded and that would, in my view, be sufficient reason to dismiss the claims. Nevertheless, I will briefly give my views in case of appeal.

82. Section 48 of the Act provides:

“48. - (1) Where the proprietor of an earlier trade mark or other earlier right has acquiesced for continuous period of five years in the use of a registered trade mark in the United Kingdom, being aware of that use, there shall cease to be any entitlement on the basis of that earlier trade mark or other right- (a) to apply

⁴⁴ *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41 at [34] and *Interflora Inc v Marks and Spencer plc* [2015] EWCA Civ 1403, [2014] FSR 10 detail the requirement for a “significant proportion” of average consumers to be confused.

⁴⁵ See *Medion, Bimbo* and the discussion of these cases in *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch) at [18]-[21].

for a declaration that the registration of the later trade mark is invalid, or (b) to oppose the use of the later trade mark in relation to the goods or services in relation to which it has been so used, unless the registration of the later trade mark was applied for in bad faith.

(2) Where subsection (1) applies, the proprietor of the later trade mark is not entitled to oppose the use of the earlier trade mark or, as the case may be, the exploitation of the earlier right, notwithstanding that the earlier trade mark or right may no longer be invoked against his later trade mark”.

83. The above provisions only bite on registered trade marks. The contested mark is not a registered trade mark and the defence insofar as it is based on statutory acquiescence must be rejected.

84. Following the ruling in *Marussia Communications Ireland Limited v Manor Grand Prix Racing Limited and others* [2016] EWHC 809 (Ch), it appears that national defences such as acquiescence are not available under EU trade mark law.⁴⁶ In any event, nothing in the evidence suggests that the opponent was aware of the applicant’s activities, still less that the opponent’s actions represented an unequivocal renunciation of its rights. The claim of acquiescence is dismissed.

Honest concurrent use

85. In *Budejovicky Budvar NP v Anheuser-Busch Inc*, Case C-482/09, EU:C:2010:596, the CJEU held that:

“74. In that context, it follows from the foregoing that Article 4(1)(a) of Directive 89/104 must be interpreted as meaning that a later registered trade mark is liable to be declared invalid where it is identical with an earlier trade mark, where the goods for which the trade mark was registered are identical with those for which the earlier trade mark is protected and where the use of the

⁴⁶ See also *Martin y Paz Diffusion SA v Depuydt*, C-661/11, EU: C:2013:577, and *Kerly’s Law of Trade Marks and Trade Names* (16th edn, Sweet & Maxwell 2019) at chapter 17, section 16, subsections 106-110.

later trade mark has or is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods.

75. In the present case, it is to be noted that the use by Budvar of the Budweiser trade mark in the United Kingdom neither has nor is liable to have an adverse effect on the essential function of the Budweiser trade mark owned by Anheuser-Busch.

76. In that regard, it should be stressed that the circumstances which gave rise to the dispute in the main proceedings are exceptional.

77. First, the referring court states that Anheuser-Busch and Budvar have each been marketing their beers in the United Kingdom under the word sign 'Budweiser' or under a trade mark including that sign for almost 30 years prior to the registration of the marks concerned.

78. Second, Anheuser-Busch and Budvar were authorised to register jointly and concurrently their Budweiser trade marks following a judgment delivered by the Court of Appeal (England & Wales) (Civil Division) in February 2000.

79. Third, the order for reference also states that, while Anheuser-Busch submitted an application for registration of the word 'Budweiser' as a trade mark in the United Kingdom earlier than Budvar, both of those companies have from the beginning used their Budweiser trade marks in good faith.

80. Fourth, as was stated in paragraph 10 of this judgment, the referring court found that, although the names are identical, United Kingdom consumers are well aware of the difference between the beers of Budvar and those of Anheuser-Busch, since their tastes, prices and get-ups have always been different.

81. Fifth, it follows from the coexistence of those two trade marks on the United Kingdom market that, even though the trade marks were identical, the beers of Anheuser-Busch and Budvar were clearly identifiable as being produced by different companies.

82. Consequently, as correctly stated by the Commission in its written observations, Article 4(1)(a) of Directive 89/104 must be interpreted as meaning that, in circumstances such as those of the main proceedings, a long period of honest concurrent use of two identical trade marks designating identical products neither has nor is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods or services”.

86. In *Victoria Plum Ltd v Victorian Plumbing Ltd* [2016] EWHC 2911 (Ch), Carr J. considered the CJEU’s judgment in *Budejovicky Budvar NP v Anheuser-Busch Inc.* and the Court of Appeal’s judgments in that case and in *IPC Media Ltd v Media 10 Ltd*, [2014] EWCA Civ 1403, and stated that a defence of honest concurrent use could, in principle, defeat an otherwise justified claim of trade mark infringement. Having reviewed the case law the judge stated that:

“74. The case law to which I have referred establishes the following principles:

i) Where two separate entities have co-existed for a long period, honestly using the same or closely similar names, the inevitable confusion that arises may have to be tolerated.

ii) This will be the case where the trade mark serves to indicate the goods or services of either of those entities, as opposed to one of them alone. In those circumstances, the guarantee of origin of the claimant’s trade mark is not impaired by the defendant’s use, because the trade mark does not denote the claimant alone.

iii) However, the defendant must not take steps which exacerbate the level of confusion beyond that which is inevitable and so encroach upon the claimant's goodwill".

In assessing whether the defendant had acted honestly the judge directed attention to the following factors:

"i) The defendant has a duty to act fairly in relation to the legitimate interests of the trade mark proprietor.

ii) All circumstances must be considered when ascertaining whether or not the use by the defendant is honest, including whether the defendant can be regarded as unfairly competing with the trade mark proprietor.

iii) However, the question is not simply whether use of the sign complained of gives rise to consumer deception, as such deception may have to be tolerated. Similarly, the defendant may well be aware of the existence of such confusion, having lived with it for a considerable period.

iv) The question is whether the defendant has taken steps which exacerbate the level of confusion beyond that which is inevitable and so has encroached upon the claimant's goodwill.

v) Whether the defendant ought to be aware that such steps will exacerbate confusion is a relevant factor."

87. The instant case is not on all fours with *Budejovicky Budvar*. The period of concurrent use is much shorter, at less than six years. Further, the evidence points to mainly small-scale use: the turnover figures represent only a tiny fraction of the market: if the opponent's use is less than 1% of the market, the applicant's use is even smaller: whilst it has been growing over the period 2014-2018, it only cleared £1 million annual turnover in 2017. I acknowledge that both parties claim to sell their goods via a range of retailers and licensed premises but there is little evidence to help me to determine the extent of

this. Although the invoices include Birmingham and London addresses, the sums involved are relatively small. It is not clear from the evidence to what extent the applicant's sales figures—and the burden of establishing the defence is on the applicant—relate to goods other than those sold through its own licensed premises or outside London and, therefore, whether there has been any real prospect of the marks coming into conflict, though I recognise that no evidence has been advanced of actual confusion either. In addition, whilst there are a few articles which mention Hawkes, there is no evidence of advertising spend and promotion of the mark appears to have taken place primarily through the Hawkes social media accounts, none of which shows large numbers of followers (3,200 at the highest). My view is that the evidence is insufficiently clear to establish that there has been parallel trade on a scale which has resulted in the average consumer becoming accustomed to distinguishing between the entities. I am not satisfied that the likelihood of confusion would be avoided because of honest concurrent use.

Final remarks under s. 5(2)(b)

88. As far as the HAWKSHEAD BREWERY mark is concerned, the lesser degree of similarity between the marks and the narrower specification leave the opponent in no stronger a position concerning the goods and services where I have held that there will be confusion. Considering the services in respect of which the opposition based on the HAWKSHEAD mark has been dismissed, the opponent is also in no better a position with the HAWKSHEAD BREWERY mark. The specification (beers) is encompassed by that of the HAWKSHEAD mark: there can be no greater degree of similarity between the goods and services than that already held. The absence of any similarity between the goods and services results in no likelihood of confusion for the services where the opposition has been unsuccessful under the HAWKSHEAD mark.

Conclusion under s. 5(2)(b)

89. The opposition under s. 5(2)(b) succeeds in relation to all of the goods and services in the specification, save for “information, consultancy and advisory services relating to services for providing food and drink, bar services, operation of bars and pubs, restaurant services”.

Section 5(3)

90. Section 5(3) states:

“(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 a European Union trade mark or international trade mark (EC), in the European Union) 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”.

91. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, EU:C:1999:408, *General Motors* [1999] ETMR 950; Case 252/07, EU:C:2008:655 *Intel*, [2009] ETMR 13; Case C-408/01, EU:C:2003:582, *Adidas-Saloman*, [2004] ETMR 10; and C-487/07, EU:C:2009:378, *L’Oreal v Bellure* [2009] ETMR 55; and Case C-323/09, EU:C:2011:604, *Marks and Spencer v Interflora*. The law appears to be as follows:

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered: *General Motors*, paragraph 24;

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public: *General Motors*, paragraph 26;

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind: *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63;

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant

consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness: *Intel*, paragraph 42;

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors: *Intel*, paragraph 79;

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future: *Intel*, paragraphs 76 and 77;

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character: *Intel*, paragraph 74;

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark: *L'Oreal v Bellure NV*, paragraph 40;

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a

transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

92. In *General Motors*, the CJEU held that:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it”.

93. Although I have found that the evidence is sufficient to establish genuine use of the HAWKSHEAD BREWERY mark, the test for a reputation represents a much higher bar: it is the difference between showing a genuine commercial interest in a trade mark and showing that the use has been on a scale such that the trade mark has become known to a substantial part of the relevant public. In my view, neither earlier mark has cleared that bar. I acknowledge that it is said that the opponent's goods are sold in national supermarkets and over 900 retailers nationwide but, whilst I accept that the use is of some

years' duration, the sales figures are small and such evidence as there is points to a tiny market share. Advertising spend has been very modest. Given the obvious discrepancy in the evidence of advertising material, which Mr Ricketts says is from before 2018 but some of which is dated 2019, I treat that evidence with caution but, in any event, there is very little advertising material in evidence; certainly there is nothing which suggests national campaigns, press interest or which shows any particular intensity of use. I recognise that the opponent has won awards but, absent more cogent evidence of sales and advertising, it is insufficient to show that opponent had garnered a reputation amongst a substantial part of the relevant public. The evidence does not establish that the opponent's marks had a reputation at the relevant date. The ground under s. 5(3) falls at the first hurdle and is dismissed accordingly.

Section 5(4)(a)

94. Section 5(4)(a) states:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

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

(b) [.....]

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

95. The elements of the tort which must be established in order for an action in passing off to succeed were set out in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341, p. 406. In outline, the opponent must establish, first, that he has a goodwill attached to the goods/services and that the sign associated with the goodwill is recognised as distinctive of his business by the public; secondly, that there is a misrepresentation to the public that the goods and/or services of the applicant are the goods and/or services of the

opponent; and thirdly, that the opponent suffers, or is likely to suffer, damage as a result of the erroneous belief engendered by the misrepresentation.

96. Whether there has been passing off must be judged at a particular point (or points) in time. Strictly speaking, the relevant date for the assessment is the date of application of the contested mark (or the priority date, if applicable), i.e. 18 January 2019. However, where the applicant has used the mark prior to the filing date, consideration must be given to the position at the date on which the behaviour complained of began.⁴⁷

Goodwill

97. The House of Lords considered goodwill in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217, saying:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start”.

98. It is well established that the law of passing off does not protect a trivial goodwill: *Hart v Relentless Records* [2002] EWHC 1984 (Ch). However, a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though its goodwill and reputation may be small.⁴⁸

99. There are, as I have already indicated, difficulties with the opponent's evidence. However, Mr Rickett's evidence is that “the first beer produced in 2002 was Hawkshead Bitter, and since then about 85 different types of beers have been produced under the Hawkshead and Hawkshead Brewery trade marks”.⁴⁹ The evidence of awards dates from 2002 to 2019 and appears to include prizes for beers even at the earliest date. The

⁴⁷ *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O/410/11 at [43].

⁴⁸ See, for example, *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590 and *Stannard v Reay* [1967] FSR 140.

⁴⁹ Ricketts, §3.

“current” range has 69 beers and the “HAWKSHEAD BREWERY” sign is said to be used on every product; although the evidence does not establish that this was definitively the case, it points in that direction. Whilst the beer market will be very large, it is also one which accommodates small producers. Although the opponent’s turnover is likely to represent a very small part of the market as a whole, when coupled with the other evidence of use of some duration, and bearing in mind that the civil standard is the balance of probabilities, I am satisfied that the opponent had at the filing date a protectable goodwill in a business producing beer. There is, however, no evidence of confirmed sales before 2010. I am prepared to find that the opponent had a protectable goodwill by the end of 2010 but not before then. There is no evidence at all of use in relation to spirits. There is also no evidence of any revenue in respect of the services claimed under this ground and the advertisements suffer from the defects pointed out earlier. The absence of any sales figures prevents me from determining whether, or at what point, a substantial goodwill was generated in relation to these services. I am not prepared to accept on the evidence that the opponent had a protectable goodwill which extended to the services asserted, or to spirits.

100. The evidence before me suggests that the sign HAWKSHEAD BREWERY is the sign which has appeared on the goods. However, as “BREWERY” is non-distinctive for beers, the only distinctive part of that sign is “HAWKSHEAD”. I accept that the signs “HAWKSHEAD” and “HAWKSHEAD BREWERY” have been used since 2002 or shortly thereafter and that they were by 2010 distinctive of the opponent’s goodwill.

101. As for the “HAWKS HEAD” sign, the claim is that the sign was first used in August 2016 and Mr Rickett’s evidence is that that was the case. He has provided an image of a bottle label said to evidence the first use. Labels in evidence for the Lakeland Gold and “HAWKS HEAD + YEASTIE BOYS” beers are said to be dated between 2016 and 2018; the “HAWKS HEAD” format is said to be the most recent. The website prints show the sign on a good number of the beers for sale. Whilst these are apparently contemporaneous with Mr Rickett’s witness statement and therefore after the relevant date, they are nevertheless of some assistance in casting light back on what the position may have been at the relevant time. Given the evidence of a label bearing this mark by

2016 and the number of beers on the website, it is more likely that this sign was present on at least some of the goods by the relevant date than that a complete rebrand took place between January and November 2019. Although I have no evidence of sales which may have been specific to this sign, the sign itself only differs from the HAWKSHEAD sign through the addition of a space between the recognisable words “HAWKS” and “HEAD”, a difference which is likely to go unnoticed. I find that this sign was also distinctive of the opponent’s business by the filing date. In the absence of any clear evidence of when the sign was used in the marketplace, I am not prepared to find that it was distinctive of the business at an earlier date.

Misrepresentation

102. In *Reckitt & Colman Products*, at p. 407, the test for misrepresentation was held to be:

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents' [product]”.

103. In *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA), it was acknowledged that there is no requirement for a common field of activity but that the plaintiff (here, the opponent) must establish that there would be likely confusion among the common customers of both parties. The absence of a common field of activity was, therefore, held not to be fatal. However, where there is no or only a tenuous degree of overlap between the parties' respective fields of activity, the burden of proving the likelihood of confusion and resulting damage is a heavy one.⁵⁰

104. “Non-alcoholic beverages; non-alcoholic cider; beers; other non-alcoholic beverages; ale; real ale; lager; stout; porter; non-alcoholic cider; flavoured beers; ginger beer; malt beer; apple beer” in class 32 and “Alcoholic beverages [except beers]; cider; flavoured ciders; beer-flavoured cider; alcoholic beverages [except beers]; cider;

⁵⁰ *Harrods*, p. 714.

flavoured ciders; beer-flavoured cider; pre-mixed alcoholic beverages, other than beer-based; pre-mixed alcoholic cocktails” in class 33 are all in the same field of activity as the opponent, either being beers or similar to beers (“pre-mixed alcoholic beverages, other than beer-based” and “pre-mixed alcoholic cocktails” will include cider-based cocktails). The drinks market is, however, a segmented market and the remaining beverages in classes 32 and 33 of the contested specification are in different fields: notwithstanding the fact that they are all drinks, these goods have significant differences in nature, different production methods, are not competitive and manufacturers of the contested goods would not typically have a foot in both camps. Beer wort and hops are not in a wholly separate field but, as I explained above, there is some distance between the goods.

105. As regards the contested services, “services for providing food and drink; bar services; operation of bars and pubs; restaurant services” are in a field with a reasonable degree of proximity to that of the opponent, it being commonplace for breweries to run premises for the consumption of food and drink. For the same reasons I gave at paragraph 57, above, I do not consider “information, consultancy and advisory services relating to services for providing food and drink, bar services, operation of bars and pubs, and restaurant services” to be in the same sphere of activity as the opponent.

106. I acknowledge that the inherent distinctiveness of “HAWKSHEAD” and “HAWKSHEAD BREWERY” may be weak for part of the relevant public. However, as I explained earlier, a significant part of the relevant public is likely to see “HAWKSHEAD” as an averagely distinctive combination meaning “hawk’s head”. I have given my views on the similarity between “HAWKSHEAD” and “HAWKES”, above, and they are equally applicable here. I also consider there to be a medium degree of visual, aural and conceptual similarity between the “HAWKS HEAD” sign and the contested mark, for the same reasons. There is less visual and aural similarity between “HAWKSHEAD BREWERY” and “HAWKES” because of the inclusion of the word “BREWERY” in the earlier mark. However, the distinctiveness of the “HAWKSHEAD BREWERY” sign is heavily weighted in favour of the word “HAWKSHEAD”. Both “HAWKSHEAD” and “HAWKS HEAD” are averagely distinctive for beers.

107. Taking all of these factors into account, my view is that there would be a misrepresentation for the goods and services listed below, because they are in the same or a sufficiently close field of activity that, notwithstanding the small goodwill enjoyed by the opponent, the relevant public is likely to consider that the applicant's goods are connected with the opponent's business. The conceptual distinctions between the mark and all of the signs are inadequate to dispel the risk of misrepresentation in respect of the following:

Class 32: Non-alcoholic beverages; non-alcoholic cider; beers; other non-alcoholic beverages; ale; real ale; lager; stout; porter; non-alcoholic cider; flavoured beers; ginger beer; malt beer; apple beer; beer wort; extracts of hops for making beer.

Class 33: Alcoholic beverages [except beers]; cider; flavoured ciders; beer-flavoured cider; pre-mixed alcoholic beverages, other than beer-based; pre-mixed alcoholic cocktails.

Class 43: Services for providing food and drink; bar services; operation of bars and pubs; restaurant services.

108. There would be no such misrepresentation for:

Class 32: Mineral and aerated waters; fruit beverages and fruit juices; syrups and other preparations for making beverages.

Class 33: Spirits; liqueurs; distilled beverages.

Class 43: Information, consultancy and advisory services relating to services for providing food and drink, bar services, operation of bars and pubs, restaurant services

These goods and services are in a wholly different sector and any connection with the opponent's business, even fleeting, is most unlikely in light of the limited goodwill of the opponent's business and the no more than averagely distinctive signs. The passing-off ground is dismissed insofar as it is directed against these goods and services.

Damage

109. It is well established that damage may occur by substitution, if one party's goods are represented as those of another, or where a party loses control of its reputation.⁵¹ Where the relevant public operates under the misapprehension that the goods of the applicant are the goods of the opponent, there is an obvious potential for damage through loss of sales. I find that that will be the case for the goods in class 32. I also consider that damage will arise through the opponent's loss of control of its reputation in relation to all of the contested goods and services, which may arise from substandard goods and/or services or dissatisfaction with the goods and services provided. Damage is made out.

Defences

110. Both concurrent user and acquiescence were raised in submissions during the evidence rounds, though as neither was pleaded and there has been no application to amend the pleadings that would, in my view, suffice to dismiss the claims. In case of appeal, I will briefly consider the points.

111. The parties appear to have been trading concurrently since at least 2013. The evidence shows that by the date of application the applicant had established a protectable goodwill of its own. It is, therefore, possible as a matter of law that use which could have been restrained in 2013 can no longer be restrained because of established concurrent use. In *W.S. Foster & Son Limited v Brooks Brothers UK Limited*, [2013] EWPC 18, Iain Purvis Q.C., sitting as Deputy Judge, set out the following analysis of when honest concurrent use could provide a defence to an action in passing off:

“61. The authorities therefore seem to me to establish that a defence of honest concurrent use in a passing off action requires at least the following conditions to be satisfied:

⁵¹ See, for example, *Reckitt & Colman Products; Ewing v Buttercup Margarine Company, Limited*, [1917] 2 Ch. 1.

(i) the first use of the sign complained of in the United Kingdom by the Defendant or his predecessor in title must have been entirely legitimate (not itself an act of passing off);

(ii) by the time of the acts alleged to amount to passing off, the Defendant or his predecessor in title must have made sufficient use of the sign complained of to establish a protectable goodwill of his own;

(iii) the acts alleged to amount to passing off must not be materially different from the way in which the Defendant had previously carried on business when the sign was originally and legitimately used, the test for materiality being that the difference will significantly increase the likelihood of deception”.

112. It seems likely that the applicant’s use of the contested mark in 2013 amounted to passing off. On the evidence before me, the first condition in Mr Purvis’s analysis is not satisfied. This does not mean that the applicant was deliberately trying to misrepresent itself as the opponent. Indeed, the evidence offers an entirely plausible explanation for the adoption of the name “HAWKES”. However, an unintentional act of passing off is still passing off. This defence is not made out.

113. It is also alleged that the opponent has acquiesced. It is, however, well established that delay alone does not amount to acquiescence.⁵² There is nothing to suggest that the opponent directly or indirectly encouraged the applicant to continue its use of the contested mark. The applicant cannot rely upon a defence of acquiescence. The opposition based upon s. 5(4)(a) succeeds for the goods and services listed at paragraph 107.

Conclusion

114. The opposition has partially succeeded under ss. 5(2)(b) and 5(4)(a), to a greater extent under the former than the latter. It has failed under s. 5(3). Subject to appeal, the application will be refused for all of the goods and services for which registration is sought,

⁵² See, for example, *DaimlerChrysler AG v Alavi (t/a Merc)* [2001] R.P.C. 42.

save for “information, consultancy and advisory services relating to services for providing food and drink, bar services, operation of bars and pubs, restaurant services” in class 43.

Costs

115. The opponent has had the lion’s share of the success and is entitled to an award of costs. There is no request that I depart from the normal Registry scale (Tribunal Practice Notice 2/2016 refers). I award costs to the opponent as follows:

Official fee:	£200
Filing the notice of opposition and considering the counterstatement:	£300
Filing evidence and considering the other party’s evidence:	£600
Written submissions:	£300
Total:	£1,400

116. I order Brewdog plc to pay Hawkshead Brewery Limited the sum of **£1,400**. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 1st day of April 2021

**Heather Harrison
For the Registrar
The Comptroller-General**