

O-236-11

TRADE MARKS ACT 1994

**IN THE MATTER OF INTERNATIONAL REGISTRATION NO. 1003042 IN THE
NAME OF HAVANA CLUB HOLDING SOCIÉTÉ ANONYME**

AND

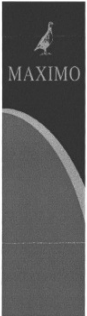

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 72099 BY BODEGAS MAXIMO, S.L.**

BACKGROUND

1. On 9 April 2009 (claiming priority from a filing in the Benelux dated 22 December 2008), Havana Club Holding, société anonyme (“Havana”) requested protection in the United Kingdom of the International Registration (IR) of the words **HAVANA CLUB MAXIMO**.

2. The United Kingdom Trade Marks Registry (“TMR”) considered the request satisfied the requirements for protection and particulars of the IR were published on 18 December 2009 for the following goods in class 33: “Alcoholic beverages (except beers); rum”. In June 2010 the specification of the IR was limited to “rum”.

3. On 18 March 2010, Bodegas Maximo, S.L. (“Bodegas”) filed a notice of opposition. This consisted of a single ground based upon section 5(2)(b) of the Trade Marks Act 1994 (as amended) (“the Act”). Bodegas’ opposition is based upon the following trade marks:

Trade Mark	No.	Application Date	Registration Date	Relevant goods
MAXIMO	CTM 6642284	5.2.2008	4.12.2008	Alcoholic beverages (except beers).
	CTM 4372041	4.4.2005	21.4.2008	Alcoholic beverages (except beers).
 MAXIMO	CTM 3921707	7.7.2004	31.10.2005	Alcoholic beverages (except beers).
MAXIMO REAL	CTM 2640696	3.4.2002	25.2.2009	Spanish wines.
DON MAXIMO VINOS MAXIMOS (presented on one line)	CTM 2471647	21.11.2001	18.11.2005	Wines

4. In its statement of grounds Bodegas said, inter alia:

“The signs are similar to the extent that they share their dominant verbal element MAXIMO...the public would reasonably expect goods provided featuring the word MAXIMO to be connected with the opponent.”

5. On 18 June 2010, Havana filed a counterstatement which consisted, in essence, of a denial of the ground upon which the opposition is based. In its counterstatement Havana said, inter alia:

“3. The applicant denies the claim that MAXIMO is the dominant verbal element of the mark applied for. It is at the end, and no bigger or in any other way more prominent than HAVANA CLUB. The applicant’s mark is HAVANA CLUB MAXIMO and thus the dominant verbal element of the mark applied for is HAVANA CLUB which is the first part of the composite mark applied for. It is totally unrealistic that the public will regard the last element of this three word mark as the dominant element. It is far more likely that, if the consumer notices the element MAXIMO at all, it will be seen as qualifying in some way, the HAVANA CLUB part of the mark.

4. The public would be likely to assume that the word MAXIMO in the applicant’s mark is simply an adjective, intended for example to indicate the high quality of the applicant’s product...

8. The applicant denies the claim that the public would expect goods provided under any mark featuring the word MAXIMO must be connected with the opponent. The name MAXIMO is not particularly distinctive since it is a common first name in Spain. The opponent’s own CTM registration DON MAXIMO VINOS MAXIMOS, suggest that Maximo is in fact the first name of an individual running the company. “Don” means “Mr”, and is also used as a term of respect when combined with a man’s first name. “Vino” means wine, so the mark means “(Mr) Maximo, Maximo wines.” MAXIMO is also an ordinary Spanish word derived from Latin, meaning “maximum” and can also be used as a superlative, to qualify a masculine noun to indicate e.g. “the biggest”. Spanish is considered to be a well known language in the UK and so the meaning of maximo is likely to be understood by many in the UK. Those who do not recognise it as a Spanish word will still understand its meaning, because it is so similar to the English word maximum. Furthermore, words which are visually, conceptually and phonetically similar to MAXIMO including MAXIMA, MAXIMUS and MASSIMO are all commonly registered in class 33 (on the UK and CTM registers) as (or as an element of) trade marks [examples provided].”

6. Havana also provided copies of decisions of the French and Spanish Intellectual Property Offices dated 2 March 2010 and 2 November 2009 respectively. In those decisions, which involved the same parties, the same contested trade mark, and, insofar as the Spanish proceedings are concerned, (I am told) essentially the same

earlier rights as the instant case, the national offices concerned rejected Bodegas' oppositions; I am told that no further appeals against those decisions have been lodged. Of these decisions Havana said:

"7. Although the decisions of other EC offices are not binding in the UK, the decisions of the French and Spanish IPOs must at the very least be persuasive as they were considering the same marks (in both cases the comparison consisted of or included MAXIMO v HAVANA CLUB MAXIMO). There are also strong similarities between English, French and Spanish, particularly as all three have so many words whose origin is Latin, for example, maximum (English), maximum (French) and máximo (Spanish). It is clear that there is no likelihood of confusion in the UK, just as there is not in France or Spain, because the marks are simply too different."

7. Both parties filed evidence. While neither party asked to be heard both filed written submissions in lieu of attendance at a hearing; I will refer to these submissions as necessary below.

Bodegas' evidence-in-chief

8. This consists of a witness statement from Derek Moore who is a partner in the firm of Jensen & Son, Bodegas' professional representatives in these proceedings. As Mr Moore's statement consists (primarily) of submissions rather than evidence of fact, it is not necessary for me to summarise it here; however, I will keep these submissions in mind and refer to them as necessary later in this decision. Where Mr Moore does provide evidence (exhibit DM1 consists of examples of how the competing trade marks are actually used and exhibit DM2 consists of website extracts relating to litigation surrounding the Havana Club trade mark in the United States), this evidence is not germane to the issues before me and I need say no more about it here.

Havana's evidence-in-chief

9. This consists of five witness statements. The first four statements are from: Christopher Richards who is the Senior Brand Manager for Havana Club at Pernod Ricard UK (who filed two statements), Eve-Marie Wilmann-Courteau who is Head of IP Legal Europe at Pernod Ricard Europe and Jamie Campbell who is an Account Manager at CGA Strategy Limited, all of which attest to the use made of, inter alia, the trade marks HAVANA CLUB and HAVANA CLUB MAXIMO in the United Kingdom; ordinarily I would summarise these statements here. However, in view of the comments of Mr Noain of Bodegas (see paragraph 12 below) and the following comment contained in Bodegas' written submissions:

"The evidence shows that HAVANA CLUB is a large, well known, global and successful brand in the alcoholic beverage industry",

it is, in my view, unnecessary for me to do so; I will, if necessary, refer to them later in this decision.

10. That leaves the witness statement of Rachael White who is a trade mark attorney at Mewburn Ellis LLP, Havana's professional representatives in these proceedings which is accompanied by fourteen exhibits. Ms White notes, inter alia, that the word MAXIMO is a word in the Spanish language. It is, I think, only necessary for me to provide a summary of the following exhibits:

REW1 – consists of an extract taken from the TMR's Manual of trade marks practice ("the manual") in relation to the registrability of non-English words, which indicates that Spanish is one of the most widely understood European languages in the United Kingdom;

REW2 – consists of an extract taken from the 3rd edition of the Collins Spanish-English Dictionary which indicates that the Spanish word MAXIMO means, maximum, top, highest or greatest in English;

REW3 - consists of further references from the manual in relation to (i) "Non-English words which resemble English Descriptive Words", which indicates that "The more closely a non-English descriptive word resembles its English equivalent, the more likely it is that its descriptive significance would be understood by the consumer", and (ii) that the prefix MAXI means large, great or much, from which Ms White concludes that consumers in the United Kingdom would consider the word MAXIMO to be equivalent to the word MAXIMUM;

REW4, 5 and 6 – consist of extracts obtained from a range of websites on 12 October 2010 indicating that in Spain the word MAXIMO can operate as both a forename and surname;

REW7 – consists of an extract taken from www.namepedia.org on 12 October 2010 which shows the relationship between a range of names including, inter alia, MAXIMO, MASSIMO and MAXIMUS;

REW8 – consists of the results of a Google search conducted on 15 November 2010 for the words "maximo park" (which Ms White notes produced 927,000 results) together with an extract taken from Wikipedia on 12 October 2010 which indicates that Maximo Park "are a British alternative rock band formed in 2000" and noting, inter alia, that their first two albums went double platinum;

REW10 & 11 – consists of extracts taken from the 2nd edition of the Pocket Oxford Spanish Dictionary which indicates that the words DON and VINOS appearing in CTM registration No. 2471647 would be seen as references to Mr and wine respectively.

Bodegas' evidence-in-reply

11. This consists of a witness statement from Julio Noain Sainz who is Bodegas' General Manager, a position he has held for eight years i.e. since Bodegas was established. Mr Noain says:

“The winery total capacity goes up to three million litres with 3,500 American and French oak barrels. In the cellars, the wines are undergoing treatment, blending, ageing, bottling and storing. [Bodegas] is an export company whose wines have won several awards [examples of which are provided in exhibit JNS1].”

12. Mr Noain explains that the MAXIMO trade mark has been used in a wide range of countries including the United Kingdom for eight years. He concludes his statement in the following terms:

“4. I am aware of the HAVANA CLUB brand and acknowledge that the witness statements submitted by [Havana] to the extent that they state that HAVANA CLUB is a well known, global and successful brand in the alcoholic beverage industry. I believe that the use of such a well known trade mark on alcoholic beverages in combination with our trade mark can only cause consumers in the United Kingdom confusion as to the source of these goods.”

Havana's additional evidence

13. This consists of a witness statement, dated 26 May 2011, from Edmund Harrison, a trade mark attorney at Mewburn Ellis. Exhibit ESH1 to Mr Harrison's statement consists of a copy of a decision (in French) of the Swiss Federal Institute of Intellectual Property dated 5 April 2011 together with a certified translation into English. In this decision which, explains Mr Harrison, involves “the same parties and with exactly the same circumstances as the current UK proceedings”, I note that Bodegas' opposition was unsuccessful. No indication is given as to whether an appeal against the decision (which was due by 5 May 2011) has been filed; I will return to this evidence later in the decision.

14. That concludes my summary of the evidence provided to the extent I consider it necessary.

DECISION

15. The opposition is based solely upon section 5(2)(b) of the Act which 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.”

16. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

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

(a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

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

17. In these proceedings Bodegas are relying on the registered trade marks shown in paragraph 3 above; all of which qualify as earlier trade marks under the above provisions and none of which are subject to proof of use, as per The Trade Marks (Proof of Use, etc) Regulations 2004, as they had not been registered for five years at the time of the publication of Havana’s request for protection. I note that in its “evidence” and written submissions, Bodegas only refer to the first three trade marks shown in paragraph 3 above. I also note the following comment in Havana’s written submissions:

“3. The assessment of similarity between the trade marks should be between HAVANA CLUB MAXIMO and MAXIMO.”

18. As all of the trade marks relied upon by Bodegas (other than CTM 6642284) include additional elements, I agree with Havana that the comparison should be conducted on the basis of Bodegas’ registration of the word MAXIMO alone. If Bodegas do not succeed on the basis of this registration, they will, in my view, be in no better position in relation to their other registered trade marks.

Section 5(2)(b) – case law

19. The leading authorities which guide me are from the CJEU (Court of Justice of the European Union): *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77, *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria*

GmbH C-120/04 and Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P (LIMONCELLO). It is clear from these cases that:

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*,

(b) the matter must be judged through the eyes of the average consumer for the goods/services in question; *Sabel BV v Puma AG*, 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; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*,

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*,

(d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*,

e) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*

f) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *Shaker di L. Laudato & C. Sas v OHIM*.

(g) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

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

(i) in determining whether similarity between the goods or services covered by two trade marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

(j) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*,

(k) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v Adidas AG and Adidas Benelux BV*,

(l) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*

Comparison of goods

20. Bodegas' trade mark (CTM No. 6642284) stands registered for "alcoholic beverages (except beers)"; Havana's IR has been limited to "rum". As the phrase alcoholic beverages would include rum, the goods are identical.

The average consumer and the nature of the purchasing decision

21. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods; I must then determine the manner in which these goods are likely to be selected by the average consumer in the course of trade. The goods at issue are alcoholic beverages; these are goods which will be bought by members of the general public over the age of 18.

In its written submissions Havana said:

"16. The visual comparison is important as the goods can be purchased in retail shops or after consultation with drinks menus..."

And:

"23. The phonetic comparison is also important, not least because the goods concerned are often ordered verbally, for example by consumers in bars and restaurants."

22. In its "evidence" Bodegas said:

"13. In the present case the attentiveness of the relevant public is of average character as the goods of the marks in dispute are purchased by the average consumer..."

23. In its written submissions Havana said:

“45. The actual level of attention of the average consumer for the goods concerned is elevated, given that use of HAVANA CLUB MAXIMO is in relation to rum which has a retail price of £1,250 per 50cl bottle...whilst the opponent uses its mark in relation to wine.

46. However, the applicant admits that the assessment of the level of attraction (sic) of the average consumer should consider the goods covered in the relevant specifications and not only the goods for which the mark is actually used.

47. Nevertheless, the goods concerned belong to the very brand-orientated UK drinks sector, in which consumers are very accustomed to specifying and purchasing products by their trade marks. It is not credible to imagine that a UK consumer would mistakenly end up purchasing a glass or bottle of the applicant's rum, when he/she originally intended to purchase a glass or bottle of the opponent's wine.

48. Furthermore, the goods are often purchased through an intermediary, such as a professional bar tender, who would certainly not confuse the two.”

24. I agree with Havana's comments to the effect that alcoholic beverages are sold through a range of channels, including retail premises such as shops, supermarkets and off-licences (where the goods are normally displayed on shelves and are obtained by self selection), and in bars and restaurants (where the goods are displayed on, for example, shelves behind the bar and where the trade marks will appear on mass dispensers at the bar and on menus etc.) Whilst Havana argues that when the goods are sold in, for example, bars and restaurants the selection process may be an oral one, there is nothing to suggest that the goods are sold in such a manner as to preclude a visual inspection. *In Simonds Farsons Cisk plc v Spa Monopole*, case T-3/04, the Court of First Instance (now the General Court) said:

“In that respect, as OHIM quite rightly observes, it must be noted that, even if bars and restaurants are not negligible distribution channels for the applicant's goods, the bottles are generally displayed on shelves behind the counter in such a way that consumers are also able to inspect them visually. That is why, even if it is possible that the goods in question may also be sold by ordering them orally, that method cannot be regarded as their usual marketing channel. In addition, even though consumers can order a beverage without having examined those shelves in advance they are, in any event, in a position to make a visual inspection of the bottle which is served to them.”

25. Consequently, while the goods may be ordered orally, it is likely to be in the context of a visual inspection of, for example, the bottles containing the goods prior to the order being placed. In view of the above, and while I consider the selection process to be primarily a visual one, I accept that aural considerations will also play their part, albeit in

my view to a lesser degree. As to the level of attention the average consumer will display when selecting the goods, the comments of Havana demonstrate that the goods at issue can become extremely expensive. While I accept that when such sums are in play the average consumer may pay a high level of attention to their selection, this is not, in my experience, likely to be the norm. That said, the cost of rum (whether bought in a bottle from a retailer or as a shot or mixer in a bar) is still likely to be relatively expensive, and in those circumstances I think the average consumer is likely to pay at least a reasonable level of attention when selecting the goods.

Comparison of trade marks

26. The trade marks to be compared are: **MAXIMO** and **HAVANA CLUB MAXIMO**.

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

Distinctive and dominant components

28. In its “evidence” Bodegas says:

“8. With regard to the contested IR, the words HAVANA and CLUB are known and used in the English language whereas MAXIMO is not. Due to its distinctiveness compared to the other verbal elements, I consider that the dominant element of the contested mark is the word MAXIMO.”

And:

“10. [I] consider that it is unlikely that consumers will focus on the words HAVANA CLUB, as descriptive elements are not normally regarded as distinctive matter identifying the goods and their origin...”

29. In its written submissions Havana said:

“5. MAXIMO and HAVANA CLUB MAXIMO clearly have different dominant/distinctive components. As has been proven in the evidence Maximo is both a Spanish male name and also a descriptive, laudatory Spanish word meaning greatest, highest, top or maximum. It is also clear that British consumers have a good appreciation of the Spanish language, according to current Registry practice.

6. Maximo could also be regarded by an English consumer as being a clear reference to the common English word maximum.

10. It is totally unrealistic that the public will regard MAXIMO, which is the last element of the three word mark HAVANA CLUB MAXIMO, as the dominant element. It is at the end and no bigger or in any other way more prominent than the HAVANA CLUB element. It is far more likely that, if the consumer notices the MAXIMO element at all, it will be seen as qualifying in some way, the HAVANA CLUB part of the mark.

13. Thus, the HAVANA CLUB element in the applicant's mark is clearly the most dominant and distinctive component, particularly as it is the first part of the composite mark.

14. Contrary to what [Bodegas argue] the fact that both HAVANA and CLUB are words that are known and used in the English language does not render them incapable of performing a distinctive role in the mark, even a dominant role."

30. In *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-6/01 the Court of First Instance (now the General Court (GC)) said:

"30. In that regard, it should be pointed out, in general terms, that two marks are similar when, from the point of view of the relevant public, they are at least partially identical as regards one or more relevant aspects. As the Court's case-law indicates, the visual, aural and conceptual aspects are relevant (SABEL, paragraph 23, and Lloyd Schuhfabrik Meyer, paragraph 25).

31. In this case, the word 'Matratzen' is both the earlier trade mark and one of the signs of which the trade mark applied for consists. It must therefore be held that the earlier mark is identical, from a visual and aural point of view, to one of the signs making up the trade mark applied for. However, that finding is not in itself a sufficient basis for holding that the two trade marks in question, each considered as a whole, are similar.

32. In this context, the Court of Justice has held that the assessment of the similarity between two marks must be based on the overall impression created by them, in light, in particular, of their distinctive and dominant components (SABEL, paragraph 23, and Lloyd Schuhfabrik Meyer, paragraph 25).

33. Consequently, it must be held that a complex trade mark cannot be regarded as being similar to another trade mark which is identical or similar to one of the components of the complex mark, unless that component forms the dominant element within the overall impression created by the complex mark.

34. It should be made clear that that approach does not amount to taking into consideration only one component of a complex trade mark and comparing it with another mark. On the contrary, such a comparison must be made by examining the marks in question, each considered as a whole. However, that does not mean that the overall impression created in the mind of the relevant public by a complex trade mark may not, in certain circumstances, be dominated by one or more of its components.

35. With regard to the assessment of the dominant character of one or more given components of a complex trade mark, account must be taken, in particular, of the intrinsic qualities of each of those components by comparing them with those of other components. In addition and accessorially, account may be taken of the relative position of the various components within the arrangement of the complex mark. “

31. In *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, the ECJ said:

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

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

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

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

33. If such a condition were imposed, the owner of the earlier mark would be deprived of the exclusive right conferred by Article 5(1) of the directive even

where the mark retained an independent distinctive role in the composite sign but that role was not dominant.

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

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

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

32. Bodegas' trade mark consists of the single word MAXIMO presented in upper case; it has no distinctive or dominant components, the distinctiveness lies in the totality. Insofar as Havana's trade mark is concerned, this consists of the words HAVANA CLUB MAXIMO presented as separate words also in upper case. In my view, Havana's trade mark breaks down into two definable components i.e. the words HAVANA CLUB (which in my view hang together as a totality) and which given their positioning are likely to be considered the dominant component of Havana's trade mark. In addition, absent evidence to the contrary, as the combination HAVANA CLUB is neither descriptive nor non-distinctive for the goods at issue, it is, in my view, also a distinctive component.

33. Turning to the word MAXIMO, Havana have provided evidence and submissions to show, inter alia, that this word can function as both a Spanish forename and surname, is a Spanish word which means, inter alia, maximum, is a Spanish word which is visually similar to the English word maximum, and that Spanish is one of the most widely understood languages in the United Kingdom. The result of this evidence is, in Havana's view, that:

“7. [T]he Maximo element in the opponent's marks should be given the lowest level of protection possible. In the case of [the word MAXIMO alone], the mark can only possess the minimum level of distinctiveness required to secure a registration.”

34. In its written submissions Havana go on to say:

“8. In summary, the opponent's mark MAXIMO consists of a weak element.”

35. In the extract from the manual provided by Ms White as exhibit REW1 I note it says:

“1. In general, the most widely understood European languages in the UK are French, Spanish, Italian and German. The majority of the UK consumers cannot be assumed to be fluent in any of these languages, but most of them will have an appreciation of some of the more common words from these languages, particularly common French words.”

36. Whilst I note that the word MAXIMO has the characteristics Havana’s evidence discloses, and whilst I am mindful of the guidance from the manual reproduced above and Havana’s submissions on this evidence, I am not persuaded that the average consumer of the goods at issue in the United Kingdom would recognise the word MAXIMO as either a Spanish forename or surname, or that they would have a sufficient appreciation of the Spanish language to know that it was the Spanish word for, *inter alia*, the English word maximum. In addition, while I accept that the word MAXIMO bears some similarities to the English word maximum, equally there are differences which, in my view, distinguish the two words. The upshot of the above is that while I agree the word MAXIMO is not the dominant component of Havana’s trade mark, it is, in my view, a distinctive component which plays an independent distinctive within Havana’s trade mark. I will approach the comparison of the competing trade marks with these conclusions in mind.

Visual and aural similarity

37. I have described the competing trade marks above. In its written submissions Havana said:

Visual similarity

“17. HAVANA CLUB MAXIMO contains the dominant and distinctive HAVANA CLUB element which on its own gives a clear and decisive visual difference compared with the opponent’s marks.

18. When compared with [the word only trade mark MAXIMO], HAVANA CLUB MAXIMO is visually distinguishable by its length and structure (three words of 16 letters, as opposed to one word of six letters).

20. The fact that the letter V is one of the least commonly used letters in the English language ensures that the relevant public’s attention would be drawn to this letter in the word HAVANA, due to its rarity...

21. It is well settled case law that the start of a trade mark is given greater significance by consumers...and that differences to the start of marks can contribute significantly to an overall finding of dissimilarity between the marks.

22. The beginnings of the marks in the present case are entirely different as they are MAXIMO and HAVANA or HAVANA CLUB respectively.”

Aural similarity

“24. The marks in question have significant and conclusive phonetic differences, due to the presence of the HAVANA CLUB element at the start of the applicant’s mark that is not present in the opponents [MAXIMO] mark.

25. Whereas the [MAXIMO trade mark] has just one word, producing three syllables, the applicant’s HAVANA CLUB MAXIMO mark consists of three words of seven syllables, giving substantial differences in pronunciation, cadence and emphasis.

26. Again, these differences are to be found at the start of the respective marks, further enhancing their differentiating impact.

27. The pauses, or rests, between the three component words in HAVANA CLUB MAXIMO also have a significant effect, as they make the applicant’s mark even longer when pronounced.

28. Finally, the repetition of the letter A, used three times, in the HAVANA element gives a very distinctive assonance that is not present in the opponent’s mark.”

38. I have already concluded that the words HAVANA CLUB constitute a distinctive and dominant component of Havana trade mark. Notwithstanding the fact that the word MAXIMO is also, in my view, an independent distinctive component of their trade mark, the presence of the words HAVANA CLUB at the beginning of the trade mark results, in my view, in a relatively low level of both visual and aural similarity between the competing trade marks.

Conceptual similarity

39. In its written submissions Havana notes that Bodegas are a Spanish business and then by reference to their company name i.e. Bodegas Maximo, SL and the text of registration No. 2471647 i.e. DON MAXIMO VINOS MAXIMOS, they conclude that Bodegas’ use of the word MAXIMO must be as a reference to a Spanish male name. They contrast this with the use of the word MAXIMO appearing in their own trade mark where the word is not, in their view, functioning as a Spanish male name. Havana concludes:

“33. Therefore, the marks are conceptually different even before the differentiating effect of the dominant and distinctive HAVANA CLUB element in the applicant’s mark is considered. Consumers will of course be aware that HAVANA is the English name for the capital of Cuba.

36. In the unlikely event that the Maximo element is attributed the same conceptual meaning in the parties' marks in the current dispute, HAVANA CLUB MAXIMO also evidently "*enjoys many other conceptual associations owing to its other elements*"...

40. I have already concluded that Bodegas' MAXIMO trade mark is unlikely to be known to the average consumer as a name, or as a Spanish word meaning maximum or that it is sufficiently similar to the English word maximum for the average consumer to treat it as such. In those circumstances, the average consumer is likely, in my view, to treat the word MAXIMO as an invented word having no conceptual meaning. As to Havana's trade mark, the words HAVANA CLUB are, in my view, likely to conjure up the image of a club located in Havana, Cuba with the word MAXIMO once again conveying no meaning to the average consumer.

Distinctive character of Bodegas' earlier trade mark

41. The distinctive character of a trade mark can be appraised only, first, by reference to the goods in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods for which it has been registered as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585. I have already reproduced Havana's views on the distinctive character of the word MAXIMO above. Although Mr Noain has provided some information on Bodegas' trading activities, as no information has been provided on what use has been made of the MAXIMO trade mark in the United Kingdom, I have only the inherent characteristics of its trade mark to consider. Given my conclusions in paragraph 40 above (i.e. that the average consumer is likely to treat MAXIMO as an invented word), it follows that Bodega's MAXIMO trade mark is, in my view, neither descriptive nor non-distinctive for the goods for which it stands registered, and as such is possessed of a fairly high degree of inherent distinctive character.

Likelihood of confusion

42. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of Bodegas' trade mark, as the more distinctive this trade mark is the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and 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.

43. Earlier in this decision I concluded, inter alia, that the goods at issue were identical and that while the words HAVANA CLUB were a distinctive and dominant component of Havana's trade mark, the word MAXIMO played an independent distinctive role within it. Based on those conclusions I determined that the competing trade marks were visually and aurally similar to a relatively low degree and that while the HAVANA CLUB element of Havana's trade mark would send a conceptual message to the average consumer, the word MAXIMO appearing in the competing trade marks would not. In reaching a conclusion on the likelihood of confusion in these circumstances, I am mindful of the following comments from *Medion* (which are reproduced here again for ease of reference):

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

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

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

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

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

44. While I have accepted that the word MAXIMO is not the dominant component of Havana's trade mark, it retained, in my view, an independent distinctive role within it. In those circumstances, the comments in *Medion* make it clear that the average consumer

may believe that the goods at issue come, at the very least, from companies which are economically linked. Taking the above in to account and applying it to the facts of these proceedings, my initial view is that there is a likelihood of indirect confusion.

45. I refer to my “initial view”, as in their written submissions Havana comment on a number of other issues which, in their view impact, on the likelihood of confusion. The first two submissions can be taken together and relate to what Havana refer to as “the applicant’s inherent distinctiveness, reputation and enhanced distinctiveness” and “the applicant’s family of HAVANA CLUB marks”. Havana begins by pointing to the following comment which appears in paragraph 9-077 of the 14th Edition of Kerly’s Law of Trade Marks and Trade Names:

“Distinctive character of the later mark

If the reputation attaching to the registered mark is relevant in determining the likelihood of confusion, in particular as a factor likely to increase the risk of confusion, then it may be anticipated that an applicant for registration will contend that the reputation attaching to his mark is a factor likely to reduce any risk of confusion. Such an approach has been taken by an OHIM Board of Appeal.”

46. The following paragraphs taken from its submissions give an indication of Havana’s position:

“58. In other words, the correct way to deal with trade mark conflicts, in opposition proceedings, includes considering the reputation of the applicant’s mark where applicable, and the effect that this reputation has on the assessment of confusion. The same reasoning clearly applies in the present case, and must be part of the global appreciation.

60. Firstly, the inherent distinctiveness in the applicant’s HAVANA CLUB MAXIMO trade mark is largely due to the highly distinctive and dominant HAVANA CLUB element at the start of the mark. The HAVANA CLUB element dominates on account of its prominent position at the beginning of the mark and its inherent distinctiveness for the goods concerned.

61. The distinctiveness of the HAVANA CLUB element in the applicant’s HAVANA CLUB MAXIMO mark is further enhanced by its well-known and reputed status – a status established through the applicant’s long standing and high profile use of the HAVANA CLUB element as proven through the evidence submitted.

66. This is precisely the situation in the present case, where the repute of the HAVANA CLUB element makes it easier to distinguish from the MAXIMO trade mark.

67. In summary, the inherent and enhanced distinctiveness possessed by HAVANA CLUB MAXIMO, due to the applicant's reputation in the HAVANA CLUB element, are factors of vital importance in the global appreciation and set the opponent a very high threshold when establishing the existence of a likelihood of confusion.

68. It is clear from the evidence submitted, that the applicant is the owner of a family or series of HAVANA CLUB marks. This is another important factor to be considered as part of the global appreciation, and is a further reason why there is no likelihood of confusion.

69. The existence of a common element in a family of marks can bestow that element with enhanced distinctiveness...

70. The evidence submitted demonstrates that this family of HAVANA CLUB marks are in use in the market place...

71. This family of HAVANA CLUB marks once more put the emphasis squarely on the HAVANA CLUB element in the applicant's HAVANA CLUB MAXIMO mark and so distances the applicant's mark from the opponent's earlier rights.

73. In the present case, the clear existence of a family of HAVANA CLUB trade marks undoubtedly means that a consumer would not erroneously mistake the provenance or origin of the goods concerned (and so not find a likelihood of association), even despite use of the MAXIMO element.

76. While the existence of a family of mark is usually relevant to the opponent, not applicant, it must nonetheless be a global appreciation factor in the applicant's favour."

47. Bodegas accept that HAVANA CLUB "is a well known, global and successful brand in the alcoholic beverage industry." So, if one assumes that the HAVANA CLUB element of Havana's trade mark is both inherently distinctive and benefits from an enhanced distinctive character as a result of the use made of it, and that this element has appeared in a family of used trade marks, does this negate my finding of a likelihood of confusion? In my view it does not. Havana have not drawn to my attention any authority which suggests that confusion only flows in one direction. In fact, the following comment of the Court of First Instance (now the General Court) in *Omega SA, v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* suggests that this is not the case:

"43. In any event, even if the Board of Appeal should have examined specifically whether there was a likelihood of confusion in the light of the goods connected with the measurement of time, and even if it were established that the applicant's trade mark is reputed for the goods thus described, the applicant's argument cannot succeed. The fact that the relevant public may possibly associate the

trade mark OMEGA with the applicant because it is allegedly well known cannot in any way exclude the existence of a likelihood of confusion in the present case, since the relevant public could be led to believe that the goods covered by the earlier mark are produced by the applicant” (my emphasis).

48. Based on my conclusion above regarding the independent distinctive role the word MAXIMO plays in Havana’s trade mark, the average consumer (who rarely knows who conducts trade under a particular trade mark) will, in my view, still think there is an economic connection between Havana and Bodegas, regardless of which way around this connection is assumed. The comment of the GC mentioned above makes it clear that this is sufficient to support a finding of likelihood of confusion. It is to be kept in mind that, owing to the specification of the earlier trade mark, identical goods are involved i.e. consideration has to be given to use of the earlier trade mark on rum.

49. The third and final submission is in relation to the decisions in other jurisdictions, Havana’s views on which I have already mentioned above, but which are for the sake of convenience repeated here:

Although the decisions of other EC offices are not binding in the UK, the decisions of the French and Spanish IPOs must at the very least be persuasive as they were considering the same marks (in both cases the comparison consisted of or included MAXIMO v HAVANA CLUB MAXIMO). There are also strong similarities between English, French and Spanish, particularly as all three have so many words whose origin is Latin, for example, maximum (English), maximum (French) and máximo (Spanish). It is clear that there is no likelihood of confusion in the UK, just as there is not in France or Spain, because the marks are simply too different.”

50. Havana accepts that the decisions in other jurisdictions are not binding in the United Kingdom. In its submissions it says:

“78. [A] different and inconsistent decision in the current proceedings would lead to legal uncertainty.”

51. Having reviewed the decisions from France, Spain and Switzerland, I note that despite being delivered in November 2009, March 2010 and April 2011 none make any specific reference to the judgment of the court in *Medion* which was issued in October 2005. Although paragraph C 1 of the Swiss decision suggests that the considerations in *Medion* may have played some part in its reasoning, the fact that the Institute found that the goods were only similar, that the words “CLUB MAXIMO” will “probably be perceived as a whole” and that the word MAXIMO “strongly alludes to the very high quality of the asserted products” are more than sufficient to distinguish it from my findings in the instant proceedings. Given the significance of the findings in *Medion* to my decision in these proceedings, and in the absence of any specific reference to *Medion* in the decisions in France, Spain or Switzerland, and bearing in mind I am

considering a different average consumer with a different state of knowledge, I do not find the conclusions reached in these other jurisdictions persuasive.

52. In summary, having considered all of Havana additional arguments they do not persuade me that my initial view i.e. that there is a likelihood of indirect confusion was incorrect, and Bodegas' opposition based upon section 5(2)(b) of the Act succeeds accordingly.

Costs

53. As Bodegas has been successful it is entitled to a contribution towards its costs. Awards of costs are governed by Annex A of Tribunal Practice Notice (TPN) 4 of 2007. Using that TPN as a guide, I award costs to Bodegas on the following basis:

Preparing a statement and considering Havana's statement:	£400
Preparing evidence and considering and commenting on Havana's evidence:	£800
Official fee:	£200
Total:	£1400

54. I order Havana Club Holding Société Anonyme to pay to Bodegas Maximo, S.L. the sum of **£1400**. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 4th day of July 2011

C J BOWEN
For the Registrar
The Comptroller-General