

**TRADE MARKS ACT 1994**  
**IN THE MATTER OF**  
**APPLICATION NO. 2003949**  
**TO REGISTER A TRADE MARK**  
**IN CLASS 33**  
**IN THE NAME OF ROSEMOUNT ESTATES PTY LIMITED**

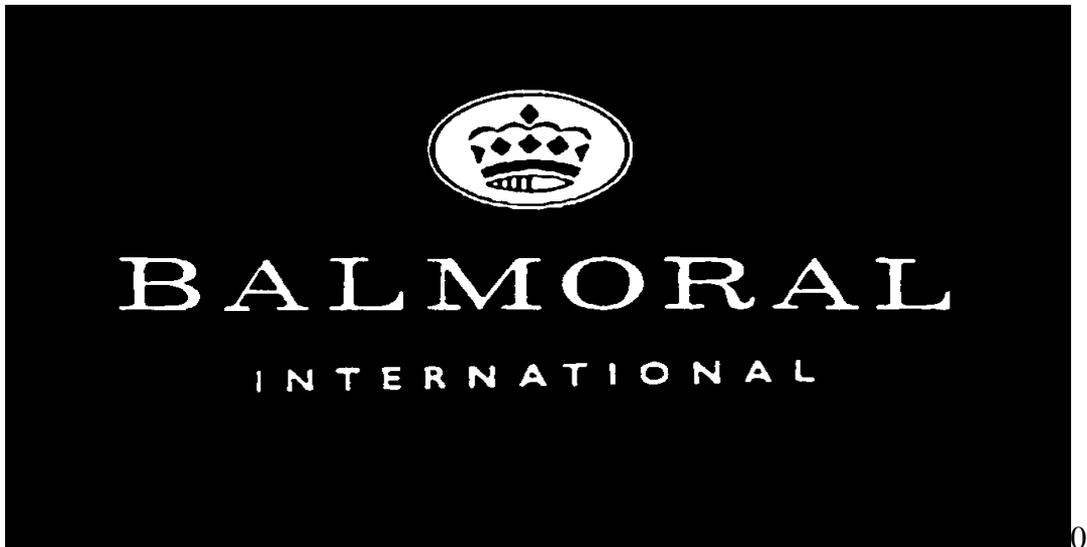
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**DECISION**  
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On 2nd December 1994 Rosemount Estates Pty Limited ("the Applicant") applied to register the word BALMORAL for use as a trade mark in relation to wines in Class 33. The Trade Marks Registry raised objections to registration on absolute grounds under Sections 3(1)(b), 3(1)(c) and 3(3) of the 1994 Act and on relative grounds under Section 5(2) of the 1994 Act. The objection to registration under Section 5(2) was based on three earlier trade mark registrations standing in the name of Balmoral Management Services Limited of Edinburgh. The earlier registrations were :

- (1) Registered Trade Mark No. 1,386,057 BALMORAL (word only) registered as of 31st July 1991 for use in relation to "Hotel, motel, restaurant and bar services; accommodation; catering; provision of conference facilities; all included in Class 42,

but not including any such services provided in County Antrim or County Down".

- (2) Registered Trade Mark No. 1,386,059 BALMORAL INTERNATIONAL (and device) as shown below registered as of 28th August 1991 for use in relation to "Hotel, motel, restaurant and bar services; accommodation; catering; provision of conference facilities; all included in Class 42 but not including any such services provided in County Antrim or County Down":



The registration is subject to a disclaimer of exclusive rights to the word "International".

- (3) Registered Trade Mark No. 1,415,215 BALMORAL (word only) registered as of 19th August 1992 for use in relation to "Whisky included in Class 33".

The Applicant maintained that the objections were unwarranted and that the Application should be allowed to proceed to registration. A hearing was therefore appointed to consider the Applicant's representations as to registrability. This took place before Mr Bowen acting as Hearing Officer for the Registrar of Trade Marks on 5th June 1996.

The objections under Section 3 of the Act were waived prior to the hearing. Those raised under Section 5 of the Act were maintained. It was contended on behalf of the Applicant that the word BALMORAL could legitimately be registered for use in relation to wines because wines were sufficiently far removed from the goods and services of the cited registrations to fall outside the scope of the protection to which those registrations were entitled under Section 5(2). No evidence was filed in support of that contention and no evidence of use was put before the Registrar.

The Hearing Officer declined to accept the Applicant's submissions. He upheld the objection under Section 5(2) for reasons which he subsequently amplified in writing in a decision issued on 22nd January 1998. Applying the guidelines formulated by Jacob J. in British Sugar Plc v.

James Robertson & Sons Ltd [1996] RPC 281 at 296,297 he concluded that the goods of interest to the Applicant were "similar" to those covered by the specification of Registered Trade Mark No. 1,415,215 and "similar" to the services covered by the references to "bar services" in the specifications of Registered Trade Mark No. 1,386,057 and Registered Trade Mark No. 1,386,059. His decision accorded with the Registrar's settled practice of regarding whisky and wine as goods of the same description and alcoholic beverages in Class 33 and bar services in Class 42 as associated goods and services.

On 23rd February 1998 the Applicant gave notice of appeal under Section 76 of the Act. In paragraph 2 of the Statement of Grounds for Appeal it was confirmed that "the mark forming the subject of the ... application is, in the case of registration nos. 1,386,057 and 1,415,215 identical to the cited marks and in the case of registration no. 1,386,059 similar to the cited mark. The Applicants therefore have no intention of relying upon a comparison of marks in this appeal". In paragraph 3 of the Statement of Grounds for Appeal the Applicant renewed its submission to the effect that the goods of interest to it were sufficiently far removed from the specifications of the cited registrations in terms of the criteria identified by Jacob J. in the British Sugar case to justify acceptance of the Application. This submission was considered in detail in the course of oral argument at the hearing before me.

### ***Section 5***

Section 5 of the Act ensures that signs which possess the qualities identified in Section 1(1) of the Act and none of the defects identified in Section 3 of the Act are nevertheless ineligible for

registration (in the absence of consent as envisaged by Section 5(5) or acquiescence as envisaged by Section 48) within the area of protection enjoyed by an "*earlier right*" (as defined in Section 5(4) of the Act) or "*earlier trade mark*" (as defined in Section 6 of the Act). The protection afforded to an "*earlier trade mark*" under Sections 5(1), 5(2) and 5(3) matches that which is afforded to a validly registered trade mark by Sections 10(1), 10(2) and 10(3) for the purpose of determining questions of infringement. An application for registration is thus objectionable under Sections 5(1), 5(2) and 5(3) to the extent that it contemplates use of a sign in contravention of such rights as registration under the Act would confer upon the proprietor of an "*earlier trade mark*". The person objecting to registration under Sections 5(1), 5(2) or 5(3) need not be the proprietor of the "*earlier trade mark*" for which protection is claimed: see Sections 38(2), 46(4) and 47(3).

Several layers of protection are provided by Sections 5(1), 5(2) and 5(3). An "*earlier trade mark*" is protected unconditionally as against a later application to register an identical mark for identical goods or services: Section 5(1). As against a later application to register an identical mark for similar goods or services, the "*earlier trade mark*" is protected if and to the extent that the similarity between the goods or services in question is sufficient to carry with it "a likelihood of confusion on the part of the public": Section 5(2). As against a later application to register an identical mark for goods or services which are not similar, the "*earlier trade mark*" is protected if and to the extent that use of the later mark would (without due cause) "be detrimental to the distinctive character or repute of the earlier trade mark" or would (without due cause) "take unfair advantage of the distinctive character or repute of the earlier trade

mark": Section 5(3). Sections 5(2) and 5(3) can also be invoked for the protection of an "earlier trade mark" against a later application to register a similar mark if the marks in question are sufficiently similar to lead to consequences of the kind proscribed by those Sections. The "earlier trade mark" must have a reputation in order to benefit from the protection of Section 5(3), but need not have a reputation in order to benefit from the protection of Section 5(2).

***Section 5(2): "likelihood of confusion"***

Section 5(2) gives effect to the provisions of Article 4(1)(b) of Council Directive No. 89/104 EEC of 21st December 1988 to approximate the laws of the Member States relating to trade marks. It provides that:

"A trade mark shall not be registered if because -

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

The correct approach to the interpretation of the expression "a likelihood of confusion on the part of the public" as used in Article 4(1)(b) and Section 5(2) was considered by the European Court of Justice in Case C-251/95 Sabel BV v. Puma AG [1998] RPC 199. The way in which the presence or absence of a "likelihood of confusion" should be assessed was identified in paragraphs 23 and 24 of the Judgment of the Court.

"Article 4(1)(b) of the Directive does not apply where there is no likelihood of confusion on the part of the public. In that respect, it is clear from the tenth recital in the preamble to the Directive that the appreciation of the likelihood of confusion depends on numerous elements and, in particular, on the recognition of the trade mark on the market, of the association which can be made with the used or registered sign, of the degree of similarity between the trade mark and the sign and between the goods or services identified.' The likelihood of confusion must therefore be appreciated globally, taking into account all factors relevant to the circumstances of the case. That global appreciation of the visual, aural or conceptual similarity of the marks in question must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The wording of Article 4(1)(b) of the Directive - 'there exists a likelihood of confusion on the part of the

public'- shows that the perception of marks in the mind of the average consumer of the type of goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. In that perspective, the more distinctive the earlier mark the greater will be the likelihood of confusion. It is therefore not impossible that the conceptual similarity resulting from the fact that the two marks use images with analogous semantic content may give rise to a likelihood of confusion where the earlier mark has a particularly distinctive character, either *per se* or because of the reputation it enjoys with the public."

The tenth recital to the Directive and these observations of the Court of Justice indicate that an objection to registration under Section 5(2) of the Act should be taken to raise a single composite question: are there similarities (in terms of marks and goods or services) which would combine to create a likelihood of confusion if the "*earlier trade mark*" and the sign subsequently presented for registration were used concurrently in relation to the goods or services for which they are respectively registered and proposed to be registered?

Distinctiveness, resemblance and proximity of trading are matters of fact and degree which should be given the weight and priority they deserve as part of the overall assessment. The

factors identified by Jacob J. in British Sugar plc v. James Robertson & Sons Ltd [1996] RPC 281 at 296, 297 need to be considered when assessing the extent to which there are affinities between goods or services conducive to a likelihood of confusion. In this connection it is clear from the Judgment of the Court of Justice in Case C-251/95 Sabel BV v. Puma AG that "association" without "confusion" is not sufficient to prevent registration. The Court emphasised (paragraph 18) that:

"Article 4(1)(b) of the Directive is designed to apply only if, by reason of the identity or similarity both of the marks and of the goods or services which they designate `there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.' It follows from that wording that the concept of likelihood of association is not an alternative to that of likelihood of confusion, but serves to define its scope. The terms of the provision itself excludes its application where there is no likelihood of confusion on the part of the public."

It went on to hold that:

"The criterion of 'likelihood of confusion which includes the likelihood of association with the earlier mark' contained in Article 4(1)(b) ... is to be interpreted as meaning that the mere association which the public might make between two trade marks as a result of their analogous semantic content is not in itself a sufficient ground for concluding that there is a likelihood of confusion within the meaning of that provision."

Registration is therefore not prevented by Section 5(2) in cases where people are likely to perceive or assume correctly that similar marks are being used by separate undertakings trading independently of one another. This is consistent with the view that Section 5(2) serves to prevent registration in cases where the user of one mark is likely to be wrongly implicated in the use of the other in the minds of people exposed to the use of both. That, in turn, is consistent with the tenth recital to the Directive which relates "the protection afforded by the registered trade mark" to the function of the registered trade mark "which is in particular to guarantee the trade mark as an indication of origin".

### ***Wines and whisky and bar services***

At the heart of the argument addressed to me on behalf of the Applicant is the proposition that whisky and wines are materially different products which emanate (and are known to emanate) from producers specialising in different and distinct fields of commercial activity. This was

said to render it unlikely that a producer of whisky would become (or be expected to become) a wine producer and unlikely that a producer of whisky who did become a wine producer would market (or be expected to market) his whisky and wines under the same trade mark. I was urged to accept that this made it possible for one producer to use a mark for whisky and another producer to use the same mark concurrently for wines without any real likelihood of confusion ensuing.

I am willing to accept that wine production and the production of whisky are activities which call for the exercise of perceptibly different skills directed to the production of qualitatively different alcoholic drinks. It may be the case that few undertakings produce both whisky and wines and it may be the case that the same trade mark is seldom used to signify that whisky and wines emanate from one and the same producer. However, I am not able to say on the basis of the materials before me whether there is any substance in either of those points. Beyond that, I consider that the arguments advanced on behalf of the Applicant over-emphasise the part played by producers and under-emphasise the part played by other traders in the business of buying and selling whisky and wines.

It is common to find whisky and wines bought and sold by merchants whose customers expect them to stock and sell both kinds of products. Many such merchants like to be known for the range and quality of the products they sell. The goodwill they enjoy is affected by the judgment they exercise when deciding what to offer their customers. In some cases the exercise of judgment is backed by the use of "own brand" or "merchant-specific" labelling. Those who

supply retail customers may be licensed to do so under an "off-licence" or a licence for "on and off sales" in appropriate circumstances. It is not unusual for resellers of whisky and wines to be suppliers of bar services as well.

When the overall pattern of trade is considered in terms of the factors identified by Jacob J. in the British Sugar case (uses, users and physical nature of the relevant goods and services; channels of distribution, positioning in retail outlets, competitive leanings and market segmentation) it seems clear to me that suppliers of wines should be regarded as trading in close proximity to suppliers of whisky and suppliers of bar services. In my view the degree of proximity is such that people in the market for those goods or services would readily accept a suggestion to the effect that a supplier of whisky or bar services was also engaged in the business of supplying wines.

### ***Conclusions***

The word BALMORAL is apt to capture the distinctiveness of the "*earlier trade marks*". I think that the Applicant proposes to use it in circumstances where its resemblance to those marks, combined with the proximity of trading envisaged by the references to wines, whisky and bar services in the specifications of the Application and the cited registrations, would be likely to suggest quite strongly, to people who would quite readily accept, that the user of the "*earlier trade marks*" was also engaged in the business of supplying wines. It thus appears to me to be likely that the user of one mark would be implicated in the use of the other in the minds of people who would be exposed to the use of both if the "*earlier trade marks*" and the

sign subsequently presented for registration were to be used concurrently in relation to the goods and services I have mentioned. I am satisfied that the likelihood of confusion is real and substantial and that the Application should be refused having regard to the scope of the protection to which the proprietor of the "*earlier trade marks*" is prima facie entitled under Section 5(2) of the Act. The appeal is therefore dismissed. In the absence of any reason to depart from the usual practice there will be no order as to costs.

Geoffrey Hobbs Q.C.

18th August 1998

Mr. J.M. Clegg of F.J. Cleveland & Co appeared for the Applicant.

Mr. A. James, Principal Hearing Officer, appeared for the Registrar of Trade Marks.