

**O-451-16**

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO 3 097 561 PACIFIC PALE  
ALE IN THE NAME OF NEW WORLD TRADING (UK) LIMITED FOR GOODS IN  
CLASS 32

AND

IN THE OPPOSITION THERETO BY CERVECERIA DEL PACIFICO, S. DE R.L DE  
C.V.

## Background and pleadings

1. New World Trading Company (UK) Limited (the applicant) applied to register the trade mark Trade Mark PACIFIC PALE ALE in the UK under number 3 097 561 on 04/03/2015. It was accepted and published in the Trade Marks Journal on 03/04/2015 in respect of the following goods in Class 32:

*Beer; root beer; wheat beer; ales; lager; stout; alcohol-free beers; beer based cocktails; extracts of hops for making beer; brewery products; low alcohol beer; non-alcoholic beverages; non-alcoholic beer flavoured beverages.*

2. Cerveceria del Pacifico, S. de R.L. de C.V. (the opponent) opposes the trade mark on the basis of, amongst other grounds, Section 5(2)(b) of the Trade Marks Act 1994 (the Act). This is on the basis of its earlier European Union (formerly Community)/ International Trade Mark PACIFICO under No 3 953 569. The following goods and services are relied upon in this opposition:

Class 32:

*Beer.*

Class 35:

*Retailing of beers in shops and electronically.*

3. The opponent argues that the respective goods are identical or similar and that the marks are similar.

4. The applicant filed a counterstatement denying the claims made (and requesting that the opponent provides proof of use of its earlier trade mark relied upon).
5. Only the opponent filed evidence in these proceedings. This will be summarised to the extent that it is considered necessary.
6. Both sides filed written submissions which will not be summarised but will be referred to as and where appropriate during this decision. No hearing was requested and so this decision is taken following a careful perusal of the papers.

## **Evidence**

7. It is noted that the earlier trade mark relied upon is subject to the following proof of use provisions:

Section 100 of the Act states that:

“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.”

## **Relevant statutory provision: Section 6A:**

“Raising of relative grounds in opposition proceedings in case of non-use

6A. - (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 period of five years ending with the date of publication.

(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 period of five years ending with the date of publication of the application 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 differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, 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 Union.

(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.”

8. The relevant period for assessing use is five years prior to the filing date of the application, the subject of these proceedings. That is 4<sup>th</sup> March 2016.
9. The evidence filed by the opponent is a witness statement, dated 8 February 2016, from Mr Francois Uyttenhove, the Senior IP Manager for the opponent. The relevant details contained therein are:
  - Exhibit FU1 contains documents in respect of Market trends in the UK in respect of beer. What can be established from this is that the market is sizeable and that there are certain major players. There is no suggestion that the opponent occupies one of these positions, but the information is useful in terms of providing context.
  - PACIFICO has been sold and used continuously in the European Union since as early as 1990; the top countries of popularity being Spain and the UK. Exhibit FU2 contains examples of invoices in respect of PACIFICO beers. Many are dated within the relevant period and in respect of, at the very least, exports from Spain and sales in the UK. There are also at least one sale within Gelderland, a province of the Netherlands.

- In the UK, it is estimated that 4,958 HL of PACIFICO (hectolitres are equivalent to 100 litres) were sold in 2015 with a net revenue of £673,667. Though not a huge amount, this is considered to be more than merely modest.
- PACIFICO is available through a number of retailers. Online, these include Asda, Amazon.co.uk and other specialist beer retailers. Exhibit FU4 provides examples of the brand being advertised on these third party retailers.
- Exhibit FU5 provides evidence of establishments in the UK selling PACIFICO (bars, restaurants and the like).

10. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. reviewed the case law since the *Leno* case and concluded as follows:

“228. Since the decision of the Court of Justice in *Leno* there have been a number of decisions of OHIM Boards of Appeal, the General Court and national courts with respect to the question of the geographical extent of the use required for genuine use in the Community. It does not seem to me that a clear picture has yet emerged as to how the broad principles laid down in *Leno* are to be applied. It is sufficient for present purposes to refer by way of illustration to two cases which I am aware have attracted comment.

229. In Case T-278/13 *Now Wireless Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* the General Court upheld at [47] the finding of the Board of Appeal that there had been genuine use of the contested mark in relation to the services in issues in London and the Thames Valley. On that basis, the General Court dismissed the applicant's challenge to the Board of Appeal's conclusion that there had been genuine use of the mark in the Community. At first blush, this appears to be a decision to the effect that use in rather less than the whole of one Member State is sufficient to constitute genuine use in the Community. On closer examination, however, it appears that the applicant's argument was not that use within London and the Thames Valley was not sufficient to constitute genuine use in the Community, but rather that the Board of Appeal was wrong to find that the mark had been used in those areas, and that it should have found that the mark had only been used in parts of London: see [42] and [54]-

[58]. This stance may have been due to the fact that the applicant was based in Guildford, and thus a finding which still left open the possibility of conversion of the Community trade mark to a national trade mark may not have sufficed for its purposes.

230. In *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC), [2015] ETMR 37 at [25] His Honour Judge Hacon interpreted *Leno* as establishing that "genuine use in the Community will in general require use in more than one Member State" but "an exception to that general requirement arises where the market for the relevant goods or services is restricted to the territory of a single Member State". On this basis, he went on to hold at [33]-[40] that extensive use of the trade mark in the UK, and one sale in Denmark, was not sufficient to amount to genuine use in the Community. As I understand it, this decision is presently under appeal and it would therefore be inappropriate for me to comment on the merits of the decision. All I will say is that, while I find the thrust of Judge Hacon's analysis of *Leno* persuasive, I would not myself express the applicable principles in terms of a general rule and an exception to that general rule. Rather, I would prefer to say that the assessment is a multi-factorial one which includes the geographical extent of the use."

11. The General Court restated its interpretation of *Leno Marken* in Case T-398/13, *TVR Automotive Ltd v OHIM* (see paragraph 57 of the judgment). This case concerned national (rather than local) use of what was then known as a Community trade mark (now a European Union trade mark). Consequently, in trade mark opposition and cancellation proceedings the registrar continues to entertain the possibility that use of an EUTM in an area of the Union corresponding to the territory of one Member State may be sufficient to constitute genuine use of an EUTM. This applies even where there are no special factors, such as the market for the goods/services being limited to that area of the Union.
12. Whether the use shown is sufficient for this purpose will depend on whether there has been real commercial exploitation of the EUTM, in the course of trade, sufficient to create or maintain a market for the goods/services at issue in the Union during the relevant 5 year period. In making the required assessment I am required to consider all relevant factors, including:
  - i) The scale and frequency of the use shown
  - ii) The nature of the use shown
  - iii) The goods and services for which use has been shown
  - iv) The nature of those goods/services and the market(s) for them

iv) The geographical extent of the use shown

13. It is noted that there are invoices covering addresses in the UK throughout the relevant period. Further, there are printouts from various online retailers offering for sale, beers bearing the earlier trade mark. There are also examples of restaurants and the like stocking and selling the same. Though the opponent is not a major player in the UK beer market, the level of sales claimed are not insignificant and clearly genuine. Is this sufficient to demonstrate use of an EU trade mark? In this regard it is noted that the invoices provided demonstrate evidence of export activity from Spain. Such an activity is an example of genuine use. Further, there is some evidence (albeit minimal) of export and some sales in the Netherlands. It is considered that there is clearly enough evidence filed in these proceedings to support a finding of genuine use.

### Can the opponent rely upon the form of the use shown?

14. Though some of the evidence provided by the opponent displays PACIFICO in word only form (i.e. in its exact registered form), other parts do not. Rather,



the use shown is . In this regard therefore, the following guidance is taken into account: In *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, which concerned the use of one mark with, or as part of, another mark, the Court of Justice of the European Union found that:

“31. It is true that the ‘use’ through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas ‘genuine use’, within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, ‘use’ within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish ‘use’ within the meaning of Article 15(1) for the

purpose of preserving the rights of the proprietor of the registered trade mark.

32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestlé*, the 'use' of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition by a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

35. Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term 'genuine use' within the meaning of Article 15(1)". (emphasis added).

15. It is true that there are additional elements present in the use shown. However, apart from the subtle stylisation to the letters spelling PACIFICO, the registered mark itself is unaltered. It is considered therefore that the use shown would clearly signify to the relevant class of persons that it originates

from the same undertaking as for the registered mark. The opponent therefore is able to rely on the use shown.

## **DECISION**

### **Section 5(2)(b)**

16. Section 5(2)(b) of the Act is 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”.

### **Comparison of goods and services**

17. In the judgment of the Court of Justice of the European Union in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“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”.

18. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

- a) The respective users of the respective goods or services;
- b) The physical nature of the goods or acts of services
- c) The respective trade channels through which the goods or services reach the market
- d) 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;
- e) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

19. The earlier goods are *beers* and the later goods are *beer; root beer; wheat beer; ales; lager; stout; alcohol-free beers; beer based cocktails; extracts of hops for making beer; brewery products; low alcohol beer; non-alcoholic beverages; non-alcoholic beer flavoured beverages.*

20. Beer appears in both and so are clearly identical. Further, the contested *root beer, wheat beer, alcohol free beers, low alcohol beers* are all clearly included within the earlier term and so are also identical. The contested *lagers, ales, stouts* are alternatives to the earlier term and so can be directly competitive. Their purpose is likely to coincide, as is the relevant trade channels. They are highly similar. The same line of argument can be applied to the contested

*beer based cocktails, non alcoholic beer flavoured beverages.* These too are highly similar. The contested *non alcoholic beverages* can also include non alcoholic beers and so is also included in the earlier term and is considered to be identical.

21. This leaves the following terms: *extracts of hops for making beer; brewery products.* The latter can include beer making kits and the like and both the remaining contested terms can be in direct competition with the earlier beers as consumers may choose to brew their own rather than purchasing the pre prepared end product. There is similarity to a low to moderate degree.

## Comparison of marks

22. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case 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 Court of Justice of the European Union stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, 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.”

23. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

24. The respective trade marks are shown below:

PACIFICO	PACIFIC PALE ALE
Earlier trade mark	Contested trade mark

25. The earlier sign is comprised of just one element: PACIFICO whereas the later sign starts with PACIFIC and ends with PALE ALE, the latter being either a direct descriptor or otherwise weaker than PACIFIC. While it is not suggested that pale ale will be ignored it is considered that PACIFIC will have greater relative weight.

26. Visually, the marks coincide in respect of the letters PACIFIC and differ in respect of the additional letters as shown. They are considered to be visually similar to a moderate degree.

27. Aurally, the same considerations apply. The marks coincide in respect of the first three syllables.

28. Conceptually, both PACIFICO and PACIFIC refer to the geographical area in or near the Pacific ocean (albeit the former being in the Spanish language). For some consumers therefore, there is clearly conceptual similarity which the addition of pale ale does not detract from (pacific being the overwhelming message). It cannot be excluded that at least a part of the relevant public will not understand PACIFICO as referring to in or near the Pacific ocean. For those consumers, there is no conceptual similarity.

## Average consumer and the purchasing act

29. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose 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 or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*.

30. In *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), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

31. The goods in question will most likely be self selected from a supermarket shelf and/or selected orally at a bar/restaurant. They are consumable items that will be purchased fairly frequently and at relatively low cost. The level of attention one would expect to be displayed during the purchasing process will therefore be at the lower end of the spectrum.

## Distinctive character of the earlier trade mark

32. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 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).”

33. In respect of the earlier trade mark PACIFICO, there is nothing in the evidence to suggest that any particular targeting has occurred, therefore the distinctiveness must be assessed in reference to the relevant public as a whole, in this case the public at large. There will be some amongst the public at large who understand PACIFICO to refer to the Pacific ocean or the area in

and/or around it. There will also be (likely a larger proportion) of consumers for whom no such meaning is conveyed, though it may be seen as having as being non English in origin. In respect of the latter, the earlier trade mark is perfectly distinctive, to at least an average degree. In respect of the former, there remains no clear meaning conveyed. As such, even for such a consumer, this mark is clearly averagely distinctive.

## **GLOBAL ASSESSMENT – Conclusions on Likelihood of Confusion.**

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

### **The principles**

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

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

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

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when

all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may 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 might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

35. Though it is true that “pale ale” in the later trade mark will not be descriptive in respect of all of the applied for goods, it remains that it is the relatively weaker part of the contested trade mark. As such, relatively greater weight must be accorded to PACIFIC. Consequently, the marks have been found to be visually and aurally similar to a moderate degree. For those who understand the meaning of PACIFICO, the marks are also conceptually similar. The respective goods have been found to be either identical or similar. I also take into account the relatively low level of attention that would be displayed during the purchasing process. Further, the impact of imperfect recollection bearing in mind the degree of similarity between the marks and goods leads to the conclusion that the relevant public is likely to mistake one mark for the other.

36. The opposition therefore succeeds in respect of Section 5(2)(b) in its entirety.

## Final Remarks

37. As the opposition is successful in its entirety based upon this ground, there is no need to consider the remaining grounds as they do not materially improve the opponent's position.

## COSTS

38. The opponent has been successful and is entitled to a contribution towards its costs. In the circumstances I award the opponent the sum of £900 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Notice of opposition and accompanying statement (plus official fee) - £400

Preparing and filing evidence - £500

TOTAL - £900

39. I therefore order New World Trading Company (UK) Limited to pay Cerveceria del Pacifico, S. de R.L. de C.V. the sum of £900. The above sum should be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 28th day of September 2016**

**Louise White**

**For the Registrar,**