

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NOS 2060452 & 2068413 BY  
RYGRANGE LIMITED TO REGISTER MARKS  
IN CLASS 32**

**AND**

**IN THE MATTER OF CONSOLIDATED OPPOSITION THERETO  
UNDER NOS 45886 & 45892 BY  
MANCHESTER UNITED PLC**

## TRADE MARKS ACT 1994

**IN THE MATTER OF Application Nos 2060452 & 2068413  
by Rygrange Limited to Register Marks in Class 32**

and

**IN THE MATTER OF Consolidated Opposition thereto under Nos 45886  
and 45892 by Manchester United Plc**

### BACKGROUND

On 8<sup>th</sup> March and 3<sup>rd</sup> April 1996, Grand Cru Direct applied to register the trade mark UNITED under application Nos. 2060452 and 2068413 both in Class 32 for specifications which read respectively:

“Bottled beer.”

and

“Non-alcoholic drinks.”

The applications were assigned in full to Rygrange Limited (the applicants) as from 29 March 1999.

On 14<sup>th</sup> November 1996 Manchester United Plc (the opponents) filed two identical notices of opposition, one against each of the above applications. They say that they are the proprietors of, inter alia, the following trade mark registrations in the United Kingdom :

MAN.U.CAN	1548123	32	Non-alcoholic drinks, cola drinks, lemonade, fruit juices, aerated water and table water; all included in class 32.
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1548672	32	Non-alcoholic drinks, cola ; lemonade, fruit juices, aerated water and table water; all included in class 32.
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**MANCHESTER  
UNITED**

1548720

32

Non-alcoholic beverages: fruit juices; aerated water and table water; all included in class 32.

2001836

32

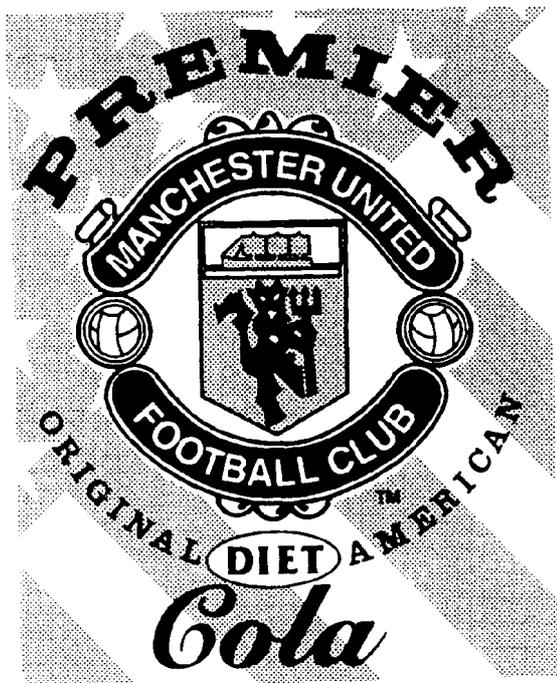
Non-alcoholic drinks, cola drinks; lemonade, fruit juices, aerated water and table water; beer and lager.

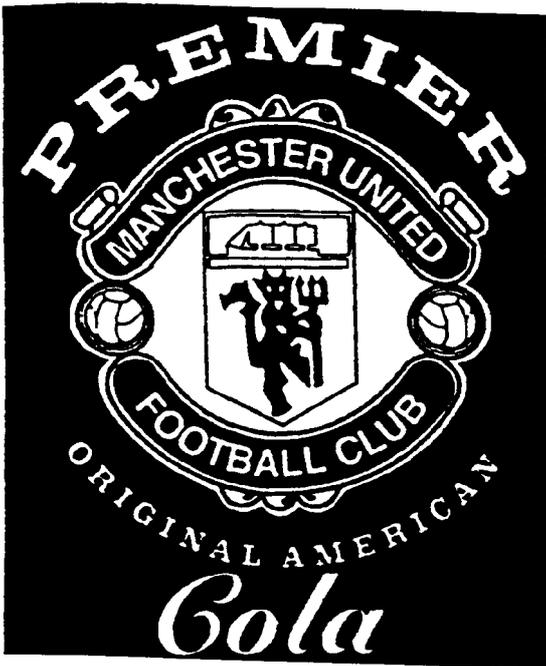


2015455

32

Non-alcoholic drinks being colas with reduced calorie content.





They also say that they have made extensive use of these trade marks and in addition have made extensive usage of supporting indicia including the word **UNITED** in connection with sales of alcoholic and non-alcoholic drinks, alone or with other matter. They state that they have acquired a national reputation in their marks and other supporting indicia and that the trade mark applications in suit so nearly resemble their trade marks that they are contrary to the provisions of Section 5(2) of the Act and ought to be refused registration.

They go on to state that use of their marks is well-known and accordingly fall within the provisions of Article 6 bis of the Paris Convention enshrined in Section 6(1)(c) and Section 56 of the Act. They state that use of the applications in suit, being deceptively similar to their marks, would again be contrary to Section 5(2) of the Act (in practice this does not seem to add to the objection based on their registered trade marks).

The opponents also plead that their extensive use of their trade marks and supporting indicia in the United Kingdom is such that the marks are protectable by means of an action for passing off and the use of the applicants trade mark would be contrary to Section 5(4)(a) of the Act.

Certain other grounds referred to in the opponents' statement of grounds were not pursued at the hearing and can be dismissed. These are grounds under Section 1(1), 3(1)(a), 3(1)(b), 3(3)(b) and 3(4). An objection under Section 3(6) of the Act was the subject of a preliminary point at the hearing and is dealt with below.

The applicants filed counterstatements denying the above grounds.

Both sides seek an award of costs in their favour. Both sides filed evidence and the matter came to be heard on 12<sup>th</sup> December 2000 when the applicants were represented by Mr A Ramage a Director of the applicant company and the opponents by Mr R Onslow of Counsel instructed by William A Shepherd & Son, Trade Mark Attorneys.

## **OPPONENTS' EVIDENCE**

The opponents filed two identical statutory declarations (pertaining to each individual opposition at this stage) dated 2<sup>nd</sup> July 1998, by Patrick Laurence O'Donovan, the Trade Marks manager of Manchester United Plc. Mr O'Donovan gives a brief history of Manchester United Football Club (which he states, is owned by the opponents), saying that they are one of the most successful clubs in the history of British Football, the best attended in the United Kingdom and has a following which extends to every country in the world. He lists some of their on field achievements and gives details of the exposure they and their players receive through television.

He goes on to explain the important and burgeoning role of merchandising activities to football clubs so that it has become probably the most important part of revenue for every football club in the country. He states it no longer concentrates on the traditional goods associated with football clubs, ie football strips, caps, hats, scarves, etc, but has expanded in the case of the opponents to almost every class of the trade marks register, under a range of brand names, which they have protected by means of trade mark registration.

Mr O'Donovan states that one area of particular success for the opponents has been in regard to the sale of alcoholic and non-alcoholic beverages. This they have done since 1988 under various trade marks for which they have obtained United Kingdom registrations. As well as selling these products at their football ground, they have also sold them throughout the United Kingdom via high street supermarket outlets such as Sainsburys and Tesco. The various brands and trade marks of the opponents are licenced to a number of third parties for the sale of both alcoholic and non-alcoholic beverages. Mr O'Donovan lists an example of these third parties for wines, isotonic sports drinks, lager, whisky, milk drinks and champagne.

Mr O'Donovan exhibits the following to support his case:

- PLO'D 1 - two label devices used on table wines selected by Willoughbys the Wine Merchants, consisting essentially of a red and a white football style shirt featuring the words "United Cuvee" amongst other descriptive or indicative words and a crest device (which from other exhibits - see below- from Mr O'Donovan can be seen to be the Manchester United Football Club club crest) containing the words "Manchester United Football Club".
- PLO'D 2 - examples of labels and packaging used on champagne, wines, lager, isotonic sports drinks, whisky and milk.

Mr O'Donovan states that the examples in PLO'D 2 show the brand UNITED in use, but I

cannot see that word in use alone on any of the examples exhibited.

Mr O'Donovan closes his statutory declaration by expanding upon the reasons why he believes the trading activities of the opponents would be encumbered and why there exists a strong likelihood of confusion on the part of the public between the trade marks in suit and those of the opponents and why the opponents brand names would be protectable by means of an action for passing off.

Mr O'Donovan filed two further identical statutory declarations (still pertaining to each individual opposition) dated 30<sup>th</sup> September 1998. In these he states that Charles Wells Limited (one of the licensees to the opponents trade marks) are producers of RED TRIBE LAGER and gives sales and advertising figures since they launched the product in October 1996. He also speaks about a product Charles Wells Limited are about to launch, and exhibits at PLO'D 3 (& corresponding exhibit PLO'D 6) examples of labels used with that product.

Similarly, he adduces advertising and sales indications concerning the opponents' interests( via their relevant licensees) in whisky, vodka, gin, wines and champagnes. As well as the Club crest, the strapline THE SPIRIT OF UNITED, is said to be used with some of these products. These figures are given in such terms as eg "up to June 1998" or "sales of wine to date" (ie with no indication of when sales began, or what percentage of the figures given relates to being within the relevant period). The exhibits PLO'D 4 & 5 (corresponding exhibits PLO'D 7 & 8) which support these claims are not in themselves dated in any way.

Before the applicants evidence was submitted, opposition Nos 45886 and 45892 were consolidated.

## **APPLICANTS' EVIDENCE**

The applicants filed a statutory declaration dated 12<sup>th</sup> March 1999 by Alan Ramage, a director of Rygrange Limited, to whom the applications in suit, namely 2060452 and 2068413, were assigned in full as from 29 March 1999. Mr Ramage gives some background to the company and to his 15 years of experience in the drinks related trade. He explains that his company purchased all rights in the marks.

Mr Ramage goes on to outline how his company intends to market beers, lagers and soft drinks under the UNITED trade mark, including envisaged prices, strengths of beers/lagers and producers and outlets. He states that to date there have been no sales under the UNITED mark, primarily because of the dispute with the opponents.

Mr Ramage then states that although he is aware of Manchester United Football Club and the fact that it does market a range of merchandise (such as clothing and football associated goods) under the MANCHESTER UNITED trade mark, he has never come across any alcoholic or soft drinks products being sold under the MANCHESTER UNITED trade mark. He says he has no knowledge of Manchester United ever using the word UNITED in isolation and offers his view from his 15 years of experience in the drinks trade, that he does not think anyone would associate the word UNITED in the drinks trade with Manchester United. He states that as there are numerous football clubs whose names include the word "United" and

therefore he doubts whether Manchester United could claim exclusive use of the word in isolation. Because he has never come across Manchester United marketing any alcoholic or soft drink products, he assumes their sales of such products are limited. He claims that any products marketed under the UNITED trade mark would be exclusively associated with his company and no other and does not believe that the business of Manchester United would be prejudiced in any way by registration of the applications in suit.

### **OPPONENTS' EVIDENCE IN REPLY**

This consists of a statutory declaration again from Mr O'Donovan. In this he seeks to question whether the applicants have coverage for the "lagers" they say they wish to market under the UNITED trade mark (as 2060452 covers "bottled beers") and whether they have a real and firm intention of using the mark on as wide a range of non-alcoholic drinks as they have coverage for (in 2068413).

He also questions the applicants' stated marketing strategy for products sold under the mark, which he claims did not include the type of approach made to the opponents in the copy of a letter he (suggesting a commercial link-up) exhibits at PLO'D 9. This, he claims, is brought into question all the more when the applicants claim not to be aware of the opponents' interest in the MANCHESTER UNITED mark for the promotion and sale of "alcoholic and non-alcoholic beverages". He goes on to draw attention to his own evidence to show that UNITED is used by the opponents. Mr O'Donovan offers his considered view that the applicants' approach to Manchester United Plc was as a direct result of the opponents well established interest in the UNITED brand, either separate or together with the word MANCHESTER.

He closes by stating that the applicants letter exhibited at PLO'D 9 shows that they regard the opponents as a suitable company to liaise with in the marketing of their products under the trade mark and this is because they are aware of the opponents' long-established interest in the UNITED trade mark which pre-dates that of the applicants. He asks with interest, whether the applicants have contacted any other football clubs with UNITED in their titles (using Newcastle United as an example)? He suggests that if the answer is yes, then this lends credence to his contention that the applicant is trying to establish an interest in a trade mark which is the preserve of the opponents or other sporting clubs with UNITED in their titles.

This completes my summary of the evidence in so far as I see it as relevant.

### **PRELIMINARY POINT**

Mr Onslow indicated at the hearing that he wished to pursue an objection under Section 3(6) of the Act on the basis that the application was made in bad faith because the applicants had only a conditional and not an actual intention to use the mark applied for. I decided firstly that this had not been properly pleaded and, after hearing the parties, that an amendment to the statement of grounds to introduce such an objection should not be allowed. For the benefit of the parties I will put on record the background to this issue and my reasons for coming to the above view.

The statements of grounds contain identically worded objections under Section 3(6) as follows:

"The Applicants were, at the date of application, aware of the Opponents' reputation and goodwill attaching to the various Trade Marks and other supporting indicia, or at the very least should have been aware, as a consequence of which the application ought to be refused registration as being contrary to Section 3(6) of the Trade Marks Act 1994 as being an application made in bad faith."

In *Demon Ale Trade Mark*, 2000 RPC 345, Geoffrey Hobbs QC, sitting as the Appointed Person, said:

"Considerations of justice, fairness, efficiency and economy combine to make it necessary for the pleadings of the parties in Registry proceedings to provide a focused statement of the grounds upon which they intend to maintain that the tribunal should or should not do what it has been asked to do. The statement should not be prolix. It should, however, be full in the sense indicated by Mr Simon Thorley QC in *COFFEEMIX Trade Mark* [1998] RPC 717 at 722:

"It must be full in the sense that it must outline each of the grounds.... relied upon and state the case relied upon in support of those grounds. It should be as succinct as possible, but it must be complete". "

The opponents' objection as set out above could not have alerted the applicants to the fact that they faced a challenge to the bona fides of their intentions. In fact the opponents do not seem to have considered the point at all until their reply evidence when Mr O'Donovan comments on it in a somewhat speculative manner. Even then the point is commented upon more in the context of whether use is intended across the full range of goods applied for rather than the conditional nature of the applicants' intentions which is the basis on which Mr Onslow wanted to take the point.

Although it is true that a Section 3(6) had been raised, the ground as framed could not remotely be construed as covering the objection now raised. On the basis of that finding on my part Mr Onslow sought leave to amend the statement of grounds to introduce the desired objection. He suggested that a balance should be struck between the desirability of having the objection considered and the possible prejudice to the applicants. He conceded that, if necessary, further evidence could be allowed and the hearing adjourned. In particular he suggested that I should not be swayed by the fact that the applicants were not professionally represented at the hearing. Mr Ramage made it clear that the applicants did object to the amendment. In the event I decided not to allow it for the following main reasons:

- S the lateness of the request
- S the fact that the applicants' own evidence which purportedly gave rise to the objection was filed in March 1999. Mr O'Donovan's comments in reply were in my view speculative in nature and fell short of raising a formal objection. No amendment to the grounds was sought at that stage

- S even allowing for Counsel's involvement, possibly at a late stage in the proceedings, the objection had still not been foreshadowed in the run-up to the hearing (I first became aware of it in Mr Onslow's skeleton argument provided on the day of the hearing)
  
- S there is always likely to be some prejudice to an applicant in allowing a new ground of opposition at the hearing. However if the surrounding circumstances are such that compelling reasons exist for allowing the amendment it might be right to do so notwithstanding that the applicants were not professionally represented (that after all is their choice). The proper course in those circumstances would be to go on to consider the implications in terms of whether further evidence was called for, whether an adjournment was necessary and whether a costs penalty should be imposed
  
- S on the basis of the evidence filed it seemed to me that the opponents were unlikely to be able to mount an arguable case against the applicants on the ground sought.

Taking all the above factors into consideration I decided not to allow the amendment. The original ground of opposition under Section 3(6) was, of course, still available to the opponents but, rightly in my view, was not pursued at the hearing and can be dismissed.

The main ground of objection is, therefore Section 5(2). This reads:

"5.-(2) 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."

As identical marks are not involved sub paragraph (b) applies here.

I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schufabrik Meyer & Co. GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723.

It is clear from these cases that:-

- (a) likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*, paragraph 22;

- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, paragraph 23, 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 Schufabrik Meyer & Co. GmbH v Klijsen Handel B.V.* paragraph 27;
- (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*, paragraph 23;
- (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*, paragraph 23;
- (e) 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-Meyer Inc*, paragraph 17;
- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v Puma AG*, paragraph 24;
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*, paragraph 26;
- (h) 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*, paragraph 41;
- (i) 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 Kaish v Metro-Goldwyn-Mayer Inc*, paragraph 29.

These cases have been consolidated and for the most part common considerations apply. However, the oppositions are on a slightly different footing in so far as the opponents' earlier trade marks are concerned. As can be seen from the details of their registrations set out at the start of this decision they have a number of different marks registered. The one principally relied on by Mr Onslow is No. 1548720 which is a word only mark MANCHESTER UNITED. That registration covers goods which I take to be identical to those of application No. 2068413 and in my view offers the opponents their best chance of success. Somewhat different considerations apply in relation to application No. 2060452 as the opponents' 'club badge' No. 2001836, is the most relevant of their registrations in terms of goods.

I will deal firstly with the opposition to No. 2068413 and make some supplementary comments later in the decision in relation to the other case.

There can be no doubt that the non-alcoholic drinks of No. 2068413 are identical to the goods of the opponents registration No. 1548720. The matter, therefore, turns particularly on the marks themselves not forgetting that in the final analysis the test must be considered as a composite one (BALMORAL Trade Mark, 1999 RPC 297 at page 301). The applicants' mark is self evidently an element within the opponents' mark MANCHESTER UNITED. To that extent there is a point of visual and aural similarity. 'United' is a word in common use but it seems to me that when it is placed with the word 'Manchester' it takes on a quite different signification. Although Mr Onslow did not concede that this was a clear point of differentiation he acknowledged that using the MANCHESTER component goes some way to distinguishing between the two marks. I would put the position rather higher than that. The distinctive character of the mark MANCHESTER UNITED lies in its totality. It is quite different to the word UNITED on its own.

I am also required to consider whether the opponents' mark enjoys any enhanced degree of distinctive character as a result of the use made of it. It is by no means easy to establish the extent of trade in Class 32 goods from the evidence filed. Mr O'Donovan rightly says that football club merchandising activities are no longer restricted to football strips, caps, scarves, mugs etc. But the extent and nature of such trade can only be established by evidence. He refers to Manchester United's licensing activities but does little to quantify the trade up to the material date in these proceedings (3 April 1996 for No. 2068413). There is a reference to a licensee for isotonic sports drinks but no information as to sales. Such information as is supplied is mainly in Mr O'Donovan's second declaration but mainly deals with alcoholic beverages. Thus he refers to sales of lager but only from October 1996 (after the material date) and under the mark RED TRIBE, the relevance of which escapes me. Spirit sales are given as in excess of 130,000 up to June 1998 but the starting date of sales is not given. Wine sales are similarly not attributed by date. On the basis of the information available any claim to an added degree of distinctive character for the opponents' mark is unsubstantiated.

The above findings might appear to point to an inescapable conclusion that there is no likelihood of confusion. But Mr Onslow put his case on the basis that drinks (whether alcoholic or non-alcoholic) are customarily sold in bottles or cans and that notional use of the applicants' mark must include putting the word on a label. From this starting point he further submitted that I should consider what the position would be if the applicants put their mark on a label which had red as a background colour. The combination of the word UNITED and a red background label would, he suggested, lead the average consumer to think that there was an association as to origin with the opponents, red being the football club's principal colour.

That is an interesting line of argument but not one I can accept. The mark applied for is the word UNITED. It is not a label mark though I have no doubt that placing the word on a label is a legitimate and to be expected occurrence given the goods concerned. It would require a number of inferences to be drawn to get to the conclusion that Mr Onslow invites me to reach. Normal and fair use of the mark applied for would include representing the word in colour(s) (including red) and it is quite proper to consider the effect of such usage. I reject the idea that I should consider the matter on the basis of whatever added matter (by which I mean a

coloured label or other features not present in the mark applied for) the applicants might use in conjunction with the word itself. The comparison must be mark for mark. If the applicants elect to use a colour, colour combinations or other features of packaging which the opponents consider conflict with their earlier trade marks or earlier rights then that is a matter that would need to be pursued in infringement or passing off proceedings rather than opposition to this word only mark (cf *United Biscuits (UK) Ltd v Asda Stores* - the Penguin/Puffin case where passing off was found based on the defendant's packaging but not trade mark infringement where the Court had to look to the essential features of those registered marks which escaped revocation).

There is a further reason why I do not think the opponents can succeed on the basis of the above argument. Although red is certainly the Manchester United football club's main colour and the predominant colour on the club badge they are not the only football club to play in red and, it would seem, not the only United to play in red (I understand Mr Ramage to say that Sheffield United Football Club also use red in their strip).

Mr Ramage asked the not unreasonable question as to whether Manchester United can claim to own the colour red. More particularly in the context of Section 5(2) the question arises as to what rights they can claim based on their earlier trade marks bearing in mind that this action concerns Class 32 goods and not whatever recognition there is of the colour in footballing terms.

The opponents have a number of registrations. The evidence suggests that most usage has been of the club badge mark. The words MANCHESTER UNITED sometimes appear in red but other colours are also used (white, black, gold, yellow). In fact in terms of the use of the earlier trade marks the most that can be said is that red features as one of the main colours. The opponents do not have UNITED registered on its own. Nor do they have a registration of the colour red as such. It seems to me that to get to his desired outcome Mr Onslow had to elide rights arising from the earlier trade mark MANCHESTER UNITED with unregistered (and on the evidence before me unsubstantiated) rights in relation to the colour. That is not the proper approach under Section 5(2).

In summary, even allowing for identity of goods within the composite test, I see no likelihood of confusion on the basis of any of the opponents' earlier trade marks. The opposition under Section 5(2) to No. 2068413 fails.

The position in relation to application No. 2060452 is that the opponents have pointed to only one potentially relevant registration, that is No. 2001836, the club badge mark. The specification of this registration covers beer and larger, that is to say the same goods as No. 2060452. Mr Onslow suggested that the badge was strongly associated with the club and of course contains the words MANCHESTER UNITED. For practical purposes, therefore, it is said that the position is the same as for 2068413. It seems to me that reliance on the club badge mark places the opponents in an even weaker position. There is no likelihood of

confusion between the applied for mark and the opponents' more complex club badge mark. The opposition to No. 2060452 also fails.

Section 5(4)(a) reads:

"(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

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

(b) .....

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

The necessary elements of the action are said to be:

- (1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

The position has to be considered at the filing date of the applications (8 March 1996 and 3 April 1996). Nothing turns on the fact that different dates are involved. The opponents' evidence is thin and in my view fails to substantiate a claim to goodwill at the material dates for the reasons set out above in the context of the reputation attaching to the opponents' marks. There is just one point which calls for specific comment. I note that at Exhibit PLO'D1 there is an example of a label bearing the words UNITED CUVÉE. It also carries the club badge but as a less prominent and separate feature. I have said above the opponents have not registered the word UNITED but if they had been able to show use of the UNITED CUVÉE label it might have given them an alternative avenue of attack under Section 5(4)(a). In the event there is no detailed information as to how, when or to what extent this label has been used so it is of no assistance. The Section 5(4)(a) ground must also fail.

The oppositions as a whole have failed. The applicants are entitled to a contribution towards their costs. I order the opponents to pay them the sum of £770 in respect of these consolidated proceedings. This sum is to be paid within seven days of the end 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 22 day of December 2000**

**M REYNOLDS**  
**For the Registrar**  
**the Comptroller-General**