

O-497-15

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK REGISTRATION NO 3063927

**IN THE NAME OF EMPIRE STAR LIMITED
OF THE FOLLOWING TRADE MARK IN CLASS 33**

KING SELECT

AND

**AN APPLICATION FOR INVALIDITY
UNDER NO 500678
BY QUINTESSENTIAL BRANDS S.A.**

Background and pleadings

1. This dispute concerns trade mark registration no. 3063927 which consists of the trade mark KING SELECT (“the registration”). It was filed by Empire Star Limited (“the proprietor”) on 11 July 2014. The registration was published on 8 August 2014 and subsequently registered on 17 October 2014. It was registered in respect of the following goods:

Class 33: Alcoholic beverages (except beer); spirits; liquors; whiskey

2. On 10 November 2014, an application for invalidation was filed by Quintessential Brands S.A. (“the applicant”). The applicant requested invalidation of the registration under section 5(2)(b), and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). This ground is relevant in invalidation proceedings on account of the provisions of section 47(2) of the Act.

3. The applicant is relying upon the following earlier registration (“the earlier mark”). It claims that the respective marks are confusingly similar which will result in a likelihood of confusion in the marketplace. Since the earlier mark has been registered for less than five years prior to the publication of the registration, it is not subject to proof of use.



Mark:

Number: UK 2558770

Filing date: 15 September 2010

Publication date: 8 October 2010

Registration date: 17 December 2010

Goods: Class 33: Vodka; vodka based beverages

4. Under section 5(4)(a) of the Act, the applicant claims common law ownership in the sign SELEKT for vodka. It states that due to the continued and substantial use of the mark since 1997 throughout the UK, it has accrued goodwill in the mark. It claims that use of the registration will lead to a misrepresentation in the marketplace which will result in their being damage.

5. The proprietor filed a counterstatement denying that the respective marks are similar. Further, it does not admit that the applicant has made substantial and continuous use of its earlier registration in the UK as claimed.

6. Both sides filed evidence. Neither party requested a hearing so this decision is taken following a careful consideration of the papers. Both sides have filed written submissions which shall be referred to as and where necessary.

Applicant’s evidence

Witness statement of Warren Scott and exhibits WS1 – WS5

7. Mr Scott is a Director for the applicant, a position he has held since 2011.

8. He states that the registration was first used in the UK in February 2002. Prior to this they used the plain word mark SELEKT, which he states they have “used not later than 1997.” Mr Scott says that the applicant has used the mark continuously since 1997 until a fire at the distillers in October 2005. This meant that substantial use of the mark had not recommenced until October 2010, and use has been continuously to date in respect of vodka.

9. Mr Scott states that the registration is used on the label of vodka, and that their goods are sold exclusively through Asda Supermarkets. He provides the following turnover figures:

Financial Year (ending 31 March)	Approximate Sales Turnover in GBP	Approximate Sales by Case (containing 12 bottles)
2014-2015	£522,228	98,720 cases
2013-2014	£656,774	121,154 cases
2012-2013	£566,607	114,323 cases
2011-2012	£144,876	30,053 cases
2010-2011	£288,942	62,272 cases
2009-2010	£119,377	25,728 cases

10. Mr Scott also provides figures on the number of labels produced bearing the mark, and the cost thereof.

Financial Year (ending 31 March)	Approximate cost in GBP	Approximate number of labels
2014-2015	£13,410	1,244,000
2013-2014	£12,424	1,152,500
2012-2013	£10,683	991,000
2011-2012	£11,700	1,085,400
2010-2011	£2,264	210,000

11. Attached to the witness statement are a number of exhibits, these are:

- Exhibit WS1 consists of print outs from Asda’s website which offer for sale the applicant’s vodka, bearing the mark. The print outs are dated 11 March 2015.
- Exhibit WS2 is a photograph (see below) of a bottle of vodka on a shelf in an Asda supermarket. Mr Scott states that the photograph was taken on 11 March 2015.



- Exhibit WS3 is a print out from the FAQs page of the applicant’s website. It refers to SELEKT as being one of the brands they offer. The print out is dated 11 March 2015.
- Exhibit WS4 are a collection of invoices for products bearing the mark. The invoices are dated between 8 August 2011 and 9 March 2015. Each invoice refers to the goods as SELEKT vodka.
- Exhibit WS5 are further invoices in relation to the purchase of the labels bearing the mark.

Witness statement of Alastair John Rawlence and exhibits AR1 – AR2

12. Mr Rawlence is a trade mark attorney at Novagraaf, the applicant’s professional representatives. It is a position he has held for 6 years.

13. Mr Rawlence sets out the sales figures provided by Mr Scott and states that the figures provided are “ex-factory”¹. He state that the retail value of the goods are higher and provides sales figures as follows:

Financial Year (ending 31 March)	Approximate Sales Turnover in GBP	Approximate Retail value in GBP
2014-2015	£522,228	£9,400,104
2013-2014	£656,774	£11,821,932
2012-2013	£566,607	£10,198,926
2011-2012	£144,876	£2,607,768
2010-2011	£288,942	£5,200,956
2009-2010	£119,377	£2,148,786

¹ Paragraph 4 of Mr Rawlence’s witness statement

- Exhibit AR1 is an extract from www.smartpound.com dated 8 July 2013. It shows the applicant's mark on a bottle of vodka for sale.
- Exhibit AR2 is an extract dated 25 May 2012 from Facebook showing a consumer market research post entitled Project Alcohol. The list of products for participants to choose from includes "Selekt Vodka (Asda)".

Proprietor's evidence

Witness statement of John Ferdinand and exhibits JF1 – JF2

14. Mr Ferdinand is an employee of Marks & Clerk LLP, the proprietor's professional representatives. The witness statement seeks to address the extent to which the average consumer would focus on SELECT in the mark as whole. To substantiate this, Mr Ferdinand provides an extract from the Oxford English dictionary for "select" (exhibit JF1). It defines "select" as an adjective as "selected, chosen out of a large number, on account of excellence or fitness". A further definition is "Hence, Choice, of special value or excellence; composed of or containing the best, choicest or most desirable; superior".

15. Mr Ferdinand also argues "that the word "select" would be viewed as descriptive or non-distinctive for the goods in question is also demonstrated by the use by a number of different traders in the alcoholic drinks and spirits market of "select" in conjunction with the principal trademarks of those businesses". Exhibit JF2 comprises extracts from various websites which show use by third parties of the mark "select". These include BACARDI SELECT, LAPHROAIG SELECT, JACK DANIEL'S SINGLE BARREL SELECT, JAMESON SLECT RESERVE, GLENFIDDICH SELECT CASK WHISKEY and ROYAL OAK SELECT RUM.

16. In view of the dictionary definition and use by third parties, Mr Ferdinand argues that the word "select", for the registered goods, is descriptive or laudatory and does not identify the commercial origin of the goods in question.

DECISION

SECTION 5(2)(b)

Legislation and relevant law

17. Sections 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, or there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark".

18. 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.

Average consumer and the purchasing act

19. 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*.

20. 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 at paragraph 60 in these terms:

“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.”

21. The average consumers of the goods in question are the adult general public. Alcohol may be bought in shops, supermarkets, bars or restaurants. The primary purchasing process will be a visual perusal of the goods on a shelf in a shop or supermarket, or in a bottle or optics behind a bar. The goods may also be aurally purchased without viewing the goods, but if ordered aurally the purchaser is more likely to use the descriptive name (vodka, whiskey) rather than by their brand name. Accordingly, a visual consideration is more prominent.

22. With regard to the degree of care and attention used by the average consumer, whilst the goods are not generally purchased everyday and are not hugely expensive, the average consumer will still likely consider the goods for their particular qualities, flavour, etc. Accordingly, I consider there to be an average level of care and attention paid, i.e. no higher or lower than the norm.

Comparison of goods

23. 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”.

24. 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.

25. The respective goods are:

Applicant/earlier goods	Proprietor's goods
Class 33: Vodka; vodka based beverages	Class 33: Alcoholic beverages (except beer); spirits; liquors; whiskey

When can goods and services be considered identical?

26. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-133/05, the General Court stated at paragraph 29 that:

“In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 Institut fur Lernsysteme v OHIM- Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

27. Applying the principle set out by *Merica*, “vodka; vodka based beverages” are included in the more general terms “Alcoholic beverages (except beer); spirits”. Therefore, they are considered to be identical.

Liquors; whiskey

28. The applicant’s “vodka” and the proprietor’s “liquors” and “whiskey” are all drinks which contain high level alcohol by volume (ABV). Often users will add a soft drink (mixer) rather than drink it by itself. They are typically consumed at socially in a bar or restaurant, though they are also purchased from shops or supermarkets to be drunk at home. Whether they are sold in a bar, restaurant, shop or supermarket,

they will be purchased within close proximity of one another, i.e. in the same aisle or shelf of a supermarket/shop, or bottles behind the bar or optics. Whilst the goods are not in direct competition, the trade channels are likely to be the same. In view of the aforementioned, I consider the proprietor’s “liquors; whiskey” to be similar to “vodka” to a high degree. With regard to “vodka based beverages” they cover drinks which are of a lower ABV and may be sold in a bottle rather than a glass with a mixer. Nevertheless, since the goods are consumed by the same end users, also sold in bars, restaurants, shops and supermarkets via the same distribution channels, I consider them to be similar to an average degree.

Comparison of marks

29. 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.”

30. 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. The respective trade marks are shown below:

The earlier mark	The Registration
	<p>KING SELECT</p>

31. The earlier mark is complex, consisting of a number of elements, i.e. words, a device and colour. These elements include the words SELEKT, Imperial, Vodka and ‘triple distilled to produce a quality vodka’, ‘drink chilled’ and an eagle crest. All of these are placed on a triangular shaped label which, as demonstrated in the evidence, is placed on the front of the bottle. Whilst there are a number of elements which make up the mark as a whole, given the size and prominence of the word SELEKT this is what will be initially noticed. Whilst SELEKT is what is first noticed, the mark does comprise of a number of other elements which contribute to the

overall impression. These include the eagle device and the word Imperial. These elements, together with the letter K rather a C, create an overall Eastern European connotation to the mark.

32. The registration consists entirely of the words KING SELECT. The proprietor argues that the SELECT element of the registration carries much less weight in the impression created by the mark on the consumer for the goods than the element KING. The applicant does not dispute that the word SELECT has certain descriptive and non-distinctive elements when considered in isolation, though they claim that the same could be argued about KING. Accordingly, they state that no more importance is placed on KING than SELECT.

33. The combination of KING SELECT does not have an ordinary English meaning. However, it may be that KING would be viewed as a surname and the primary mark with SELECT functioning as a sub-brand of goods which are specially chosen on account of their excellence. Not all consumers may view the mark in this context, in which case the overall impression would be based on the totality of the unit, with no single element dominating the other.

34. Visually, the only elements of the marks which could be considered similar are SELECT and SELEKT. Since the one letter difference between the marks is the penultimate letter of the word it does not impact the visual similarities to the marks as if it were the first. Nevertheless, because substituting K with C results in SELEKT not being an English word, this will not go unnoticed and does have an effect on the visual comparison. Since there are no other aspects to the marks which contribute to visual similarity, I find that there is a moderate (at best) degree of visual similarity.

35. The primary concept of the marks will be based upon the respective words SELEKT and KING SELECT. Given the unusual spelling of SELEKT together with the eagle crest being on Vodka products, the mark has a Middle Eastern connotation. With regard to the words KING SELECT it is KING that may be remembered as a surname rather than SELECT. In view of the aforementioned, I consider there to be a moderate degree of conceptual similarity

36. Aurally, the earlier mark would be pronounced as SELEKT, possibly along with Imperial Vodka. The registration will be pronounced as KING SELECT. Since SELEKT and SELECT will be pronounced in the same manner, there is a degree of aural similarity. However, the inclusion of KING in the registration, and it being the first word to be pronounced, lessens the degree of aural similarity. In other words, the earlier mark pronounced as SELEKT or SELEKT Imperial Vodka and the registration as KING SELECT. Accordingly, I find that there is a just below average degree of aural similarity between the respective marks.

Distinctive character of the earlier trade mark

37. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated in paragraphs 22 and 23 that:

“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).

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).”

38. The applicant has provided evidence of use of the mark. This includes their sales figures which range from a couple of hundred thousand pounds to half a million.² The retail figures provided are around £10million per year. With regard to the number of bottles sold, on average they sell around 100,000 cases (each case containing 12 bottles) per year. On a *prima facie* basis these are not negligible sales, however no evidence has been filed to demonstrate the size of the mark and what share the applicant has. Accordingly, I find that the applicant has not proven an enhanced level of distinctive character by virtue of the use made of the mark.

39. From an inherent perspective, SELEKT has no ordinary dictionary definition and does not describe the goods. However, since there is only one letters difference between SELEKT and SELECT it does evoke the ordinary English meaning. This means that whilst SELEKT is an invented word, it does not in itself have the highest distinctive character. Nevertheless, given the unusual spelling, and that there are a number of additional elements (the eagle device, the pink label and the word Imperial), these contribute to the mark having an overall above average degree of inherent distinctive character.

Likelihood of confusion

40. I must now determine whether there is a likelihood of confusion. This is not a scientific process and it is a matter of considering all the factors, weighing them and looking at their combined effect, in accordance with the authorities set out earlier in this decision. One of those principles states that a lesser degree of similarity between the goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*). This is known as the interdependency principle.

41. In view of the above, I remind myself of the various findings made:

² Paragraph 13 above refers

- The average consumers of the goods are the general adult public. The level of care and attention is average, i.e. no higher or lower than the norm.
- I have found that the respective marks are visually similar to a moderate (at best) degree, moderate conceptual similarity and just below average degree of aural similarity.
- “Alcoholic beverages (except beer); spirits” are identical to the applicant’s “vodka; vodka based beverages”, “liquors and whiskey” are highly similar to “vodka” and “vodka based beverages” similar to an average degree.
- The mark has an above average degree of inherent distinctive character though this resides in the label as a whole.

42. It is argued by the proprietor that the word SELECT for alcoholic drinks is laudatory, or at least non-distinctive. They support this argument by providing evidence of third party use of SELECT together with the primary mark. Further, they claim that the dictionary definition supports their argument, i.e. “selected, chosen out of a number, on account of excellence or fitness”. I believe that there is merit in these arguments. In my view, the word “SELECT” is not particularly distinctive when used in conjunction with another word such as KING.

43. I will firstly focus on the goods which I find to be identical since the applicant will be better placed and, if they are unsuccessful against these goods, then it follows that they will not succeed against the remaining goods.

44. Taking all of the relevant factors above into consideration, I find that there is no likelihood of confusion. Whilst the goods are identical and may offset a lesser degree of similarity between the marks, the goods will mainly be purchased following a visual consideration to which I should there to only be a moderate degree of similarity. Further, the one letter difference between SELECT and SELEKT will not go unnoticed, even when you factor in the concept of imperfect recollection. For these reasons the marks are simply not similar to the extent that they are confusingly similar.

Section 5(2)(b) outcome

45. The invalidation action under section 5(2)(b), by virtue of section 47(1), fails in its entirety.

SECTION 5(4)(a)

46. The relevant legislation states:

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

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

(b)...

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

47. The general case law relating to the law of passing off under section 5(4)(a) are as follows:

48. Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(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 the 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 restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.”

49. Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances."

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."

The relevant date

50. The Court of Appeal recently considered the relevant date in a case such as this one under the analogous article of the Community Trade Mark Regulation³. Kitchen L.J. stated that:

"Under the English law of passing off, the relevant date for determining whether a claimant has established the necessary reputation or goodwill is the date of the commencement of the conduct complained of (see, for example, Cadbury-Schweppes Pty Ltd v The Pub Squash Co Ltd [1981] RPC 429). The jurisprudence of the General Court and that of OHIM is not entirely clear as to how this should be taken into consideration under Article 8(4) (compare, for example, T-114/07 and T-115/07 Last Minute Network Ltd and Case R 784/2010-2 Sun Capital Partners Inc.). In my judgment the matter should be addressed in the following way. The party opposing the application or the registration must show that, as at the date of application (or the priority date, if

³ Roger Maier v ASOS [2015] EWCA Civ. 220 at paragraph 165

earlier), a normal and fair use of the Community trade mark would have amounted to passing off. But if the Community trade mark has in fact been used from an earlier date then that is a matter which must be taken into account, for the opponent must show that he had the necessary goodwill and reputation to render that use actionable on the date that it began.”

51. Accordingly, the relevant date for determining the section 5(4)(a) claim is the date of application for registration: 11 July 2014.

Was there goodwill at the relevant date?

52. Goodwill was discussed in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL):

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

53. The evidence filed includes invoices, turnover figures and representations of the mark at the point of sale. Accordingly, it is clear from the evidence filed that the applicant has goodwill in its sign for vodka.

54. In the pleadings the applicant claims that the goodwill exists in the word “SELEKT”. I disagree. The only evidence of SELEKT *solus* is on the invoices and a reference on the Asda website which is below a representation of the bottle.

55. Use of SELEKT merely on invoices will only be viewed by a minority of people involved with the accounts of the applicant or the purchaser. This represents a small proportion of people. With regard to the website, since the label resides above SELEKT, I consider the goodwill to be placed in the mark as a whole (i.e. the earlier mark).

Misrepresentation

56. In *Neutrogena Corporation and Another v Golden Limited and Another*, [1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

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

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148 . The necessity for a substantial number is brought out also in

Saville Perfumery Ltd. v. June Perfect Ltd. (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“.... for my part, I think that references, in this context, to “more than *de minimis* ” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

57. I have already found under section 5(2)(b) that there is no likelihood of confusion.

58. There is one possible difference between the position under trade mark law and the position under passing off law. In *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, Lewinson L.J. cast doubt on whether the test for misrepresentation for passing off purposes came to the same thing as the test for a likelihood of confusion under trade mark law. He pointed out that it is sufficient for passing off purposes that “*a substantial number*” of the relevant public are deceived, which might not mean that the average consumer is confused. As both tests are intended to be normative measures intended to exclude those who are unusually careful or careless (per Jacob L.J. in *Reed Executive Plc v Reed Business Information Ltd* [2004] RPC 40), it is doubtful whether the difference between the legal tests will (all other factors being equal) produce different outcomes.

59. In comparison to section 5(2)(b) of the Act, the test still requires consumers to believe that the goods are of the same (or related) staples. Albeit, the test is now one-directional in that those consumers must believe, applied to this case, that KING SELECT is the responsibility of the producer of the registration. I accept that there is a difference in the test in that under section 5(2)(b) one is making the assessment from the perspective of the average consumer whereas under passing-off one is concerned with a “substantial number of members of the public”. However, without debating how different these tests actually are, I consider that whichever way one looks at it, the applicant has not established that a substantial number of persons would be deceived. For similar reasons to that already expressed, I do not consider that a substantial number of members of the public will believe that the goods sold under the proprietor's mark are those of the applicant.

60. Since I have already found that there is no misrepresentation, it follows that there cannot be any damage.

Section 5(4)(a) Outcome

61. The section 5(4)(a) claim fails.

OVERALL OUTCOME

62. The application for invalidation has failed. The registration shall, subject to appeal, remain valid.

COSTS

63. The proprietor has been successful and is entitled to a contribution towards its costs. In the circumstances I award the proprietor the sum of £1300 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Considering the statement of case and preparing a counterstatement	£300
Filing and considering evidence	£700
Preparing submissions in lieu of a hearing	£300
Total	£1300

64. I therefore order Quintessential Brands S.A. to pay Empire Star Limited the sum of £1300. 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 21st day of October 2015

**Mark King
For the Registrar,
The Comptroller-General**