

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No 2243686  
BY DIRECT WINES LIMITED  
TO REGISTER THE TRADE MARK:**

**LE XV DU PRÉSIDENT**

**IN CLASS 33**

**AND**

**MATTER OF OPPOSITION THERETO  
UNDER No 52055  
BY BSA SOCIÉTÉ ANONYME  
BASED UPON THE EARLIER TRADE MARK**

**PRESIDENT**

**TRADE MARKS ACT 1994**  
**In the matter of application no 2243686**  
**by Direct Wines Limited**  
**to register the trade mark:**  
**LE XV DU PRÉSIDENT**  
**in class 33**  
**the opposition thereto under no 52055**  
**by BSA société anonyme**

## **BACKGROUND**

1) On 26 August 2000 Direct Wines Limited (Direct) applied to register the trade mark **LE XV DU PRÉSIDENT**. The application was published on 25 October 2000 with the following specification:

*alcoholic beverages; wines; spirits; liqueurs*

The goods are in class 33 of the International Classification of Goods and Services.

2) On 25 January 2001 BSA société anonyme (BSA) filed a notice of opposition to this application.

3) The opponent is the proprietor of the following United Kingdom trade mark registrations:

no 1120768 for the trade mark :

**PRESIDENT**

which is registered for *powdered preparations included in Class 32 for use in making non-alcoholic beverages*. The trade mark was applied for on 15 September 1979.

no 1059644B for the trade mark **PRESIDENT** which is registered for *edible lard; cheese and dairy products for food*. The goods are in class 29 of the International Classification of Goods and Services. The trade mark was applied for on 3 March 1976.

4) BSA states that its trade mark **PRESIDENT** has acquired substantial goodwill and reputation for dairy products. It states that **LE XV DU PRÉSIDENT** is similar to **PRESIDENT** and that the respective trade marks cover dissimilar goods. BSA states that use of **LE XV DU PRÉSIDENT** by Direct will take unfair advantage of, or be detrimental to, the distinctive character or repute of its trade marks and that such usage would be without due cause. Consequently, registration of the application would be contrary to section 5(3) of the Trade Marks Act 1994 (the Act).

5) BSA requests that the application is refused and seeks an award of costs.

6) Direct filed a counterstatement in which the grounds of opposition were denied. Direct also requested that BSA proves its claims as to reputation. Direct requests that the application proceeds to registration and also seeks an award of costs.

7) Only BSA filed evidence.

8) The matter came to be heard on 27 November 2002. BSA was represented by Mr Hickey of Castles. Direct was represented by Barbara Cookson of Nabarro Nathanson. I also take into account written submissions made on behalf of Direct prior to the hearing.

### **PRELIMINARY ISSUE**

9) On 1 November 2002 BSA requested that additional evidence should be admitted into the proceedings under rule 13(11) of The Trade Marks Rules 2000. This rule states:

“No further evidence may be filed, except that, in relation to any proceedings before her, the registrar may at any time if she thinks fit give leave to either party to file such evidence upon such terms as she may think fit.”

The additional evidence corrects an error in the turnover figures of BSA. In the original evidence the figures for the years 1990 – 2000 were indicated as being in French francs. However, these figures should represent the pounds sterling value of turnover.

10) The evidence is in the form of a witness statement by Mr Hickey. He is correcting the figures in the declaration of Mr Levantal.

11) The Law Section of the Trade Marks Registry wrote to Mr Hickey on 11 November 2002 to advise him that his additional evidence had been admitted into the proceedings. At the hearing I advised Mr Hickey that I consider that the letter was erroneous. The sides had not been given the preliminary view of the registrar and had not been invited to make their comments as to this preliminary view. I stated that the additional evidence had been brought to my attention by Law Section and that I had advised that the consideration of its admission would take place as a preliminary point at the scheduled main hearing. This is not what the letter advised. The Law Section letter has denied Direct the opportunity to comment on the admission of the additional evidence. It has also denied me the opportunity to hear the submissions of the sides and the to decide if the additional evidence should be allowed into the proceedings. Consequently I invoked rule 66, which states:

“Subject to rule 68 below, any irregularity in procedure in or before the Office or the registrar, may be rectified on such terms as the registrar may direct.”

I considered that the statement that the additional evidence was admitted into the proceedings was an error and I rescinded its effect in order that the two sides could make submissions as to whether Mr Hickey’s evidence could be admitted into the proceedings.

12) In her skeleton argument Ms Cookson objected to the additional evidence, referring to the criteria in *Ladd v Marshall* [1954] 3 All ER 745. This case, of course, dealt with additional evidence being filed for an appeal. It has had much airing of late in the consideration of appeals from decisions of the registrar eg *Wunderkind Trade Mark* [2002] RPC 45 in which Pumfrey J referred to the criteria set out in *Hunt-Wesson Inc’s Trade Mark Application* [1996] RPC 233. In the latter case Laddie J listed the following matters as likely to be of relevance when allowing additional evidence into proceedings:

1. Whether the evidence could have been filed earlier and, if so, how much earlier.

2. If it could have been, what explanation for the late filing has been offered to explain the delay.
3. The nature of the mark.
4. The nature of the objections to it.
5. The potential significance of the new evidence.
6. Whether or not the other side will be significantly prejudiced by the admission of the evidence in a way which cannot be compensated, *e.g.* by an order for costs.
7. The desirability of avoiding multiplicity of proceedings.
8. The public interest in not admitting onto the register invalid marks.

Again it is to be taken into account that *Hunt-Wesson* dealt with additional evidence being brought in at appeal. However, the registrar has often made use of the *Hunt-Wesson* criteria in deciding if additional evidence should be allowed in.

13) The *Hunt-Wesson* criteria can form a useful starting point in the consideration of whether to allow additional evidence in. By increasing certain of the turnover figures by the power of ten there is potential significance to the new evidence. I am also of the view that points six to eight of the *Hunt-Wesson* criteria are satisfied. In this case Direct have put in no evidence and I cannot envisage that the amendment to the turnover figures would give rise to evidence in reply.

14) However, I do not consider that the *Hunt-Wesson* criteria can be elevated into the position of a rule. It is necessary to bear in mind that appeals from the registrar are now in the way of a review rather than a rehearing. There is, consequently, just one bite of the cherry for the sides. Consequent upon this it seems to me that I should show a certain reluctance to refuse to allow in evidence that might have a bearing upon the outcome of a case. This is not to say that there is a *carte blanche* to arrive with new evidence at the last moment. The side seeking to put in the new evidence will need to clearly show that the request is reasonable and what the effects of its admission will be. The allowing of new evidence in should not have a disproportionate effect. It should not be a way, for example, of allowing sides to shore up the weaknesses in their cases that have been identified by late discussions with counsel. Therefore, the side requesting to put in the additional evidence should explain why it was not brought into the proceedings in the “normal” evidence rounds. In considering the prejudice to the other side it will also need to be taken into account that delay and uncertainty are prejudices which are not readily compensated for by costs.

15) I have also considered the position under the Civil Procedure Rules, in particular rule 32.4.8 which read as follows:

“In terms, r.32.4 does not stipulate the circumstances in which, and the time at which, the court should order the service of witness statements. It simply says the court should so order. The power is not limited to particular proceedings or to the evidence of the witnesses of particular parties within proceedings. Orders to serve witness statements will be given in accordance with the court's case management powers as stated elsewhere in the CPR and in accordance with relevant Practice Directions. (The pre-action protocols should have the effect of encouraging the exchange of certain witness statements before proceedings are started.)

The powers given by this rule should be exercised in a manner which furthers the overriding objective (r.1.1) including the objective of ensuring that cases are dealt with “expeditiously and fairly” (former RSC O.38, r.2A(1) imposed a similar requirement). A party ordered to serve a witness statement may apply to serve a witness summary

instead (r.32.9(1)).”

I have to consider the issue within the context of The Trade Marks Rules 2000 but the Civil Procedure Rules can help me in coming to a conclusion. To be expeditious and fair may require squaring the circle at times. If at times the circle cannot be squared I am of the view that having all the relevant facts considered will weigh heavier in the scales than a consequential delay. I do, however, emphasise the word relevant. If the new evidence is not germane to the issues of the case any delay will be pointless and so should not be countenanced. This leaves the registrar to make a value judgement as to the worth of the additional evidence but that has always been the case.

16) If evidence is allowed in under rule 13(11) the side which is put to inconvenience by the new evidence can look to compensation in costs. In certain circumstances I envisage that the inconvenienced side could look to the recovery of all additional costs arising from additional evidence. This will, of course, depend on the facts of the case. When the additional evidence is filed before the other side has started compiling its evidence there might be no call for compensation. The same could apply when the side requesting to be allowed to put in additional evidence makes the request before the other side has started compiling its evidence. If, on the other hand, the evidence is filed at the last possible moment it could be that it is necessary to adjourn or postpone a hearing. In such a case the inconvenienced side might look to compensation not just for considering the new evidence and filing additional evidence in reply but also for preparation and/or attendance at the aborted hearing. At all times it is necessary to keep in mind that the costs are there primarily for compensation, not for punishment. A side should not be inhibited from putting in important evidence because of a fear of the costs implications. In considering the costs issue it is necessary to take into account the importance of the evidence and the reasons for its late appearance. The Label Rouge type of case should not be discouraged (see *État Française Représentée Par la Ministère de L' Agriculture de la Forêt v Bernard Matthews Plc* [2002] ETMR 90).

17) Rule 13(11) leaves the setting of time limits for the filing of additional evidence to the discretion of the registrar. So if the other side wishes to put in evidence in reply to the additional evidence the registrar can set a time limit which balances the needs of the other side and the aim of deciding cases expeditiously.

18) When all was said and done Mr Hickey was just amending a simple error. He became aware of the error on or after 21 September 2002, he completed his witness statement on 30 October 2002. Possibly he could have acted earlier but it does not seem to me that the delay was excessive. If the amendment was not allowed the case would be decided upon figures that were not correct.

19) Mrs Cookson raised objections to the nature of the evidence, putting it on a par with hearsay evidence. Mr Hickey was correcting an error in the declaration of Mr Levantal. It is not as if it is uncommon for legal representatives to put in evidence on behalf of their clients to the registrar. It would have been preferable if Mr Levantal had amended the error. In this case it would appear captious to disqualify the amendment because of this. In two oppositions that have already been decided, BL 0/205/02 and BL 0/180/02, the figures which Mr Hickey now gives have been used. That the evidence is from Mr Hickey does not in itself preclude its admission, although it might possibly affect the weight given to it.

20) If I did not allow the amended evidence in because it was from Mr Hickey I could not see

that the hearing could go on, as any decision would be based on turnover figures that are clearly incorrect. I would have had to adjourn the hearing for Mr Levantal to put in a corrective declaration, thus delaying the determination of the case. And to what effect – other than delay?

21) I do not see that Direct has been put to any additional costs by the late evidence. To not allow the evidence in would be to consider the case on a false basis, which would ill serve both sides.

22) After some discussion Mrs Cookson accepted that the additional evidence should be allowed in as a matter of pragmatism. I am grateful for this concession by Mrs Cookson. It allows me to judge the case on the basis of the full merits of the evidence of BSA.

23) At the hearing I decided that the new evidence could be accepted into the proceedings in order to correct the turnover figures for 1990 – 2000. It is the corrected figures that I have used in my summary of the evidence of BSA.

## **EVIDENCE OF BSA**

### **Letter from Mr Bob Farrand, Chairman of the United Kingdom Cheese Guild.**

24) This letter has been entered into the proceedings as an exhibit to a witness statement by Mr Hickey. Mr Farrand states that the PRESIDENT brand has been used in the United Kingdom since 1980. He further states that the goods sold under the trade mark have been continuously available in increasing quantities in the United Kingdom since 1997 without interruption. Mr Farrand states that the brand has been used for dairy products such as PRESIDENT emmental, PRESIDENT brie and PRESIDENT butter and benefits from a substantial amount of advertising. He states that it is distributed in a large number of supermarkets throughout the United Kingdom. Mr Farrand states that the PRESIDENT brand is a recognised brand among United Kingdom consumers.

### **Declaration by Thierry Levantal**

25) Mr Levantal is legal manager of Group Lactalis, a subsidiary of BSA. Mr Levantal's declaration tells me the following:

26) The trade mark PRESIDENT was first used in the United Kingdom in 1980 in relation to a wide range of dairy products, including cheese, cheese spreads and butter. Use of the trade mark has been continuous since that date. Estimated sales of dairy products in the United Kingdom by reference to PRESIDENT are as follows:

1987	£468,562
1988	£556,674
1989	£869,816
1990	£1,418,637
1991	£1,142,992
1992	£1,049,504
1993	£1,106,836
1994	£1,162,326
1995	£1,554,657

1996	£2,196,786
1997	£3,363,844
1998	£3,987,214
1999	£4,013,670
2000	£4,900,267

He also gives the figure for 2001. This is after the relevant date, the date of the filing of the application, and so does not have a bearing upon this case. The figure for 2000 also includes a period after the relevant date of 26 August 2000.

27) Various invoices have been furnished. These emanate from 1984 onwards. The invoices seem to show use of PRESIDENT in relation to butter and camembert and brie cheeses.

28) Dairy products bearing the trade mark PRESIDENT are sold through various supermarket chains: Somerfield, Marks & Spencer, Tesco, Sainsbury, Safeway and Asda. Packaging emanating from 2002 is exhibited. It is stated that the trade mark PRESIDENT has essentially been used in the same form since the date of first use. The packaging is for butter, easy to spread butter, camembert and breaded goat's cheese. The main use is of a slightly stylised form of the word PRÉSIDENT, with an acute accent. Only on the reverse of the camembert packaging does the word appear without the acute accent.

29) Dairy products bearing the trade mark PRESIDENT have been advertised and promoted in the United Kingdom. Advertisements have been placed in "lifestyle" magazines on a regular basis since the early 1990s. Examples are exhibited. The first example, from "Joanna" does not bear a date, the advertisement is for PRÉSIDENT butter. There are advertisements for PRÉSIDENT butter from the May 2000 issues of "BBC Good Food", "House Beautiful" and "The Observer" magazine for 24 April 2000.

30) Dairy products sold under the PRESIDENT trade mark have been the subject of editorials in publications, including "Vogue" and supermarket "lifestyle" magazines. The PRESIDENT range of products have also appeared in "The Grocer". BSA exhibits articles from "The Grocer" of 2 August 1986, 15 October 1988 and 17 September about PRESIDENT goods. There is an article from "Vogue" for April, but the year is not given, which is a promotion for PRÉSIDENT butter. Finally there is a piece from "Somerfield Magazine" for August 2001, after the relevant date, about PRÉSIDENT butter.

31) Sales have been promoted by way of discount vouchers and tie-ups with other companies. The total advertising expenditure for the years 1999 and 2000 is £249,340 and £350,000 respectively.

32) The end of Mr Levantal's declaration is submission rather than evidence of fact. However, it does appear to identify with greater clarity the basis of the opposition. Mr Levantal states that PRESIDENT is synonymous with qualities associated with a healthy lifestyle. He states that the editorials and advertisements emphasis the health benefits to be derived from the consumption of BSA's products. Mr Levantal states that alcoholic beverages attract unhealthy lifestyle connotations and that BSA's brand would be tarnished by registration and use of Direct's trade mark.

## **DECISION**

### **Section 5(3)**

33) Section 5(3) of the Act states:

“A trade mark which -

- (a) is identical with or similar to an earlier trade mark, and
- (b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

34) The European Court of Justice stated in *General Motors Corporation v Yplon SA Case C-375/97* [2000] RPC 572:

“Article 5(2) of the First Council Directive (89/104/EEC) of 21 December 1988 to approximate the laws of the Member States relating to trade marks is to be interpreted as meaning that, in order to enjoy protection extending to non-similar products or services, a registered trade mark must be known by a significant part of the public concerned by the products or services which it covers. In the Benelux territory, it is sufficient for the registered trade mark to be known by a significant part of the public concerned in a substantial part of that territory, which part may consist of a part of one of the countries composing that territory.”

35) The court also stated the following:

“The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant factors of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use and the size of the investment made by the undertaking in promoting it.”

“The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector.”

### **Comparison of goods**

36) Both sides have accepted that the goods covered by the application and the registrations are not similar. The non-similarity of goods element of section 5(3) is satisfied.

## Comparison of trade marks

37) The position of BSA can be no better off than in relation to the word only trade mark PRESIDENT. I will, therefore, compare this trade mark with Direct's trade mark. Consequently, the signs to be compared are:

### BSA's registration:

**PRESIDENT**

### Direct's application:

**LE XV DU PRÉSIDENT**

38) The matters that have to be taken into consideration in considering the similarity of trade marks have been spelt out by the European Court of Justice in various judgments. These were dealing with likelihood of confusion, not the ground I am considering. However, the analysis of the similarity of signs does not diverge because of the other differences in the ground of opposition.

39) I take into account the matter must be judged through the eyes of the average consumer of the goods/services in question (*Sabel BV v Puma AG*) who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77).

40) I need to consider if the average consumer is the same or similar for the goods BSA and Direct. The evidence of use of BSA relates only to *cheese and dairy products for food* (see below). The goods of Direct are *alcoholic beverages, wines, spirits and liqueurs* in class 33. Direct's specification, to all intents and purposes, covers alcoholic beverages at large with the exception of beers, which are in class 32. To purchase the goods of Direct it is necessary, at least in law, to be over eighteen years of age. In my experience most food shopping is done by adults and so I do not think that the age requirement separates the average consumers; the goods of BSA are not the sort of food products that are primarily aimed at children either in the purchase or the consumption. Both sets of goods are the sort of things that find themselves into the average supermarket trolley. The goods of Direct could be expensive but equally could be of relatively low cost eg certain ciders and perries. The goods of BSA do not normally command a high price, however, neither are they particularly cheap. Overall I am of the view that the average consumer of the two sets of goods is likely to be very similar. The amount of attention of the buyer from Direct might be very great, for premier cru wines for instance. However, I have to take into account that for cheap alcoholic items there is likely to be a lesser degree of attention paid to the purchase. Consequently, on the basis of notional and fair use across the gamut of Direct's specification, I do not believe that the amount of consideration in the purchasing decision will vary markedly from that of the consumer in buying *cheese and dairy products*.

41) Both trade marks contain the word PRESIDENT. In the case of Direct's trade mark there is an acute accent over the first e. I consider the little turns upon this. I am of the view that the public at large, despite its notorious lack of knowledge of other languages, would recognise LE as being a French word. DU might not be known by the public but is clearly not an English word. Consequently, I believe that for the average consumer the trade mark will have a French "feel". BSA's trade mark is likely to be seen simply as the English word

PRESIDENT. Even in use with French cheeses and the like I do not consider that the trade mark as registered would be seen as having a French flavour. In use BSA's trade mark is displayed normally with an acute accent over the first e. Whether this can be accepted as normal and fair use as per *Origins Natural Resources v Origin Clothing* [1995] FSR 280 is another matter. Below I have accepted this use as use that does not alter the distinctive character of the mark in the form in which it was registered. Whether the two issues are natural corollaries of one another is a moot point, different issues are being addressed and questions posed. Fortunately, I do not feel that I need to consider this point further. There is nothing to suggest that the average consumer would ascribe French connotations to the trade mark because of the acute accent; he or she would have to be aware of the significance of the accent to do so. I am of the view that the overwhelming impact of BSA's trade mark as registered and in use is that of the common English word PRESIDENT. Consequently, I am of the view that Direct's trade mark has a French feel whilst that of BSA does not.

42) Both trade marks have the word PRESIDENT or PRÉSIDÉNT. In relation to this part of Direct's trade mark there is an obvious conceptual association. Visually and phonetically the similarity is represented by the presence of these words. I do not consider it likely that the average United Kingdom consumer will pronounce PRÉSIDÉNT in the French fashion but rather in the English fashion. I would doubt that the average consumer would know how to pronounce PRÉSIDÉNT other than as PRESIDENT.

43) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Sabel BV v Puma AG* [1998] RPC 199). 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*). Taking into account the "foreignness" of Direct's trade mark it is likely, in my view, that the hook to recognise and remember the trade mark that the consumer will hang onto is the commonly known word PRÉSIDÉNT, despite the acute accent. This is the distinctive and dominant component.

44) Mr Hickey advanced the argument that the LE XV DU element of Direct's trade mark would be seen as indicating a particular variety of PRESIDENT goods. Owing to the foreign nature of the words LE and DU I am not certain if this would be the case. However, I do not feel that I can discount the argument either and so I bear it in mind in reaching my decision as to similarity.

45) There is nothing in the earlier trade mark of BSA that is allusive or descriptive of the goods. Consequently, it strikes me as being a trade mark that enjoys a good deal of inherent distinctiveness. It is not the sort of trade mark, that owing to a limited amount of distinctiveness, will be readily distinguished by the consumer from other trade marks by small differences.

**46) Taking into account the consumer's need to rely on imperfect recollection I am of the view that the respective trade marks are similar aurally, visually and conceptually. In short, the trade marks are similar.**

#### **Use of the trade marks of BSA and reputation**

47) There is no evidence of use for *powdered preparations included in Class 32 for use in making non-alcoholic beverages*. Consequently, I need only consider the trade mark

PRESIDENT, word only. The actual use shown on packaging and in advertising is mainly for a slightly stylised form of the word with an acute accent over the first letter e. BSA is claiming a reputation for its word only mark based upon such usage. This is the usage that the public will see. The basis of the section 5(3) claim is a reputation amongst the public. Use on invoices or trade publications such as “The Grocer” is not going to have a bearing upon the public at large’s perception of the trade mark. I have to decide whether use of the stylised version with the acute accent can be considered use of PRESIDENT word only. If it cannot BSA’s case is lost.

48) The question I have to ask myself is, in my view, akin to that arising from the application of section 46(2) of the Act:

“For the purposes of subsection (1) 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,”

49) The position to be adopted in relation to section 46(2) has been considered by the Court of Appeal in *Budejovicky Budvar Narodni Podnik v Anheuser-Busch Inc* [2002] EWCA Civ 1534. Lord Walker of Gestingthorpe, commented:

“The first part of the necessary enquiry is, what are the points of difference between the mark as used and the mark as registered? Once the differences have been identified, the second part of the inquiry is, do they alter the distinctive character of the mark as registered.”

50) This is the normal form in which the trade mark is used:



The differences are as stated above; a stylisation of the lettering and the presence of an acute accent.

51) Lord Walker goes on to state:

“It is for the Registrar, through the hearing officer’s specialised experience and judgement, to analyse the “visual, aural and conceptual” qualities of a mark and make a “global appreciation” of its likely impact on the average consumer, who

“normally perceives a mark as a whole and does not proceed to analyse its various details.””

Considering the trade mark as used on this basis, I am of the view that it is use of the trade mark in a form differing in elements which do not alter the distinctive character of the mark as registered. Consequently, I accept that the use shown by BSA is use of the trade mark for the purposes of its seeking to establish a reputation.

52) Mr Farrand makes the statement that the PRESIDENT brand is a recognised brand amongst consumers. I do not see upon what basis Mr Farrand can make this claim. He adduces no survey evidence to substantiate such a claim. Mr Farrand might know the cheese

trade, that is not the same as knowing the perception and/or knowledge of United Kingdom consumers.

53) Other problems arise from Mr Farrand's letter. There is no explanation of what the United Kingdom Cheese Guild is or indication of how authoritative a body it is. BSA supply the covering letter which was sent from their French attorneys to their United Kingdom attorneys with Mr Farrand's letter. BSA does not supply the letter that gave rise to Mr Farrand's letter, it is relevant to know what he was asked. A more fundamental problem is that Mr Farrand does not give evidence by way of a witness statement, statutory declaration or affidavit. Attaching the letter as an exhibit to a witness statement of a third party does not bring it into the acceptable category of evidence. Mr Hickey can attest to the truth of his own statement, he cannot attest to the truth of Mr Farrand's statement. Mr Farrand has made no declaration of truth. This is not a letter that existed between identified parties independent of the proceedings. The letter is addressed "to whom it may concern". The clear purpose of this letter was to bring in expert evidence. Such evidence should be in an acceptable form, a form that satisfies rule 55(1):

"Where under these Rules evidence may be admitted by the registrar in any proceedings before her, it shall be by the filing of a statutory declaration or affidavit."

Consequently, I do not consider it appropriate to give any weight to Mr Farrand's letter.

54) In his declaration Mr Levantal again and again refers to dairy products rather than giving a more specific description of the goods sold under the trade mark PRESIDENT. Dairy products include products which his registrations do not cover. He does not set the turnover figures in a context. I do not know what the size of the market is. Owing to the lack of specification of dairy products I do not even know what actual market I am considering. Does it include milk, yoghurts and the like? Mr Hickey submitted that figures were given for market share in the articles reproduced from "The Grocer". I do not find that this is of great assistance. The articles are from 1986 and 1988. Any claim to market share at that time does not tell me of the market share at or near the relevant date. Brands rise and brands fall. It is also the case that the actual markets could have changed greatly, they might have expanded a great deal. There is no verification of the information in "The Grocer". I do not consider that the articles from "The Grocer" give me a clear indication of the market share held by BSA.

55) The exhibits only relate to cheese and butter but Mr Levantal does not identify his products in this manner. Even if the products were only cheese and butter Mr Levantal does not break down the sales. Exactly how much relates to butter, how much to cheese, how much to any other dairy products?

56) I have no way of knowing if PRESIDENT is a major brand in the market or not. The goods in question concern the public at large, dairy products are bought by most of the public. Even if I limited my perspective to butter and cheese this is still a large part of the population; even taking into account those who use low fat spreads in preference to butter. I certainly have no way of knowing if PRESIDENT is known by a significant part of the public concerned by the products. There is nothing in the evidence that gives me an inkling of this. All the evidence tells me is that PRESIDENT, usually with an acute accent, has been used for butter and cheese in the United Kingdom. The purpose of a trade mark is to be used on goods. A proprietor does not get extra protection for simply using his trade mark. BSA cannot rely on section 5(3) simply because it has actually used its trade mark.

57) The press advertisements only relate to April or May 2000, as far as can be seen from the exhibits, and only for PRÉSIDENT butter. No sales or readership figures are given for the magazines, nor any demographic breakdown of the readership; the sort of things that are normally available from publishers in order that advertisers will place their business with them.

58) I feel that little turns upon pieces in “The Grocer”. “The Grocer” is a magazine for grocers, not the public at large. No sales or readership figures are given for “Somerfield Magazine” nor “Vogue”, nor any demographic breakdown of the readership.

59) Undertakings might advertise, might have pieces referring to them in publications. This does not show that the public take cognisance of them. BSA can show that they were in certain magazines, not that the product they were promoting was in the consciousness of the public. In this case BSA has not shown who that public potentially is either.

60) BSA gives advertising expenditure for 1999 and 2000 of £249,340 and £350,000 respectively. How much of the advertising expenditure for 2000 relates to the period up to the relevant date is not given. There is no indication of how much of the expenditure relates to particular products. Be that as it may, I cannot say that the advertising expenditure strikes me as being particularly large.

**61) Taking into account the above I find that BSA has failed to establish a reputation within the meaning of section 5(3) of the Act. The opposition must, therefore, fail.**

62) In the event that I am wrong in the above I go on to consider if BSA had established a reputation whether they could have succeeded upon the basis that Direct’s trade mark would take unfair advantage of, or be detrimental to, the distinctive character or the repute of BSA’s PRESIDENT trade mark.

### **Detriment**

63) BSA considers that use of Direct’s trade mark would “tarnish” its PRESIDENT trade mark. Neuberger J in *Premier Brands UK Ltd v Typhoon Europe Ltd* [2000] FSR 767:

“The best-known example of tarnishing is perhaps to be found in the decision of the Benelux Court of Justice in *Lucas Bols v. Colgate-Palmolive* (1976) 7 I.I.C. 420 where the mark CLAERYN for gin was held to be infringed by use of the sign KLAREIN for a detergent. The court said the following:

It is ... possible ... that the goods to which [the use of] a similar mark relates, appeals to sensations of the public in such a way that the attraction and the "capacity of the mark to stimulate the desire to buy" the kind of goods for which it is registered, are impaired.”

64) Tarnishing is based upon a later trade mark bringing negative connotations to the reputation of an earlier trade mark. The producers of gin would not, for obvious reasons, wish their trade mark to be associated with detergents.

65) As I have noted in my consideration of the evidence of BSA Mr Levantal states that PRESIDENT is synonymous with qualities associated with a healthy lifestyle. He states that

the editorials and advertisements emphasis the health benefits to be derived from the consumption of BSA's products. Mr Levantal states that alcoholic beverages attract unhealthy lifestyle connotations and that BSA's brand would be tarnished by registration and use of Direct's trade mark. The products shown in the evidence of BSA are full fat dairy produce, the sort of products that doctors advise their patients to either avoid or to eat in very limited amounts. BSA also claims that alcoholic beverages "attract unhealthy lifestyle connotations". No evidence is put in to this effect. It is not a perception that I have and in the absence of evidence I have to rely on my own experience and knowledge. The argument of BSA is, for example, that the image of cheese would be tarnished by association with wine or Cognac. The excess use of alcohol might have unpleasant associations, drunkenness in public and domestic violence for example, however that does not relate to the actual product. It is the misuse rather than the product. The various passing-off cases in relation to champagne show the positive image that such a beverage has. If BSA aimed their product at a teetotal market, for instance at Muslims, there might be some mileage in their argument. There is no indication that they have done so. BSA has to establish that an association with alcohol would be deleterious to the claimed reputation of PRESIDENT.

66) In advertisements for PRÉSIDENT butter the strap line is "Simple Foods, Refined Tastes". These advertisements list various luxury foods, which the reader is enjoined to forget, presumably in preference to PRÉSIDENT butter. The list of foods includes items which are noted for luxury rather than health eg foie gras, almond turrón, confit de canard, crème brûlé and Beluga caviar. The promotion would seem to be pushing the line that PRÉSIDENT butter is a luxury item rather than a healthy item. I can see nothing in the evidence, contrary to the claim of Mr Levantal, that emphasises the health benefits of the goods sold under the trade mark PRESIDENT. The claim, in my view, is out of kilter with the reality. There is an entire industry devoted to "healthy" alternatives to butter. Supermarket fridges are full of low fat spreads. One would have to have been in the strictest religious order, with no access to the outside world, not to be aware of the warnings that the medical profession gives about full fat dairy produce because of its rôle in coronary disease. The articles from "The Grocer" refer to full fat cheese being produced under the PRESIDENT trade mark; not something which has connotations with good health.

67) BSA has run a *Hollywood* argument (*Hollywood SAS v Souza Cruz SA* [2002] ETMR 64). However, in that case the offending goods were tobacco products. I do not consider that tobacco and alcohol are on a par. There are official guidelines for the safe consumption of alcohol. The only official guidance in respect of smoking that I am aware of is to desist. There are numerous television and other advertisements giving helpline numbers for those who wish to give up smoking. I am not aware of similar campaigns in relation to alcohol. There are anti drink driving campaigns. However, these are not targeted against alcohol itself but its combination with driving. Driving is even permitted where the driver has only had a limited consumption of alcohol.

68) In *Hollywood* the Third Board of Appeal of the Office for Harmonization in the Internal Market (OHIM) commented at paragraph 68:

"In the light of these aspects, the idea that the appellant's trade mark conveys a message of health, dynamism and youth cannot be ruled out as a matter of principle, provided that evidence of this is adduced. However, in order to be protected within the meaning of Article 8(5) CTMR, this image must have acquired a level of reputation. The Opposition Division considered that the opponent had submitted adequate

evidence of the existence of the trade mark's reputation, but that it had not proved the existence of an image association with the trade mark possessing this reputation. Therefore the evidence to be adduced must focus specifically on the existence of this image association with the trade mark which possesses the reputation.”

The evidence before me does not support a claim to a reputation that associates the goods with a healthy lifestyle. By running a *Hollywood* claim BSA need to show not only a reputation but a reputation that is based on conveying the message of a healthy lifestyle. I do not consider that BSA have shown that use of Direct's trade mark is likely to give rise to an outbreak of eczema upon what it claims is the unblemished skin of its reputation.

69) Mr Hickey also pursued a more general claim to tarnishing, based upon BSA not being able to control the use of Direct's trade mark. The same could be said for any trade mark used by another undertaking. There is nothing in the nature of the goods that has connotations which would bring detriment to the trade mark and goods of BSA, this is not cologne against manure or gin against detergent. Mr Hickey's submission is contingent on some further factor outside the trade mark and the goods, how Direct's trade mark might be used. Mr Hickey is asking me to find for BSA on the basis that Direct at some unspecified time might commit some unspecified action that could tarnish the reputation of PRESIDENT, all these matters being outside the nature of Direct's trade mark and the goods covered by it. Pumfrey J in *Daimler Chrysler AG v Javid Alavi trading as MERC* [2001] RPC 42 comments "...but Jacobs AG emphasises that the provision is not to be used to give marks 'an unduly extensive protection'. To follow Mr Hickey's argument would, in my view, to give such an unduly extensive protection to BSA's trade mark.

70) At the hearing, although not in his skeleton argument, Mr Hickey fell back on to inhibition or fettering as a form of detriment. The concept of fettering as a form of damage under section 5(3) was raised in *LOADED* BL 0/455/00, a decision of Mr Thorley QC, sitting as the appointed person. I consider that there is a clear difference between this case and *LOADED*. In *LOADED* the issue went to the core business of the opponent:

“Equally the possibility that the widespread use of the trade mark on clothing could materially affect the ability of *LOADED* magazine to obtain advertisements from others for their clothing in the magazine is real not fanciful for the reasons not given by Mr. Paul.”

Advertising is a key part of any magazine publisher's business. The claimed fettering in this case does not affect the business of the sale and production of dairy products. Again it is a contingent claim. What if BSA decided they wanted to market alcoholic beverages? The same could be said about any undertaking. To succeed BSA need to show a lot more than a “what if”.

**71) I do not consider that BSA have shown that use of Direct's trade mark would lead to tarnishing or fettering.**

72) The above is enough for BSA's case to fall. However, its case runs into even more problems. BSA needs to establish that the public would mark a connection between the goods sold under Direct's trade mark and those sold under its trade mark. The public would have to see a bridge between the two enterprises, make a connection. Otherwise there is no harm to any claimed repute. In this context it is necessary to bear in mind that the trade marks are

similar, not identical. The divergence in the goods is not of importance here as a lack of connection between the goods could be expected in tarnishing – the gin and detergent example. However, BSA has claimed that there is a connection owing to the claim that cheese and wine are purchased together. The best that can be said of that argument is that there is a potential association, not a connection.

73) In *Daimler Chrysler AG v Javid Alavi trading as MERC* [2001] RPC 42 Pumfrey J emphasised the need for a connection rather than an association to be established:

“...but Jacobs AG emphasises that the provision is not to be used to give marks ‘an unduly extensive protection’, emphasising that there is a question of a risk of unfair advantage or detriment: there must be actual unfair advantage or detriment. But, for this to happen, there must be some sort of connection formed (I avoid the word association) between the sign used by the defendant and the mark and its associated reputation.”

74) In *Premier Brands UK Ltd v Typhoon Europe Ltd* [2000] FSR 767 at 801 Neuberger J:

“As I have mentioned, the mere fact that the way in which the sign is used by TEL may give rise to an association between the sign and the mark in the minds of some members of the public is, in my judgement, simply not enough on its own to enable the proprietor of the mark, however well known and valuable it may be, to invoke section 10(3).”

75) I see no reason why the purchaser of Direct’s goods should even think about the goods of BSA, even if they had established a reputation.

**76) So, again, I am of the view that the case of BSA fails.**

## **CONCLUSION**

**77) The opposition of BSA fails.**

78) I consider that BSA was somewhat optimistic in its opposition. To succeed it would have to show not only tarnishing or fettering, which the evidence does not support, but also that the public would make the connection between its trade mark and goods and those of Direct. Taking into account BSA’s use, the difference in the trade marks and the difference in the goods this was always going to be a doubtful challenge.

**79) As Direct Wines Limited has been successful in these proceedings it is entitled to a contribution to its costs. Direct requested that in considering the costs I take into account the delays in the filing of the evidence of BSA and what it calls the untenable position since the filing of form TM8. I do not see how any delays in the filing of BSA’s evidence would have put Direct to extra costs. Any extensions would have been granted on their merits. As they were granted it must be presumed that the extensions were merited. Direct states the case of BSA was untenable. As BSA has lost it might be argued that the opposition was ill founded, that is not the same as untenable. I see no reason to vary the normal costs for this reason. BSA argued that Direct made claims about use of its trade mark that it did not substantiate through evidence and that it might have acted in a different manner if evidence had been furnished. Direct made**

claims in its counterstatement. It chose not to file evidence in support of them. This could have been for a variety of reasons; Direct might have judged for instance that BSA had no realistic hope of success and so it did not wish to spend money on filing evidence. I do not consider that it would be appropriate to vary the standard award of costs because of this.

80) I order BSA société anonyme to pay Direct Wines Limited the sum of £1500. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 6<sup>TH</sup> day of December 2002

D.W. Landau  
For the Registrar  
the Comptroller-General