

O-525-18

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 3164193
BY SALUT WINES LIMITED
TO REGISTER THE TRADE MARK**

SALUT WINES

IN CLASSES 35, 41 AND 43

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 407769
BY MARTIN LANGE**

BACKGROUND

1. On 12 May 2016, Salut Wines Limited (“the applicant”) applied to register the mark SALUT WINES for the following goods and services:

Class 35: *Retail and wholesale services in connection with the sale of food and drink, alcoholic beverages and wine, glassware, gift vouchers; marketing, advertising and publicity services; arranging events and exhibitions for commercial purposes; loyalty card schemes; discount card schemes.*

Class 41: *Entertainment services; cultural services; education services; organising events and exhibitions for entertainment and educational purposes; wine tasting services (education); wine tasting events for educational purposes; organising competitions.*

Class 43: *Provision of food and drink; wine bar services; bar and restaurant services; takeaway services; café and cafeteria services.*

2. The application was published for opposition purposes on 29 July 2016.

3. The application has been opposed by Martin Lange (“the opponent”). The opposition is based upon Section 5(2)(b) of the Trade Marks Act 1994 (“the Act”) and is limited to the parts of the specification I have highlighted in bold. The opponent relies upon UK trade mark registration no. 3128867 for the trade mark Salut! which was filed on 28 September 2015 and registered on 25 December 2015. The mark is registered for *restaurant services* in class 43.

4. The significance of the dates mentioned above is that (1) the opponent’s mark constitutes an earlier mark in accordance with section 6 of the Act, and (2) it is not subject to the proof of use conditions contained in section 6A of the Act, its registration procedure having been completed less than five years before the publication of the applied for mark.

5. The opponent claims that the respective services are identical or similar and that the marks are similar. It also states that the distinctive element of the application is the word SALUT, which is identical to the earlier mark, and that the additional element WINES (in the application) is of little or no distinctive character. Consequently, it claims that there is a likelihood of confusion.

6. The applicant filed a counterstatement denying any likelihood of confusion in respect of the opposed services, with the exception of *restaurant services* in class 43 which, it admits, are identical to the opponent's services and for which, it admits, there is a likelihood of confusion.

7. Only the opponent filed evidence; it also filed written submissions during the course of the evidence rounds. A hearing took place on 27 June 2018 at which Miss Georgina Messenger appeared as the opponent's Counsel. The applicant did not attend the hearing, but it did file some written submissions in lieu of attendance.

The opponent's evidence

8. This consists of a witness statement (accompanied by nine exhibits) from Daniela Paull, a trade mark attorney at Boulton Wade Tennant LLP, the opponent's professional representatives.

9. Ms Paull's evidence is aimed at showing examples of "restaurants which sell their own branded food or other products either from their physical restaurants, via their own websites or through third parties retailers". It includes copies of webpages showing, inter alia, food products offered for sale under restaurants chains' marks, namely Pizza Express, Carluccio, Jamie Oliver, Nando and Wahaca, from their dedicated websites.

DECISION

10. Section 5(2)(b) of the Act reads:

“5(2) A trade mark shall not be registered if because –

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

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

11. 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:

- (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 greater 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.

Comparison of services

12. In the judgment of the Court of Justice of the European Union (CJEU) in *Canon*, Case C-39/97, the Court stated at paragraph 23:

“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”.

13. 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 uses of the respective goods or services;
- b) The respective users of the respective goods or services;
- c) The physical nature of the goods or acts of services;
- d) The respective trade channels through which the goods or services reach the market;
- e) 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;
- f) 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.

14. I also bear in mind the decision in *Boston Scientific Ltd v OHIM*, Case T-325/06, where the General Court (GC) stated that “complementary” means:

“...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking”.

15. In *Gérard Meric v OHIM*, Case T- 133/05, the GC stated:

“29. 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 für 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”.

16. In its submissions in lieu, the applicant conceded that the contested *provision of food and drink; takeaway services; café and cafeteria services* (in class 43) are similar to the opponent’s *restaurant services* (in class 43). It states:

“2. [...] The Applicant has already admitted the identity of the ‘restaurant services’ in class 43.

3. In addition, it is hereby admitted that restaurant services are similar to the services *provision of food and drink; takeaway services; café and cafeteria services*.

4. The issues in dispute are therefore restricted to the opposed services in class 35 and Wine bar services and bar services in class 43.

[...]

4. In consideration therefore of the differences in the respective services there cannot be any likelihood of confusion on the part of the public.

We request that the opposition is rejected in respect of the Class 35 services and 'Wines bar services' and 'Bar services' in class 43".

17. It seems reasonably clear that the applicant has accepted that there is a likelihood of confusion (and the opposition should succeed) in relation to the contested *restaurant services, provision of food and drink; takeaway services and café and cafeteria services* (in class 43). This leaves the question of the similarity between the opponent's *restaurant services* in class 43 and the following services:

Class 35: *Retail and wholesale services in connection with the sale of food and drink, alcoholic beverages and wine*

Class 43: *Wine bar services; bar services*

18. I will consider them in that order.

Class 35

Retail services in connection with the sale of food and drink, alcoholic beverages and wine.

19. In her skeleton arguments, Ms Messenger referred me to the findings of the hearing officer in BL-O-299-14, where he decided that there was a degree of similarity between retail services connected with the sale of food, on the one hand, and restaurant services, on the other. Further, in order to show that the contested retail services connected with the sale of food and drink are complementary to the earlier restaurant services, the opponent has submitted evidence in which it is shown that some restaurant chains have come to sell their own branded food products through their own website or in supermarkets¹; however, the material exhibited does not establish that, as a norm, providers of restaurant services are expanding into food production and associated retail services or that consumers are aware of or perceive this expansion. That said, though the opponent's evidence is not determinative on the

¹ Pages 9 and 11 contain a reference to Pizza Express products being sold in supermarkets; page 36 refers to Wahaca food products being available at Tesco from 25 July 2016.

issue, and whilst I am not bound by the findings of a fellow hearing officer, I do, nevertheless, concur with the previous findings on this point.

20. The contested *retail services in connection with the sale of food and drink, alcoholic beverages and wine* include the sales of prepared foods; consequently, the services target the same users of the opponent's *restaurant services* and may be in competition, because consumers may make an active choice between eating (and drinking) in a restaurant or buying food (and/or drinks) from supermarkets to take home to eat (and drink). Further, the opponent's *restaurant services* are broad enough to include carry-out restaurants services, which sell food and drinks for consumption off the premises, and consequently the method of use can be similar. While I recognize that the average consumer makes a distinction between restaurants and grocery shops, I am satisfied that the services are similar to a low degree.

Wholesale services in connection with the sale of food and drink, alcoholic beverages and wine.

21. The contested *wholesale services in connection with the sale of food and drink, alcoholic beverages and wine*, involve the sale of goods to business customers, e.g. distributors and/or retailers, rather than final consumers. Whilst conceding this fact, Ms Messenger's stance was that the end-consumers of the competing services are the same, i.e. the users of the opponent's restaurant services and the purchasers of food and drink products from grocery stores (the latter being the direct user of the applicant's *wholesale services*). To support her submission that *wholesale services* are similar to *restaurant services*, Ms Messenger referred to Ms Paull's evidence that some restaurant chains' branded products are sold in supermarkets, urging me to infer that the entities providing these products also "provide wholesale services in connection with the sale of food and drink under and/or by reference to the same signs by which they provide restaurant services". I disagree. The fact that some restaurant chains might sell their own branded products to supermarkets, does not amount to providing wholesale services in class 35, since selling or distributing one's own goods is not a service as envisaged by the term *wholesale services* in class 35. In my view, there is no real overlap between the contested *wholesale services in connection with the sale of food and drink, alcoholic beverages and wine* and the opponent's *restaurant*

services. The users, uses, nature, purpose, method of use and trade channels of the respective services do not coincide and there is no competition or complementarity in play. There is no similarity here.

Class 43

Bar services; Wine bar services

22. In relation to these services, the applicant accepted that restaurants may offer wine and alcoholic and non-alcoholic beverages, however, in its view, “the core service provided by a restaurant is the provision of food” and “any similarity between the respective services is therefore of a very low level and therefore insufficient to result in a likelihood of confusion on the part of the average consumer”.

23. Whilst I accept that the provision of restaurant services does not inevitably include bar services, my own experience tells me that it is extremely rare for such services not to be offered by a restaurant. Equally, my experience tells me that as well as the purchase of drink, the purchase of food is often a feature of visiting a bar. Therefore, whilst these services are not identical to the opponent’s restaurant services, they target the same users, may be in competition with each other, are highly complementary and may share trade channels. Finally, the visiting of premises to sit down to eat or drink creates a similarity in the methods of use. Overall, I conclude that the respective services share a high degree of similarity.

24. Since *wine bar services* are encompassed by the broader term *bar services*, the same considerations apply (*Meric*). The applicant’s argument on the point was that *wine bar services* are not similar to *restaurant services* because they are aimed at wine enthusiasts. I do not agree. Wine bar services include expensive and inexpensive services that are provided to members of the general public, and are not necessarily directed at a special and more sophisticated public. Restaurants are likely to serve wines and wine bars are likely to offer food. The services target the same consumers, the trade channels might coincide, the method of use are similar and the services are complementary and competitive. The respective services are similar to a high degree.

Average consumer

25. 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 and services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

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

26. The average consumer of the parties' restaurant and bar services (in class 43) and of retail services in connection with the sale of food and drink (in class 35) will normally be a member of the general public. The degree of care and attention used in choosing to dine at an expensive restaurant will normally be higher than that of someone taking advantage of bar services and/or of retail services for the purchase of foods and drinks; but, in general, the degree of care and attention will be average, neither higher nor lower than the norm. The consumer will select the services visually from signage, advertisements, directories, etc, but I shall not ignore the potential for oral use of the mark, such as word-of-mouth recommendations. Whilst there may be a slight skew towards the visual impact of the marks taking on more significance, both the visual and aural aspects of the respective marks are important in the purchasing process.

Distinctive character of the earlier mark

27. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated at 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).”

28. Since the opponent has filed no evidence showing use of the earlier mark, I have only the inherent distinctiveness of the earlier mark to consider. The applicant submits that the word Salut has a low to medium level of distinctive character because it is a recognised term commonly used in the food and drink industry either as a greeting or friendly expression before eating/drinking. The question before me revolves around the average consumer for the opponent’s services in the UK. A number of English dictionaries I have accessed contain no definition of Salut; though the Oxford English Dictionary defines Salut as an exclamation of French origin “used to express friendly feelings towards one’s companions before drinking” there is nothing to suggest that

'Salut' is a word that has transferred into the general knowledge of the average consumer in the UK. Consequently, I consider that the earlier mark will be perceived either as an invented word, or as an unknown word of foreign origin and enjoys, a high degree of distinctive character.

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 CJEU 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, artificially to dissect the 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.

31. The marks to be compared are shown below:

The earlier mark	The contested mark
Salut!	SALUT WINES

32. Although the applicant does not make the point explicitly, I understand it to be accepting that the marks are similar. However, for the sake of completeness, I shall proceed to my own assessment.

33. The earlier mark consists of the word Salut followed by an exclamation punctuation mark. Though the exclamation punctuation mark is not totally negligible in the overall impression, it is likely to be perceived as a laudatory element or an eye-catching gimmick. Given the prominence of Salut at the beginning of the marks and its relative distinctiveness, it is that word which carries the greatest weight in the overall impression of the mark.

34. The applied for mark consists of the words SALUT and WINES. The word WINES is descriptive in relation to the applied for retail services and bar services, both of which include the sale/serving of wine; consequently, it will be perceived as a reference to the goods sold and/or served in the establishment where the services are provided and will carry very little weight in the overall impression. I agree with the opponent that the dominant and distinctive component of the applied for mark is the word SALUT; I also find that SALUT and WINES do not form a unit and that SALUT retains an independent distinctive role.

35. Visually and aurally the marks coincide in the word Salut/SALUT and differ as to word WINES, which has not counterpart in the earlier mark. The exclamation punctuation mark in the earlier mark also creates a visual difference, though it does not affect the aural comparison. It is a general rule of thumb that the beginnings of marks will tend to have more impact on the consumer's perception than the endings. I consider that to be the case here. I agree with the opponent's submission that the marks are visually and aurally similar to a high degree.

36. Conceptually, I have dealt with Salut being a word of French origin above and I concluded that the UK consumers is unlikely to associate it with any specific meaning. To the extent that Salut has no meaning, there can be neither conceptual dissonance nor conceptual similarity between the marks. The additional verbal element WINES in the application will be seen as descriptive and therefore do little to distinguish on a

conceptual level. As to the presence of the exclamation punctuation mark at the end of the earlier mark, it does not really convey any concept.

Likelihood of confusion

37. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective marks may be offset by a greater degree of similarity between the respective services and vice versa. I must also keep in mind the average consumer for the services, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has retained in his mind.

38. There are two types of relevant confusion to consider: direct confusion (where one mark is mistaken for the other) and indirect confusion (where the respective similarities lead the consumer to believe that the respective goods and services come from the same or a related trade source). In *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10 Mr Iain Purvis Q.C. sitting as the Appointed Person noted that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

39. Earlier in my decision I found that the parties' services are similar to a low to high degree. The average consumer is a member of the general public who will usually select the services both visually and aurally, with an average degree of attention. The word element Salut/SALUT, common to the marks at issue, is the dominant and most distinctive element of both marks. The earlier mark has a high degree of distinctive character. The marks are visually and aurally similar to a high degree. The conceptual position is neutral. Even if the word WINES and the exclamation punctuation mark create some differences between the marks, they are not the most significant or memorable parts of the marks. Weighting all of these factors, my conclusion is that, even where the degree of similarity between the respective services is low, all of the other elements of the global comparison work in the opponent's favour and the likelihood of confusion is, I think, inescapable. In my view there is a risk of i) direct confusion in relation to *wine bar services* and *bar services* (which I found to be highly similar to the opponent's services), as well as in relation to *restaurant services, provision of food and drink; takeaway services and café and cafeteria services* (for which applicant has accepted that the respective services are similar (and there is a likelihood of confusion) and ii) indirect confusion in relation to *retail services in connection with the sale of food and drink, alcoholic beverages and wine* (which I found to be similar to a low degree to the opponent's services). In relation to the latter, I should point out that the fact that the evidence does not establish that it is the norm for restaurants to expand into retailing of food and drink, does not mean that there cannot be confusion between the parties' services; given what I have said about the similarity of the marks and the distinctive character of the earlier mark, even a low degree of similarity between the services is likely to cause the average consumer to perceive the later mark as a brand extension of the earlier mark. The opposition against these services succeeds.

40. As I found that the contested *wholesale services in connection with the sale of food and drink, alcoholic beverages and wine promotional services* are not similar to the opponent's services, there is no likelihood of confusion in relation to these services.

Overall outcome

41. The opposition succeeds and the application will be refused in relation to the following services:

Class 35: *Retail services in connection with the sale of food and drink, alcoholic beverages and wine.*

Class 43: *Provision of food and drink; wine bar services; bar and restaurant services; takeaway services; café and cafeteria services.*

42. But fails, and the application shall proceed to registration (subject to appeal), in relation to:

Class 35: *Wholesale services in connection with the sale of food and drink, alcoholic beverages and wine.*

43. The following services were not opposed and can also proceed to registration:

Class 35: *Retail services in connection with the sale of glassware, gift vouchers; marketing, advertising and publicity services; arranging events and exhibitions for commercial purposes; loyalty card schemes; discount card schemes.*

Class 41: *Entertainment services; cultural services; education services; organising events and exhibitions for entertainment and educational purposes; wine tasting services (education); wine tasting events for educational purposes; organising competitions.*

COSTS

44. Although both parties have achieved a measure of success, as the opponent has been substantially more successful than the applicant, it is entitled to a contribution towards its costs. Awards of costs are governed by Tribunal Practice Notice (TPN) 2/2016. Using that TPN as a guide but bearing in mind that the opponent's evidence was very light, and making a "rough and ready" reduction to reflect the measure of the applicant's success, I award costs to the opponent on the following basis:

Official fees:	£100
Preparing a statement:	£150
Evidence:	£400
Attendance at the hearing:	£500
Total:	£1,150

45. I order Salut Wines Limited to pay Martin Lange the sum of £1,150 as a contribution towards its costs. This sum is to 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 22nd day of August 2018

**Teresa Perks
For the Registrar
The Comptroller General**