BLO/830/22

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO. 3517903

BY GLEANN MOR SPIRITS COMPANY LIMITED

TO REGISTER THE FOLLOWING MARK IN CLASS 33:

Ginsky
{jin-skay}

AND IN THE MATTER OF OPPOSITION THERETO UNDER NO. 423117

BY CAMPARI AMERICA LLC

AND IN THE MATTER OF AN APPEAL TO THE APPOINTED PERSON

BY THE OPPONENT

AGAINST A DECISION OF SUZANNE HITCHINGS

DATED 8 FEBRUARY 2022

DECISION

Introduction

1. This is an appeal from a decision of Suzanne Hitchings, acting for the Registrar, dated 8 February 2022, in which she allowed UK trade mark registration number 3517903 ("the Trade Mark") to proceed to registration for all of the goods included in Class 33 of the application, as follows:

> *"Alcoholic beverages consisting of or containing Gin; spirits and liqueurs containing Gin; prepared alcoholic cocktails containing Gin; potable distilled spirits, alcoholic*

extracts; Alcoholic beverages consisting of or containing Whisky; spirits and liqueurs contains Whisky, prepared alcoholic cocktails containing Whisky; but in so far as whisky and whisky based liqueurs are concerned with only whisky and whisky based liqueurs produced in Scotland complying with the specifications of the PGI of Scotch whisky."

2. Campari America LLC ("the Opponent" or "the Appellant") opposed the application directed at all of the goods in the contested specification based on s.5(2)(b) of the Trade Marks Act 1994 ("the Act"), relying on the following marks:

Trade mark details	**Representation of mark**	**Specification relied upon**
UK trade mark number 2529959 ("Mark 1") Filing date: 27 October 2009 Registration date: 16 April 2010	SKYY	Class 32: Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparation for making beverages. Class 33: Alcoholic beverages (except beers). Class 42: Providing a web site featuring a searchable collection of alcoholic and non-alcoholic cocktail recipes. Class 43: Services for providing food and drink; temporary accommodation; pubs; bar and restaurant services; self-services restaurants; snack bar and canteen services; wine bars; brewpub services; Cafes; Cafeterias; Carry-out services; Catering for the provision of food and drink.
EU trade mark number 1037191 ("Mark 2") Filing date: 5 January 1999 Registration date: 29 March 2000	SKYY	Class 33: Distilled spirits, namely vodka in class 33.

EU trade mark number 9260076 ("Mark 3") Filing date: 20 July 2010 Registration date: 3 January 2011		Class 32: Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages. Class 33: Alcoholic beverages (except beers); alcoholic essences; alcoholic extracts; fruit extracts, alcoholic. Class 42: Hosting a web site featuring a searchable collection of alcoholic and non-alcoholic cocktail recipes. Class 43: Services for providing food and drink; temporary accommodation; public house services; bar and restaurant services; self-service restaurants; snack bar and canteen services; wine bars; cafès; cafeterias; takeaway services; catering for the provision of food and drink.
UK trade mark number 2536791 ("Mark 4") Filing date: 21 January 2010 Registration date: 25 June 2010		Class 32: Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparation for making beverages. Class 33: Alcoholic beverages (except beers). Class 42: Providing a web site featuring a searchable collection of alcoholic and non-alcoholic cocktail recipes. Class 43: Services for providing food and drink; temporary accommodation; public house services; bar and restaurant services; self-services

		restaurants; snack bar and canteen services; wine bars; cafes; cafeterias; takeaway services; catering for the provision of food and drink.

The Hearing Officer's Decision

3. Only Gleann Mor Spirits Company Limited ("the Applicant") filed evidence. Both parties filed written submissions in lieu of a hearing, so the Hearing Officer reached her decision based on the written materials before her.

4. As all of the earlier trade marks had been registered for more than five years at the date of application for the Trade Mark, the Applicant could have requested evidence of use but did not do so, so the Opponent was able to rely on all of the goods and services for which the earlier marks had been registered.

5. The Hearing Officer made the following findings:

The goods

- The goods covered by the Applicant's specification in class 33 were identical to "Alcoholic beverages (except beers)" as specified in Class 33 of the Opponent's Marks 1, 3 and 4, and similar to a high degree to the goods in Class 33 in Mark 2. [25][54]

The average consumer and the nature of the purchasing act

- The average consumer would be an adult member of the general public who will pay a medium level of attention when selecting the goods, which will be selected predominantly by visual means, although she did not discount aural considerations [54]:

"*The average consumer will be an adult member of the general public of 18 years of age or older who will purchase the goods for consumption at home or in a social setting of a bar or restaurant. The goods will also be purchased by buyers for venues such as public bars and restaurants*." [29]

"*The goods are sold through a range of channels, including wholesale outlets and retail outlets such as supermarkets and off-licences, as well as through specialist suppliers and online. In bricks and mortar stores, the goods will be sold on shelves*

where they will be viewed and self-selected by the consumer. A similar process will apply to websites, where the consumer will select the goods having viewed an image displayed on a webpage. The goods will also be sold in restaurants, bars and public houses, where they are likely to be displayed behind the counter or listed on a drinks menu. Considered overall, the selection process is predominantly visual, although I do not discount aural considerations, particularly in bars and restaurants, where the goods may also be selected and requested verbally. The value of the goods, which are not considered to be an everyday purchase, but are likely to be purchased on a semi-regular basis by the general public, will vary in price, but are considered to be relatively inexpensive." [30]

"*Overall, I consider that the average consumer will pay a medium level of attention during the selection process, basing their selection on the type of beverage and personal taste, as well as the cost of the product and the occasion for which it is being purchased.*" [31]

Overall impression

- There was a greater degree of similarity between the Trade Mark and the earlier word marks than the earlier stylised marks. The overall impression conveyed by the word marks rested in the word SKYY itself. With the stylised marks, the background was a purely decorative element which did not add to the trade mark message conveyed by the word SKYY and did little to contribute to the overall impression of the marks. [38, 39]

- The word "jin-skay" in curly brackets in the Trade Mark gave the appearance of a guide to the pronunciation of the word GINSKY. While it would not go unnoticed, it played a secondary role, with the word GINSKY playing the greatest role in the overall impression of the Trade Mark. [40]

Visual comparison

- There was a very low degree of visual similarity between the Trade Mark and the earlier marks. [41]

Aural comparison

- The respective marks were aurally dissimilar [54]:

"In spite of the double YY at the end of the word, I consider that the average consumer would pronounce the word "SKYY" in the opponent's marks as "SKY" (skʌɪ). The word "Ginsky" in the applicant's mark is likely to be pronounced as two syllables, GIN SKI (dʒɪn skiː), or, if the consumer perceives that the word beneath Ginsky is an aid to the pronunciation, they would articulate it as two syllables GIN SKAY (dʒɪn skeɪ). While some consumers would articulate both words, voicing the whole mark as either GIN SKI GIN SKAY or GIN SKAY GIN SKAY, to my mind, a significant proportion of consumers would only voice the first word "Ginsky". In whichever way the contested mark is pronounced, I consider that the competing marks are aurally dissimilar." [42]

Conceptual similarity

- The respective marks were conceptually dissimilar [54]:

"To those consumers who see the word "SKYY" in the opponent's marks as a made-up term, it will have no conceptual identity. However, I consider it more likely that the word "SKYY" will be seen as either alluding to, or as an unusual or alternate spelling of, the word "SKY", which may be reinforced by the blue background, rather than being perceived as an invented word. In either case, there is no connection between the word "SKYY" and the goods and services of the marks. To those consumers who see the word "Ginsky" in the applicant's mark as a made-up term, it will have no conceptual identity, although to my mind it is more likely that a significant proportion of consumers will perceive it as alluding to the alcoholic beverage gin, due to the first three letters of the word and in direct relation to the goods of the application. However, I do not agree with the opponent's assertion that the dominant and distinctive element of the contested mark is the word "sky" and that the conceptual meaning of the applicant's mark has to therefore be derived from "sky", rendering it conceptually identical to the earlier marks. Although case law directs me to bear in mind the dominant and distinctive elements of the marks, the average consumer views the mark as a whole and is not in the habit of unnaturally dissecting words in order to find an underlying conceptual meaning. In this case, I consider that the average consumer will consider the word "Ginsky" as a whole and as such will see the sign as allusive of the goods. Taking all of this into account, I consider that the competing marks are conceptually dissimilar." [43]

Distinctive character of the earlier marks

- The earlier marks had a high level of inherent distinctive character where the average consumer perceived the word "SKYY" to be an invented word, and at least a medium level of distinctive character where the consumer perceived it to be a misspelling of "SKY" (while the Hearing Officer referred to the earlier mark in the singular in her concluding sentence, her reference to the other earlier marks in the same paragraph suggest that her conclusion applied to each of them). The limited nature of the Opponent's submissions on enhanced distinctive character through use were insufficient to support a finding of enhanced distinctive character. [49]

Likelihood of confusion

- There was no likelihood of direct confusion:

  "*Taking into account the previously outlined guidance of Mr Iain Purvis Q.C. on likelihood of confusion, while allowing that the average consumer is unlikely to see the marks side-by-side and will therefore be reliant on the imperfect picture of them they have kept in their mind, I consider it unlikely that they would mistake one mark for the other. In my view, the average consumer will notice and recall the visual, aural and conceptual differences between the marks. I do not consider there is any likelihood of direct confusion, even where I found the respective goods to be identical, which offsets a lesser degree of similarity between the marks, as the differences between the marks are too great for confusion to arise."* [56]

- There was no likelihood of indirect confusion:

  "Keeping in mind the global assessment of the competing factors in my decision, and in particular the very low degree of visual similarity between the marks, as well as the aural and conceptual dissimilarities, it is my view that it is unlikely that the average consumer would assume that there is an economic connection between the parties. I acknowledge that the categories listed by Mr Iain Purvis Q.C. in L.A. Sugar are not exhaustive, however, I do not see anything which would lead the average consumer into believing that one mark is a brand extension of the other, or assume that there is an economic connection between the parties. I therefore find no likelihood of indirect confusion." [59]

6. Accordingly, the Hearing Officer found that the opposition failed under s.5(2)(b) of the Act.

The Appeal

7. On 8 March 2022 the Opponent filed a Notice of Appeal to the Appointed Person under s.76 of the Act.

8. At the hearing before me, which was held remotely on 5 July 2022, Charlotte Blythe instructed by Potter Clarkson LLP appeared on behalf of the Appellant, and Lynn Richmond of BTO Solicitors LLP appeared on behalf of the Respondent.

Standard of review

9. It is well established that in order to interfere with the decision of the Hearing Officer I must be satisfied that there was a distinct and material error of principle in the decision or that the Hearing Officer was wrong. The relevant principles were recently set out in *Axogen Corporation v Aviv Scientific Limited* [2022] EQHC 95 (Ch) at [24]. An appeal is by way of review, not a rehearing. Neither surprise at a Hearing Officer's conclusion nor a belief that she or he has reached the wrong decision will justify interference. The decision of the lower court will be "wrong" if the judge makes an error of law, which might involve asking the wrong question, failing to take account of relevant matters or taking into account irrelevant matters. In the absence of an error of law, the appellate court would be justified in concluding that the decision of the lower court was wrong if the judge's conclusion was "outside the bounds within which reasonable disagreement is possible" (*Actavis Group* at [80]). In the case of a multifactorial assessment or evaluation, involving the weighing of different factors against each other, the appeal court should show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. Special caution is required before overturning such decisions (*TT Education v Pie Corbett Consultancy* [2017] RPC 17 at [52(iv)], *REEF Trade Mark* [2003] RPC 5 at [28] and *Fine & Country Ltd v Okotoks Ltd* [2014] FSR 11 at [50]-[51]). I have borne those principles firmly in mind.

Grounds of Appeal

10. In its Grounds of Appeal, the Appellant relied on four grounds, which can be summarised as follows:

Ground 1

Erring in the finding of how the average consumer would perceive the Trade Mark – the Hearing Officer should have found that the average consumer would split the Trade Mark into the two common words GIN and SKY.

Ground 2

Erring in finding the marks were conceptually dissimilar – she should have found a high degree of conceptual similarity deriving from the shared concept conveyed by the word SKY.

Ground 3

Erring in finding the marks were aurally dissimilar – she should have found a high degree of aural similarity deriving from the identical element SKY because the average consumer would pronounce the Trade Mark as the two words GIN and SKY.

Had the Hearing Officer not made the errors alleged under Grounds 1 to 3, the Appellant submitted that the Hearing Officer would have found a likelihood of indirect confusion because *"the Contested Mark simply adds a non-distinctive element to the Earlier Mark of the kind one would expect to find in a sub-brand or brand extension"*.

Ground 4

The Hearing Officer's conclusion that there was no likelihood of indirect confusion was wrong as it was inconsistent with her findings regarding the factors relevant to the global assessment, and was one that no tribunal properly instructed could have reasonably arrived at.

Grounds 1 to 3

11. The average consumer's perception of a trade mark is likely to be influenced by any conceptual meaning they attribute to the mark, and how they would pronounce it. Similarly, its conceptual impression may well affect how the average consumer is likely to pronounce the mark. Accordingly, as there is a considerable overlap between the first three grounds, I will consider them together.

12. The Appellant stated in its Grounds of Appeal: "*the Hearing Officer appears to find that the average consumer would not perceive the word SKY within the Contested Mark at all, rather*

perceiving the Contested Mark as a unit which simply alludes to the alcoholic beverage gin". However, neither at the hearing of the appeal, nor in its Notice of Appeal or skeleton argument did the Appellant directly refer to particular wording in the Decision where this apparent finding was expressed in exactly those terms. In order to understand the Hearing Officer's findings on how the average consumer would perceive the Trade Mark, it is first necessary to review her findings regarding how the Trade Mark would be pronounced.

13. In paragraph 40 of the Decision, the Hearing Officer found that the word "jin-skay" in curly brackets gave the appearance of a guide to pronunciation of the word GINSKY. She explained in paragraph 42 of the Decision: *"The word "Ginsky" in the applicant's mark is likely to be pronounced as two syllables, GIN SKI (dʒɪn skiː), or, if the consumer perceives that the word beneath Ginsky is an aid to the pronunciation, they would articulate it as two syllables GIN SKAY (dʒɪn skeɪ).*".

14. Accordingly, it is clear that the Hearing Officer did not find that the average consumer would not perceive the SKY element of the word GINSKY "*at all*", but that they would not perceive it as the common word "SKY". Rather, they would perceive it as the second syllable of a two syllable made-up word, which would either be pronounced GIN SKI (e.g. the SKY element would be pronounced in the same way as in the word "WHISKY"), or GIN SKAY, as suggested by the wording in curly brackets below the word GINSKY in the Trade Mark.

15. Once the Hearing Officer had decided that the SKY element of the word GINSKY would not be pronounced in the same way as the common word "SKY", it is understandable why she found that the average consumer would either conclude that the word GINSKY would have no conceptual identity, or (which she considered would be more likely) that it alluded to the alcoholic beverage gin (because it started with GIN and because the goods within the specification for the Trade Mark all related to alcohol).

16. The Appellant submitted in its Grounds of Appeal: "*The average consumer would split the Trade Mark into the two recognised and common words GIN and SKY, especially as the element GIN is wholly descriptive of the goods being sold thereunder".* Even if the GIN element would be perceived as alluding to the alcoholic beverage gin, that does not prevent the average consumer from perceiving the word GINSKY as a made-up word alluding to gin. For example, if I were to describe a drink as having a "GINNISH" taste (in the same way that something could be described as having a "reddish" colour), the average consumer is likely to perceive that word as a made-up word where the first three letters allude to the alcoholic

beverage gin. In that word, the letters "NISH" would not be perceived as a separate word, or as referring to a separate word.

17. Accordingly, I agree with the Hearing Officer's findings set out in paragraph 40 of the Decision as to how consumers could pronounce the Trade Mark and her subsequent conclusion that a significant number of consumers would consider the word GINSKY as a whole and as such would see the sign as allusive of the goods.

18. At the hearing before me, Ms Blythe accepted that the average consumer could pronounce the SKY element of GINSKY in different ways, including the ways in which the Hearing Officer described in paragraph 42 of the Decision. However, she submitted that the Hearing Officer erred in not finding that a significant proportion of consumers would pronounce the SKY element of the word GINSKY in the same way as the common word "SKY".

19. I accept that some consumers may pronounce the SKY element of the Trade Mark in that way. Where a mark can be pronounced in more than one way, it may be that there will be a significant proportion of consumers who would pronounce the mark in one way, and a significant proportion of consumers who would pronounce it another way. In such cases, a tribunal should consider the similarity of the respective marks in issue as they would be perceived by each group of consumers.

20. The Appellant's case at the hearing before me was therefore that the Hearing Officer was wrong not to find that a significant proportion of consumers would pronounce the word GINSKY as GIN SKY, even though there was a significant proportion of consumers who would pronounce the Trade Mark in the ways that she found in her Decision.

21. In paragraphs 26 of the Decision, the Hearing Officer set out the following extract from *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):

    "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 word "average" denotes that the person is typical. The term "average" does not denote some form of numerical mean, mode or median" (paragraph 60).

22. The following principles relating to the average consumer were laid down by the Court of Appeal in *Comic Enterprises Limited v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41 at paragraph 34:

"i) the average consumer is a hypothetical person or, as he has been called, a legal construct; he is a person who has been created to strike the right balance between the various competing interests including, on the one hand, the need to protect consumers and, on the other hand, the promotion of free trade in an openly competitive market, and also to provide a standard, defined in EU law, which national courts may then apply;

ii) the average consumer is not a statistical test; the national court must exercise its own judgment in accordance with the principle of proportionality and the principles explained by the Court of Justice to determine the perceptions of the average consumer in any given case in the light of all the circumstances; the test provides the court with a perspective from which to assess the particular question it has to decide;

iii) in a case involving ordinary goods and services, the court may be able to put itself in the position of the average consumer without requiring evidence from consumers, still less expert evidence or a consumer survey. In such a case, the judge can make up his or her own mind about the particular issue he or she has to decide in the absence of evidence and using his or her own common sense and experience of the world. A judge may nevertheless decide that it is necessary to have recourse to an expert's opinion or a survey for the purpose of assisting the court to come to a conclusion as to whether there is a likelihood of deception;

iv) the issue of a trade mark's distinctiveness is intimately tied to the scope of the protection to which it is entitled. So, in assessing an allegation of infringement under Article 5(1)(b) of the Directive arising from the use of a similar sign, the court must take into account the distinctiveness of the trade mark, and there will be a greater likelihood of confusion where the trade mark has a highly distinctive character either per se or as a result of the use which has been made of it. It follows that the court must necessarily have regard to the impact of the accused sign on the proportion of consumers to whom the trade mark is particularly distinctive;

v) if, having regard to the perceptions and expectations of the average consumer, the court concludes that a significant proportion of the relevant public is likely to be confused such as to warrant the intervention of the court then it may properly find infringement."

23. There was no evidence before the Hearing Officer to assist her in her analysis of how the Trade Mark would be pronounced, so she had to reach her decision based on her own considerations as to how the Trade Mark was likely to be pronounced by the average consumer. This approach accords with the position described in sub-paragraph iii) of the passage from *Comic Enterprises* set out in the previous paragraph where the trade mark relates to ordinary goods or services.

24. The final sentence of paragraph 42 of the Decision states: "*In whichever way the contested mark is pronounced, I consider that the competing marks are aurally dissimilar.*". This could be read as meaning that the Hearing Officer was referring to all three possible pronunciations of the GINSKY element which had been discussed (GIN SKI, GIN SKAY and GIN SKY) and concluded that they were all aurally dissimilar to the earlier marks. However, that final sentence must be read in conjunction with the previous sentences that make up that paragraph, which do not discuss the possible pronunciation of GINSKY as GIN SKY. I therefore take the view that, in the final sentence of paragraph 42, the Hearing Officer was only referring to the two possible pronunciations, GIN SKI and GIN SKAY, and not GIN SKY.

25. However, what is clear from that paragraph is that the Hearing Officer did consider more than one group of relevant consumers, including those who would pronounce the Trade Mark GIN SKI and the smaller, but still significant, proportion who would pronounce the Trade Mark GIN SKAY. She rejected the Opponent's submissions that the word GINSKY would be perceived as the two words GIN and SKY, and that the conceptual meaning of the word would be derived from the SKY element representing the word "SKY". From this, I conclude that she did also consider the possibility of a third group of consumers who would pronounce the Trade Mark GIN SKY but did not agree with the Opponent that they would represent a significant proportion of relevant consumers.

26. In my judgment, the Hearing Officer's analysis did not betray any error of principle and her conclusion was one that was open and proper for her to reach. The Hearing Officer was entitled to find that the competing marks were aurally dissimilar once she had concluded that the average consumer would either pronounce the Trade Mark GIN SKI or GIN SKAY.

27. Accordingly, the appeal under Ground 3 fails.

28. The Appellant argued that, once it is accepted that the word GINSKY would be perceived as two words, GIN and SKY, there was a high degree of conceptual similarity due to the common element SKY. As I have explained above, the Hearing Officer rejected the assertion that that

average consumer would perceive the word GINSKY as the two words GIN and SKY. This is unsurprising following her decision that the average consumer would not pronounce the Trade Mark as GIN SKY. Anyone pronouncing the word GINSKY as GIN SKI or GIN SKAI clearly has not split the Trade Mark into the two common words GIN and SKY. The Hearing Officer concluded that the average consumer will consider the word GINSKY as a whole and as such will see the Trade Mark as allusive of the goods, whereas the earlier marks either had no conceptual identity (for those consumers who saw SKYY as a made-up word) or alluded to or were an alternative or unusual spelling of the word "SKY", which in either case had no connection to the goods or services. She therefore found the Trade Mark to be conceptually dissimilar to the earlier marks. For the same reasons as under Ground 3, this was a finding that was open and proper for her to reach.

29. The appeal therefore also fails under Grounds 1 and 2.

Ground 4

30. Under this ground, the Appellant argued that, even if the Hearing Officer did not err in finding the marks to be aurally and conceptually dissimilar, the Hearing Officer was wrong to find that there was no likelihood of indirect confusion. The Appellant relied on the following findings by the Hearing Officer which it argued were inconsistent with her finding of no likelihood of indirect confusion:

    - that the competing goods were identical;
    - that the selection process of the goods would be predominantly visual;
    - that there was some visual similarity between the marks, albeit at a very low level;
    - that the word GINSKY played the greatest role in the Trade Mark with the word in brackets playing a secondary role; and
    - that the earlier marks had a high level of inherent distinctive character to those consumers who perceived the word "SKYY" to be an invented word.

31. The Appellant argued that the overlap in the letters S-K-Y, which gives "*some visual similarity*" together with the fact that those letters are added to *"the wholly descriptive element GIN",* meant that the average consumer would conclude that there was a commercial origin connection between "*the two SKY brands of gin*".

32. Firstly, the reference to *"the two SKY brands of gin"* ignores the fact that the relevant goods went beyond gin and covered alcoholic beverages and extracts that may not contain any gin, as well as those which specifically contained whisky.

33. Secondly, the Hearing Officer did not decide that the element GIN was "*wholly descriptive*". Her finding that the word GINSKY would be considered as a whole and would allude to gin means that the letters G-I-N can still play some role in the distinctiveness of the Trade Mark when the word GINSKY is considered as a whole.

34. Thirdly, the Hearing Officer did not agree with the Opponent that the dominant and distinctive element of the Trade Mark was the word SKY.

35. When all the relevant factors are considered as a whole, including in particular her finding that the letters S-K-Y in GINSKY would be pronounced SKI or SKAY, whereas the Earlier Marks would be pronounced SKY, and that the respective marks were visually similar only to a very low degree, I do not agree that it must follow that the average consumer would conclude that there was a commercial origin connection between the respective marks.

36. The Hearing Officer set out extracts from the relevant case law on indirect confusion as follows:

"57. I now turn to consider whether there might be a likelihood of indirect confusion. Here the average consumer recognises that the marks are different but assumes that the goods are the responsibility of the same or connected undertakings. In Duebros Limited v Heirler Cenovis GmbH, BL O/547/17, Mr James Mellor Q.C. (as he then was), as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

58. In Liverpool Gin Distillery Ltd and others v Sazerac Brands, LLC and others [2021] EWCA Civ 1207, the Court of Appeal dismissed an appeal against a ruling of the High Court that trade marks for the words EAGLE RARE registered for whisky and bourbon whiskey were infringed by the launch of a bourbon whiskey under the sign "American Eagle". In his decision, Lord Justice Arnold stated that:

> *"13. As James Mellor QC sitting as the Appointed Person pointed out in Cheeky Italian Ltd v Sutaria (O/219/16) at [16] "a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion". Mr Mellor went on to say that, if there is no likelihood of direct*

confusion, "one needs a reasonably special set of circumstances for a finding of a likelihood of indirect confusion". I would prefer to say that there must be a proper basis for concluding that there is a likelihood of indirect confusion given that there is no likelihood of direct confusion.”".

37. She then set out her conclusions on indirect confusion in the next paragraph:

“59. Keeping in mind the global assessment of the competing factors in my decision, and in particular the very low degree of visual similarity between the marks, as well as the aural and conceptual dissimilarities, it is my view that it is unlikely that the average consumer would assume that there is an economic connection between the parties. I acknowledge that the categories listed by Mr Iain Purvis Q.C. in L.A. Sugar are not exhaustive, however, I do not see anything which would lead the average consumer into believing that one mark is a brand extension of the other, or assume that there is an economic connection between the parties. I therefore find no likelihood of indirect confusion.”.

38. I agree with the Hearing Officer and find no proper basis for concluding that there was a likelihood of indirect confusion based on her findings set out above.

39. The appeal therefore also fails under Ground 4.

Conclusion

40. The Appellant has not identified any material errors in the Hearing Officer’s Decision, and the appeal therefore fails and is dismissed.

Costs

41. Since the appeal has been dismissed, the Respondent is entitled to a contribution towards its costs of the appeal. I will therefore make an order that the Appellant pay to the Respondent a contribution of £800 towards the costs of the appeal, in addition to the payment of £700 ordered by the Hearing Officer, to be paid within 21 days of the date of this decision.

Simon Clark

The Appointed Person

26 September 2022

Representation:

Appellant: Charlotte Blythe instructed by Potter Clarkson LLP

Respondent: Lynn Richmond of BTO Solicitors LLP