

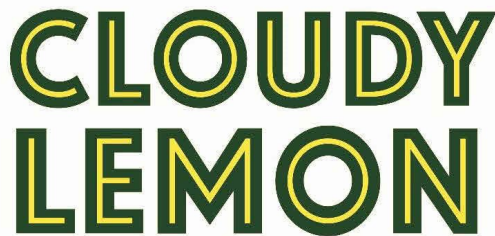
O-856-22

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO. UK00003546625

BY THATCHERS CIDER COMPANY LIMITED

TO REGISTER THE FOLLOWING TRADE MARK:



**CLOUDY
LEMON**

The logo consists of the words 'CLOUDY' and 'LEMON' stacked vertically. The letters are rendered in a bold, sans-serif font with a thick yellow outline and a dark green fill. The letters are slightly irregular, giving the logo a hand-drawn or rustic appearance.

IN CLASS 14, 16, 18, 21, 24 AND 35

AND AN OPPOSITION THERETO UNDER NO. 427861

BY BROTHERS DRINKS CO. LTD

Background and pleadings

1. Thatchers Cider Company Limited (“the applicant”) applied to register the trade mark shown on the cover page of this decision (“the contested mark”) on 21 October 2020. It was accepted and published in the Trade Marks Journal on 30 July 2021 in respect of the following goods and services:

Class 14: *Alarm clocks; Articles of jewellery; Badges of precious metal; Bangle bracelets; Bead bracelets; Body jewellery; Bracelet charms; Bracelets; Brooches [jewellery]; Cases for jewels; Clocks; Costume jewellery; Cuff links; Earrings; Fashion Jewellery; Hat jewellery; Jewellery; Jewellery boxes; Jewellery cases; Key chains; Key fobs; Key rings; Locketts; Necklaces; Ornamental pins; Ornaments [jewellery]; Pendants; Rings [jewellery]; Shoe jewellery; Tie clips; Tie pins; Trinkets [jewellery]; Watches.*

Class 16: *Activity books; Address books; Advertisement boards of paper or cardboard; Advertising publications; Art pictures; Art prints; Bags made of plastics for packaging; Bags made of paper; Beer mats; Beer mats of paper; Blank note cards; Booklets; Books; Bookmarks; Bottle envelopes of cardboard or paper; Bottle wrappers of cardboard or paper; Boxes made of cardboard; Bubble packs; Calendars; Car stickers; Cards; Cartons of card for packaging; Children's books; Coasters of cardboard; Coasters of paper; Cookery books; Display banners of cardboard; Display boxes of cardboard; Educational books; Gift bags; Gift packaging; Note paper; Note boards; Notebooks; Paper signs; Paper stationery; Pencils; Pens; Posters; Printed Matter; Prints; Publications (Printed -); Stamps; Stationery; Vouchers.*

Class 18: *Business card cases; Card wallets; Coin purses; Garden umbrellas; Golf umbrellas; Labels for luggage; Luggage tags; Parasols; Sun umbrellas; Travelling sets; Umbrellas; Wallets.*

Class 21: *Aluminum water bottles; Beverage coolers [containers]; Beverage glassware; Beverageware; Bottle coolers; Bottle openers; Bottle pourers; Bottles; Coasters (tableware); Cookware; Drinking cups; Drinking flasks;*

Glasses [drinking vessels]; Glassware; Jugs; Mugs; Pitchers; Tableware; Thermal insulated containers for food or beverages; Tumblers.

Class 24: *Bar cloths; Banners; Cloths; Coasters of textile; Glass cloths [towels]; Hand towels; Mats [coasters] of textile; Mats (Drip -) of textile for glasses; Table cloths; Table linen; Table runners; Tea towels; Textile fabric; Towels.*

Class 35: Retail services in relation to *Alarm clocks, Articles of jewellery, Badges of precious metal, Bangle bracelets, Bead bracelets, Body jewellery, Bracelet charms, Bracelets, Brooches [jewellery], Cases for jewels, Clocks, Costume jewellery, Cuff links, Earrings, Fashion Jewellery, Hat jewellery, Jewellery, Jewellery boxes, Jewellery cases, Key chains, Key fobs, Key rings, Locketts, Necklaces, Ornamental pins, Ornaments [jewellery], Pendants, Rings [jewellery], Shoe jewellery, Tie clips, Tie pins, Trinkets [jewellery], Watches, Activity books, Address books, Advertisement boards of paper or cardboard, Advertising publications, Art pictures, Art prints, Bags made of plastics for packaging, Bags made of paper, Beer mats, Beer mats of paper, Blank note cards, Booklets, Books, Bookmarks, Bottle envelopes of cardboard or paper, Bottle wrappers of cardboard or paper, Boxes made of cardboard, Bubble packs, Calendars, Car stickers, Cards, Cartons of card for packaging, Children's books, Coasters of cardboard, Coasters of paper, Cookery books, Display banners of cardboard, Display boxes of cardboard, Educational books, Gift bags, Gift packaging, Note paper, Note boards, Notebooks, Paper signs, Paper stationery, Pencils, Pens, Posters, Printed Matter, Prints, Publications (Printed -), Stamps, Stationery, Vouchers, Business card cases, Card wallets, Coin purses, Garden umbrellas, Golf umbrellas, Labels for luggage, Luggage tags, Parasols, Sun umbrellas, Travelling sets, Umbrellas, Wallets, Aluminum water bottles, Beverage coolers [containers], Beverage glassware, Beverageware, Bottle coolers, Bottle openers, Bottle pourers, Bottles, Coasters (tableware), Cookware, Drinking cups, Drinking flasks, Glasses [drinking vessels], Glassware, Jugs, Mugs, Pitchers, Tableware, Thermal insulated containers for food or beverages, Tumblers, Bar cloths, Banners, Cloths, Coasters of textile, Glass cloths [towels], Hand towels, Mats [coasters] of textile, Mats (Drip -) of textile for glasses, Table cloths, Table linen, Table runners, Tea*

towels, Textile fabric, Towels, **Alcohol free beverages, Alcohol free cider, Non-alcoholic beverages, Non-alcoholic beverages containing fruit juices, Ale, Beer, Beer and brewery products, Beer-based beverages, Beverages (Non-alcoholic -), Carbonated non-alcoholic drinks, Carbonated soft drinks, Cider, non-alcoholic, De-alcoholised drinks, De-alcoholized drinks, Flavoured carbonated beverages, Fruit beverages, Fruit beverages (non-alcoholic), Fruit-flavored beverages, Fruit-flavored soft drinks, Fruit-flavoured beverages, Fruit flavoured carbonated drinks, IPA (Indian Pale Ale), India pale ales (IPAs), Lager, Low alcohol beer, Non-alcoholic carbonated beverages, Non-alcoholic drinks, Non-alcoholic flavored carbonated beverages, Non-alcoholic fruit drinks, Soft drinks, Craft beers, Flavoured beers, Apple juice beverages, Juices, Pale ale, Preparations for making beverages, Stout, Cider, Ciders, Dry cider, Sweet cider, Perry, Beverages (Alcoholic -), except beer, Alcoholic beverages [except beers], Alcoholic beverages, except beer, Alcoholic beverages (except beer), Alcoholic beverages containing fruit, Alcoholic beverages of fruit, Alcoholic fruit beverages, Low alcohol cider, Low alcoholic drinks; Wholesale services in relation to** Alarm clocks, Articles of jewellery, Badges of precious metal, Bangle bracelets, Bead bracelets, Body jewellery, Bracelet charms, Bracelets, Brooches [jewellery], Cases for jewels, Clocks, Costume jewellery, Cuff links, Earrings, Fashion Jewellery, Hat jewellery, Jewellery, Jewellery boxes, Jewellery cases, Key chains, Key fobs, Key rings, Lockets, Necklaces, Ornamental pins, Ornaments [jewellery], Pendants, Rings [jewellery], Shoe jewellery, Tie clips, Tie pins, Trinkets [jewellery], Watches, Activity books, Address books, Advertisement boards of paper or cardboard, Advertising publications, Art pictures, Art prints, Bags made of plastics for packaging, Bags made of paper, Beer mats, Beer mats of paper, Blank note cards, Booklets, Books, Bookmarks, Bottle envelopes of cardboard or paper, Bottle wrappers of cardboard or paper, Boxes made of cardboard, Bubble packs, Calendars, Car stickers, Cards, Cartons of card for packaging, Children's books, Coasters of cardboard, Coasters of paper, Cookery books, Display banners of cardboard, Display boxes of cardboard, Educational books, Gift bags, Gift packaging, Note paper, Note boards, Notebooks, Paper signs, Paper stationery, Pencils, Pens, Posters, Printed Matter, Prints, Publications

(Printed -), Stamps, Stationery, Vouchers, Business card cases, Card wallets, Coin purses, Garden umbrellas, Golf umbrellas, Labels for luggage, Luggage tags, Parasols, Sun umbrellas, Travelling sets, Umbrellas, Wallets, Aluminum water bottles, Beverage coolers [containers], Beverage glassware, Beverageware, Bottle coolers, Bottle openers, Bottle pourers, Bottles, Coasters (tableware), Cookware, Drinking cups, Drinking flasks, Glasses [drinking vessels], Glassware, Jugs, Mugs, Pitchers, Tableware, Thermal insulated containers for food or beverages, Tumblers, Bar cloths, Banners, Cloths, Coasters of textile, Glass cloths [towels], Hand towels, Mats [coasters] of textile, Mats (Drip -) of textile for glasses, Table cloths, Table linen, Table runners, Tea towels, Textile fabric, Towels, **Alcohol free beverages, Alcohol free cider, Non-alcoholic beverages, Non-alcoholic beverages containing fruit juices, Ale, Beer, Beer and brewery products, Beer-based beverages, Beverages (Non-alcoholic -), Carbonated non-alcoholic drinks, Carbonated soft drinks, Cider, non-alcoholic, De-alcoholised drinks, De-alcoholized drinks, Flavoured carbonated beverages, Fruit beverages, Fruit beverages (non-alcoholic), Fruit-flavored beverages, Fruit-flavored soft drinks, Fruit-flavoured beverages, Fruit flavoured carbonated drinks, IPA (Indian Pale Ale), India pale ales (IPAs), Lager, Low alcohol beer, Non-alcoholic carbonated beverages, Non-alcoholic drinks, Non-alcoholic flavored carbonated beverages, Non-alcoholic fruit drinks, Soft drinks, Craft beers, Flavoured beers, Apple juice beverages, Juices, Pale ale, Preparations for making beverages, Stout, Cider, Ciders, Dry cider, Sweet cider, Perry, Beverages (Alcoholic -), except beer, Alcoholic beverages [except beers], Alcoholic beverages, except beer, Alcoholic beverages (except beer), Alcoholic beverages containing fruit, Alcoholic beverages of fruit, Alcoholic fruit beverages, Low alcohol cider, Low alcoholic drinks;** Promotion of goods and services through sponsorship; Promotion of goods and services through sponsorship of sports events.

2. Brothers Drinks Co. Ltd (“the opponent”) partially opposed the contested mark on 1 November 2021 under Section 3(1)(b) and (c) of the Trade Marks Act 1994 (the Act). The opposition is directed against the services in the specification which are highlighted in bold and grey.

3. The opponent's arguments for these grounds of opposition are set out as follows:

- That under Section 3(1)(b) – the contested mark is devoid of distinctive character because the stylisation is *de minimis* and the phrase 'CLOUDY LEMON' is commonly used to designate lemon-flavoured drinks and beverages with a cloudy appearance. As such, the mark is devoid of any distinctive character in respect of retail and wholesale services for the sale of lemon-flavoured beverages with a cloudy appearance;
- That under Section 3(1)(c) – the mark 'CLOUDY LEMON' designates a characteristic of the retail services in the application relating to the sale of beverages. As 'CLOUDY LEMON' describes beverages that are lemon-flavoured and cloudy in appearance, the mark merely designates a characteristic of the retail and wholesale services that are opposed, namely services for the sale of cloudy lemon beverages. The stylisation in the mark is *de minimis*, therefore, the mark consists exclusively of a sign or indication that designates a characteristic of the services.

4. The applicant filed a counterstatement denying the claims made. First, the applicant claims that the stylistic design of the mark is visually striking, not mundane, or ordinary and confers the mark sufficient distinctiveness character for it to be registered. Secondly, the applicant states that even without the stylisation, the mark is not descriptive of the opposed services or their characteristics because it does not convey a sufficiently direct and concrete link to the opposed services and the average consumer would require a further mental step to associate the mark with the services. Further, the applicant states:

"The Opponent appears to be asserting that an application of a trade mark for retail services in class 35, includes the sale of the goods listed under that class. The Applicant denies that this is the case as detailed below.

In the Appointed Person Decision BL O/391/14 of *Tony Van Gulck V Wasabi Frog Ltd* (02/09/2014), Mr Geoffrey Hobbs QC, as the Appointed Person, stated

“selling and offering to sell goods does not, in itself, amount to providing retail services in Class 35.” Whilst this case involved an earlier mark, it is submitted that offering to sell goods does not amount to providing retail services then the alternative must also be true, in that providing retail services does not amount to amount (*sic*) to the goods themselves.

Mr Geoffrey Hobbs QC continued that *“an application for registration of a trade mark for retail services in Class 35 can validly describe the retail services for which protection is requested in general terms”*. The Applicant is not attempting to protect the goods themselves but instead provide a description of the retail services provided in general terms.

This approach was approved within the Appointed Person Decision of Mr Hobbs QC, by the case of *Praktiker Bau-und Heimwerkermärkte AG C-418/02* which says *“In order to meet the need for clarity and precision as to the sectors of trade in which the retail services are to be provided, they should be linked to the supply of specified types of goods”*.

The case of *Tony Van Gulck V Wasabi Frog Ltd (02/09/2014)* involved an earlier registration in class 18 owned by Mr Van Gluck and an application for a similar mark in class 35 by Wasabi Frog Ltd. Whilst the facts of this case are different due to the Opponent owning no earlier registration to rely upon, Mr Hobbs QC in his decision made it clear that *“the application for registration in Class 35 had to be disentangled from the application for registration in Class 18”*. This provides further clarification on the distinction between goods and services in trade mark applications. Applying to register a mark for retail services in class 35, does not provide protection for the goods themselves which would need to be included under classes 1 - 34 in which they are listed.

This is further corroborated by the Manual of Trade Marks Practice published by the UK Intellectual Property Office, which states that *“a registration for retail services does not cover the sale of goods themselves”*.

Given the above, it would not be possible for the mark CLOUDY LEMON to describe a characteristic of retail services for the sale of the goods listed under class 35.

Further evidence of the separation between goods and services is shown in the Inter Partes Decision between Palewell Ltd and the opposition thereto under number 404135 by Dotcom Retail Limited (O-228-16) where Mr Geoffrey Hobbs QC stated *“it is not permissible to treat a mark registered for ‘retail services for goods X’ as though the mark were registered for goods X.”*

Therefore, the Opponent’s argument that CLOUDY LEMON designates a characteristic of retail and wholesale services should fail as the Application is for the retail and wholesale services of such goods not for the goods themselves”.

5. The parties have been represented throughout these proceedings, the applicant by Stephens Scown LLP and the opponent by Dolleymores.

6. Only the opponent filed evidence in these proceedings. This will be summarised to the extent that it is considered necessary.

7. No hearing was requested, but the opponent filed submissions in lieu. This decision is taken following a careful perusal of the papers.

8. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from an EU Directive. That is why this decision continues to refer to EU trade mark law.

EVIDENCE

9. The opponent filed evidence in the form of the witness statement of Mr Christopher Lewis, dated 18 April 2022. Ms Christopher is a chartered trade mark attorney at the

opponent's representative firm and his statement was accompanied by four exhibits (CL1-CL4).

DECISION

10. Section 3(1) of the Act reads:

“3. — Absolute grounds for refusal of registration

(1) The following shall not be registered—

(a) [...]

(b) trade marks which are devoid of any distinctive character.

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,

(d) [...]

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

11. The relevant date for determining whether the contested mark is objectionable under the above provisions is its application date, being 21 October 2020.

12. I bear in mind that the above grounds are independent and have differing general interests. It is possible, for example, for a mark not to fall foul of Section 3(1)(c) but still be objectionable under Section 3(1)(b). In *SAT.1 SatellitenFernsehen GmbH v OHIM*, Case C-329/02 P, the Court of Justice of the European Union (“CJEU”) stated that:

“25. Thirdly, it is important to observe that each of the grounds for refusal to register listed in Article 7(1) of the regulation is independent of the others and

requires separate examination. Moreover, it is appropriate to interpret those grounds for refusal in the light of the general interest which underlies each of them. The general interest to be taken into consideration when examining each of those grounds for refusal may or even must reflect different considerations according to the ground for refusal in question (Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-0000, paragraphs 45 and 46).”

13. On the other hand, although it is well-established in law that the absolute grounds for refusing registration must be examined separately, there is a degree of overlap between Section 3(1)(b) and Section 3(1)(c) of the Act, as explained by the CJEU in *POSTKANTOOR*. At paragraph 70 of its judgment, the CJEU stated that:

“...it is thus not open to the competent authority to conclude that a mark is not devoid of any distinctive character in relation to certain goods or services purely on the ground that it is not descriptive of them.”

14. In this case, the case pleaded under Section 3(1)(b) refers to the fact that the term ‘CLOUDY LEMON’ is commonly used to designate lemon-flavoured drinks and beverages with a cloudy appearance. There is therefore a degree of overlap in the opponent’s pleadings insofar descriptiveness is given as the reason for lack of distinctive character under Section 3(1)(b).

15. Consequently, I find it convenient to begin by considering the ground based upon Section 3(1)(c).

Section 3(1)(c)

16. Section 3(1)(c) prevents the registration of marks which are descriptive of the goods and services, or a characteristic of them.

17. The case law under Section 3(1)(c) (corresponding to article 7(1)(c) of the EUTM Regulation, formerly Article 7(1)(c) of the CTM Regulation) was set out by Arnold J. (as he then was) in *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2012] EWHC 3074 (Ch) as follows:

“91. The principles to be applied under art.7(1)(c) of the CTM Regulation were conveniently summarised by the CJEU in *Agencja Wydawnicza Technopol sp. z o.o. v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-51/10 P) [2011] E.T.M.R. 34 as follows:

“33. A sign which, in relation to the goods or services for which its registration as a mark is applied for, has descriptive character for the purposes of Article 7(1)(c) of Regulation No 40/94 is – save where Article 7(3) applies – devoid of any distinctive character as regards those goods or services (as regards Article 3 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40 , p. 1), see, by analogy, [2004] ECR I-1699 , paragraph 19; as regards Article 7 of Regulation No 40/94 , see *Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) v Wm Wrigley Jr Co* (C-191/01 P) [2004] 1 W.L.R. 1728 [2003] E.C.R. I-12447; [2004] E.T.M.R. 9; [2004] R.P.C. 18, paragraph 30, and the order in *Streamserve v OHIM* (C-150/02 P) [2004] E.C.R. I-1461, paragraph 24).

36. ... due account must be taken of the objective pursued by Article 7(1)(c) of Regulation No 40/94. Each of the grounds for refusal listed in Article 7(1) must be interpreted in the light of the general interest underlying it (see, inter alia, *Henkel KGaA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-456/01 P) [2004] E.C.R. I-5089; [2005] E.T.M.R. 44, paragraph 45, and *Lego Juris v OHIM* (C-48/09 P), paragraph 43).

37. The general interest underlying Article 7(1)(c) of Regulation No 40/94 is that of ensuring that descriptive signs relating to one or more characteristics of the goods or services in respect of which registration as a mark is sought may be freely used by all traders offering such goods or services (see, to that effect, *OHIM v Wrigley*, paragraph 31 and the case-law cited).

38. With a view to ensuring that that objective of free use is fully met, the Court has stated that, in order for OHIM to refuse to register a sign on the basis of Article 7(1)(c) of Regulation No 40/94, it is not necessary that the sign in question actually be in use at the time of the application for registration in a way that is descriptive. It is sufficient that the sign could be used for such purposes (*OHIM v Wrigley*, paragraph 32; *Campina Melkunie*, paragraph 38; and the order of 5 February 2010 in *Mergel and Others v OHIM* (C-80/09 P), paragraph 37).

39. By the same token, the Court has stated that the application of that ground for refusal does not depend on there being a real, current or serious need to leave a sign or indication free and that it is therefore of no relevance to know the number of competitors who have an interest, or who might have an interest, in using the sign in question (Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 35, and Case C-363/99 *Koninklijke KPN Nederland* [2004] ECR I-1619, paragraph 38). It is, furthermore, irrelevant whether there are other, more usual, signs than that at issue for designating the same characteristics of the goods or services referred to in the application for registration (*Koninklijke KPN Nederland*, paragraph 57).

And

46. As was pointed out in paragraph 33 above, the descriptive signs referred to in Article 7(1)(c) of Regulation No 40/94 are also devoid of any distinctive character for the purposes of Article 7(1)(b) of that regulation. Conversely, a sign may be devoid of distinctive character for the purposes of Article 7(1)(b) for reasons other than the fact that it may be descriptive (see, with regard to the identical provision laid down in Article 3 of Directive 89/104, *Koninklijke KPN Nederland*, paragraph 86, and *Campina Melkunie*, paragraph 19).

47. There is therefore a measure of overlap between the scope of Article 7(1)(b) of Regulation No 40/94 and the scope of Article 7(1)(c) of that

regulation (see, by analogy, *Koninklijke KPN Nederland*, paragraph 67), Article 7(1)(b) being distinguished from Article 7(1)(c) in that it covers all the circumstances in which a sign is not capable of distinguishing the goods or services of one undertaking from those of other undertakings.

48. In those circumstances, it is important for the correct application of Article 7(1) of Regulation No 40/94 to ensure that the ground for refusal set out in Article 7(1)(c) of that regulation duly continues to be applied only to the situations specifically covered by that ground for refusal.

49. The situations specifically covered by Article 7(1)(c) of Regulation No.40/94 are those in which the sign in respect of which registration as a mark is sought is capable of designating a 'characteristic' of the goods or services referred to in the application. By using, in Article 7(1)(c) of Regulation No 40/94 , the terms 'the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service', the legislature made it clear, first, that the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service must all be regarded as characteristics of goods or services and, secondly, that that list is not exhaustive, since any other characteristics of goods or services may also be taken into account.

50. The fact that the legislature chose to use the word 'characteristic' highlights the fact that the signs referred to in Article 7(1)(c) of Regulation No 40/94 are merely those which serve to designate a property, easily recognisable by the relevant class of persons, of the goods or the services in respect of which registration is sought. As the Court has pointed out, a sign can be refused registration on the basis of Article 7(1)(c) of Regulation No 40/94 only if it is reasonable to believe that it will actually be recognised by the relevant class of persons as a description of one of those characteristics (see, by analogy, as regards the identical provision laid down in Article 3 of Directive 89/104,

Windsurfing Chiemsee, paragraph 31, and *Koninklijke KPN Nederland*, paragraph 56).”

92. In addition, a sign is caught by the exclusion from registration in art.7(1)(c) if at least one of its possible meanings designates a characteristic of the goods or services concerned: see *OHIM v Wrigley* [2003] E.C.R. I-12447 at [32] and *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* (C-363/99 [2004] E.C.R. I-1619; [2004] E.T.M.R. 57 at [97].”

18. The position under the above grounds must be assessed from the perspective of the average consumer, who is deemed to be reasonably observant and circumspect.¹ The contested services in the present case are aimed at the general public, including traders, although some of them, namely those related to the sale of alcoholic beverages, would require the average consumer to be 18 or over. I consider that a medium degree of care and attention would be exercised by the average consumer when selecting the services.

19. The opponent filed evidence to show that on 20 December 2020 the examiner raised a partial objection under Section 3(1)(b) and (c) of the Act challenging the registrability of the contested mark for goods in classes 32 and 33.² The official letter provided evidence to illustrate the objection raised and stated as follows:

**“Absolute grounds for refusal
Section 3(1)(b) and (c)**

The application is not acceptable in Classes 32 and 33. There is an objection under Section 3(1)(b) and (c) of the Act. This is because the mark consists exclusively of the expression CLOUDY LEMON presented in a stylised font, the whole being a sign which may serve in trade to designate the kind of the goods e.g. non-alcoholic beverages and alcoholic beverages flavoured with cloudy lemon.

¹ *Matratzen Concord AG v Hukla Germany SA*, Case C-421/04

² CL1

The expression 'CLOUDY LEMON' is considered to be widely used and readily understood as describing lemon flavoured beverages with a cloudy appearance and as a result, it is considered that the average consumer of goods such as water, carbonated soft drinks, alcoholic beverages, beer and cider would perceive the sign as merely describing the flavour of the goods.

I note that the words are presented in a stylised format however, when the sign is considered as a whole, it is felt that this presentation is so minimal that it does not imbue the sign with the requisite minimum degree of distinctive character to overcome the descriptive nature of the words.

The application is acceptable for Classes 14,16,18,21,24,25 and 35.”

20. Following exchange of further correspondence between the applicant and the examiner, the application was eventually refused for goods in classes 32 and 33 and proceeded to publication for the goods and services listed at paragraph 1 above.

21. In support of its claim that the mark is descriptive and non-distinctive, the opponent filed the following documents:

- **Exhibit CL2** – it shows examples (reproduced below) of use of the term 'cloudy lemon' on drinks reinforcing the evidence which had been provided by the examiner:



- **Exhibit CL3** - it shows the results of Google searches for the word “Cloudy” used in the context of beverages made using other fruit, such as apples and pears, as well as lemons (some examples are shown below):



- **Exhibit LC4** – it shows a dictionary definition of the word ‘cloudy’.

22. The evidence filed at LC2, LC3 and LC4 is undated, save the printing date of 18 April 2022 which is after the relevant date.

23. In its submissions in lieu, the opponent criticises the applicant’s defence by saying that notional use of the contested mark would include use in relation to retail and wholesale services connected with the sale of cloudy lemon-flavoured beverages and that the term ‘CLOUDY LEMON’ could be used to designate areas in a retail outlet where cloudy lemon-flavoured beverages can be found. The opponent states:

“...If a retailer decides to create a display or promotion of cloudy lemon beverages which contain larger, cider, gin, fruit juice, sparkling water etc with a cloudy appearance and lemon flavour, the use of CLOUDY LEMON would be entirely descriptive. The retailer is using the term descriptively as part of the retail service offering for sale, and selling, these beverages. The use of CLOUDY LEMON for these retail services does not indicate the origin of the retail services, it instead designates the type of services. It is clear from the

example that the mark CLOUDY LEMON is unable to function to indicate origin for the retail and wholesale of beverages. The relevant public, which for these services is the public at large, will merely consider the mark to be designating the kind of services, i.e. the retail and/or wholesale of cloudy lemon beverages.

In paragraph 18-28 of the applicant's defence, it attempts to argue that the consideration under Section 3(1)(c) should not be made against retail services as a whole. These arguments ignore the fact that the services that are opposed specify that they are for beverages. The opposition has not been raised against an abstract consideration of retail services. The opposition is focused entirely on the retail and wholesale of beverages and has not been raised against the retail and wholesale of the other goods.

The Applicant has also referenced a number of decisions all of which were for cases brought under relative grounds. As such, none of these are applicable to this case. The tests that must be applied in these proceedings are to determine whether the mark can function to designate origin. In a relative grounds case that function has been already been (*sic*) determined and the test is whether similarity is sufficient to cause a likelihood of confusion. The difference between absolute and relative grounds is such that the decisions referenced have no application in respect of the grounds brought in this opposition.

The Applicant's defence in these paragraphs seeks to argue a different case than the one that has been brought. The Opponent is not arguing that because the grounds apply to the goods they, therefore, also apply to the retail services. The Opponent is arguing that the grounds apply to the services at issue irrespective of whether they also apply to the goods. As the services at issue are for the retail of the goods there will be a connection, however, the existence of the Section 3(1)(b) and (c) prohibitions occur separately.

As held in the *Eurohypo* decision, the general interest in registering a trade mark, and the monopoly rights granted, cannot be disassociated from the essential function of indicating origin. It is clear that, as the mark designate a characteristic of the services at issue, it is incapable of guaranteeing the identity

of one undertaking from another. As such, the mark lacks the requisite distinctive character to function as a trade mark.

The following judgement must also be applied to these proceedings:

- ECJ – Celltech R&D/OHIM, C-273/05 P, paragraph 75
“The refusal to register descriptive marks pursues an aim which is in the public interest, which requires that signs or indications which may serve, in trade, to designate characteristics of the goods or services for which registration is sought, may be freely used by all”.
- CFI – Golf USA/OHIM, T-230/05 paragraph 32
“Article 7(1)(c) of Regulation No 40/94 aims to prevent situations in which an undertaking monopolises the use of a descriptive term to the detriment of other undertakings, including its competitors, whose choice of available vocabulary for describing their own goods is thereby reduced.”

Allowing the mark of the application to be registered for the opposed services would be contrary to these decisions. The evidence clearly shows that allowing a single undertaking to monopolise the term CLOUDY LEMON for the opposed services will make unavailable a term that designate the type of services being offered and which is the obvious descriptive phrase to use for these services. CLOUDY LEMON is a term which should be freely available for all retailers to use”.

24. The opponent claims that the term ‘CLOUDY LEMON’ is descriptive of retail and wholesale services concerning the offering of lemon-flavoured beverages which the contested mark notionally covers, and that the mark is descriptive. The applicant contends that the term ‘CLOUDY LEMON’ cannot apply to the contested services in Class 35 since it does not refer to the services.

25. The official letter of 20 December 2020 objected to the registration of the contested mark for goods in classes 32 and 33 on the basis that the term ‘CLOUDY LEMON’

was considered to be widely used and readily understood as describing lemon-flavoured beverages with a cloudy appearance. As a result, it was considered that the average consumer of goods such as alcoholic and non-alcoholic beverages would perceive the mark as merely describing the flavour of the goods.

26. The evidence filed by the opponent in these proceedings is similar to that indicated by the examiner in her refusal in that it shows examples of use of the term 'CLOUDY LEMON' to designate the flavour of alcoholic and non-alcoholic beverages. The applicant elected not to challenge the examiner's decision to refuse the application for goods in class 32 and 33 - these goods were not allowed to proceed to publication - and I can detect no express denial, on the part of the applicant, of the descriptive nature of the contested mark for goods in classes 32 and 33.

27. I accept that the term 'CLOUDY LEMON' is an apt descriptor of the flavour of alcoholic and non-alcoholic beverages, i.e. it indicates that the goods are flavoured with lemon juice, lemon extracts and/or lemon flavours, and that they present an opaque appearance. The question, however, is whether the term 'CLOUDY LEMON' will also be perceived as descriptive in relation to retail and wholesale services for the sale of the same goods. That question must be answered taking into account the perception of the average consumer of the services in question.

28. The applicant refers in its counterstatement to the difference between goods and services. Services are of a somewhat intangible nature but, nevertheless, real. It cannot be said that the contested retail and wholesale services contain lemon or are flavoured with lemon because of their intangible nature. However, in its submissions in lieu, the opponent envisaged a scenario whereby the contested mark could be used in relation to retail and wholesale services connected with the sale of 'cloudy lemon'-flavoured beverages. This would be, for example, a retail or wholesale store operating under the mark 'CLOUDY LEMON' selling 'cloudy lemon'-flavoured beverages. In this scenario, the opponent submits, the mark would communicate the fact that goods which have the characteristic of being 'cloudy lemon' flavoured are available at the point of (retail or wholesale) sale.

29. The opponent is correct in that the contested specification in class 35 includes retail and wholesale services in connection with the sale of all types of flavoured beverages, including those that are 'cloudy lemon'-flavoured.

30. Whilst the application has been refused for alcoholic and non-alcoholic beverages in class 32 and 33, the term 'cloudy lemon' is not descriptive of the goods themselves - as it would be, for example, the term 'beer' in relation to beer, the term 'gin' in relation to gin, the term cider in relation to 'cider' or the term 'water' in relation to water – but of a flavour, which is a characteristic of the goods.

31. I accept that it is not unusual for various types of alcoholic and non-alcoholic beverages to be offered for sale in similar areas of shops as they are similar goods. However, contrary to the scenario put forward by the opponent, the goods are not normally displayed in stores (or on websites) based on their flavour.

32. The aisles of supermarkets, retail and wholesale stores are organised into categories and/or departments according to the type of items offered, to make shopping easy. Providers of retail and wholesale services usually provide consumers with offers and deals from a variety of suppliers by placing various brands of the same type of product on the same shelves/areas, so that consumers can easily compare available alternatives when choosing a product. That is also the case for retail and wholesale services connected with the sale of alcoholic and non-alcoholic beverages. Consumers will need to visit the wine aisle to find their favourite brand of wine, and the beer aisle to find their favourite brand of beer.

33. Whilst retailers and wholesalers can employ a degree of creativity when deciding how to present and/or display the goods in store/online, it is highly unlikely that they would make a display of disparate alcoholic and non-alcoholic beverages based on their flavour, so a consumer would be faced with a display mixing, for example, lemon-flavored water, lemon-flavored beer, lemon-flavored whisky, lemon-flavored cider and lemon-flavored fruit juices, all placed together on the same shelf. That is not the expectation of the average consumer of alcoholic and non-alcoholic beverages.

34. In decision BL O/085/18, Mr James Mellor QC sitting as the Appointed Person, considered an appeal against the Hearing Officer's decision to refuse an opposition brought under Section 3(1)(b) and (c) against the registration of the mark 'BED BATH 'N' TABLE' for retail services and wholesale services connected with the sale of various household goods. Mr Mellor stated:

"I turn to the issue of how the average consumer would perceive the goods and services in question. My starting point is that the average consumer knows nothing about the particular specification of goods and services, whether individually or en bloc, and nothing about how goods and services may be grouped or summarised either in the Nice Classification or in individual specifications. When encountering a shop (whether physical or online) operating under the sign 'BED BATH 'N' TABLE', the expectation of the average consumer would be that he or she was going to be offered bed, bath and table goods; linen, for example. The average consumer might have to visit different sections of the shop or website (e.g. Bed, Bath, Table) to find the bed linen, the bath linen and the table linen, but that would not render the sign any less descriptive. More specifically, the average consumer would perceive the relevant goods at the usual level of generality e.g. as bed sheets, duvet covers, towels, face flannels, tablecloths and so on, but finding those goods in the relevant department of the shop or section of the website would not be in any way surprising or unnatural, nor would it render the signposts used to get to the right destination anything less than descriptive and those signposts would, in my view, include the mark applied for."

35. In that case, the words 'BED BATH 'N' TABLE' were directly descriptive of bed, bath and table goods and were also found to be descriptive of retail and wholesale services selling bed, bath and table goods.

36. In this case, the term 'cloudy lemon' does not directly describe the goods offered through the services (which are various types of alcoholic and non-alcoholic beverages) but an incidental attribute of the goods, as the goods can be sold in different flavours. Further, whilst the evidence shows that the term 'cloudy lemon' is used to describe a lemon-based flavour which is available for certain types of

beverages, including ciders, it is not a necessary feature of the goods, and retailers of alcoholic and non-alcoholic beverages are likely to stock goods flavoured with a variety of flavours.

37. It seems therefore to me that whilst the perception of the term 'cloudy lemon' as a descriptive term indicating a lemon-based flavour may be obvious when applied to goods which are lemon-flavoured, it is not so obvious when applied to the services, for example, a retail or wholesale store operating under the sign 'CLOUDY LEMON'. This is because:

- (a) The addition of the word 'cloudy' to the word 'lemon' somehow obscures the perception of the word 'lemon' as a flavour creating what it seems, in my view, a rather niche characteristic in the context of alcoholic and non-alcoholic beverages;
- (b) Given the way alcoholic and non-alcoholic beverages are displayed in shops, namely according to the type of items offered (not based on their flavour), when encountering a shop operating under the sign 'CLOUDY LEMON', the expectation of the average consumer will not be that he or she is going to be offered all sorts of alcoholic and non-alcoholic beverages that are cloudy lemon-flavoured.

38. I have given careful consideration to the opponent's argument, but I am not convinced that the contested sign is descriptive in relation to the services. The applicant's goods in class 32 and 33 have been refused registration and the contested retail and wholesale services would not involve the applicant selling its own lemon-flavoured goods under the mark 'CLOUDY LEMON'. As the applicant correctly states in its defence, there is a fundamental difference between someone simply selling their own goods (which is not the same as providing retail services) and someone offering retail services. In this case, the registration of the contested mark would allow the applicant to use the sign in relation to a shop offering, amongst others, third-parties' branded alcoholic and non-alcoholic beverages (as the applicant does not have protection for alcoholic and non-alcoholic beverages). However, the scenario put forward by the opponent in relation to the applicant using the contested mark for a

display of beverages that have the incidental characteristic of being lemon-flavoured is so farfetched, and different from the marketing practices in the relevant field, that I am not prepared to accept that it is how the average consumer will encounter the mark.

39. For all of the reasons given above, I find that there is not a sufficiently direct and specific relationship between the mark 'CLOUDY LEMON' and the contested retail and wholesale services to enable the public immediately to perceive, without further thought, a description of those services or one of their characteristics.

40. My conclusion is therefore that the public is likely to accept the mark as an indication of trade source even when used in relation to retail and whole services selling 'cloudy lemon'-flavoured beverages.

41. The opposition based on Section 3(1)(c) fails.

Section 3(1)(b)

42. I now turn to the opposition based upon section 3(1)(b). I note the Form TM7 does not appear to set out any independent basis for the opposition under this ground, other than the arguments set out above regarding the descriptive nature of the contested mark.

43. Section 3(1)(b) prevents registration of marks which are devoid of distinctive character. The principles to be applied under article 7(1)(b) of the CTM Regulation (which is now article 7(1)(b) of the EUTM Regulation, and is identical to article 3(1)(b) of the Trade Marks Directive and s.3(1)(b) of the Act) were conveniently summarised by the CJEU in *OHIM v BORCO-Marken-Import Matthiesen GmbH & Co KG* (C-265/09 P) as follows:

“29..... the fact that a sign is, in general, capable of constituting a trade mark does not mean that the sign necessarily has distinctive character for the purposes of Article 7(1)(b) of the regulation in relation to a specific product or service (Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 32).

30. Under that provision, marks which are devoid of any distinctive character are not to be registered.

31. According to settled case-law, for a trade mark to possess distinctive character for the purposes of that provision, it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings (*Henkel v OHIM*, paragraph 34; Case C-304/06 P *Eurohypo v OHIM* [2008] ECR I-3297, paragraph 66; and Case C-398/08 P *Audi v OHIM* [2010] ECR I-0000, paragraph 33).

32. It is settled case-law that that distinctive character must be assessed, first, by reference to the goods or services in respect of which registration has been applied for and, second, by reference to the perception of them by the relevant public (*Storck v OHIM*, paragraph 25; *Henkel v OHIM*, paragraph 35; and *Eurohypo v OHIM*, paragraph 67). Furthermore, the Court has held, as OHIM points out in its appeal, that that method of assessment is also applicable to an analysis of the distinctive character of signs consisting solely of a colour per se, three-dimensional marks and slogans (see, to that effect, respectively, Case C-447/02 P *KWS Saat v OHIM* [2004] ECR I-10107, paragraph 78; *Storck v OHIM*, paragraph 26; and *Audi v OHIM*, paragraphs 35 and 36).

33. However, while the criteria for the assessment of distinctive character are the same for different categories of marks, it may be that, for the purposes of applying those criteria, the relevant public's perception is not necessarily the same in relation to each of those categories and it could therefore prove more difficult to establish distinctiveness in relation to marks of certain categories as compared with marks of other categories (see Joined Cases C-473/01 P and C-474/01 P *Proctor & Gamble v OHIM* [2004] ECR I-5173, paragraph 36; Case C-64/02 P *OHIM v Erpo Möbelwerk* [2004] ECR I-10031, paragraph 34; *Henkel v OHIM*, paragraphs 36 and 38; and *Audi v OHIM*, paragraph 37)."

44. The opponent's pleaded case in respect of its Section 3(1)(b) ground is that the contested mark lacks distinctive character on the basis that it is descriptive. Given that

the opponent also pleaded descriptiveness under its Section 3(1)(c) ground, my assessment under this ground will not result in a different outcome from the one I have made above. Therefore, for the same reasons set out above, I reject the argument that the contested mark is devoid of distinctive character for the contested services on the basis that it will be perceived by average consumers as purely descriptive.

45. The opposition based on Section 3(1)(b) of the Act also fails.

OUTCOME

46. The partial opposition fails. The application for the contested services will proceed to registration.

COSTS

47. As the applicant has been successful, it is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. Given that the opponent's evidence was minimal, and the applicant has not commented on it, I consider it appropriate to reduce the costs award in respect of considering the evidence filed.

48. In the circumstances, I award the applicant the sum of £400 as a contribution towards its costs. The sum is calculated as follows:

Filing the counterstatement and considering the notice of opposition:	£200
Considering the other party's evidence:	£200

49. I therefore order Brothers Drinks Co. Ltd to pay Thatchers Cider Company Limited the sum of £400. The above sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 4th day of October 2022

**Teresa Perks
For the Registrar**