**o/964/22**

**TRADE MARKS ACT 1994**
**IN THE MATTER OF OPPOSITION No. 421085**
**IN THE NAME OF WM MORRISON SUPERMARKETS PLC**
**TO TRADE MARK APPLICATION No. UK00003480610 FOR MORRISON SCOTCH WHISKY DISTILLERS LTD IN CLASSES 33 & 40**
**IN THE NAME OF MORRISON SCOTCH WHISKY DISTILLERS LIMITED**

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## DECISION

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1. This appeal concerns an application by the Appellant, Morrison Scotch Whisky Distillers Limited, to register the mark **MORRISON SCOTCH WHISKY DISTILLERS LTD** in classes 33 & 40 as follows:

   Class 33: Scotch whisky and Scotch whisky based drinks, all being produced in Scotland.
   Class 40: Distilling services; information, advisory and consultancy services relating to the same.

2. The Opponent/Respondent is WM Morrison Supermarkets PLC and the opposition was brought under ss. 5(2)(b), (3) and (4) of the Trade Mark Act 1994.

3. In a decision dated 31 May 2022 made on the papers, the Hearing Officer, Arran Cooper, upheld the opposition on all three grounds. Under ss.5(2) and (3), he relied on the following registered marks of the Respondent:

   **MORRISONS**
   EUTM: 1466713
   Filing date 19 January 2000; registration date 16 October 2002
   Class 35: Retail services; selecting, buying, bringing together and displaying on premises, in catalogues and over the Internet of goods (in particular [...] foods and drinks).

   **MORRISONS**
   UK registration no. 2137961
   Filing date 4 July 1997; registration date 12 May 2000
   Class 33: Alcoholic beverages (except beers).

4. The Appellant appeals against the decision on all three grounds.

5. At the hearing before me on 1 November 2022, the Appellant was represented by Stephanie Wickenden instructed by Murgitroyd & Company and the Respondent by Guy Tritton instructed by Wilson Gunn. I am grateful to both Counsel and to those instructing them for the assistance provided by the written and oral submissions.

## THE NATURE OF AN APPEAL

6. There was no dispute as to the standard of appeal. The relevant principles have recently been conveniently summarised by Joanna Smith J. in *Axogen Corp v AVIV Scientific Ltd* [2022] EWHC 95 (Ch) at §§24-25.

7. In circumstances where the original decision was made at the election of the parties on the papers, I am also reminded of Lewison LJ's characterisation of the difference between the standard of assessment at trial and any appeal, which "*applies not only to findings of primary fact, but also to the evaluation of those facts and to inferences to be drawn from them*". See FAGE v Chobani [2014] EWCA Civ 5 at §114. As he memorably summarised it, "*The trial is not a dress rehearsal. It is the first and last night of the show."*

8. Given the hurdles to a successful appeal, especially where there are multiple grounds of opposition, as here, it is sometime surprising that parties only first seek to deploy resources on appeal which might have been usefully directed at persuading the first instance tribunal. The first instance tribunal is more important from a fact-finding and evaluating perspective for all the reasons given by Joanna Smith J and Lewison LJ in the above citations.

## THE APPEAL UNDER S.5(2) – COMPLEMENTARITY

9. The Hearing Officer dealt with this ground based on the MORRISONS UK registered mark referred to above. There was no dispute before me that this represented the Opponent's best case.

10. The Appellant helpfully summarised the findings of the Hearing Officer under this ground as follows:

    (a) The goods in Class 33 are identical [54]

    (b) Distilling services in Class 40 are complementary and have an overlap in trade channels and are similar to a medium degree [59] and information,

advisory and consultancy services relating to the same being distilling services are likewise similar to a medium degree [60]

(c) The average consumer of the goods applied for in Class 33 is a member of the public, over 18, or a business user seeking stock for a store/restaurant/bar, who will pay a medium degree of attention [63]

(d) The average consumer of the services in Class 40 is likely to be a business user and will have a high level of attention [65]

(e) Visual considerations will dominate the selection process but aural considerations must not be ignored [63]

(f) The inherent distinctive character of the Respondent's mark is low [68], but enhanced to a medium degree due to sales [70]

(g) The Earlier Marks and the Contested Mark were visually and aurally similar to "a medium degree" [78-79] but conceptually dissimilar with the MORRISON/MORRISONS element conceptually neutral [81]

(h) By reason of the above the Hearing Officer found that there is likelihood of direct confusion owing to imperfect recollection between MORRISON/MORRISONS and due to the lessened role of the additional words in the Contested Mark [84].

(i) Indirect confusion was also considered to be likely as the average consumer *"may consider the removal of SCOTCH WHISKY DISTILLERS LTD to be a logical step an undertaking may take to re-brand itself. In my view, this is particularly likely the case considering the length of those additional elements with their removal likely being consider an attempt to streamline the mark*" [85].

11. Although the Appellant did not formally abandon its appeal against the class 33 registration, the submissions before me focussed on the class 40 services. If it could not succeed on class 40, it was not going to on class 33.

12. At the heart of the appeal was the suggestion that the Hearing Officer had erred in the findings summarised at (b) above, and particularly in relation to the finding of complementarity. His §59 was expressed as follows:

> 59. While I appreciate that "distilling services" in the applicant's specification are different in nature, purpose and method of use to "alcoholic beverages (except beers)" in the

> opponent's specification, I am of the view that they share some level of similarity. The distillery service of the applicant describes the process of producing spirits that require distillation, such as whisky, gin or rum, for example. This process is essential for the existence of the goods in the opponent's specification on the basis that they can include the spirits I have previously referred to. Having said that, I am of the view that the user of the goods and services are likely to differ. For example, the user of the applicant's service will be a business user looking for a third party to distil its own alcoholic beverage whereas the user of the opponent's class 33 goods either be a member of the general public over the age of 18 or a business user looking to stock alcoholic beverages in its store/restaurant/bar. While this may be the case, there is an overlap in trade channels in that an undertaking that offers distilling services is also likely to produce its own alcoholic beverage for sale. For example, when a consumer buys a bottle of whisky from one undertaking, they are likely to believe that it was distilled by the same undertaking. Further, I consider that these goods and services are complementary on the basis that the distilling process is important and indispensable to whisky, gin or rum (all of which fall within the opponent's goods) and vice versa. In my view, the average consumer is likely to consider that the undertaking responsible for one is responsible for the other.[15] Given the complementary relationship between these goods and services and their overlap in trade channels, I am of the view that they are similar to a medium degree.
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> [15]*Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM),* Case T-325/06

13. The Appellant's criticisms focussed on the finding that there was complementarity between the distilling services in class 40 and the alcoholic beverages of class 33, even though the Hearing Officer had decided that the average consumer of each was different. How, the Appellant asked, could there be a likelihood of confusion when the average consumers were different in this way?

14. The Appellant relied on a number of authorities in support of its submissions.

15. First, it referred to the passage from *Boston Scientific,* which was the case footnoted by the Hearing Officer in §59. There, the Court of First Instance had explained that *"It is true that goods are complementary if 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".*

16. The Appellant submitted that the purpose of examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with

the same undertaking or with economically connected undertakings. In support of this it relied on the decision of Mr Daniel Alexander QC sitting as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL-0-255-13 at §18, as recently approved in *Axogen* by Joanna Smith J at §40. Here, Mr Alexander QC pointed out "*It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes*."

17. As to this, it is instructive to read around the specific example given by Mr Alexander QC in that case to understand the fuller explanation he gave. Thus, he first reasoned at §17:

> 17. First, the starting point for the analysis of similarity is the wording of the Act and the Directive. These require the tribunal to determine whether or not the respective goods are "identical or similar" but they do not specify the criteria by reference to which similarity is to be assessed. In the well-established guidance from the Court of Justice on this issue originating in *Canon*, to which the Hearing Officer referred, the Court has not suggested that every case requires assessment of whether the respective goods or services are complementary. To the contrary, the Court has regularly made it clear that all relevant factors relating to the goods or services themselves should be taken into account, of which complementarity is but one (see e.g. in *Boston*).

18. He then went on in §18 as follows:

> 18. Second, the concept of complementarity is itself not without difficulty. In a number of cases, reference to it does not make the assessment of similarity easier. If tribunals take the explanation of the concept in *Boston* as akin to a statutory definition, it can lead to unprofitable excursions into matters such as the frequency with which certain goods are used with other goods and whether it is possible for one to be used without the other. That analysis is sometimes of limited value because the purpose of the test, taken as a whole, is to determine similarity of the respective goods in the specific context of trade mark law. It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes.

19. It is correct that he concluded in §20 that the purpose of asking the complementarity question was to ask whether consumers might think that responsibility for the two sets of goods lies with the same undertaking. That is the ultimate question to which the overall and global assessment is directed. But it is also important to realise that Mr Alexander QC's discussion was in the context of a decision where he had

characterised the Hearing Officer's approach to complementarity as quasi-statutory and wrong. The Hearing Officer in that case had explained that *"[i]t is not sufficient that the goods "can" be used together; nor is it sufficient that they are sold together*." Mr Alexander QC rejected this approach, explaining that "*it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together. I therefore think that in this respect, the Hearing Officer was taking too rigid an approach to Boston*". He also pointed out in §22 that in *Boston* the CFI was not attributing decisive importance to the question of whether the goods in that case were complementary in determining the overall question of whether they were similar.

20. In relation to the different average consumers, the Appellant also relied on the CHOCOLOVE case T-325/15 at §§40-44, where the General Court stated as follows:

> 40 As regards the goods and services at issue which fall within Classes 11 and 44, the finding that, normally, the goods in Class 11 are purchased by professionals and the services in Class 44 are purchased by end consumers must also be upheld. Since there are two different publics, it must be held that the goods and services at issue are only remotely similar. The fact that they might be complementary in the eyes of professionals is irrelevant in that regard. The complementarity is confined to the fact that the goods in Class 11 are indispensable for the provision of the services in Class 44, but that does not in any way detract from the finding that those goods concern two different publics.
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> 41 That finding is not called into question by the applicant's arguments that end consumers may also purchase goods in Class 11 and that there is therefore a very high degree of similarity with the services in Class 44.
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> 42 It must be borne in mind that, according to settled case-law, complementary goods or services are those between which there is a close connection, in the sense that one is indispensable or important for the use of the other with the result that consumers may think that the same undertaking is responsible for manufacturing those goods or for providing those services (see judgment of 10 June 2015, *AgriCapital* v *OHIM — agri.capital (AGRI.CAPITAL)*, T-514/13, EU:T:2015:372, paragraph 58 and the case-law cited).
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> 43 In the present case, it must be held that the goods and services at issue are not complementary for the end consumers since there is no close connection between the services in Class 44 and the goods in Class 11. It is not indispensable for an end

consumer to purchase a product in Class 11 in order to obtain the services in Class 44 and vice versa.

44 The applicant's argument that the goods and services at issue have to be regarded as similar because they might share the same distribution channels must also be rejected. The fact that the goods and services at issue might exceptionally share the same distribution channels is not sufficient to make that a factor which has to be taken into consideration in order to assess whether the goods and services at issue are similar.

21. However, as Mr Tritton for the Respondent pointed out, this decision has to be understood as turning on its facts, and it does not undermine the general approach to complementarity. In CHOCOLOVE the relevant goods were tanning beds etc. and the relevant services were solarium services. As the General Court pointed out in §40, based on those facts "*complementarity was confined to the fact that the goods in Class 11 are indispensable for the provision of the services in Class 44, but that does not in any way detract from the finding that those goods concern two different publics*".

## Assessment

22. I have set out above the Hearing Officer's reasons in full expressed in his §59.

23. In summary, he focussed on the fact that distillation is essential for the production of certain alcoholic beverages. That is obviously correct. He also pointed out that the likely users of "distillation services" would be businesses looking to distil their own products, whereas the average consumer of the Respondent's class 33 goods would be adult members of the public or business purveyors of alcoholic beverages. I pause here to note that although these are different average consumers, they do overlap. Thus, adult members of the public might also be involved in businesses looking to distil their own products, and businesses selling or stocking alcoholic beverages might also look to distil their own products.

24. The Hearing Officer went on to make a related point, namely that there is overlap between the respective trade channels. Again, this is obviously correct. As he explained, an undertaking that offers distilling services is also likely to produce its own alcoholic beverages for sale. This might mean that a consumer buying a bottle of whisky from one undertaking is likely to believe that it was distilled by the same undertaking.

25. As a result, the Hearing Officer considered that the goods and services were complementary on the basis that the distilling process is important and indispensable to the manufacture of e.g. whisky, gin or rum. Again, this is obviously correct. He therefore concluded that the goods were similar to a medium degree.

26. The Appellant attacked this finding by seeking to draw a distinction between "distilling services" and "the distilling process". It suggested that an undertaking might not need to use distilling services to create a whisky product – such a product may simply be created by blending. That may be, but it will not apply in all cases and it does not take away from the fact that the whisky needs to be distilled in the first place, and the consumer of the final product might not know or care whether the undertaking has merely blended it or utilised distilling services to create it. At least some consumers of whisky purchased from an undertaking are therefore likely to believe that it was distilled by the same undertaking (Hearing Officer §60).

27. As a result I find no basis to impugn the findings of the Hearing Officer in relation to "distilling services". There is no basis to interfere with the conclusions he reached.

28. The Appellant went on to suggest that even if the Hearing Officer had been correct in relation to "distilling services", he ought not to have made the same findings in relation to "information, advisory and consultancy services relating to [distilling services]". It was suggested that he did not consider the different nature of these services.

29. This submission is difficult to square with the fact that the Hearing Officer did address these services separately in his §60. Recognising this, the Appellant criticised the nature of the Hearing Officer's comparison in §60 and his reference to information about the distilling process being provided on the bottle or the website of a producer of e.g. whisky. It was suggested that this was not "information…relating to distilling services" as opposed to "information…relating to distilling processes". I consider that this is an unrealistically fine distinction to try to draw, and that information on a whisky producer's website might well include information about the distilling services it might offer. In any event I do not consider that this point detracts from the overall conclusion of the Hearing Officer that there is complementarity between these services and e.g. whisky because a consumer is likely to believe that such services originate from the same undertaking as the manufacturer of whisky. There is also nothing in the point about which way round the Hearing Officer put the point about complementarity – what is important is that he considered that the average consumer would believe that the goods and services originated from the same

undertaking. As I have emphasised above, this is the ultimate test, and the Hearing Officer plainly considered it.

30. For all these reasons, I do not find that there is any basis to interfere with the Hearing Officer's findings on similarity between goods and services. He was entitled to reach the conclusions he did on these points and I can identify no error of law or principle in the reasoning he applied.

**THE APPEAL UNDER S.5(2) – SIMILARITY OF MARKS/PURCHASING ACTS**

31. The second limb of the Appellant's appeal against the s.5(2) finding alleged three errors which were said to impact on the Hearing Officer's assessment of the likelihood of confusion. These were expressed as follows in the Appellant's skeleton argument:

    a. an incorrect assessment of the similarity between the marks when considered from the perspective of the average business consumer of the services;
    b. the omission of key considerations relating to the purchasing acts of the average consumers, and
    c. failing to apply the principles on the law of conceptual dissimilarity.

32. Although it was said that these did not amount to a general request to assess the global test afresh, they came close to it. Nevertheless, I deal with them cumulatively below.

33. As to the first ground and the impact of the characteristics of the relevant public, the alleged errors were broken down further as follows:

    a. he failed to consider that the business consumer of distillery services and consultancy services related thereto is likely to pay a higher degree of attention and place more significance on the words SCOTCH WHISKY DISTILLERS LTD, and in particular "LTD" than the general public;
    b. he failed to consider that MORRISON so far as it relates to the Second Mark has low distinctive nature in the context of Scottish whisky distilling
       i. where the name is common in Scotland,
       ii. that the Appellant's family is well known in that industry, and
       iii. that as the enhanced distinctive reputation exists only in relation to supermarket sales of alcoholic beverages, that is likely to have a lesser effect on the consumers of the Contested Services;
    c. he failed to correctly acknowledge that the provision information in relation to particular whisky products is far removed from informational consultancy in relation to the provision of distilling services. The Hearing Officer made an impermissible assumption to the

contrary which is not supported by the evidence, and again conflates the provision of distillery services with the concept of own label branded spirits; and

d. he wrongly considered a scenario of likelihood of indirect confusion where a consumer familiar with the Contested Mark would be faced with the Second Mark and presume that the Second Mark would be a rebrand of the Appellant's mark. Such situation is a combination of indirect confusion and wrong way round confusion which simply would not arise on the evidence and taking into account the enhanced distinctiveness found in relation to the Second Mark.

34. The first point is obviously a bad one. There is no basis to suggest that the average consumer of any of the notional goods and services in the present case, whether individuals or businesses, would place sufficient emphasis on the presence of "LTD" in the mark applied for to make a difference to the global assessment being considered.

35. As to the second point, the Hearing Officer did consider whether the fact that the name MORRISON might be known in the Scotch Whisky industry was relevant to the s.5(2) case, and determined that it was not. As he pointed out in §16, whilst it might provide basis to attack the Respondent's registration, it is not a relevant factor in the s.5(2) assessment. I agree. Tribunal Practice Note 4/2009 remains useful guidance.

36. The third point is just a restatement of the point I have already dealt with and rejected under the first ground of appeal above.

37. The fourth point also does not assist the Appellant. Reference was made to *Liverpool Gin Distillery v Sazerac Brands* LLC [2021] EWCA Civ 1207 but in that case Arnold LJ was pointing out that tribunals should be careful when approaching the question of indirect confusion where there is no case made out of direct confusion. That is not the position here.

38. Next, the Appellant suggested that the Hearing Officer disregarded the relevant purchasing act and the level of attention that would be applied to this. But he clearly did attribute a reasonably high level of attention to the selection of services (§65) and there is no basis to suggest that he disregarded his earlier conclusion when carrying out the ultimate assessment.

39. Finally, it was suggested that the Hearing Officer should have placed more weight on his finding of conceptual dissimilarity (§81) when he came to make his overall assessment (§84). Again, I reject this criticism. Like the other alleged errors put forward under this second ground, I consider that it really amounts to no more than

a request to substitute my own opinion for that of the Hearing Officer in relation to the global assessment. In the absence of any identifiable error of law or principle, I decline to do so.

40. For all these reasons I reject the appeal and uphold the opposition under the s.5(2) grounds. As the Appellant rightly recognised at the hearing, if it was unable to successfully appeal under s.5(2), there was no need to go on and deal with the alleged errors arising under ss.5(3) and (4), and so I do not do so.

41. Neither side suggested that there was any reason not to follow the usual order as to costs. I award the successful Respondent £1200 by way of costs in relation to its consideration of the Grounds of Appeal and preparation for and attendance at the hearing, to be added to the £1500 previously awarded.

Thomas Mitcheson KC
The Appointed Person
4 November 2022