O-020-20

TRADE MARKS ACT 1994

IN THE MATTER OF AN INTERNATIONAL TRADE MARK DESIGNATING THE UNITED KINGDOM NO. 1416237

BY

PETER HERRES WEIN-UND SEKTKELLEREI GMBH

TO REGISTER:

Winter Wonder

AS A TRADE MARK IN CLASS 33

AND

IN THE MATTER OF OPPOSITION THERETO UNDER NO. 414665 BY CONTINENTAL WINE & FOOD LIMITED

BACKGROUND & PLEADINGS

1. On 9 June 2018, Peter Herres Wein-und Sektkellerei GmbH ("the applicant"), designated the United Kingdom seeking protection of the words **Winter Wonder** as a trade mark for the following goods in class 33:

> Alcoholic beverages (except beer), sparkling wines, sparkling fruit wine, sparkling wine containing berries, beverages resembling sparkling wines, wine, sparkling wines, beverages containing wine, cocktails and aperitifs based on spirits or wine

The designation was published for opposition purposes on 7 September 2018.

2. On 7 December 2018, the designation was opposed in full by Continental Wine & Food Limited ("the opponent"). The opposition is based upon sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 ("the Act"). In relation to its objection based upon section 5(2)(b), the opponent relies upon the trade marks/goods in the following United Kingdom trade marks:

> (1) No. 2615598 for the trade mark **WINTER WARMER** which was applied for on 26 March 2012 and which was entered in the register on 20 December 2013. The opponent relies upon all of the goods in its registration i.e. "Mulled wine".
>
> (2) No. 2599358 for the series of two trade marks shown below which were applied for on 27 October 2011 and which were entered in the register on 13 April 2012. The opponent relies upon all of the goods in its registration i.e. "Alcoholic beverages (except beers)":

The first trade mark in the series contains the following:

"**Mark Description/Limitation**
MARK DESCRIPTION: The first mark in the series contains the colours white and Pantones 871C, 511C, 202C and 512C."

3. Insofar as its objection based upon section 5(3) of the Act is concerned, the opponent relies upon the same two trade marks mentioned above. The opponent states that these trade marks enjoy a reputation for all the goods for which they are registered and upon which they rely, adding that it considers all the goods for which registration is sought

would take unfair advantage of, or be detrimental to the distinctive character or reputation of its trade marks. The Form TM7 contains the following question:

> "Is it claimed that the similarity between the [trade marks being relied upon] and the later trade mark is such that the relevant public will believe that they are used by the same undertaking or think that there is an economic connection between the users of the trade marks".

4. Having replied "Yes" to that question, the opponent stated:

> "The Opponent's registered trade mark and the use thereof is an indicator of origin in the relevant market sector. The use or registration of the opposed mark would be detrimental to the Opponent and the Opponent's mark, not least because the exclusive right to use the Opponent's mark (or similar) as an indicator of origin would be lost. The identity/overlap/near-identity/similarity of the respective goods, and the similarities between the respective marks…are such that it would be expected by the relevant consumer that the goods offered by the Applicant could be an extension of the product range of the Opponent. The relevant consumer could believe the Applicant and the Opponent to be the same undertaking, or for there to be an economic connection between the two, when this is not the case..."

5. In relation to the heads of damage, the opponent further states:

Unfair advantage

> "In using a trade mark that is similar to the earlier reputed mark, the Applicant would have the advantage of being in a better position in the marketplace than it would otherwise have been. This is unfair to the Opponent as it has made

significant investment in building up a reputation in the earlier reputed mark. Thus, this advantage to the Applicant would be unfair, allowing the Applicant essentially to ride on the coat-tails of the Opponent's distinctive character/reputation in the Opponent's mark."

Detriment to reputation

"If, for example, the products sold under the later mark turned out to be of different, perhaps inferior, quality to those of the Opponent, the existence of this similar later mark in the relevant marketplace would inevitably erode the distinctive character and the reputation of the reputed earlier mark. This erosion could result, for example, in dilution of the Opponent's mark, and detriment to the reputation thereof, in this particular marketplace/sector."

Detriment to distinctive character

"Use of the opposed mark as applied for may lead the relevant public to consider that the earlier reputed mark (or similar) is not solely an indication of the Opponent's goods or that the Opponent is diversifying. Each of these circumstances could lead the relevant public away from the Opponent and/or the Opponent's goods. This will inevitably lead to a detrimental effect on the distinctive character of the Opponent's mark.

The Opponent's mark, which ought to be capable of arousing immediate association with the Opponent, would be incapable of doing so, for instance because the use of the Applicant's mark would inevitably cause a detrimental effect to the Opponent's mark and establish a possible link between the Opponent and the Applicant and their respective goods. Any such link created with the Applicant could lead to a change in economic behaviour of the

> relevant public because the average consumer could believe that the goods sold by the Applicant originate from the Opponent and source them accordingly. This could lead to a change in the economic behaviour of the relevant consumer."

6. In relation to its opposition based upon section 5(4)(a) of the Act, the opponent relies upon the two trade marks mentioned above which, it indicates, have been used throughout the UK since 2005 and 2011 respectively in relation to "Mulled wine, being an alcoholic beverage". The opponent states:

> "The Opponent's mark has been used throughout the UK on relevant goods for well in excess of ten/seven years. The respective marks are confusingly similar…It is submitted that this use will have led to the necessary goodwill/reputation having been established in the Opponent's mark and that the use of the opposed mark by others would therefore amount to a misrepresentation, leading to damage to the Opponent, including to the Opponent's goodwill in their mark."

7. The applicant filed a counterstatement in which the basis of the opposition is denied.

8. In these proceedings, the opponent is represented by Appleyard Lees IP LLP ("AL") and the applicant by Mewburn Ellis LLP ("ME"). Both parties filed evidence. Although neither party requested a hearing, both elected to file written submissions in lieu of attendance. I have read all of these submissions and will, to the extent I consider it necessary, refer to them later in this decision.

The opponent's evidence

9. This consists of a witness statement, dated 17 April 2019, from John Shinwell, the opponent's Managing Director, a position he has held since 2004. He explains that the opponent is:

> "3…a wine and alcoholic drinks wholesaler, producer, bottler and distributor/supplier to the trade including major multiple retail groups, independent cash and carry and wholesale trade…"

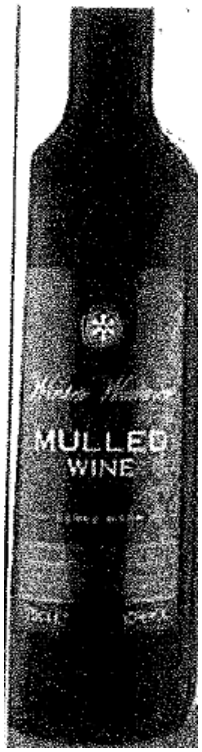
10. Mr Shinwell states that the opponent first began sales of an alcoholic beverage product under the WINTER WARMER trade mark in the UK in 2005. He adds:

> "4…Since that date sales under the WINTER WARMER mark [by the opponent] have been continuous and throughout the whole of the UK."

11. Between 2005 and 2018, sales of the WINTER WARMER alcoholic beverage in the UK have amounted to in excess of 6 million bottles. I note that sales have been made in each of the years mentioned and range from a low of 159k bottles in 2005 to a high of 783k bottles in 2017. Exhibit JSD2 consists of a range of cuttings from what Mr Shinwell describes as "consumer-facing or directed publications…" together with their readership numbers. The cuttings provided are as follows:

- *Sunday Express Supplement* (10/2008) – the page provided begins: "Our expert picks warming mulled wines for a cracking Bonfire Night". Item 6 reads: "Morrison's Winter Warmer Mulled Wine £2.99…." The image quality of the label on the bottle is too indistinct for its details to be made out;

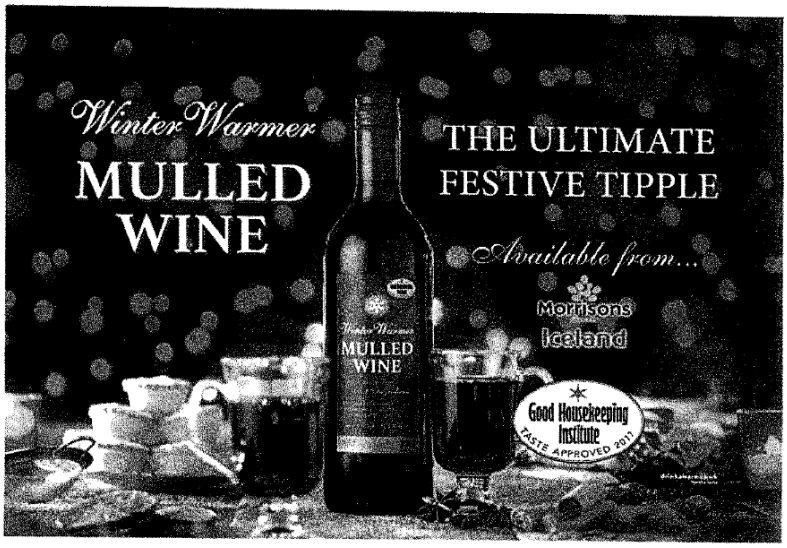
- *Women's Weekly* – (11/2011) – the page provided contains, inter alia, the following image:



The accompanying text contains the following: "…try Winter Warmer Mulled Wine…It costs £4.29 from Morrisons and Independent retailers";

- "eat in" – (12/09) – the page provided contains the following text: "Winter Warmer Mulled Wine, £3.49 for a 75cl bottle; from supermarkets and independent stores." The image quality of the label on the bottle is, once again, too indistinct for its details to be made out;

- *OK! Magazine* – (Christmas 2017) - the page provided contains the following image:



- *Celebrity Secrets magazine* (distributed with *OK! Magazine* – 11/18) – as above, although from after the material date.

12. Exhibit JDS3 consists of pages from 2016 and 2017 obtained from www.goodhousekeeping.com. They feature bottles, the labels of which are the same as those shown above. The title of the articles is: "TRIED & TESTED MULLED WINE 2016 [2017]". The page from 2016 contains the following text:

> "A hefty cup of mulled wine is the perfect Winter Warmer as Christmas approaches. The Good Housekeeping Institute reveals which is the best for taste and value for money."

The page from 2017 refers to "Morrison's Winter Warmer Mulled Wine". The exhibit also contains an extract from Wikipedia in relation to *Good Housekeeping*" which, it explains, "is a women's magazine owned by the Hearst Corporation."

13. Exhibit JSD4 consists of a page obtained from groceries.iceland.co.uk on, it appears, 17 April 2019. The page provided contains an image of a bottle the label of

which is the same as shown above. Mr Shinwell notes that under the headings "Manufacturer's Address" and "Return to" there appears "CWF, HD2 1YY UK.." which, he explains, is the opponent's "abbreviated address details". Also provided is an extract from Wikipedia printed on 15 October 2018 in relation to "Iceland (supermarket)."

14. Exhibit JDS5 consists of a range of cuttings from what Mr Shinwell describes as "trade-facing or directed publications…" together with their readership numbers. All but three of the sixteen examples provided (which are from 2010, 2011, 2012 and 2017) are from before the material date and come from the following: *Off Licence News, Morning Advertiser, Pub & Bar Magazine, Bar Magazine, Scottish Grocer, Convenience Store, Wholesale News, The Grocer, Asian Trader and Independent Retail News.* All of the cuttings provided refer to the opponent's Winter Warmer mulled wine and many feature the bottle/labels shown above.

15. Exhibit JDS6 consists of pages obtained from https://groceries.morrisons.com which features the bottle/label shown above. I note the "Product Description" refers to "Winter Warmer®" and, under the heading "Brand", there appears the words, "Winter Warmer". Although some of the pages carry a printing date of 16 April 2019, I note that all of the customer reviews date from before the material date, with the earliest from as early as December 2015. Also included is the Wikipedia entry for Wm Morrison Supermarkets plc printed on 15 October 2018. Mr Shinwell confirms that:

> "12…the WINTER WARMER alcoholic beverage product has been ranged, i.e. on the shelf for sale, in just about 100% of the stores of this UK nationwide chain."

16. Mr Shinwell explains that the WINTER WARMER alcoholic beverage is:

> "13…also currently sold in JTF Wholesale….Parfetts…as well as in other Cash

& Carry Wholesale Outlets (Kater 4, Dayla Ltd) and via public house channels in the UK (e.g. Greene King, Marstons)."

17. Pages from www.jft.com and www.parfetts.co.uk, printed on 15 October 2018 and which feature the bottle/labels mentioned above are provided as exhibit JDS7.

18. Mr Shinwell states that the WINTER WARMER alcoholic beverage:

> "15…is also currently sold throughout the UK via the Amazon website."

19. Exhibit JDS8 consists of pages from www.amazon.co.uk printed on 16 April 2019 featuring the bottle/label mentioned above.

20. Exhibit JDS9 consists of an extract from the opponent's website www.continental-wine.co.uk printed on 16 April 2019 which features the bottle/label mentioned above. Mr Shinwell states:

> "16…the WINTER WARMER alcoholic beverage has been marketed on our website for a number of years, although the product is not actually sold via our website."

21. Exhibit JDS10 consists of a product specification sheet obtained from the opponent's website and which features the bottle/label mentioned above. It appears to be undated.

22. Exhibit JDS11 consists of a page which Mr Shinwell explains shows:

> "18…an advertising campaign which took place on Facebook between 3 December 2018 and 24 December 2018..."

23. Although the page provided features the bottle/label mentioned above and refers to the Winter Warmer alcoholic beverage being available from Morrisons and Iceland Foods, it is from after the material date in these proceedings.

24. Mr Shinwell concludes his statement in the following terms:

> "19. I can confirm that first sales of the WINTER WARMER alcoholic beverage product in the UK were in 2005 and have been continuous since then, albeit with the vast majority of sales and shelf availability being in the Christmas/ New Year holiday period, particularly the immediate three month lead-up thereto, with any residual stock thereafter being sold during the January to April period, as the product is a seasonal line.
>
> 20. I confirm that the WINTER WARMER figurative mark, which is subject to the proof of use request in respect of [trade mark no. (2)], has been used continuously throughout the UK since 2011. I also confirm that this WINTER WARMER figurative mark has not changed since 2011."

The applicant's evidence

25. This consists of a witness statement from Monica Ezsias, a Technical Assistant at ME. Ms Ezsias explains that:

> "2. On 4 and 5 June 2019 [she] carried out online research on the phrases "winter warmer" for alcoholic drinks and specifically mulled wine."

26. In relation to exhibit ME1, Ms Ezsias notes that:

> "3. Wiktionary defines "winter warmer" as a "traditional English strong ale that is brewed in the winter months. It is usually dark, but not as dark as stout, and may

be spiced" and "any food or drink that gives a feeling of warmth in the winter months".

27. In relation to exhibit ME2 she states:

> “4. Typing < winter warmer > into its search engine, one of Google's suggestions was < mulled wine >. I understand these suggestions derive from Google's predictive search algorithm, which are mainly based on popular searches by users.
>
> winter warmer, winter warmer recipes, winter warmer scheme, winter warmer sweets, winter warmer beer, winter warmer meals, winter warmer mulled wine, winter warmer soup, winter warmer run, winter warmer discount british gas, winter warmer 10k.”

28. Also provided in exhibit ME2 is an article dated 3 April 2015 from www.wordstream.com entitled: “Predictive Search: Is This the Future or the End of Search?”

29. In relation to exhibit ME3, Ms Ezsias states:

> “5. Searching <winter warmer mulled wine > resulted in 512,000 results on Google. I found numerous articles referencing mulled wine and alcoholic drink recipes as a "winter warmer" drink. The following are examples from news clippings, blogs by members of the public, and other websites, found on the first few Google result pages.”

30. Ms Ezsias notes the following results:

- Urbaneat.co.uk, “Easy mulled wine recipe the ultimate winter warmer!” - 25 November 2014;

- Countryandtownhouse.co.uk, “Mulled Wine Recipes: The Ultimate Winter Warmer”;

- Independent.co.uk, “7 winter warmer red wines to help beat the cold” - 30 November 2017;

- Telegraph.co.uk, “Christmas drinks: hot toddy and mulled wine recipes” - 12 December 2011 which includes the following: “Mulled wine: winter warmer for the Christmas season”;

- Thedogpeover.co.uk, “Mulled wine - the perfect winter warmer!” - 14 December 2015;

- Express.co.uk, “The top winter warmer wines for this Christmas” - 22 December 2013;

- Pinterest.co.uk, “Winter warmer - mulled wine”;

- Krumpli.co.uk, “Mulled wine: the ultimate winter warmer”;

- Standard.co.uk, “8 delicious alternatives to mulled wine to drink this Christmas” – 8 December 2015 which includes the following: “Winter warmer: mulled wine”;

- Allrecipes.co.uk, “Besondere Veranderunq van Gluhwein” which includes the following: “…Great at a Christmas dinner party or for Bonfire Night as a winter warmer”;

- TheGuardian.com, “Top five: winter warmers” - 6 December 2013 which includes the following: “Five tasty winter warmers, from hot chocolate to mulled wine…”;

- Wigantoday.net, “Taste test: which supermarket sells the best mulled wine?”- 20 December 2017 which includes the following “…unlikely to be the winter warmer you need this Christmas”;

- Thespruceeats.com, “Winter warmer mulled Sangria: Sangria and mulled wine Meet”;

- BBCgoodfood.com, “Mulled wine recipes” which includes the following: “Mulled wine cocktail…or serve it hot for a traditional winter warmer…”:

- Hairybikers.com, “Best-ever mulled wine - Eat, drink and be merry with the Bikers' winter warmer”;

- Tripadvisor.co.uk, “Try a winter warmer of mulled wine at Home Bar & Kitchen”;

- Thedrinksbusiness.com, “Winter warmer cocktails” - 5 December 2012.

31. In relation to exhibit ME4, which consists of a Google search for “winter warmer” alcoholic drinks”, Ms Ezsias notes the following results:

- Adamsandrussell.co.uk, “The best winter warmer drink recipes - alcoholic and non-alcoholic” - 16 January 2018;

- TheGuardian.com, “Our 10 best warming drinks” - 10 January 2015 which includes the following: “Wilhelmina’s winter warmer”;

- ASDAgoodliving.co.uk, “Winter warmer drinks” - 16 October 2017;

- Souschef.co.uk, “Hibicus flower winter warmer cocktail”;

- Hellomonaco.com, “5 Hots Drinks That Will Make Your Winter Warmer” - 21 February 2019;

- BBCgoodfood.com, “Bonfire night drinks recipes”, which includes the following: “Mulled cider…of this delicious winter warmer”.

Opponent’s evidence in reply

32. This consist of a witness statement from Jorandi Daneel, a trade mark agent at AL. He explains that:

> “2. On 27 August 2019, I conducted investigations on the Internet regarding our client's trade mark WINTER WARMER as well as the use of the phrase "WINTER WARMER MULLED WINE".

33. Mr Daneel notes that the opponent’s trade mark no. (1) was registered on the basis of acquired distinctiveness and, as exhibit JD1, he provides an extract from the UKIPO database in support. Exhibit JD2 consists of extracts from the opponent’s website showing “the manner in which [the opponent] offers its WINTER WARMER branded product to the public…” The first page, which contains an image of the bottle/label mentioned above, was printed on 27 August 2019, and the other page, contains an undated product specification sheet (previously provided by Mr Shinwell as exhibit JDS10).

34. In relation to exhibit JD3 he states:

> “5. On the Google search engine, I searched for the phrase "winter warmer mulled wine" on the "Images" section…print-outs made from the results pages with the majority of these images, especially the first thirteen images, referencing our client's WINTER WARMER branded product.”

35. In relation to exhibit JD4 he states:

> “6. On the Google search engine, I searched for the phrase "winter warmer mulled wine" on the "Shopping" section…print-outs from the results pages all referencing our client's WINTER WARMER branded product.”

36. In relation to exhibit JD5 he states:

> “7. On the Google search engine, I searched for the phrase "winter warmer mulled wine" on the "All" section…print-outs from the results pages showing that 2,830 results have been found. I have only printed out the first two pages, but all the non-sponsored results on the first page reference our client's WINTER WARMER branded product.”

37. In relation to exhibit JD6 he states:

> “8. Following on from the results mentioned [above], I linked through to the various webpages found…print-outs made from these webpages showing the "WINTER WARMED MULLED WINE" product as our client's branded product.”

38. Finally, exhibits JD7 and JD8 relate to an application for the trade mark shown below (no. 3137407) applied for in relation to “Beers and beer-based beverages in class 32, which Mr Daneel notes was withdrawn following opposition by the opponent:

39. That concludes my summary of the evidence filed to the extent I consider it necessary.

DECISION

40. The opposition is based upon sections 5(2)(b), 5(3) and 5(4)(a) of the Act which read as follows:

> "5 (2) A trade mark shall not be registered if because –
>
> (a)…
>
> (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,
>
> there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.
>
> (3) A trade mark which is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later

mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)…

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an "earlier right" in relation to the trade mark."

41. An earlier trade mark is defined in section 6 of the Act, which states:

"6. - (1) In this Act an "earlier trade mark" means –

(a) a registered trade mark, international trade mark (UK), Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered."

42. Under section 5(2)(b) and 5(3) of the Act, the opponent is relying upon the two trade marks shown in paragraph 2 above, both of which qualify as earlier trade marks under the above provisions. Given the interplay between the dates on which the opponent's trade marks were entered in the register and the publication date of the application for registration, trade mark no. (2) is subject to the proof of use provisions contained in section 6A of the Act. Given the same interplay of dates, trade mark no. (1) is not subject to proof of use. In its Notice of opposition, the opponent states that it has used trade mark no. (2) on all the goods for which it is registered and upon which it is relying. In its counterstatement, the applicant points to what it regards as the apparent tension between the opponent's above claim and its claim in relation to section 5(4)(a) of the Act, in which the opponent indicated that the same trade mark had only been used upon "Mulled wine, being an alcoholic beverage". Having done so, the applicant asks the opponent to make good on its claim that its trade mark had been used upon all the goods for which it is registered.

The objection based upon section 5(2)(b) of the Act

Case law

43. The following principles are gleaned from the decisions of the courts of the European Union in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles:

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

My approach to the comparison/proof of use

44. In these proceedings the opponent is relying upon the two trade marks shown in paragraph 2 above. As trade mark no. (1) consists exclusively of the words WINTER WARMER it is, self-evidently, more similar to the applicant's trade mark than trade mark no. (2) which contains additional components. In addition, trade mark no. (1), which relies upon "Mulled Wine", is not subject to the proof of use requirements. Although trade mark no. (2) relies upon a broader specification of goods than trade mark no. (1) i.e. "Alcoholic beverages (except beer)", as the applicant pointed out in its counterstatement and as the evidence shows, the opponent has only used it upon mulled wine. Thus even if I were to carry out a proof of use assessment in relation to trade mark no. (2), given the very specific and seasonal nature of the goods upon which the opponent has used its trade mark, if one applies the guidance in *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), the opponent would, in my view, be in no better position.

45. In summary, as trade mark no. (1) offers the opponent the best prospect of success insofar as the competing trade marks are concerned and as its specification is no narrower than any specification that would result from a proof of use assessment in relation to trade mark no. (2), it is on the basis of trade mark no. (1) that I shall conduct the comparison. If the opponent does not succeed in relation to trade mark no. (1), it will, in my view, be in no better position in relation to trade mark no. (2).

Comparison of goods

46. The competing goods are as follows:

The opponent's goods	**The applicant's goods**
Class 33 - Mulled wine.	**Class 33** - Alcoholic beverages (except beer), sparkling wines, sparkling fruit wine, sparkling wine containing berries, beverages resembling sparkling wines, wine, sparkling wines, beverages containing wine, cocktails and aperitifs based on spirits or wine.

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

> "In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary".

48. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

> (a) The respective uses of the respective goods or services;
>
> (b) The respective users of the respective goods or services;
>
> (c) The physical nature of the goods or acts of service;
>
> (d) The respective trade channels through which the goods or services reach the market;
>
> (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
>
> (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

49. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the General Court ("GC") stated that "complementary" means:

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

50. In *Gérard Meric v Office for Harmonisation in the Internal Market,* Case T- 133/05, the GC stated:

> "29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 Institut fur Lernsysteme v OHIM- Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark".

51. I begin by noting that collinsdictionary.com defines "mulled wine" as "wine heated with sugar and spices, often served at Christmas." That accords with my own understanding and, more importantly will, I am satisfied, accord with the average consumer's understanding. In my experience, mulled wine is usually made with red wine.

52. In its written submissions, the opponent argues that the applicant's goods are either identical or highly similar to its mulled wine. In its written submissions, the applicant admits that "alcoholic beverages (except beer)", "wine" and "beverages containing wine" in its specification are identical to the opponent's mulled wine. It further argues that the remaining goods in its application have "…at most only a low level of similarity with mulled wine."

53. As the opponent's "mulled wine" would be included within the terms "alcoholic beverages (except beer)", "wine" and "beverages containing wine" in the application, I agree with the applicant they are to be regarded as identical on the inclusion principle outlined in *Meric*. That leaves the following goods in the application to be considered:

Sparkling wines, sparkling fruit wine, sparkling wine containing berries, beverages resembling sparkling wines, sparkling wines, Cocktails and aperitifs based on spirits or wine.

54. The nature, users and method of use of the above goods and the opponent's mulled wine are, if not identical, highly similar. As to their intended purpose, while both are selected to provide a pleasurable alcoholic drinking experience, they are most likely to be selected for different purposes. As the evidence shows, the opponent's mulled wine is normally selected in the latter part of the year and acts as a warming drink, whereas the applicant's goods will be selected throughout the year for a wide range of purposes. However, I see no reason why the competing goods would not reach the market through the same trade channels and although they may not appear on the same shelves in, for example, a supermarket or on the same page of a drinks list, they are likely to appear in relatively close proximity to one another. Given the very specific purpose of mulled wine, I am unable to identify any meaningful degree of either competition or complementarity between the competing goods. I noted earlier that the applicant appears to accept, albeit begrudgingly, that the competing goods have "at most only a low level of similarity with mulled wine." I think that underestimates the position somewhat and, balancing the similarities and differences mentioned above, would instead characterise the degree of similarity between the remaining goods in the application and the opponent's mulled wine as at least medium.

The average consumer and the nature of the purchasing act

55. As the case law above indicates, it is necessary for me to determine who the average consumer is for the goods at issue. I must then determine the manner in which these goods are likely to be selected by the average consumer in the course of trade. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

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

56. The average consumer of the goods at issue is a member of the adult general public. Such goods are sold through a range of channels, including retail premises such as supermarkets and off-licences (where they are normally displayed on shelves) and on-line; in such circumstances, the goods will be obtained by self-selection. The goods at issue are also sold in, for example, public houses, bars and restaurants (where they will be displayed on, for example, bottles and where the trade mark will appear on drinks lists etc.). When the goods at issue are sold in, for example, public houses, bars and restaurants there will be an oral component to the selection process. However, there is nothing to suggest that such goods are sold in such a manner as to preclude a visual inspection. Consequently, while the goods may be ordered orally in, for example, public houses, bars and restaurants, it is likely to be in the context of, for example, a visual inspection of the bottle or drinks lists prior to the order being placed. Considered overall, the selection process will, in my view, be a predominantly visual one, although aural considerations will play their part. As an average consumer selecting even a low cost alcoholic beverage will wish to ensure they obtain, for example, the correct type, strength, origin and flavour of beverage, they will, in my view, pay a medium degree of attention to their selection.

Comparison of trade marks

57. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade mark as a whole and does not proceed to analyse

its various details. The same case also explains that the visual, aural and conceptual similarities of the trade marks must be assessed by reference to the overall impressions created by them, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

> ".....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion."

58. It would be wrong, therefore, artificially to dissect the trade marks, although it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions they create. The trade marks to be compared are as follows:

Opponent's trade mark	**Applicant's trade mark**
WINTER WARMER	Winter Wonder

59. Both parties' trade marks consist of two well-known English language words presented in upper and title case respectively, with both words making a roughly equal contribution to the overall impression the respective trade marks convey. In my view, the words in both parties' trade marks form a unit, the unit having a different meaning to the meanings of the individual words of which they are composed. I shall return to this point below.

The visual comparison

60. Both parties' trade marks consist of two separate words each of which consists of six letters. The first six letters are identical and the second word in each trade mark begins with a letter "W" and ends with the letters "E-R"/ e-r." Balancing the similarities I have identified and the differences in the second word i.e. the letters "A-R-M" and "o-n-d", results in what I regard as at least a medium degree of visual similarity between the competing trade marks.

The aural comparison

61. As the words of which the competing trade marks are composed will be well known to the average consumer, the manner in which they will be pronounced is predictable i.e. as the four syllable combinations "WIN-TER WARM-ER" and "Win-ter Won-der." Notwithstanding the aural difference between the words "WARMER" and "Wonder", the fact that, inter alia, the first two syllables are identical results in at least a medium degree of similarity between the trade marks at issue.

Conceptual similarity

62. In its written submissions, the applicant states:

> "The conceptual meanings of the earlier and later marks would be instantly recognised by the average consumer, given they are comprised of simple English words. 'WINTER WARMER' would be immediately understood as referring to something that warms the consumer during the winter.
> In contrast, the later mark would be seen as primarily referring to something of 'wonder', a feeling of excitement or awe caused by and/or experienced during the winter season…"

63. Although both parties' trade marks evoke the concept of winter and are conceptually identical to that extent, I agree with the applicant that when considered as totalities (i.e. as units), the precise conceptual messages they convey differs.

Distinctive character of the earlier trade mark

64. The distinctive character of a trade mark can be appraised only, first, by reference to the goods in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods for which it has been registered as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

65. The opponent's trade mark was applied for in March 2012. As it only achieved registration because of the use that had been made of it (exhibit JD1 refers), I see no reason to consider its inherent distinctiveness. I will, instead, consider to what extent the use that has been made of it assists the opponent.

66. In its submissions, the applicant states:

> "The opponent did not plead acquired enhanced distinctiveness in its Notice of Opposition and Statement of Grounds and nor was it mentioned in its subsequent submissions. As a result, there is no need to consider it here…"

67. While the opponent may not have explicitly referred to "enhanced distinctiveness" (or similar terms), I note that in relation to its opposition based upon section 5(4)(a) of the Act, in its Notice of opposition, it refers to its trade mark having been used

"throughout the UK on relevant goods for well in excess of ten years…". In addition, as I mentioned earlier, in its counterstatement, the applicant pointed to the apparent tension between the opponent's claim in relation to the goods upon which its trade mark no. (2) had been used and what it regarded as the actual goods upon which it had been used i.e. mulled wine.

68. Thus it appears to me that even at that very early stage, the applicant ought to have been fully aware that any use the opponent may have made of its "WINTER WARMER" trade marks was going to be a feature of these proceedings. I also note that the opponent dealt with the "Distinctiveness of the earlier trade marks" in its submissions. Regardless, as a conclusion on the likelihood of confusion requires me to consider the distinctiveness of any trade mark being relied upon by the opponent, any use the opponent has made of its "WINTER WARMER" trade mark must be assessed by me in any case.

69. The relevant date for assessing the opponent's use is the date of the application for registration i.e. June 2018. Its evidence comes from Mr Shinwell who has been its Managing Director since 2004. He is, as a consequence, well placed to provide evidence of its use of its WINTER WARMER mulled wine, which began in 2005 and which, by the end of 2017, had resulted in sales of nearly five and a half million bottles. Prior to the relevant date the opponent's WINTER WARMER mulled wine had been promoted in a range of both customer and trade facing publications and, inter alia, an image of a bottle/label from *Women's Weekly* from November 2011 bearing the words "Winter Warmer" in a cursive script is shown above. Use in the same format is also shown in later images provided in the evidence.

70. As to the manner in which the trade mark has been used, as the opponent's trade mark is registered in block capital letters, the fact that it is used in a cursive script is not a point that counts against it, nor, for the reasons explained by the CJEU in *Colloseum*

Holdings AG v Levi Strauss & Co., Case C-12/12, does the fact that it often appears in the format shown in trade mark no. (2).

71. Prior to the material date, the opponent's "WINTER WARMER" mulled wine had been sold in retailers such as Morrison's and Iceland and, it is stated, in independent retailers and public houses. However, a number of the exhibits provided by Mr Shinwell are from after the relevant date. He has not provided turnover/advertising figures for the opponent's "WINTER WARMER" mulled wine, nor has he provided any details of the market share the opponent's "WINTER WARMER" mulled wine enjoys.

72. Having considered the opponent's use, I must also consider, inter alia, the applicant's evidence (much of which is from before the relevant date), although as the applicant points out in its submissions, similar evidence also appears in exhibit JD3 to Mr Daneel's statement. Having done so, it is, I think, an inescapable conclusion that at the relevant date, the words "winter warmer" were in fairly common descriptive use for, inter alia, mulled wine.

73. In its submissions, the applicant states:

> "…Through use the opponent has acquired distinctiveness in its 'WINTER WARMER' mark to allow it to cross the threshold and become acceptable for registration. However, it is submitted that such distinctive character is minimal and that the mark should be regarded as having only a very low level of distinctiveness..."

74. Even though the use the opponent has made of its "WINTER WARMER" mulled wine has been considered sufficient to justify registration, whatever distinctiveness it enjoys as a result of such use prior to the relevant date can only, in my view, be regarded as being of a low level.

Likelihood of confusion

75. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of the opponent's trade mark as the more distinctive it is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind.

76. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one trade mark for the other, while indirect confusion is where the average consumer realises the trade marks are not the same but puts the similarity that exists between the trade marks and goods down to the responsible undertakings being the same or related.

77. Earlier in this decision I concluded:

- I would conduct the comparison on the basis of trade mark no. (1);

- Where not identical, the competing goods are similar to at least a medium degree;

- The average consumer is a member of the adult general public who, whilst not forgetting aural considerations, will select the goods at issue by predominantly visual means whilst paying a medium degree of attention during that process;

- The two words in the competing trade marks will make a roughly equal contribution to the overall impression they convey;

- The two words in the competing trade marks form a unit, the meaning of which is different to the individual words of which they are composed;

- The competing trade marks are visually and aurally similar to at least a medium degree and conceptually similar to the extent they both evoke the concept of winter;

- Considered on the basis of the use that has been made of it, the opponent's earlier trade mark is possessed of only a low degree of acquired distinctive character.

78. In *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), Arnold J. considered the impact of the CJEU's judgment in *Bimbo,* Case C-591/12P, on the court's earlier judgment in *Medion v Thomson.* He stated:

> "18 The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.
>
> 19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that

it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors."

79. I begin by reminding myself that, inter alia, (i) the opponent's trade mark enjoys only a low degree of acquired distinctive character, and (ii) the words in the competing trade marks form a unit and the specific conceptual messages they will convey to the average consumer differ. In *The Picasso Estate v OHIM*, Case C-361/04 P, the CJEU found:

"20. By stating in paragraph 56 of the judgment under appeal that, where the meaning of at least one of the two signs at issue is clear and specific so that it can be grasped immediately by the relevant public, the conceptual differences observed between those signs may counteract the visual and phonetic similarities between them, and by subsequently holding that that applies in the present case, the Court of First Instance did not in any way err in law."

80. However, in *Nokia Oyj v OHIM*, Case T-460/07, the GC stated:

> "Furthermore, it must be recalled that, in this case, although there is a real conceptual difference between the signs, it cannot be regarded as making it possible to neutralise the visual and aural similarities previously established (see, to that effect, Case C-16/06 P Éditions Albert René [2008] ECR I-0000, paragraph 98)."

81. When considered from the perspective of an average consumer paying a medium degree of attention during the selection process, the very clear and distinct conceptual messages likely to be conveyed by the competing trade marks (which are likely to fix themselves in the mind of the average consumer and act as a "hook" to aid his/her recall) are, in my view, sufficient, to use the words in *Picasso*, to "counteract the visual and phonetic similarities between them." As a consequence, there is, in my view, no likelihood of direct confusion. For the avoidance of doubt, I should make it clear that I would have reached the same conclusion even if all the goods at issue were identical and the average consumer payed a lower than medium degree of attention when selecting them, thus making him/her more prone to the effects of imperfect recollection.

82. Having concluded that there is no direct confusion, I must also consider whether there is a likelihood of indirect confusion. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Mr Iain Purvis Q.C., as the Appointed Person, explained that:

> "16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may

be conscious or subconscious but, analysed in formal terms, is something along the following lines: "The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark."

83. In *Duebros Limited v Heirler Cenovis GmbH,* BL O/547/17, Mr James Mellor Q.C., 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.

84. In its submissions, the opponent states:

> "3…The relevant consumer could view the mark Winter Wonder to be a brand extension and/or family member with the existing WINTER WARMER trade mark…"

85. Given the very clear and distinct conceptual messages the competing trade marks convey and as the opponent is not relying upon a family of, for example, WINTER + trade marks, the opponent's argument does not assist it. There is, in my view, no likelihood of indirect confusion.

Conclusion under section 5(2)(b)

86. The opposition under section 5(2)(b) based upon trade mark no. (1) fails. As the opponent is in no better position in relation to its trade mark no. (2), it follows that the opposition based upon that trade mark also fails.

The objections based upon sections 5(3) and 5(4)(a) of the Act

87. I can deal with the above objections quite briefly, the relevant case law for which can be found in the Annex to this decision. I shall proceed on the basis most favourable to the opponent i.e. that it has the necessary reputation/goodwill to get the above objections off the ground. However, even considered on that basis, as the above grounds are based upon the same trade marks relied upon under section 5(2)(b), given my conclusion in relation to that ground, it follows that the necessary link would not be made for section 5(3) nor would there be misrepresentation for section 5(4)(a). Without the link/misrepresentation the objections are bound to fail and are, as a consequence, dismissed accordingly.

Overall conclusion

88. The oppositions based upon sections 5(2)(b), 5(3) and 5(4)(a) have all failed and, subject to any successful appeal, the application will proceed to registration.

Costs

89. As the applicant has been successful, it is entitled to a contribution towards its costs. Awards of costs in proceedings are governed by Annex A of Tribunal Practice Notice ("TPN") 2 of 2016. Having applied the guidance in the TPN, I award costs to the applicant on the following basis:

Reviewing the Notice of Opposition and filing a counterstatement:	£400
Preparing evidence and considering the opponent's evidence:	£900

Written submissions:	£400
Total:	**£1700**

90. I order Continental Wine & Food Limited to pay to Peter Herres Wein-und Sektkellerei GmbH the sum of **£1700**. This sum is to be paid within twenty one days of the expiry of the appeal period or within twenty one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 14th day of January 2020

C J BOWEN
For the Registrar

Annex

Section 5(3) of the Act – case law

The relevant case law can be found in the following judgments of the Court of Justice of the European Union ("CJEU"): Case C-375/97, *General Motors,* Case 252/07, *Intel,* Case C-408/01, *Addidas-Salomon,* Case C-487/07, *L'Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora.* The law appears to be as follows:

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors, paragraph 24.*

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; G*eneral Motors, paragraph 26.*

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman, paragraph 29* and *Intel, paragraph 63.*

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph*

68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79.*

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77.*

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74.*

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and*

Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure).

In *General Motors,* Case C-375/97, the CJEU held:

> "25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.
>
> 26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.
>
> 27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.
>
> 28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it."

In Case C-408/01, *Adidas-Salomon,* the CJEU held:

> "28. The condition of similarity between the mark and the sign, referred to in Article 5(2) of the Directive, requires the existence, in particular, of elements of visual, aural or conceptual similarity (see, in respect of Article 5(1)(b) of the Directive, Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23 in fine, and

Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraphs 25 and 27 in fine).

29. The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23)."

Unfair advantage

In *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) Arnold J. considered the earlier case law and concluded:

"80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill."

However, I also note that more recently, in *Argos Limited v Argos Systems Inc* [2018] EWCA Civ 2211, Floyd LJ (with whom Lord Kitchen and Sir Colin Rimer agreed) stated:

> "108. That brings be to the central question of whether ASI's use of the sign ARGOS in relation to the service of provision of advertising space took unfair advantage of the trade mark. I reject Mr Mellor's contention that, in a case such as the present, unfairness is established by the fact of economic advantage and no more. So to hold would be to empty the word "unfair" of any meaning.
>
> Like the Court of Appeal in *Whirlpool* I do not consider the effect of the CJEU's judgment in *L'Oreal* to go that far."

Detriment to repute - tarnishing

In *Unite The Union v The Unite Group Plc* , Case BL O/219/13, Ms Anna Carboni as the Appointed Person considered whether a link between an earlier mark with a reputation and a later mark with the mere potential to create a negative association because of the identity of the applicant or the potential quality of its goods/services was sufficient to found an opposition based on detriment to reputation. She said:

> "46. Indeed, having reviewed these and other opposition cases, I have not found any in which the identity or activities of the trade mark applicant have been considered in coming to a conclusion on the existence of detriment to repute of an earlier trade mark. I can understand how these matters would form part of the relevant context in an infringement case, but I have difficulty with the notion that it should do so in an opposition. After all, many, if not most, trade mark applications are for trade marks which have not yet been used by the proprietor; some are applied for by a person or entity that intends to license them to a third party

rather than use them him/itself; and others are applied for by an entity that has only just come into existence.

47. I do not exclude the possibility that, where an established trading entity applies to register a mark that it has already been using for the goods or services to be covered by the mark, in such a way that the mark and thus the trader have already acquired some associated negative reputation, perhaps for poor quality goods or services, this fact might be taken into account as relevant "context" in assessing the risk of detriment to repute of an earlier trade mark. Another scenario might be if, for example, a trade mark applicant who was a known Fascist had advertised the fact prior to the application that he was launching a new line of Nazi memorabilia under his name: I can see how that might be relevant context on which the opponent could rely if the goods and services covered by the application appeared to match the advertised activities. But I would hesitate to decide an opposition on that basis without having had confirmation from a higher tribunal that it would be correct to take such matters into account."

Detriment to distinctive character - dilution

In *Environmental Manufacturing LLP v OHIM,* Case C-383/12P, the CJEU stated:

"34. According to the Court's case-law, proof that the use of the later mark is, or would be, detrimental to the distinctive character of the earlier mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered, consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future (*Intel Corporation*, paragraphs 77 and 81, and also paragraph 6 of the operative part of the judgment).

35. Admittedly, paragraph 77 of the *Intel Corporation* judgment, which begins with the words '[i]t follows that', immediately follows the assessment of the weakening of the ability to identify and the dispersion of the identity of the earlier mark; it could thus be considered to be merely an explanation of the previous paragraph. However, the same wording, reproduced in paragraph 81 and in the operative part of that judgment, is autonomous. The fact that it appears in the operative part of the judgment makes its importance clear.

36. The wording of the above case-law is explicit. It follows that, without adducing evidence that that condition is met, the detriment or the risk of detriment to the distinctive character of the earlier mark provided for in Article 8(5) of Regulation No 207/2009 cannot be established.

37. The concept of 'change in the economic behaviour of the average consumer' lays down an objective condition. That change cannot be deduced solely from subjective elements such as consumers' perceptions. The mere fact that consumers note the presence of a new sign similar to an earlier sign is not sufficient of itself to establish the existence of a detriment or a risk of detriment to the distinctive character of the earlier mark within the meaning of Article 8(5) of Regulation No 207/2009, in as much as that similarity does not cause any confusion in their minds.

38 The General Court, at paragraph 53 of the judgment under appeal, dismissed the assessment of the condition laid down by the *Intel Corporation* judgment, and, consequently, erred in law.

39. The General Court found, at paragraph 62 of the judgment under appeal, that 'the fact that competitors use somewhat similar signs for identical or similar goods compromises the immediate connection that the relevant public makes between the signs and the goods at issue, which is likely to undermine the earlier mark's ability

to identify the goods for which it is registered as coming from the proprietor of that mark'.

40. However, in its judgment in *Intel Corporation*, the Court clearly indicated that it was necessary to demand a higher standard of proof in order to find detriment or the risk of detriment to the distinctive character of the earlier mark, within the meaning of Article 8(5) of Regulation No 207/2009.

41. Accepting the criterion put forward by the General Court could, in addition, lead to a situation in which economic operators improperly appropriate certain signs, which could damage competition.

42. Admittedly, Regulation No 207/2009 and the Court's case-law do not require evidence to be adduced of actual detriment, but also admit the serious risk of such detriment, allowing the use of logical deductions.

43. None the less, such deductions must not be the result of mere suppositions but, as the General Court itself noted at paragraph 52 of the judgment under appeal, in citing an earlier judgment of the General Court, must be founded on 'an analysis of the probabilities and by taking account of the normal practice in the relevant commercial sector as well as all the other circumstances of the case'."

The required change in economic behaviour may be inferred. In *32Red Plc v WHG (International) Limited and others* [2011] EWHC 665 (Ch), Henderson J. held that a change in consumers' economic behaviour could be inferred from the inherent probabilities of the situation. He said:

"133. Is there evidence of a change in economic behaviour brought about by the use of the Vegas signs? In the nature of things, direct evidence of such a change is likely to be hard to find in cases of the present type, although Mrs F provides a suggestive example of a customer who was nearly persuaded to change her

allegiance as a result of a perceived connection between 32Red and 32Vegas. However, I see no reason why I should not have regard to the inherent probabilities of the situation, and in particular to the contrast between the marketing models of the two casinos. The similarity of their names, and the fact that 32Vegas was always operated as one of a number of linked casinos on the carousel model, lead me to conclude that an average online gambler would have been far readier to switch his allegiance from 32Red to 32Vegas, or to play with 32Vegas in the first place, than he would have been in the absence of such similarity. These are changes in economic behaviour, and I am satisfied on the balance of probabilities that such changes are likely to have occurred to a significant extent."

Section 5(4)(a) of the Act – case law

In *Discount Outlet v Feel Good UK,* [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

"55. The elements necessary to reach a finding of passing off are the 'classical trinity' of that tort as described by Lord Oliver in the Jif Lemon case (Reckitt & Colman Product v Borden [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether *"a substantial number"* of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21)."