O/0393/24

TRADE MARKS ACT 1994

IN THE MATTER OF INTERNATIONAL REGISTRATION NO. WO0000001667245 IN THE NAME OF AZIENDA AGRICOLA SAN SALVATORE DI PAGANO GIUSEPPE

FOR THE FOLLOWING TRADE MARK:

IN CLASSES 29 and 33

AND

IN THE MATTER OF OPPOSITION THERETO UNDER NO. 436661

BY PAULANER BRAUEREI GRUPPE GMBH & CO. KGAA

BACKGROUND AND PLEADINGS

1. Azienda Agricola San Salvatore Di Pagano Giuseppe ("the holder") is the holder of the International Registration shown on the cover page of this decision ("the IR"). The IR was registered on 11th April 2022 and, with effect from the same date, the holder designated the UK as a territory in which it seeks to protect the IR under the terms of the Protocol of the Madrid Agreement. The IR is derived from the holder's EU Trade Mark number 018580045, and enjoys a priority date of 18th October 2021. The IR was accepted and published in the Trade Marks Journal for opposition purposes on 15th July 2022 in respect of the following goods:

   Class 29: *Jams; tomato preserves; milk; milk substitutes; oils for food.*

   Class 33: *Wine; spirits [beverages].*

2. On 5th October 2022, Paulaner Brauerei Gruppe GmbH & Co. KGaA ("the opponent") opposed the IR based on Section 5(2)(b) of the Trade Marks Act 1994 ("the Act"). The opposition is directed against:

   Class 33: *Wine; spirits [beverages].*

   The opponent relies upon the earlier mark:

UK00001057866

SALVATOR

Filing date: 23rd January 1976, Registration date: 23rd January 1976

Relying upon the following goods:
Class 32: *Beer.*

3. The opponent's mark qualifies as an "earlier trade mark" in accordance with Section 6 of the Act, as its filing date is earlier than the priority date of the holder's mark. Despite the opponent's earlier mark having been registered for more than five years, the holder did not ask the opponent to provide proof of use. The opponent is therefore entitled to rely on its mark in respect of the goods for which it is registered.

4. Under Section 5(2)(b), the opponent claims that there is a likelihood of confusion, including a likelihood of association, on the basis that:
    - The contested mark replicates its earlier mark in its entirety.
    - The marks are highly similar from a visual and phonetic perspective, and conceptually identical.
    - The goods are highly similar because they are in competition, marketed through the same channels and sold by the same retailers.
    - Its earlier mark possesses an enhanced level of distinctive character.

5. The holder filed a counterstatement and defence denying the claims made. This included the following:
    - The holder's mark is a complex mark and is visually different due to its figurative element and the presence of the additional word "SAN".
    - The holder's mark is phonetically "substantially dissimilar".
    - No conceptual similarity exists between the trade marks.
    - The relevant public considers it normal that 'beers' and 'wine' commonly come from different undertakings and is perfectly capable of distinguishing 'wine' from 'beer'.
    - The comparison of the goods of the holder's trade mark with the goods of the earlier trade mark does not reveal any similarity, nor the existence of any complementary or indispensable relationship.

6. In these proceedings, the opponent is represented by Taylor Wessing LLP and the holder by London IP Ltd.

EVIDENCE AND SUBMISSIONS

7. The opponent filed evidence in the form of the witness statement from Julia King, dated 16th June 2023, which is accompanied by five exhibits. Ms King is a chartered trade mark attorney for the opponent's representative. Her evidence covers the production quantities of the opponent's business and examples of producers who appear to manufacture across the different goods within classes 32 and 33. For example, wine makers who also produce beers and cider makers who also produce gin. It also includes examples of cocktail recipes which combine beer and spirits and a copy of a recent European Union Intellectual Property Office ("EUIPO") decision which it describes as "persuasive case law". The holder did not file evidence.

8. No hearing was requested and so this decision is taken following a careful perusal of the papers. The holder filed brief written submissions in response to the opponent's evidence. Only the opponent filed written submissions in lieu of a hearing (dated 26th September 2023) which will not be summarised but will be referred to as and where appropriate during this decision.

PRELIMINARY ISSUES

9. Some important points are apparent from the statement of grounds and written submissions which I intend to address before going any further into the merits of this opposition.

"State of the register"

10. In its submissions, the opponent draws my attention to existing trade marks beginning with the prefix "SAN" that are registered for goods in classes 32 and 33.[1] It provides eight examples to illustrate this point and asks for judicial notice to be taken on "the sheer number" of marks registered which it deems:

> "demonstrates the common and genericised nature of the prefix SAN within UK trade marks in classes 32 and 33."

[1] See paragraphs 16 and 41 of the opponent's submissions dated 26 September 2023.

11. However, this has no bearing on the decision I must make. I refer the opponent to the decision of the General Court of the European Union ("GC") in *Zero Industry Srl v OHIM*, Case T-400/06, where it was stated at paragraph 73:

> "As regards the results of the research submitted by the applicant, according to which 93 Community trade marks are made up of or include the word 'zero', it should be pointed out that the Opposition Division found, in that regard, that '… there are no indications as to how many of such trade marks are effectively used in the market'. The applicant did not dispute that finding before the Board of Appeal but none the less reverted to the issue of that evidence in its application lodged at the Court. It must be found that the mere fact that a number of trade marks relating to the goods at issue contain the word 'zero' is not enough to establish that the distinctive character of that element has been weakened because of its frequent use in the field concerned".

12. The existence of these registered marks provides no information regarding their actual usage in the marketplace or how these marks are perceived by the relevant average consumer. Their existence will not have any bearing on whether there exists a likelihood of confusion between the applied for mark and the opponent's earlier mark.

Actual use of the marks

13. In its counterstatement, the holder states that the average consumer will "certainly not be able to fall into confusion between the trademark [*sic*] of the applicant and that of the opponent". It goes on to provide images comparing the bottling and labelling use on examples of the holder's and opponent's actual goods, in an attempt to demonstrate this point. If the holder wanted this taken into account, it should have been filed as evidence. However, even if this has been the case, this evidence is immaterial, so far as the use of the applied-for mark is concerned. In *O2 Holdings Limited, O2 (UK) Limited v Hutchison 3G UK Limited* (Case C-533/06), the Court of Justice of the European Union ("CJEU") stated at paragraph 66 of its judgment that, when assessing the likelihood of confusion in

the context of registering a new trade mark, it is necessary to consider all the circumstances in which the mark applied for might be used if it were registered. As a result, my assessment must take into account only the applied-for mark (and its specification) and any potential conflict with the earlier trade mark. Any differences between the actual goods provided by the parties, or differences in their trading styles, are not relevant unless those differences are apparent from the applied for and registered marks.

DECISION

Section 5(2)(b)

Section 5(2)(b) of the Act is as follows:

> "A trade mark shall not be registered if because–
>
> …
>
> (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,
>
> there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

Section 5A states:

> "Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only."

14. In considering the opposition under this section, I am guided by the following principles which are taken from the decisions of the Court of Justice of the European Union ("CJEU") 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 Office for Harmonisation in the Internal Market (Trade Marks and Designs)*

("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:[2]

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. The average consumer is deemed to be reasonably well informed and reasonably circumspect and observant, but someone who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them they have kept in their 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;

[2] The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

(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; and

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

COMPARISON OF GOODS AND SERVICES

15. It is settled case law that I must make my comparison of the goods and services on the basis of all relevant factors. In the judgment of the CJEU in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

"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."

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.

16. Additionally, in *Gérard Meric v Office for Harmonisation in the Internal Market,* Case T- 133/05, the General Court of the European Union ("GC") stated that:

"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."

17. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the 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."

18. The goods to be compared are:

The holder's goods:	**The opponent's goods:**
Class 33: *Wine; spirits [beverages].*	Class 32: *Beer.*

19. Both sides have cited previous Registry decisions involving either the same parties, or what they consider to be similar circumstances. The opponent has directed me to a previous UK IPO decision where goods in classes 32 and 33 were found to be very similar. It has also directed me (and cited at Exhibit JK5) a previous EUIPO decision between the holder and opponent. The holder has quoted a decision from the Italian Patent and Trade Mark Office. These are noted but are none binding upon me nor of strong persuasive value. There is, however, pertinent case law comparing alcoholic beverages which I will cover below.

20. In addition to the case law cited at paragraphs 15-17 above, two further GC cases are particularly relevant and instructive when dealing with the issue of whether certain alcoholic beverages are similar. This includes T-175/06 *Coca-Cola v OHIM* ("*Coca-Cola*") (which is referenced in the holder's counterstatement) where the GC dealt with a comparison between beer (and ale

and porter) and wine, and Case T-430/07 *Bodegas Montebello, SA v OHIM* ("*Bodegas Montebello*"), which compared wine and rum.[3]

21. In *Coca-Cola*, the GC acknowledged, with respect to the nature, end users and method of use, that the goods constitute alcoholic beverages obtained by a fermentation process and consumed during a meal or as an aperitif. However, it concluded that the basic ingredients of beer and wine do not have anything in common (the alcohol element being a result of each's production process) and that the method of production for each (even if including fermentation) were still "fundamentally different" leading to end products which differed in terms of colour, aroma and taste. Even with some overlap in purpose and use, it is these differing features, the GC ruled, that leads the relevant consumer to perceive the two products as different. With respect to complementarity, it went on to find that neither were indispensable nor important to the use of the other, though did accept a degree of "mutual substitutability" and thus competition (insofar as this applies to wines which are the most accessible to the public at large).[4] The GC deemed the average (in this case, Austrian) consumer will consider it normal for wines and beers to come from different undertakings and that these goods do not belong to the same family of alcoholic beverages. Overall, it concluded that there is little similarity between wines and beers.

22. *Bodegas Montebello* uses the much of the same approach as that taken in *Coca-Cola*, especially in terms of the consideration given to ingredients and production methods in the comparison between alcoholic goods. Here, the GC (for wine making and rum production) came to the same conclusion as in *Coca-Cola,* in that the differing processes leads to final products that differ in taste, colour and fragrance, and essentially, the consequence of this is that the relevant public perceives the resulting goods as being different. Regarding use of goods, it concluded that wines and rum were consumed on different occasions (wines being served as an accompaniment to a meal but this not, as a general rule,

[3] In particular, see paragraphs 63-70 of *Coca-Cola v OHIM* and paragraphs 29-32 of *Bodegas Montebello, SA v OHIM*.
[4] Paragraph 68 of *Coca-Cola v OHIM*.

being applicable to rum) and that the alcoholic content of wine and rum were "manifestly different".

23. Considerations regarding proximity of sale were not referenced in *Coca-Cola*, though they did form part of the analysis in *Bodegas Montebello*, with the GC finding that, even where they might share distribution channels, they will not generally be sold on the same shelves. Finally, it found no complementarity or competition.

24. Shared distribution channels were also a factor considered by Mr Geoffrey Hobbs QC (as he then was), sitting as the Appointed Person, in *Balmoral Trade Mark* [1999] RPC 297 in which he compared whisky to wine (for identical marks):

> "At the heart of the argument addressed to me on behalf of the application is the proposition that whisky and wines are materially different products which emanate (and are known to emanate) from producers specialising in different and distinct fields of commercial activity. This was said to render it unlikely that a producer of whisky would become (or be expected to become) a wine producer and unlikely that a producer of whisky who did become a wine producer would market (or be expected to market) his whisky and wines under the same trade mark. I was urged to accept that this made it possible for one producer to use a mark for whisky and another producer to use the same mark concurrently for wines without any real likelihood of confusion ensuing. I am willing to accept that wine production and the production of whisky are activities which call for the exercise of perceptibly different skills directed to the production of qualitatively different alcoholic drinks. It may be the case that few undertakings produce both whisky and wines and it may be the case that the same trade mark is seldom used to signify that whisky and wines emanate from one and the same producer. However, I am not able to say on the basis of the materials before me whether there is any substance in either of those points. Beyond that, I consider that the arguments advanced on behalf of the holder over-emphasise the part played by producers and under-emphasise the part played by other traders in the business of buying and selling whisky and wines. It is common to find whisky and wines bought

and sold by merchants whose customers expect them to stock and sell both kinds of products. Many such merchants like to be known for the range and quality of the products they sell. The goodwill they enjoy is affected by the judgment they exercise when deciding what to offer their customers. In some cases the exercise of judgment is backed by the use of “own brand” or “merchant-specific” labelling. Those who supply retail customers may be licensed to do so under an “off-licence” or a licence for “on and off sales” in appropriate circumstances. It is not unusual for resellers of whisky and wines to be suppliers of bar services as well. When the overall pattern of trade is considered in terms of the factors identified by Jacob J. in the *British Sugar* case (uses, users and physical nature of the relevant goods and services; channels of distribution, positioning in retail outlets, competitive leanings and market segmentation) it seems clear to me that suppliers of wines should be regarded as trading in close proximity to suppliers of whisky and suppliers of bar services. In my view the degree of proximity is such that people in the market for those goods or services would readily accept a suggestion to the effect that a supplier of whisky or bar services was also engaged in the business of supplying wines.”

25. Thus, the main factors in the comparison of alcoholic beverages are weighted slightly differently in the two GC decisions and *Balmoral*. The main observations and principles established by these cases may be summarised as follows:
    - The GC cases emphasise the different ingredients, methods of production and resulting end products, in particular the different aromas, colours and tastes of the drinks.
    - *Balmoral* cautions against focussing too heavily on these factors and the part played by producers and looked, instead, at who will be selling the goods.
    - In *Coca-Cola*, the GC did not refer to proximity of sale or distribution channels for wine and beer.
    - In *Bodegas Montebello*, it was acknowledged that that wine and rum might share distribution channels, but that they will not generally be sold on the same shelves. Instead, more emphasis was given to the alcoholic content, methods of production and the resulting features of the end product.

- In *Coca-Cola*, the GC considered that wine and beer were not complementary, but that there was a certain amount of competition. *Bodegas Montebello* found no complementarity or competition between wine and rum. Competition does not feature in the *Balmoral* comparison.

26. I will also make a final observation on another key difference across these cases which relates to the applicable relevant public, a point that has been highlighted in the following decisions before the Appointed Person – CALEDONIAN (B/L O/382/16) and MONT BLANC WHISKY (B/L O/693/19). The GC cases cited above are not specific to the UK average consumer, whereas *Balmoral* (albeit much older) is based on the British market in 1998 and where the circumstances were deemed slightly different to that assessed by the GC, insofar as wine versus whisky.

Comparison between wine and beer

27. The holder's counterstatement asserts "it is well-known that beer and wine are completely different in nature (composition), production process, and bottling" and relies on the principles found in *Coca-Cola.*[5] It states the differing production methods: "beer is obtained from the fermentation of wort prepared from barley malt and water, bittered with hops" versus wine which "is obtained from the fermentation of fresh, or slightly dried, grape must by the action of certain ferments known as saccharomyces." Further that "the crushing of the grapes and the depositing of the must in barrels have nothing to do with the brewing process" and that these differing methods "generates end products that differ in colour, aroma and taste" the consequence being "that the relevant consumer perceives the two products in question as being of a different nature". On complementarity, it states there is "no indispensability/essentiality relationship between them in the sense that the goods can but need not be used together".

28. The opponent's submissions also goes to production methods but states that "while, in the past, their respective methods of production may have

[5] See section 2.1 of holder's defence.

differed…beers may now be produced through the fermentation of grapes and utilising processes similar to wine making".[6] It further asserts that it has "become increasingly common for winemakers to produce beers and for beer- and cider-makers to produce spirits" and "any differences that may have previously existed between beers, wines and spirits… due to their manufacturing process, do not now exist given the wide-ranging methods currently employed in the production of beer". It sees the result of this being that the marketplace "no longer places silos" between specific types of alcoholic beverages which can "blur the boundaries" between these goods, and that they are therefore highly similar.

29. On the evidence before me, I cannot find anything to support the opponent's assertion that beers can now be produced via processes akin to wine making. Exhibit JK2 provides two sources regarding the same winemaker creating a beer "re-fermented with Champagne yeast". This is not expanded on further, however use of one ingredient affiliated with Champagne it is not analogous to beer being produced "through the fermentation of grapes and using processes similar to wine making", as asserted in the opponent's submissions. The news article within Exhibit JK2 states the approach will "bring a winemaker's touch" but otherwise, the beer producing methods referenced are still very much described as a "brewing process".[7] With regards to Exhibit JK2 demonstrating that winemakers are increasingly diversifying into beer production, the evidence provided fails to demonstrate that this is a common occurrence in the sector, especially to the extent that the average consumer would no longer typically perceive these two alcoholic beverages as originating from different undertakings.

30. The opponent also addresses the intended purpose of the goods: that they are all consumed by adults during a meal or drunk as an aperitif, to enjoy the taste and effects of alcohol. Finally, it asserts that the goods are highly similar due to this shared purpose, as well as shared retail premises, shared consumers, and being in competition with each other.

[6] See paragraphs 33 and 34 of opponent's written submissions.
[7] See page 10 of Exhibit JK2.

31. I agree with the opponent's submissions regarding the overlapping purposes, users and distribution channels of wine and beer. They are both alcoholic drinks which can be obtained from a fermentation process and consumed for social purposes and/or the intoxicating effects of alcohol. They are sold in similar outlets such as off-licences and the drinks area of a supermarket (and their online equivalents), and also in restaurants and bars. I also agree that there is a degree of competition between these goods in that, on occasion, some average consumers will make a choice between drinking beer or wine. However, I do not agree with the assertion that this leads to a finding of high similarity. As indicated in the case law above, the properties (e.g. colour, aroma and taste) of the products themselves are also important, especially with regards to how they are perceived by the relevant consumer. Referencing back to *Coca-Cola,* I have no reason to believe the UK public will differ from the Austrian public in this regard. The ingredients differ, with wine being a grape based drink and beer the product of barley/malt. The alcohol content generally differs between beer and wine, which leads to wine being consumed in smaller quantities than beer; though I note that this point is not as stark a difference as between beer and a spirit. In a retail outlets, the goods will not ordinarily be on the same shelf, and often not in the same aisle. Even if located in close proximity, there is normally a clear demarcation between the wine and beer areas. The goods are sold in different types of packaging: wine is sold most often in typical wine bottles, although sometimes in small cans or even boxes; it will be served in a wine glass in a restaurant or bar. Beer is typically sold in larger cans (than wine) or beer bottles. In a restaurant or bar it will be served in a pint or half pint glass (or beer bottle). Further, wine is neither indispensable nor important for the use of beer and vice versa.

32. On balance, based on the totality of the authorities, evidence and submissions before me, I conclude that the wine and beer are similar to a low degree.

Comparison between spirits and beer

33. In terms of the similarity between these goods, in its counterstatement the holder addresses beer and spirits, stating that they are of a different nature since "they generally contain a significantly different percentage of alcohol, are served in different containers and or made with different basic ingredients." I agree with these considerations and this finding is consistent with the caselaw cited above and the *Collins English Dictionary* which provides the following definition:

    "spirits are strong alcoholic drinks such as whiskey and gin".[8]

34. The opponent relies on the same arguments as summarised at paragraph 28 in terms of the assertion that production methods have evolved over time and producers have diversified, diluting the differences between the different alcoholic beverages. Exhibit JK3 has been provided as examples of beer and cider makers which also produce other types of alcoholic beverages. A number of sources relate to producers outside the UK and are therefore not relevant. From the acceptable examples provided, whilst it demonstrates examples of producers manufacturing these different types of alcoholic goods, it does not demonstrate that it is common or widespread among beer (or cider) makers to go into spirit production, especially to the extent that the relevant consumer would expect this to occur. Linked to this, some of the examples provided in Exhibit JK3, whilst showing beer or cider makers producing a spirit, vary in whether both products are marketed to the consumer under the same brand. This will impact whether the consumer makes the association of these different alcoholic beverages being from the same undertaking, and/or an expectation of them doing so.

35. The opponent's Exhibit JK4 provides examples of beer cocktails "which combine beer with spirits, liquors and soft drinks". This is not elaborated on further in the corresponding witness statement or submissions, therefore it is not clear what it is intended to demonstrate. If this is an attempt at establishing complementarity between beer and spirits, in light of them possibly being mixed and consumed together, then I bear in mind the GC's decision at T-584/10 *Yilmaz v OHIM* which

[8] From collinsdictionary.com accessed 21 March 2024.

compared beer and a spirit (tequila). Here, the GC applied the approach from *Coca-Cola*, as well as specifically (at paragraph 55) considering use as ingredients in cocktails:

> "The existence of alcoholic cocktails which mix beer with other alcohol, in particular tequila, does not remove the differences between the goods referred to above, since it is true of many drinks which are not similar (see, to that effect, as regards rum and cola, Case T-296/02 *Lidl Stiftung v OHIM - REWE-Zentral (LINDENHOF)* [2005] ECR II-563, paragraph 57)"

36. Turning to my assessment on the similarity between beer and spirits, I note that beer and spirits are very different in relation to taste, colour, smell, alcoholic content and the measures in which they are sold. As covered previously, beer is sold in bottles and cans or by the pint/half pint in the UK, whereas spirits are typically sold in much smaller measures in bars, commensurate with their higher alcoholic content. I also bear in mind that beer is generally drunk without modification, whereas spirits are typically consumed in combination with another component, e.g. with tonic water in the case of gin, or with a fruit juice or mixer, as is the case with vodka.[9] However, I am mindful that some spirits may still be served and consumed 'neat', for example whisky or tequila. Spirits are sold in varying sizes of bottles in shops, but would not usually be drunk in the same quantity as is the case for beer. The goods are sold in different areas of shops and bars and even where they share distribution channels or merchants, they will not generally be sold on the same shelves and the relevant areas would be demarcated. With respect to use, in my experience (and I have no evidence to suggest otherwise) wine can be typically consumed as an accompaniment to a meal, whilst spirits are not as readily served in this manner. Therefore, they are more likely to be consumed on different occasions. I consider that the element of competition between beer and spirits is less than that between beer and wine. For example, that a choice is more likely to be made between drinking wine and beer, e.g. when dining out, than between drinking beer and spirits.

[9] This point is referenced on page 19 of Exhibit JK3.

37. For spirits and beer, based on the totality of the authorities, evidence and submissions before me, I consider that these goods are similar to a very low degree.

The average consumer and the nature of the purchasing act

38. In my experience, the opponent's goods (beer) and the contested goods (wine and spirits) are sold through a various of channels including restaurants, bars and public houses. They are also commonly sold in supermarkets, off licences and their online equivalents. Certain goods, such as wine or some spirits (like whisky) may be sold by more specialist establishments and merchants. In restaurants, bars and public houses, the goods are likely to be on display, for example, in bottles (wine), bottles or cans (beer) or in bottles and optics (spirits) behind the bar, or on drinks menus, where the trade mark will be visible. While I do not discount that there may be an aural component in the selection and ordering of the goods in bars, restaurants and public houses, this is likely to take place after a visual inspection of the bottles or drinks menu (see *Simonds Farsons Cisk plc v OHIM*, Case T-3/04 (GC)). In retail premises, the goods at issue are likely to be displayed on shelves, where they will be viewed and self-selected by the consumer. A similar process will apply to websites, where the consumer will most likely select the goods having viewed an image displayed on a web page. I am therefore of the view that the selection of the goods at issue will be primarily visual, although aural considerations may play a part.

39. The users are adult members of the general public and the goods are consumed for a social or pleasurable drinking experience, which may include the intoxicating effects of alcohol. While there may be outliers (for example, rare wines or exclusive/collectible spirits) I consider that, in general, these goods are not inordinately expensive. However, whether selecting the goods in retail or in a licensed premises, the average consumer will choose a particular type, price point, flavour or strength of beverage according to their preferences. Consequently, the average consumer will, in my view, pay an average degree of

attention to the selection of the goods.

Comparison of the marks

40. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

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

41. It would be wrong, therefore, to dissect the marks artificially, although it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

42. The respective marks are shown below:

Holder's mark	Opponent's mark
	SALVATOR

43. I have detailed submissions from both parties in respect of the comparison of the marks at issue. I do not consider it necessary to reproduce them in full here, however, I confirm that I have taken them into account in making the following comparison and will reference them as necessary.

Overall Impression

44. The opponent's mark is a word only mark comprising the capitalised text "SALVATOR", in which the overall impression resides.

45. The holder's mark consists of the words "SAN SALVATORE" in black capitalised font. To the lefthand side is a device of an animal, which the holder describes as a bison, though in my view could also be perceived as a bull. The eye is naturally drawn to the element of the mark that can be read and the mark will be referred to using the word elements. However, the device is substantial in size, with considerable impact, and will not be ignored by the average consumer. I find that both elements in the holder's marks make an important contribution to their overall impression and roughly equally so.

Visual Similarity

46. The earlier mark "SALVATOR" is replicated entirely within the holder's mark, however the holder's mark differs through the addition of an "E" at the end of "SALVATOR" and the presence of the word "SAN" at the beginning. These have no counterparts in the earlier mark. The holder's mark features the bison device which is not present in the earlier mark. Taking all of this into account and bearing in mind the overall impression of the marks, I am of the view that the marks are visually similar to between a low to medium degree.

Aural Similarity

47. The marks differ in their length of pronunciation. The earlier mark will be pronounced "SAL-VA-TOR". The opponent submits that the additional "E" at the

end of the holder's mark would make no difference to its pronunciation, since UK consumers "tend not to create an additional syllable from the single letter "E"" and therefore that "SALVATOR"/"SALVATORE" would be expressed identically across the two marks.[10] Were this the case, the holder's mark would be expressed with four syllables as "SAN-SAL-VA-TOR". However, the opponent has provided no evidence to support its assertions regarding pronunciation of the letter "E" by the UK consumer. The holder has not addressed pronunciation of the final "E", other than it being "certainly different" form the final "R" in the earlier mark. In my view, I consider it equally likely that the holder's mark would be expressed with four or five syllables – the latter being "SAN-SAL-VA-TOR-RAY". The device in the holder's mark will not be verbalised. Overall, I consider the marks aurally similar to a medium degree.

Conceptual Similarity

48. There is common ground between both parties with respect to the concept conveyed by the earlier mark, with the opponent submitting that the average UK consumer may recognise "SALVATOR" as "connoting the Spanish or Italian word 'saviour'". The holder caveats this slightly in its view that the "part of the relevant public familiar with the Latin and English language" would recall saviour or messiah. I disagree on this point. While I think that the average relevant consumer may recognise "SALVATOR" as a foreign word, potentially deriving, or allusive, of Italian or Spanish origin, I do not consider that they would have sufficient knowledge of either language (or Latin) to define this as meaning saviour or messiah. I have also considered whether the relevant consumer would typically recognise the English word 'salvation' in "SALVATOR" in order to reach the concept suggested by the parties, but my view is that this association would not naturally be made.

49. I also dismiss both sides' submissions regarding "SAN SAVATORE" for the same rationale, i.e. the opponent's assertions that this references "holy saviour" and the holder's that this conveys the name of a saint. In my view, the relevant public

[10] Paragraph 21 of the opponent's submissions.

may recognise “SAN SALVATORE” as words deriving/allusive of Italian or Spanish origin but will not attribute any definitive meaning to them. Instead, I consider it likely that the average consumer, familiar with use of “SAN” as a component term used in well-known city names such as ‘San Francisco’, ‘San Salvador’ and ‘San Sebastian’, will perceive “SAN SALVATORE” as a geographical reference. The stylised bull/bison in the holder’s mark provides an additional conceptual element in the holder’s mark evoking agriculture and/or Hispanic and Spanish culture, such as bullfighting.

50. To summarise, I consider that the words themselves have no direct conceptual meaning but may allude to Italian/Spanish origins. The holder’s mark provides the additional concept of a geographical or locational reference (which does not apply to the earlier mark) through the use of the word “SAN” prior to “SALVATORE”. The figurative animal device in the holder’s mark provides a further conceptual element which evokes Spanish/Hispanic culture. Overall, the marks are conceptually similar to a slightly lower than medium degree.

Distinctive character of the earlier mark

51. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

> “22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR 1-2779, paragraph 49).
>
> 23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been

registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)."

52. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are descriptive or highly allusive of a characteristic of the goods, to those with high inherent distinctive character, such as invented words which have no allusive qualities.

53. The opponent claims an enhanced level of distinctive character, but has not filed evidence about the use it has made of its mark.[11] Exhibit JK1 provides an extract from the opponent's website however the only reference date is 16 June 2023 (the date the page was accessed) which is after the holder's priority date. This evidence provides a history of Paulaner beer and an overview of their business, including that the company produces 2 million hectolitres of beer per year, exported to over 70 countries worldwide. However, no detail is provided regarding the proportion of this which relates to the "SALVATOR" mark, its export to the UK or how this equates to a significant market share for the goods at issue in the UK. Consequently, I have only the inherent position to consider. The opponent's earlier mark consists of the word "SALVATOR" which is not descriptive for the relevant goods. Even though it may be recognised as a foreign word by the average consumer, it conveys no particular meaning to that audience, therefore the mark is of high inherent distinctiveness.

GLOBAL ASSESSMENT – conclusions on likelihood of confusion

54. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the

[11] See paragraph 12 of Form TM7.

average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods down to the responsible undertaking being the same or related.

55. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where 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 goods may be offset by a greater degree of similarity between the trade marks, and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the earlier mark, the average consumer for the goods and the nature of the purchasing act. In doing so, I must take into account the fact that the average consumer rarely has an opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

56. The holder's counterstatement and defence details how the contested mark is a "complex" mark, which is visually different from the earlier right due to the figurative element and presence of the additional word, "SAN". It argues that, while caselaw has found, in principle, that the verbal element has a stronger impact that a figurative one, in some cases a figurative element may occupy a position equivalent to that of the word element. It states that the figurative element (the stylised bull/bison) has a "significant impact" due to its size and positioning. It also focusses on how it is the first part of the mark (i.e. the "SAN") which usually attracts attention of the consumer reading from left to right and is therefore remembered more clearly compared to the rest of the sign.

57. The opponent's argument runs counter to this, stating that consumers will place more emphasis on the verbal elements than on the device, and then place more emphasis on the "SALVATORE" than the short prefix "SAN". When considered as two words in isolation, I consider that the average consumer would place more weight on the "SALVATORE" element of the holder's mark compared to the short prefix "SAN". However, this fails to acknowledge the geographical concept provided by the use of "SAN" in conjunction with "SALVATORE" (as addressed at paragraph 49 above). Whilst the average consumer would not know the

translation for either word (and would simply view them as foreign words), I consider that "SAN" would have a qualifying effect on "SALVATORE" to provide additional meaning and significance as a geographical or locational reference. This is especially so, in light of the goods being in relation to wine, where some form of geographical reference is customary. In terms of the figurative element, I disagree with the opponent (and agree with the holder) in that I consider the stylised bull/bison has impact on the overall impression of the mark. This is particularly so, since the average consumer will not derive any conceptual meaning from the words, beyond that they allude to or derive from a Spanish/Italian place. Therefore, I consider that the average consumer will also focus on the figurative element and the concept provided by the animal depiction. Thus the "SALVATORE" word element and figurative bull/bison will have equal weighting in the holder's mark. Further, the figurative bull/bison is not descriptive of the goods and is therefore highly distinctive when used in this context. Finally, in relation to the different components, the opponent claims that the animal device or "SAN" prefix of the holder's mark may be obscured from the average consumer's view by the curvature of the goods bottle and that, in these instances, the holder's mark will be even more similar to the earlier mark.[12] In response to this, I refer the opponent to *Huma Irfan Limited v Puma SE*, Case BL O/1146/23 where Mr Phillip Johnson as the Appointed Person, on considering evidence showing that part of the mark may be obscured in the marketplace, provided three reasons (at paragraph 10) why it would be wrong to take this into account when assessing likelihood of confusion:

> "First, it offends the rule that consumers normally perceive a mark as a whole. Secondly, it could lead to a host of permutations being considered to amount to notional use of a mark (both of the earlier mark and the mark being applied for). …Thirdly, allowing for partial obscurity would lead to perverse incentives for trade mark owners to promote the mark with parts of it obscured to broaden the scope of protection."

[12] Paragraph 40 of opponent's submissions.

58. In terms of my global assessment, the purchasing process is predominantly visual, an average level of attention will be paid by the average consumer and the marks are visually similar between a low to medium degree, aurally similar to a medium degree and conceptually similar to a slightly lower than medium degree. While the earlier mark is entirely contained within the contested mark, the holder's mark features the additional prefix "SAN" which, in conjunction with "SALVATORE" provides the additional, distinctive concept of a geographical reference. In the context of wine, this provides a different message to the average consumer, compared to the earlier mark which does not convey the geographical reference (as it does not feature the qualifying "SAN") and where the goods, beer, are not as commonly sold with a direct reference to locality. Additionally, the contested mark features the distinctive figurative element which provides equal impact to the wording on the overall impression of the mark. Due to this and the low, and very low, similarity found between the goods, I consider it unlikely that the marks will be mistakenly recalled or misremembered as each other. This remains so, even when taking into account the principle of interdependency (referenced in paragraph 55 above) and the enhanced distinctiveness of the earlier mark.

59. In relation to 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'.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

> (a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right ('26 RED TESCO' would no doubt be such a case).
>
> (b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as 'LITE', 'EXPRESS', 'WORLDWIDE', 'MINI' etc.).
>
> (c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension ('FAT FACE' to 'BRAT FACE' for example)".

60. These examples are, clearly, not intended to be an exhaustive list but illustrate some of the circumstances in which indirect confusion may arise. In *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ referred to the comments of James Mellor KC (as he then was), sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria* (O/219/16), where he said at [16] that "a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion". Arnold LJ agreed, pointing out that there must be a "proper basis" for concluding that there is a likelihood of indirect confusion where there is no likelihood of direct confusion.

61. Even if the average consumer recognises the visual/aural differences between the marks, and does not mistake one mark for the other, I still do not consider that there would be the expectation that the goods come from the same or economically linked undertakings. Even with the high distinctive character of the earlier mark, I consider that the low or very low degree of similarity between the goods, coupled with similarity ranging between low to medium between the

marks, means that the average consumer (e.g. if seeing both behind a bar) will attribute any similarity between the marks to coincidence, rather than economic connection. At best, there might be a calling to mind, but that is mere association not indirect confusion.

62. Consequently, I consider that there is no likelihood of indirect confusion between the contested IR and the earlier mark.

CONCLUSION

63. The opposition under section 5(2)(b) is dismissed, and the IR may be granted protection in the UK in respect of all goods.

COSTS

64. The holder has been successful and is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award the holder the sum of £800.00, calculated as follows:

Preparing a statement and considering the other side's statement	£300
Considering and commenting on the other side's evidence	£500
Total	**£800**

65. I therefore order Paulaner Brauerei Gruppe GmbH & Co. KGaA to pay Azienda Agricola San Salvatore Di Pagano Giuseppe the sum of **£800.00**. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 1st day of May 2024

C IRELAND
For the Registrar