

BL O/052/22

TRADE MARKS ACT 1994

**IN THE MATTER OF
TRADE MARK APPLICATION NUMBER 3536968
BY JL DRINKS LTD**

TO REGISTER THE TRADE MARK



IN CLASSES 32 & 33

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 423091
BY SB CONSORTIUM LIMITED**

Background and Pleadings

1. On 24 September 2020, JL Drinks Ltd (“the Applicant”) applied to register in the UK the trade mark shown on the cover page of this decision, under number 3536968 (“the contested mark”). The contested mark was published in the Trade Marks Journal for opposition purposes on 6 November 2020. Registration is sought for the following goods:

Class 32: Beer and brewery products; non-alcoholic beverages.

Class 33: Alcoholic beverages (except beer); wines; spirits; whisky; vodka.

2. On 5 February 2021, SB Consortium Limited (“the opponent”) filed a notice of opposition. The opposition is brought under Section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The Section 5(2)(b) ground is directed at the following goods in the application:

Class 32: Non-alcoholic beverages.

Class 33: Alcoholic beverages (except beer); wines; spirits; whisky; vodka.

3. The opponent relies upon the following two earlier registered UK trade marks:

- (i) 3504832: filing date 25 June 2020; registered 2 October 2020.



Relying on the following goods:

Class 33: Alcoholic beverages, except beer; Alcoholic beverages (except beer);Alcoholic beverages except beers; Alcoholic beverages (except beers); Alcoholic beverages [except beers]; Beverages (Alcoholic -), except beer; Beverages (Distilled -); Blended whisky; Bourbon whiskey; Grain-based distilled alcoholic beverages; Malt whisky; Scotch whisky; Spirits; Spirits [beverages]; Whiskey; Whiskey [whisky];Whisky.

(ii) 3536287: filing date 23 September 2020; registered 19 February 2021.

Peg

Relying on the following goods:

Class 33: Liqueurs; Malt whisky; Rum; Rum [alcoholic beverage];Scotch whisky; Scotch whisky based liqueurs; Spirits; Spirits [beverages]; Vodka; Whiskey; Whiskey [whisky]; Whisky; Wine; Wines; Beverages (Alcoholic -), except beer; Blended whisky; Bourbon whiskey; Brandy; Canadian whisky; Cider; Distilled spirits; Gin.

4. I will focus my assessment on the opponent's second earlier mark only, namely the word mark 'Peg' (3536287), on the basis that this mark presents the best prospect of success, returning to the earlier composite mark if necessary.

5. Given the respective filing dates, the opponent's mark is an earlier mark, in accordance with section 6 of the Act. However, as it has not been registered for five years or more at the filing date of the application, it is not subject to the proof of use requirements specified within section 6A of the Act. As a consequence, the opponent may rely upon all of the goods for which the earlier mark is registered without having to establish genuine use.

6. The opponent claims that the parties' marks are visually, phonetically and conceptually similar, for identical and highly similar goods, leading to a likelihood of confusion under Section 5(2)(b) of the Act.

7. The applicant accepts that the Class 33 goods contained in the earlier mark's specification are essentially identical to the Class 33 goods of the application and that the respective Class 32 goods are similar.¹ However, it rejects the grounds of opposition, stating that due to the descriptive nature of 'Peg' this component must be viewed as either very low or lacking in distinctiveness in relation to the goods at issue. I will return to this point later in the decision.

8. Only the applicant filed evidence. Both parties have been professionally represented throughout these proceedings; the opponent is represented by Sonder IP Limited and the applicant is represented by J P Mitchell Solicitors. Both parties were given the option of an oral hearing but neither requested to be heard on this matter. This decision is taken following a careful review of the papers before me, keeping all submissions in mind.

EVIDENCE

9. The applicant's evidence-in-chief included the witness statement of Mr James Mitchell, dated 13 October 2021, accompanied by eight exhibits (A through to H). Mr Mitchell describes himself as the principal in the firm of JP Solicitors. Mr Mitchell states that his statement is made on behalf of the Applicant and in defence of the application confirming that he is duly authorised to speak on behalf of the applicant in this matter adding that the facts in the statement come from both his personal knowledge of acting for the Applicant and from records and other documents of the Applicant which have been made available to him.

10. I do not propose to summarise the evidence and submissions here, however, I have taken it into consideration and will refer to it below where necessary.

11. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions

¹ Witness statement of James Mitchell, 13 October 2021

of the Act relied upon in these proceedings are derived from an EU Directive. That is why this decision continues to refer to EU trade mark case law.

Decision

Section 5(2)(b): Legislation and case law

12. Sections 5(2)(b) and 5A of the Act read as follows:

“5(2) 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”.

“5A 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.”

13. I am guided by the following principles which are gleaned from the decisions of the Court of Justice of the European Union (“CJEU”) courts *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:

(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 great 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 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

14. Section 60A of the Act provides:

“(1) For the purpose of this Act goods and services-

(a) are not to be regarded as being similar to each other on the ground that they appear in the same class under the Nice Classification.

(b) are not to be regarded as being dissimilar from each other on the ground that they appear in different classes under the Nice Classification.

(2) In subsection (1), the “Nice Classification” means the system of classification under the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, which was last amended on 28 September 1975.”

15. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* where the CJEU 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.”

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

“82 ... there is a close connection between [the goods], 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...”.

17. Additionally, the criteria identified in *British Sugar Plc v James Robertson & Sons Limited (“Treat”)* [1996] R.P.C. 281 for assessing similarity between goods and services also include an assessment of the channels of trade of the respective goods or services.

18. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) at [12] Floyd J said:

“... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. *Treat* was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining

the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

19. In *Gérard Meric v Office for Harmonisation in the Internal Market ('Meric')*, the 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".

20. For the purposes of considering the issue of similarity of goods or services, it is permissible to consider groups of terms collectively where they are sufficiently comparable to be assessed in essentially the same way and for the same reasons (see *Separode Trade Mark* (BL O/399/10), Mr Geoffrey Hobbs QC, sitting as the Appointed Person, and *BVBA Management, Training en Consultancy v. Benelux-Merkenbureau* [2007] ETMR 35 at paragraphs 30 to 38).

21. The competing goods are as follows:

Opponent's goods	Applicant's goods
Class 33: Liqueurs; Malt whisky; Rum; Rum [alcoholic beverage]; Scotch whisky; Scotch whisky based liqueurs; Spirits; Spirits [beverages]; Vodka; Whiskey; Whiskey [whisky]; Whisky; Wine; Wines; Beverages (Alcoholic -), except beer; Blended whisky; Bourbon whiskey; Brandy; Canadian whisky; Cider; Distilled spirits; Gin.	Class 32: Non-alcoholic beverages. Class 33: Alcoholic beverages (except beer); wines; spirits; whisky; vodka.

22. The applicant admits that the parties' class 33 goods are "essentially" identical. For the avoidance of doubt, they are identical because the applicant's *alcoholic beverages (except beer); wines; spirits; whisky* have direct counterparts in the opponent's specification, and the applicant's *vodka* is covered under the term *spirits* and is therefore encompassed by the opponent's broader term.

23. The applicant's *non-alcoholic beverages* cover a wide range of goods such as water, carbonated drinks and juices and also include non-alcoholic equivalents of the opponent's goods such as non-alcoholic spirits and non-alcoholic wines. As a result, there is an overlap in nature, intended purpose and method of use, as both are consumable liquids that will be drunk to quench thirst, for taste or enjoyment. The users of the goods will coincide with respect to the adult population, but I keep in mind that users of the applicant's goods will also include those under the age of 18, given that the applicant's goods cover non-alcoholic versions of the opponent's goods. There will also be an element of competition as the average consumer may choose, for example, for health reasons or lifestyle choices, the applicant's goods instead of the opponent's goods or vice versa. The distribution channels are also likely to overlap especially in a hospitality setting where the competing goods may be located in close proximity behind the bar or may appear on the same menu.

24. However, that said, there are also differences between alcoholic and non-alcoholic beverages, in that alcoholic beverages can only be sold by licensed establishments. Furthermore, in wholesalers and shops, alcoholic goods are usually situated on one shop aisle, whereas non-alcoholic products can be sold without restriction and are usually located in a separate aisle. Furthermore, alcoholic beverages can only be sold to those over the age of 18.

25. Additionally, whilst I acknowledge that non-alcoholic drinks may be used together with alcoholic drinks, such as mixers, e.g. fruit juice, tonic, cola and lemonade, etc., simply because these goods can be used together is not sufficient for a finding of complementarity as it does not mean that they are important or indispensable to one another in such a way that consumers will assume they are produced by the same undertaking. Furthermore, in my opinion, alcoholic and non-alcoholic beverages, insofar as mixer type drinks are concerned, are not typically produced by the same

undertakings and consumers would not assume that they are, simply because they are sometimes consumed together. In terms of alcoholic and non-alcoholic spirits and wines, etc., these goods may well be produced by the same undertaking. However, with regard to non-alcoholic drinks that are for the intended purpose of imitating alcoholic drinks such as alcohol free gin or alcohol free wine, , these would not be drunk with alcoholic beverages as that would defeat their intended purpose within the market. As such these drinks are more likely to be competitive in nature rather than complementary. Accordingly, I find the applicant's *non-alcoholic beverages* to be similar to the opponent's various alcoholic beverages to a low to medium degree.

The average consumer and the nature of the purchasing act

26. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: Lloyd Schuhfabrik Meyer, Case C-342/97.

27. *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.”

28. I am of the view that relevant consumers of the goods at issue will include adult members of the general public as well as members of the business community.

Additionally, for the applicant's class 32 goods only, consumers will also consist of those under the age of 18.

29. On average, the general public are likely to purchase the goods relatively frequently for the purposes of quenching thirst, enjoyment or socialising. The price of the goods is likely to vary, however, overall, they are generally inexpensive purchases. Accordingly, I find that the purchasing process is likely to be more casual than careful and will not require an overly considered thought process. The general public will, however, consider factors such as quality, price, origin of the goods, taste or flavour and in the case of the opponent's goods the alcoholic content, when selecting the products. Taking the above factors into account, I find that the general public will demonstrate an average level of attention in respect of these goods.

30. The goods at issue are typically sold through a range of retail outlets, such as supermarkets and off- licences, and their online equivalents. In such outlets, the goods will be displayed on shelves or in chilled cabinets, from which they will be self-selected by consumers. A similar process will apply to websites, where consumers will select the goods after viewing images and information displayed on a webpage. Accordingly, visual considerations would dominate. Goods such as these are also sold in hospitality settings such as in cafés, drinks kiosks, restaurants, bars, nightclubs and public houses. In these environments, there may be an aural component to the selection process, such as requests to bar and waiting staff. However, even where the goods are ordered in this way, the selection process would still be in the context of a visual inspection of the goods or a drinks menu, for example, prior to the order being placed. Therefore, in general, it is my view that the purchasing process would be primarily visual in nature, though I do not discount that aural considerations will play their part².

31. As previously indicated, the goods may also be purchased by the owners of businesses, for example, bars, public houses, restaurants and nightclubs. For these consumers, the goods are likely to be frequent purchases for the ongoing operation

² *Rani Refreshments FZCO v OHIM*, Case T-523/12
Devinlec v OHIM — TIME ART (QUANTUM) [2006] ECR II 11, Case T 147/03
Anton Riemerschmid Weinbrennerei und Likörfabrik GmbH & Co. KG v EUIPO, T-187/17

of the business. In addition to the factors considered by the general public during the selection process, these consumers will be acutely aware that the goods they are selecting will be consumed by their customers, as well as the negative impact of choosing the wrong goods for their business. Due to this increased responsibility and liability, it is my view that consumers from the business community will demonstrate an above average level of attention when purchasing these goods. Businesses are likely to purchase the goods from distributors and wholesalers, as well as through online channels. In these circumstances, the goods are likely to be purchased after a visual inspection of the product, or after viewing information in brochures or on the Internet. As such, the purchasing process will be largely visual in nature. However, businesses may also engage in discussions with salespersons about the products. Therefore, I do not discount aural considerations entirely.

Distinctive character of the earlier trade mark

32. The distinctive character of a trade mark can be measured only, first, by reference to the goods or services in respect of which registration is sought and, second, by reference to the way it is perceived by the relevant public. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, 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 I-0000, 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).”

33. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The degree of distinctiveness is an important factor as it directly relates to whether there is a likelihood of confusion; the more distinctive the earlier mark, the greater the likelihood of confusion.

34. In *Kurt Geiger v A-List Corporate Limited*, BL O/075/13, Mr Iain Purvis Q.C., sitting as the Appointed Person pointed out that the level of ‘distinctive character’ is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar. He said:

“38. The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that ‘the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion’. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything, it will reduce it.”

35. In its evidence the applicant states that the word ‘Peg’ is descriptive in relation to the Class 33 goods comprised in the opponent’s earlier marks and has filed supporting evidence via Exhibits A through to H. The applicant states that the

evidence taken from Wikipedia, Google, Internet searches as well as image searches, demonstrates that the word 'Peg' is directly descriptive of a measure of drink, in particular, alcoholic and/or whisky drinks, adding that whilst the word appears to have its origins in the Punjab or the Indian subcontinent, the word has nevertheless developed a meaning, not confined to those reasons, and refers to measures of alcoholic drinks and to various devices for measuring the quantity of alcoholic drinks. In view of this the applicant states that the word 'Peg' will be well known to people in the Indian and Punjabi communities in the UK. As such, the applicant states that 'Peg' carries a direct descriptive meaning in relation to the goods at issue in the opponent's mark and therefore the provisions of Section 3(1)(c) of the Act, should be taken into account.

36. In support of the applicant's claim the following exhibits were filed:

Exhibit A Wikipedia entry concerning the meaning of 'Peg'; it states that 'Peg' is a unit of volume, typically used to measure amounts of liquor in the Indian subcontinent;

Exhibit B Wikipedia entry concerning the meaning of 'Patiala Peg'; it states that the Patiala peg is a peg of whisky in which the amount is decided based on the height between the top of the index and base of the little fingers when held in parallel to one another;

Exhibit C Google search results for the term 'Peg in Punjabi'; it states that *peg marda* literally means to kill a shot. The shot will be undiluted liquor normally whiskey;

Exhibit D Google search results showing sales of 'Peg' cocktail measures via Amazon.co.uk; it contains images of a 'Chef direct stainless-steel peg measurer' displayed for sale on Amazon.co.uk;

Exhibit E Internet searches for the meaning of 'Peg'; it provides the following explanation of the origins and meaning of the word:

"Likely after and as a consequence of the British Raj. The OED's sense 12 of peg is

colloq. (orig. Anglo-Indian). Originally: a drink of brandy and soda water. Later more generally: a (usually alcoholic) drink, esp. of spirits; a measure of spirits.

The first usage they have is from John Camden Hotten's Dictionary of Modern Slang, Cant, and Vulgar Words. All the 19th Century quotations they have seem to refer the mixture of a spirit and something sparkling, mostly soda water".

Exhibit F Online search images for 'Peg measure of drink', including results for John Lewis and Amazon.co.uk;

Exhibit G and H Wikipedia information regarding British Indians and British Punjabis in the UK which equates to populations of approximately 1.4 million and 0.7 million respectively; The applicant states that the word 'Peg' will be well known to people in those communities, which it adds, makes up a very substantial proportion of the population of the UK. The applicant states that the evidence shows that the understanding and meaning associated with the word 'Peg' is much more widely spread, so much so that it features as a descriptive term in relation to a quantity or measure of alcohol on major UK websites, including those operated by John Lewis and Amazon.

37. The applicant states that the evidence demonstrates that the word 'Peg' is directly descriptive of a measure of drink, in particular alcoholic and/or whisky drinks. It adds that whilst the word appears to have its origins in the Punjab or the Indian subcontinent, the word has nevertheless developed a wider meaning, not confined to those regions, and refers to measures of alcoholic drink and to various devices for measuring the quantity of alcoholic drinks.

38. The earlier mark comprises the word "Peg". As I will go on to detail in my comparison of the marks, in my opinion the word element 'PEG', will be an immediately recognisable word for the average consumer, though I see numerous possible concepts likely to emerge. For some, they will perceive the word as a shortening of the female first name Peggy/Margaret, and others will perceive it as a dictionary word meaning *a split or hinged pin for fastening wet clothes to a line to dry, and/or a small hook or knob that is attached to a wall or door used for hanging things on*. However, taking into account the goods at issue, I acknowledge that a

proportion of the relevant public may perceive the word “PEG” as relating to an English dictionary term used in relation to a small drink of wine or spirits, especially of brandy or whisky; or similarly, in relation to a unit of volume, typically used to measure amounts of liquor in the Indian subcontinent. On this point, there are approximately 1.4 million Indian people in the UK, making them the single largest visible ethnic minority population in the country (Exhibits G and H). It is therefore likely that at least a proportion of average consumers will understand this meaning of “PEG”. That said, I accept of course that there will be a group of consumers who are entirely unfamiliar with the Indian unit of volume meaning and, for those, only the other mentioned definitions will come to mind. I also note that the Amazon prints in Exhibits D and F are undated, and the alcohol measure (“peg”) is unavailable with an indication that it is not known when it will be stocked again. The Google search results in the same exhibits, which show pictures of measures for John Lewis and Amazon, have not been expanded. The word peg appears underneath the Amazon results, but there is no indication as to when the prints were taken, i.e. they are not shown as being dated prior to the application date. The word peg does not appear underneath the John Lewis picture results. In fact, the word ‘jigger’ appears. The ‘retail’ search evidence does not assist the applicant.

39. I find that for a large proportion of average consumers the earlier mark will be neither allusive nor suggestive of the goods for which the mark is registered. However, as mentioned, it is also probable that for a small proportion of consumers the mark will be perceived as allusive/suggestive in respect of the word being used to describe a unit of volume in relation to liquor. Either way, the word is not highly distinctive in the way that it might be if it were an invented word. Consequently, for those that do not know the meaning of the word ‘Peg’ in relation to a measurement of alcohol, I consider the mark to be inherently distinctive to a medium degree. However, for those consumers that are aware of ‘Peg’ being used in relation to a measurement of alcohol I consider the mark to be inherently distinctive to a low degree.

40. Accordingly, I cannot find that there is no distinctive character in the earlier mark on the basis that in all legal proceedings relating to a registered trade mark (including proceedings for the rectification of the register) the registration of a person as a

proprietor as a trade mark shall be prima facie evidence of the validity of the original registration and of any subsequent assignment or other transmission of it³.

Comparison of the marks


41. It is clear from *Sabel BV v. Puma AG* 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 in *Bimbo SA v OHIM*, that:

“34. [...] 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.”

42. It would be wrong, therefore, to artificially 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 created by the trade marks.

43. The trade marks to be compared are as follows:

³ Section 72 of the Trade Marks Act 1994

Opponent's mark	Applicant's mark
Peg	

Overall impressions

44. The opponent's mark is in word-only format and comprises of the word "Peg". Given that it is the only element of the mark, the overall impression resides in this single element.

45. The applicant's mark is more complex. The mark consists of the words "punjabi peg" presented in lower-case, highly stylised black text, situated below a horizontal black line and a black and white silhouetted image of the head of a man wearing turban-like headwear, sunglasses and sporting a moustache and beard. In my view the word "punjabi" qualifies the word "peg" being the subject of the phrase. The device appears slightly larger than the words "punjabi peg", although the letters form the bulk of the width of the mark. The eye is drawn to the device, whilst immediately then to the letters "punjabi peg". Accordingly, I am of the view that neither "punjabi peg" nor the device are more dominant than the other in the overall impression. As such both elements contribute an equal role in the overall impression of the mark.

Visual comparison

46. Visually the marks are similar insofar that they share the same three-letter word "Peg / peg". I do not consider the distinction in letter case between the earlier mark and the contested mark to be a point of significant difference between them. This is

because the registration of word-only marks provides protection for the word itself, irrespective of whether it is presented in upper or lower case.⁴

47. The competing marks are visually different in that the applicant's mark contains an additional word "punjabi" which is not present in the earlier mark. This difference appears at the beginning of the contested mark, being where consumers tend to focus, and renders the marks different in length.⁵ Furthermore, the device component in the applicant's trade mark is not replicated in the opponent's mark. Accordingly, weighing up the similarities with the differences, keeping in mind that both trade marks contain the word "Peg / peg", I find the competing marks to be visually similar to a slightly lower than medium degree.

Aural comparison

48. The opponent's mark comprises of one syllable, i.e. "Peg", whereas the contested mark consists of four syllables, i.e. "pun-ja-bi-peg". The competing marks aurally coincide in the common syllable "Peg / peg". The device component in the applicant's mark would not be articulated. Overall, I find that the competing marks are aurally similar to a medium degree.

Conceptual comparison

49. For a conceptual message to be relevant it must be capable of immediate grasp by the average consumer. This is highlighted in numerous judgments of the GC and the CJEU including *Ruiz Picasso v OHIM* [2006] e.c.r.-I-643; [2006] E.T.M.R 29. The assessment must, therefore, be made from the point of view of the average consumer.

50. In my view, 'PEG', will be an immediately recognisable word for the average consumer, though as previously stated I see numerous possible concepts likely to emerge. For some they will perceive the word as a shortening of the female first

⁴ *Bentley Motors Limited v Bentley 1962 Limited*, BL O/158/17, Professor Ruth Annand, sitting as the Appointed Person

⁵ *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02

name Peggy/Margaret and others will perceive it as a dictionary word meaning *a split or hinged pin for fastening wet clothes to a line to dry, and/or a small hook or knob that is attached to a wall or door used for hanging things on*. However, taking into account the goods at issue, I acknowledge that a proportion of the relevant public may perceive the word “PEG” as relating to an English dictionary term used in relation to a small drink of wine or spirits, esp. of brandy or whisky; or similarly, in relation to a unit of volume, typically used to measure amounts of liquor in the Indian subcontinent. On this point, as there are approximately 1.4 million Indian people in the UK, making them the single largest visible ethnic minority population in the country, it is therefore likely that at least a proportion of average consumers will understand this meaning of “PEG”. That said, I accept of course that there will be a group of consumers who are entirely unfamiliar with the Indian unit of volume meaning and, for those, only the other mentioned definitions will come to mind.

51. With regard to the applicant’s mark it is probable that consumers will readily identify that it comprises of the dictionary word PUNJABI, which is likely to be viewed as an indication of the geographical origin of the goods at issue, namely that they originate from Punjab, being a geographical region in Pakistan; along with the dictionary word PEG, as previously discussed. To my knowledge the combined term ‘Punjabi peg’ is not a known expression and therefore, as a whole, does not have a clear definition. Furthermore, an additional concept is introduced in the applicant’s mark by way of its device element, namely the silhouette of a man’s head, wearing turban-like headwear. It is possible that for some this image may conjure the concept of a man called ‘Peg’ who is of a Punjabi origin, however, in my view, for the majority of the public at large, the significance of the words together with the image, conjures no immediately graspable cohesive concept.

52. With regard to the word ‘PEG’ there are clearly conceptual overlaps between the marks. However, they differ conceptually insofar as the applicant’s mark also conveys the meaning associated with the word “PUNJABI”. Additionally, the prominent device in the applicant’s mark immediately conveys the concept of a turban wearing man and this image creates a conceptual difference.

Accordingly, in my view, for the part of the public who are aware of the Indian meaning of the word 'PEG' as being a unit of volume typically used to measure amounts of liquor in the Indian subcontinent, on seeing the turban wearing man and the word 'punjabi' present in the applicant's mark, this meaning of 'PEG' will be reinforced. Therefore, for this group the competing signs are conceptually similar to a medium degree. However, for the part of the public who are not aware of the meaning of the word 'PEG' as being a unit of volume used to measure amounts of liquor in the Indian subcontinent, they will not make this mental connection on seeing the marks at issue, and therefore for this group, the marks will be conceptually similar to a low to medium degree.

Likelihood of confusion

53. 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. One such factor 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 services, and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the earlier trade mark, the average consumer for the goods and the nature of the purchasing process. In doing so, I must be mindful to 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 that they have retained in their mind.

54. 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.

55. I have concluded that the respective goods are identical or similar to a low to medium degree. I have found that the relevant consumers of the goods would include adult members of the general public and members of the business community.

Additionally, for the applicant's goods only, consumers will also consist of those under the age of 18. I am of the view that the general public would pay an average degree of attention when selecting the goods, while businesses would pay an above average degree of attention. I have found that the purchasing process will largely be visual, however, I have not discounted aural considerations. I have found that the earlier mark and the contested mark are visually similar to a slightly lower than medium degree, aurally similar to a medium degree, and for the group of people who recognise the word 'PEG' as a unit of volume typically used to measure amounts of liquor in the Indian subcontinent, the marks are conceptually similar. For this group, I am of the opinion that the earlier mark has a low level of inherent distinctiveness. However, for the group of people who are not aware of the meaning of 'PEG' in relation to a liquor measurement, the competing marks are conceptually similar to a low to medium degree. For this group, I have found that the earlier mark has a medium level of inherent distinctive character.

56. Notwithstanding the principle of imperfect recollection and recognising that the word "PEG" is identically present in the competing marks, nevertheless, the contested mark also contains the word "punjabi" together with the picture of a man's head. These elements have no counterpart in the earlier mark. I have found these elements to be equally dominant in the mark and as such they would not be overlooked or disregarded by consumers upon a visual inspection of the mark, which is of heightened importance given that I have found the purchasing process to be predominantly visual in nature. Indeed, visually, the additional word and device in the contested mark renders it longer in length than the earlier mark. The impact of this is that when perceiving the respective marks on a menu or drinks board, for example, it is unlikely that consumers will mistake them for each other.

57. Moreover, as it has been established that the attention of the consumer is usually directed towards the beginning of trademarks, the visual differences between the competing marks are more noticeable given their very different beginnings. Even in circumstances where the goods are purchased aurally – in, for instance, a busy bar or restaurant – it is unlikely that consumers would mistake the marks for one another when hearing them uttered aloud or making orders verbally. Although I have found that the marks are conceptually similar to a medium degree for those that understand

'Peg' as being a unit of volume typically used to measure amounts of liquor in the Indian subcontinent, the marks are conceptually similar to a low to medium degree for those who are not aware of this meaning, either way, this is, in my view, counteracted by the aforementioned visual and aural differences. Accordingly, taking all the above factors into account, despite the earlier mark having a low to medium level of inherent distinctive character, the differences between the competing trade marks are likely to be sufficient to avoid consumers, paying at least an average degree of attention, from mistaking the contested mark for the earlier mark (or vice versa), even on goods which are identical. Therefore, even when factoring in the principles of imperfect recollection and interdependency, I do not consider there to be a likelihood of direct confusion.

58. Having found no likelihood of direct confusion, I now go on to consider indirect confusion.

59. 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 not exhaustive but provide helpful focus.

61. I acknowledge that a finding of indirect confusion should not be made merely because the two marks share a common element. However, it is not sufficient that a mark merely calls to mind another mark: this is mere association not indirect confusion.

62. As previously explained, consumers will recognise that there is a difference between the competing marks in the word “punjabi” and the device element depicting a man’s head. However, they will also recognise the common element “Peg / peg”, which in my view is a distinctive element of both trade marks. Whether consciously or unconsciously, this will lead consumers through the mental process described above, namely, that there is a difference between the marks, but there is also something in common. Taking account of the common element in the context of the contested mark, I am satisfied that the differences between the marks will be seen by consumers as indicative of alternative marks from the same or economically linked undertakings. For instance, I consider it entirely plausible that the contested mark may be perceived by consumers as an extended rebranding of the “Peg” mark. Accordingly, the differences between the marks are conducive to a brand extension; it is my view that for the group of consumers that are not aware of the meaning of ‘PEG’ in relation to a measure of

alcohol, they may consider the addition of the word “punjabi” in the contested mark to be an inventive way of marketing the “Peg” brand, by conjuring connotations of particular characteristics of “Peg”. Therefore, for this group there would be indirect confusion, even if the group who knows of the meaning is not confused.

63. Given that the parties’ goods are identical and/or similar to a low to medium degree, the potential for the marks to be seen as alternative marks from the same or economically linked undertakings is greatly magnified. Accordingly, I am satisfied that consumers would assume a commercial association between the parties, or sponsorship by one of the parties, due to the shared dominant element “Peg / peg”. Consequently, I consider there to be a likelihood of indirect confusion, even where consumers pay an above average degree of attention during the purchasing process.

Conclusion

64. The opposition under Section 5(2)(b) of the Act has succeeded in its entirety. Subject to any successful appeal, the application will be refused in respect of the following goods:

Class 32: Non-alcoholic beverages

Class 33: Alcoholic beverages (except beer); wines; spirits; whisky; vodka.

Costs

65. The opponent has been successful and is entitled to an award of costs. Awards of costs are governed by Tribunal Practice Notice (“TPN”) 2/2016. I award costs to the opponent as follows:

Official fee	£100
Preparing the Notice of Opposition and Considering the counter statement	£350

Preparing written submissions £400

TOTAL £850

66. I therefore order JL Drinks Ltd to pay SB Consortium Limited the sum of £850. The above sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 21st day of January 2022

**Sam Congreve
For the Registrar**