

O/0567/23

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

IN THE MATTER OF APPLICATIONS NOS. 3531184, 3531186 AND 3531189

BY ELIZABETH LYN VARGAS, INC.

FOR THE TRADE MARKS:

VARGAS SPIRITS

VARGAS VODKA



AND

CONSOLIDATED OPPOSITIONS THERETO

UNDER NOS. 423171, 423172 AND 423173

BY GRUPO VINICOLA

MARQUES DE VARGAS, S.L.

## Background and pleadings

1. These proceedings concern three consolidated oppositions brought by GRUPO VINICOLA MARQUES DE VARGAS, S.L. (“the opponent”) against three trade mark applications filed by Elizabeth Lyn Vargas, Inc. (“the applicant”).

## The applications

2. On 8 September 2020, the applicant applied to register trade marks nos. 3531184, 3531186 and 3531189 in the UK, which are as follows:

3531184 (“the 184 mark”)

VARGAS SPIRITS

3531186 (“the 186 mark”)

VARGAS VODKA

3531189 (“the 189 mark”)



3. The applications were all published on 11 December 2020, and seek registration for the same goods, namely *Alcoholic beverages (except beer); Spirits and liqueurs* in class 33.

4. The applications are opposed on the basis of Section 5(2)(b) of the Trade Marks Act 1994 (“the Act”)<sup>1</sup> with the opponent relying on the European Union Trade Mark (“EUTM”) no. 016429243<sup>2</sup> shown below:



5. The opponent’s EUTM has a filing date of 03 March 2017 and a registration date of 15 June 2017. The opponent relies on all of the goods for which the EUTM is registered namely *wine; alcoholic beverages (except beer)* in Class 33.

6. The EUTM upon which the opponent relies qualifies as an earlier trade mark pursuant to Section 6 of the Act. As the EUTM had not completed its registration process more than five years before the application date of the applicant’s mark, it is not subject to use pursuant to Section 6A of the Act.

7. The opponent claims that the marks are similar and that the goods are identical, meaning that there is a likelihood of confusion. In particular, the opponent states that the dominant and distinctive aspect of the competing marks is the element 'VARGAS' and that the remaining elements contained in the respective marks are less distinctive and/or descriptive and will therefore have less of an impact upon the perception of the relevant consumer.

8. The applicant filed a counterstatement denying the claims made.

9. Neither party filed evidence.

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<sup>1</sup> The opponent initially pleaded grounds under Section 5(4)(a), however, the claims under these grounds were withdrawn for all oppositions by letter on 5 December 2022.

<sup>2</sup> The opponent initially relied on the corresponding comparable mark, however, it filed amended Form TM7s dated 15.03.2021 which were served on the applicant on 19.03.2021.

10. A hearing took place before me on 6 June 2023, by video conference. The applicant was represented by Mr Matt Sammon of Sonder & Clay, who have represented the applicant in these proceedings since 7 February 2023.<sup>3</sup> Neither the opponent nor its representative elected to attend the hearing and neither did they file any written submissions in lieu of attendance. The opponent has been represented in these proceedings by Reddie & Grose LLP.

## **EU Law**

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 of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case law of EU courts.

## **DECISION**

### **Section 5(2)(b)**

12. 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”.

13. Section 5A of the Act is as follows:

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<sup>3</sup> The applicant was initially represented by Keltie LLP

“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.”

14. The following principles are gleaned from the decisions of the EU 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**

15. The General Court (GC) confirmed in *Gérard Meric v OHIM*, Case T-133/05, paragraph 29, that, even if goods are not worded identically, they can still be considered identical if one term falls within the scope of another, or vice versa:

“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 für 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”.

16. The goods to be compared are as follows:

The applicant's goods	The opponent's goods
<b>Class 33:</b> <i>alcoholic beverages (except beer); spirits and liqueurs</i>	<b>Class 33:</b> <i>wine; alcoholic beverages (except beer)</i>

17. The term *alcoholic beverages (except beer)* is identically contained in both specifications. The applicant's *spirits and liqueurs* are encompassed by the opponent's *alcoholic beverages (except beer)* and so are identical on the principle outlined in *Meric*. Further, at the hearing Mr Sammon accepted that the goods are identical.

### Average consumer

18. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods. I must then determine the manner in which the goods are likely to be selected by the average consumer. 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. (as he then was) 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.”

19. In his skeleton argument Mr Sammon stated:

“The average consumer for alcoholic beverages is an adult member of the public paying a reasonable degree of attention. Brand loyalty tends to be high when it comes to alcoholic beverages and the drink type selection typically

precedes brand selection. Visual considerations dominate the purchasing process, although there can be a significant phonetic element. Products are typically selected from shelves or menus but are also ordered via bar or waiting staff.”

20. The average consumer of the parties’ alcoholic goods in class 33 is a member of the general public over the age of 18. The cost of the goods is likely to vary, but even for those at the lowest end of the cost scale, the average consumer may wish to ensure that they are selecting a preferred type, strength, or flavour, before committing to the purchase. As regards Mr Sammon’s argument that when purchasing the respective goods in Class 33 the average consumer is influenced by brand loyalty, the applicant has not provided any evidence to support the argument that as a general rule, drinkers of alcoholic beverages are loyal to a brand with the result that their level of attention is high. Hence, I reject the argument. I find that a medium degree of attention will likely be paid during the purchase of the goods.

21. The goods will be selected from the shelves of supermarket/off-licence where the visual aspect will dominate the selection process. However, even when the goods are requested orally in bars and restaurants, the average consumer is likely to encounter the marks visually when placing their order, for example, from a drinks menu or on bottles and cans on shelves or in fridges behind the bar or on spirit optics. Consequently, whilst I do not discount aural considerations, the purchasing process will be mainly a visual one.

### **Comparison of marks**

22. 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.”

23. It would be wrong, therefore, to artificially dissect the trade marks, 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. The respective marks are shown below:

The applicant's marks	The opponent's mark
<p data-bbox="357 1010 632 1043"><b>VARGAS SPIRITS</b></p> <p data-bbox="379 1066 609 1099">("the 184 mark")</p> <p data-bbox="360 1158 628 1191"><b>VARGAS VODKA</b></p> <p data-bbox="379 1214 609 1247">("the 186 mark")</p>  <p data-bbox="379 1626 609 1659">("the 189 mark")</p>	 <p data-bbox="954 1319 1267 1420"><b>MARQUÉS DE VARGAS</b></p>

### Overall impression

#### The applicant's mark

24. The applicant's 184 and 186 marks are both word marks. The 184 mark consists of the words 'VARGAS SPIRITS'. Taking into account the goods which the applicant has applied for, the word 'SPIRITS' is descriptive in relation to *alcoholic beverages (except beer); spirits and liqueurs*. The same applies to the word 'VODKA' in the 186 mark which describes a kind of 'alcoholic beverage' as well as describing a kind of 'spirit' and 'liqueur'. Consequently, the words 'SPIRITS' and 'VODKA' carry no trade mark message and it is the word 'VARGAS' which plays the distinctive and dominant role in the overall impression of these marks.

25. The 189 mark contains the words 'Spirit of Adventure' placed above a figurative element made up of a compass and the silhouette of two griffins, one either side of the compass. Below the figurative element there is the word 'VARGAS' presented in large bold stylised letters, in an unusual combination of upper and lowercase letters. At the hearing Mr Sammon said that the words 'Spirit of Adventure' are important. The words 'Spirit of Adventure' are likely to be seen as a play on the word 'spirit' in the context of the goods for which the mark would be used, as a result of the word referring to the goods, i.e. spirits, but also being used within the phrase to denote an attitude or mood, namely a willingness to embrace adventure. However, this element is likely to be seen as a promotional slogan that is not immediately perceived as an indication of the commercial origin of the goods in question. Further the word 'VARGAS' is the dominant verbal element of the mark because it is considerably bigger than the element 'Spirit of Adventure' and, in addition, it is not an English word and, as such, is likely to be perceived as invented (or foreign) with a strong distinctive character. Lastly, the compass and the silhouette of two griffins are relatively elaborate figurative elements that evoke the concept conveyed by the words 'Spirit of adventure', a compass being a navigational tool used for outdoor adventures. In my view, the word 'VARGAS' plays the greater role in the overall impression due to the size and distinctiveness of this word, with the figurative element playing a slightly lesser role. The phrase 'Spirit of Adventure' is laudatory and very small in size and plays a secondary role in relation to the word element 'VARGAS' and the figurative element.

#### The opponent's mark

26. The opponent's mark consists of a large device element consisting of a crown and shield placed above the words 'MARQUÉS DE VARGAS'. The words 'MARQUÉS DE VARGAS' are presented on two levels, with 'MARQUÉS' positioned above 'DE VARGAS' and neither dominating. In my view, the figurative element, which will be perceived as a coat of arms, is not as distinctive as the verbal element and plays a secondary role in the overall impression created by the mark. This is because the coat of arms device is likely to be perceived as a decorative element.<sup>4</sup> Further, such a conclusion is in line with the principle that when signs consist of both verbal and figurative components, in principle, the verbal component of the sign usually has a stronger impact on the consumer than the figurative component. The stylisation of the verbal element will not distract attention from the verbal element as such.

### **Visual similarity**

27. Visually, the applicant's 184 and 186 marks and the opponent's mark have in common the word 'VARGAS' which is the dominant and the distinctive element of the applicant's marks, and part of the distinctive phrase 'MARQUÉS DE VARGAS' in the opponent's mark. The marks at issue differ due to the presence of the coat of arms device in the opponent's mark and the other verbal descriptive elements in the applicant's marks (i.e. the words 'SPIRITS' and 'VODKA'); however, these elements are of secondary importance due to their meaning. Whilst the opponent's mark also contains the distinctive verbal element 'MARQUÉS DE', the difference resulting from the presence of this different verbal element is not such as to eclipse the visual similarity resulting from the fact that the marks at issue share the distinctive word 'VARGAS', which will easily be retained by the consumers in their memory as a result of its distinctiveness, size and position within the marks at issue. The marks are in my view similar to a medium degree.

28. While the 189 mark contains additional verbal and figurative elements, this does not detract from the fact that the most distinctive and dominant component of this mark, namely the word 'VARGAS' which is presented in a very large size and in a central

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<sup>4</sup> See, to that effect, Case T-460/11 *Scandic Distilleries v OHIM - Bürgerbräu, Röhm & Söhne (BÜRGER)*, not published in the ECR, paragraph 37

position, is a central distinctive part of the opponent's mark. Taking into account the size and relative position of the other components within the respective marks, I find that the marks are visually similar to a low degree.

### **Aura similarity**

29. In his skeleton argument Mr Sammon stated:

“The first two marks of the Applicant will be pronounced as two syllables “VAR – GAS”. The third mark of the Opponent will also include the term ‘Spirit of Adventure.’ The mark of the Opponent will be readily recognisable as Spanish and will be pronounced as such ‘MAR – KES DU VAR- GAS.” Whilst it is accepted that there is some commonality as a result of all marks containing the term ‘VARGAS’ the position and additional elements in the mark of the Opponent lead to significant phonetic differences.”

30. I agree with Mr Sammon that the applicant's 184 and 186 marks will likely be articulated as ‘VARGAS’, with the descriptive words ‘SPIRITS’ and ‘VODKA’ being omitted.

31. However, I am not convinced that the UK average consumer will necessarily recognise the verbal element ‘MARQUÉS DE VARGAS’ in the opponent's mark as a Spanish phrase because 1) there is no evidence that the UK average consumer has a basic knowledge of Spanish and 2) the goods at issue are alcoholic beverages that target members of the UK general public (rather than Spanish-speakers living in the UK). In my view, it is more likely than not that, when seeing the phrase ‘MARQUÉS DE VARGAS’, the UK average consumer will grasp its overall aspect of a foreign phrase without being sure whether it is French or Spanish. Whilst some consumers might therefore use the correct Spanish pronunciation, namely ‘MAR – KES DU VAR - GAS’, others might articulate the opponent's mark using a more English pronunciation, such as ‘MAR – KWESS DE VAR – GAS’. The coat of arms device of the opponent's mark will not be articulated.

32. The applicant's 184 and 186 marks and the opponent's mark therefore coincide in the word 'VARGAS' which will be pronounced identically in both marks. However, they differ in the sound of the words 'MARQUÉS DE', which is placed at the beginning of the mark. In my view the marks are aurally similar to at least to a medium degree.

33. Turning to the 189 mark, it is unlikely that the element 'Spirit of Adventure' will be spoken because it will be perceived as a slogan and is presented in a small size. If I am right about this, the respective marks are aurally similar to a medium degree. If the element 'Spirit of Adventure' is articulated before the element 'VARGAS', the level of aural similarity will be reduced to a low degree.

### **Conceptual similarity**

34. In his skeleton argument Mr Sammon stated:

"There are significant conceptual differences between the respective marks. The mark of the Opponent and the term 'MARQUES' in particular, refers to a nobleman of high hereditary rank. The term 'MARQUES' serves to qualify the meaning of the term 'Vargas' which takes on a place name in the same way we might refer to the 'Earl of Derby.'

The conceptual meaning of the term 'VARGAS' in the marks of the Applicant will clearly be perceived by the consumer as a surname. Creating a significant conceptual difference. The additional figurative and descriptive element bear no conceptual similarity to one another"

35. Given the analogy with 'Earl of Derby', what I think Mr Sammon was saying is that in the opponent's mark the word 'VARGAS' is used to indicate a geographical location, reflecting the fact that aristocratic titles incorporate geographical names from the geographical locations they are assigned, whilst in the applicant's mark 'VARGAS' indicates the surname of the applicant.

36. I agree that those consumers who speak Spanish will perceive the phrase 'MARQUÉS DE VARGAS' in the opponent's mark in the way suggested by Mr

Sammon, translating it as “MARQUESS OF VARGAS”, where the English definition of marquess being that of a nobleman who ranks below a duke and above an earl. Further, although I have dismissed the argument that the average consumer will readily recognise the verbal element ‘MARQUÉS DE VARGAS’, in the opponent’s mark, as a Spanish phrase, given the strong similarity between the element ‘MARQUÉS DE VARGAS’ and the English equivalent, namely ‘MARQUESS OF VARGAS’, a significant proportion of the relevant public will be able to understand the meaning of ‘MARQUÉS DE VARGAS’ and give it the meaning of ‘MARQUESS OF VARGAS’, even if they do not speak Spanish. In those circumstances, the word ‘Vargas’ is likely to be perceived as a geographical location based on the average consumer’s experience of UK aristocratic titles incorporating geographical names. Finally, I consider that another significant proportion of the relevant public who neither has basic knowledge of Spanish, nor is familiar with noble titles, will take the verbal element ‘MARQUÉS DE VARGAS’ simply as a foreign phrase that they are unable to translate, and which conveys no meaning.

37. As regards the applicant’s mark, Mr Sammon said that it is the applicant’s surname. Whilst ‘VARGAS’ might be a common surname in Spain, it is not a common surname in the UK, and I must carry the assessment from the perspective of the average consumer in the UK. There is nothing in the applicant’s mark which would indicate to the consumers that ‘VARGAS’ is the applicant’s surname, for example, it is not preceded by a first name and there is no evidence of any famous person whose surname is VARGAS being well known in the UK. Consequently, whilst it is possible that some consumers (who do not represent any significant proportion of the relevant public) might be aware that ‘VARGAS’ is a Spanish surname, for most average consumers the word ‘VARGAS’ in the applicant’s 184 and 186 marks will be understood as an invented word or a word of foreign origin. The same goes for the 189 mark.

38. Accordingly, the conceptual position is as follows:

- when considering the conceptual position from the perspective of the average consumer who will take the verbal element ‘MARQUÉS DE VARGAS’ in the opponent’s mark as a foreign phrase with no meaning, there is conceptual

neutrality with the applicant's marks insofar as the common element 'VARGAS' is concerned. The other elements of the marks that will convey a meaning, namely, the descriptive words 'VODKA' and 'SPIRITS' in the applicant 184 and 186 marks, the phrase 'Spirit of Adventure' and the compass/griffins device in the applicant's 189 mark, and the coat of arms in the opponent's mark, will create some conceptual differences, but not very distinctive ones. However, the words 'MARQUÉS DE' not being understood can only convey the concept of a foreign word with no meaning;

- when considering the conceptual position from the perspective of the average consumer who will grasp the meaning of 'MARQUÉS DE VARGAS' (based either on intuition or knowledge of Spanish language), there is both a degree of conceptual difference – in that the applicant's mark lacks the concept of a nobleman – but also a degree of conceptual similarity insofar as the average consumer having first encountered the opponent's mark and translated it as 'MARQUESS OF VAGAS', he/she will have understood 'Vargas' as the name of a location and in seeing the same name used in the applicant's marks it will attribute the same geographical significance.

### **Distinctive character of earlier mark**

39. 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 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).”

40. Registered trade marks possess various degrees of inherent distinctive character, ranging from the very low, perhaps 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 distinctiveness of a mark can be enhanced by virtue of the use made of it.

41. The opponent did not explicitly claim that its mark is particularly distinctive by virtue of intensive use or reputation and filed no evidence. Consequently, the assessment of the distinctiveness of the earlier mark will rest on its inherent distinctiveness.

42. In the present case, the verbal element of the opponent’s mark ‘MARQUÉS DE VARGAS’ has no meaning for any of the goods in question. Further, regardless of whether or not the average consumer will understand the meaning of the mark in English, it will be perceived as a foreign mark and the word ‘VARGAS’ will be perceived either as an invented word or as the name of an unknown geographical location (there being no evidence that ‘VARGAS’ is an actual location or that, if it does exist, it is known in the UK or is famous for the production of alcoholic beverages). In my view the mark is inherently distinctive to a high degree.

### **Likelihood of confusion**

43. 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, and which factors operate independently – for instance a lesser degree of similarity between the respective 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 mark, the average consumer for the goods and services and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between marks and must instead rely upon the imperfect picture of them that they have retained in their mind.

44. Confusion can be direct or indirect. The difference between these two types of confusion was explained in *L.A. Sugar Trade Mark*, BL O/375/10, where 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).”

45. The goods at issue are identical. They are directed at the public at large whose degree of attention is considered to be medium and will be selected visually, although aural considerations might play a part. The earlier mark enjoys a high degree of inherent distinctiveness. The 184 and the 186 marks and the opponent’s mark are visually similar to a medium degree, and aurally similar to at least a medium degree. The 189 mark and the opponent’s mark are visually similar to a low degree, and aurally similar to a low degree, or to a at least a medium degree (depending on whether the words ‘Spirit of Adventure’ are articulated or omitted). Conceptually, I have split the average consumer into two groups, namely:

- i. a group of consumers who do not know the meaning of the element ‘MARQUÉS DE VARGAS’ in the opponent’s mark and will perceive it as a foreign phrase with no meaning. For those consumers there is conceptual neutrality with the applicant’s marks insofar as the common element ‘VARGAS’ is concerned. Further, there are some conceptual differences introduced by the other elements of the marks that will convey a meaning namely, the descriptive words ‘VODKA’ and ‘SPIRITS’ in the applicant 184 and 186 marks, the phrase ‘Spirit of Adventure’ and the compass/griffins device in the applicant’s 189 mark, and the coat of arms device in the opponent’s mark, however, these elements are less distinctive than the word VARGAS;
- ii. a group of consumers who will grasp the meaning of ‘MARQUÉS DE VARGAS’. For those consumers there is a degree of conceptual

similarity (medium) insofar as the average consumer having first encountered the opponent's mark and translated it as 'MARQUESS OF VARGAS', he/she will have understood 'Vargas' as the name of a location and in seeing the same name used in the applicant's marks, it will attribute the same geographical significance. However, in this case the words 'MARQUÉS DE' will convey the concept of a nobleman which has no counterpart in the applicant's mark.

46. In his skeleton argument, Mr Sammon stated:

"The visual and phonetic differences are such that the consumer will readily differentiate between the respective marks and confusion will not occur, nor is it likely. The fact that the respective marks share a common word is insufficient, when the marks are considered as a whole, to cause confusion. It should be borne in mind that an association, or 'calling to mind' is insufficient for a finding of confusion".

47. At the hearing Mr Sammon added that the opponent's mark will be perceived as a unitary phrase and that the words 'MARQUÉS DE' in the opponent's mark play an important role with the coat of arms device conveying a message of history and prestige. He further stated that the element 'VARGAS' in the opponent's mark does not have an independent distinctive role as it does in the applicant's mark whereby it is strikingly distinctive and will be perceived as denoting origin. Finally, even if the average consumer will make an association between the marks, Mr Sammon contended that it is not the same as confusing the origin of the goods.

48. Regardless of whether the average consumer will understand the word 'VARGAS' in the opponent's mark as a foreign word with no meaning or as the name of a geographical location incorporated within a Spanish phrase which translates as 'MARQUESS OF VARGAS', it is unusual in the UK. Therefore, in the present case, the coinciding verbal element 'VARGAS' is highly distinctive and likely to draw the average consumer's attention. The descriptive words 'VODKA' and 'SPIRITS' in the applicant's 184 and 186 marks have no trade mark significance. The phrase 'Spirit of

Adventure' in the applicant's 189 mark will be perceived as a slogan or a laudatory formula that is not very striking and is of secondary conceptual importance compared to the dominant verbal component of the mark, 'VARGAS'. The devices in the applicant's 189 mark and in the opponent's mark are visually different, however, it remains the case that the public will generally consider the verbal components of trade marks to have a stronger impact than the figurative components. That is the case in relation to the marks at issue, because the coat of arms device in the opponent's mark will be perceived as a decorative feature denoting heritage and prestige (regardless of whether the meaning of the phrase 'MARQUÉS DE' is understood), not as the most important element indicating the origin of the products. Likewise, from my experience, many coats of arms incorporate images of griffins, and the figurative element of the applicant's 189 mark is very sophisticated and intended to convey similar concepts of sophistication and heritage, which means that, these differences in the figurative aspects of the marks do not create different overall impressions.

49. As I have stated, since the common component of the marks at issue, namely the word 'VARGAS' has a high distinctive character, it will result in my view in the average consumer confusing the commercial origin of the goods, in the sense that encountering that highly distinctive word on identical goods, the average consumer will assume that the applicant's marks are sub-brands, or variations of the earlier mark, used by the same (or an economically connected) undertaking. Consequently, even if the average consumer is capable of detecting certain differences between the marks, the risk of confusion is very real. In this connection, Mr Sammon's argument that the verbal element 'MARQUÉS DE VARGAS' in the opponent's mark will be perceived as a unitary phrase cannot apply to the first group of consumers (which I have identified above) for which the phrase has no meaning. As regards the second group of consumers, who will be able to translate the words 'MARQUÉS DE VARGAS' in English, I note the following passage from the decision of Mr Thomas Mitcheson KC, sitting as the Appointed Person, in Newport Creek, BL-O- O/223/16:

"It is clear that the Hearing Officer placed significant weight on the very low level of distinctiveness as preventing a likelihood of confusion. Once my own views as to the moderate distinctiveness of the NEWPORT mark and the medium degree of conceptual similarity between the marks is substituted, the mitigation

of risk referred to by the Hearing Officer is removed. Applying the principles set out by the Hearing Officer in paragraph 7 of the Decision, I consider that the identity/high similarity between the goods, coupled with the medium degrees of visual and oral similarity, conceptual similarity and distinctiveness mean that there is a likelihood of confusion when the marks are used in a notional sense side by side.

As the Opponent submitted, its NEWPORT “bed linen” could sit on the same shelf as the Applicant’s NEWPORT CREEK “bed linen” in stores. Or the average consumer could see bed linen with NEWPORT CREEK and then NEWPORT on other textiles in the same store. In my view this would lead to a likelihood of confusion amongst consumers applying only an average degree of attention.

I also consider that there is a real risk of “indirect” confusion (see paragraph 25 of the Decision). Taking account of the common element NEWPORT in the marks, there is a real risk that consumers will consider that the Applicant’s mark is another brand or sub-brand of the Opponent. For these reasons the Opponent’s appeal succeeds and I consider that the mark applied for should be refused”.

50. In that decision, the medium degree of conceptual similarity created by the presence of the geographical location NEWPORT in both marks was considered to be sufficient to create a likelihood of confusion, offsetting the conceptual difference created by the word CREEK, even taking into account the possibility that the consumer would perceive the mark NEWPORT CREEK as referring to a creek to be situated in Newport.

51. Likewise, in this case, even for those consumers who will translate the opponent’s mark as ‘MARQUESS OF VARGAS’, the conceptual differences between the verbal elements of the marks, namely one indicating the title of a nobleman from a location called ‘VARGAS’ and the other indicating a location called ‘VARGAS’, create in my view a subtle distinction which is not sufficient to offset the similarity created by the presence of the highly distinctive element ‘VARGAS’ in both marks for identical goods.

52. There is a likelihood of indirect confusion in relation to the applications nos. 3531184, 3531186 and 3531189.

## **OUTCOME**

53. The oppositions are successful, and the applied-for marks are refused registration.

## **COSTS**

54. As the opponent has been successful, it is entitled to a contribution towards its costs. Based upon the scale in Tribunal Practice Notice 2/2016, I award the opponent the sum of £1,050 as a contribution towards the cost of the proceedings. This sum is calculated as follows:

Preparing a statement and considering the applicant's statement:	£250 (x3)
Official fees:	£300
Total	£1,050

55. I therefore order Elizabeth Lyn Vargas, Inc. to pay GRUPO VINICOLA MARQUES DE VARGAS, S.L. the sum of £1,050. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of the proceedings if any appeal against this decision is unsuccessful.

**Dated this 19<sup>th</sup> day of June 2023**

**Teresa Perks**  
**For the Registrar**

